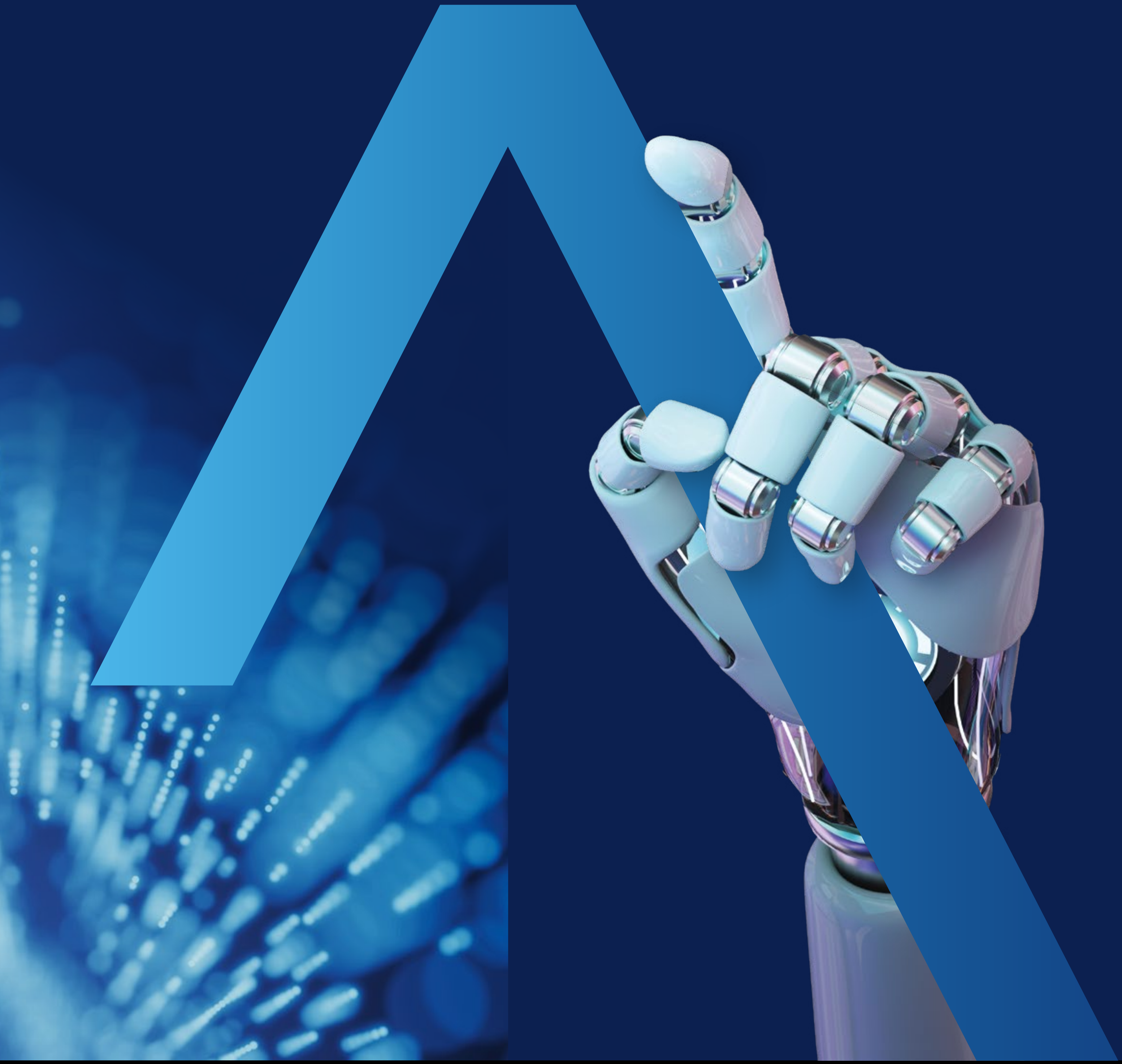
Digital Transformation



Annual Report
2024

ALLGEIER

Allgeier SE supports digital transformation with comprehensive software and IT services

Allgeier SE is a technology company specializing in digital transformation. The companies belonging to Allgeier Group support their customers in Germany and abroad with comprehensive software and IT services to meet thechallenges of digital change as well as the digitalization and transformation of business-critical processes. With over 2,500 customers, the broad and stable customer base consists of global corporations, high-performing SMEs and public sector customers at all federal levels. The service portfolio ranges from own software products and platforms to high-end software development, consulting and the design of digitalization solutions to long-term support for software applications in the cloud or other environments.

The Allgeier Group employs over 3,100 people at a total of 48 locations worldwide, in the DACH region, France, Spain, Portugal, Poland, the Czech Republic and the Netherlands, as well as in India, Vietnam, the USA and Canada. Allgeier generated revenue of EUR 403 million from its continuing operations in the financial year 2024. According to the Lünendonk® List 2024, Allgeier is one of the leading IT service companies in Germany. Allgeier SE is listed in the General Standard on the Regulated Market of Frankfurt Stock Exchange (WKN A2GS63, ISIN DE000A2GS633). Further information can be found at www.allgeier.com

Contents

Company and Key Indicators at a Glance

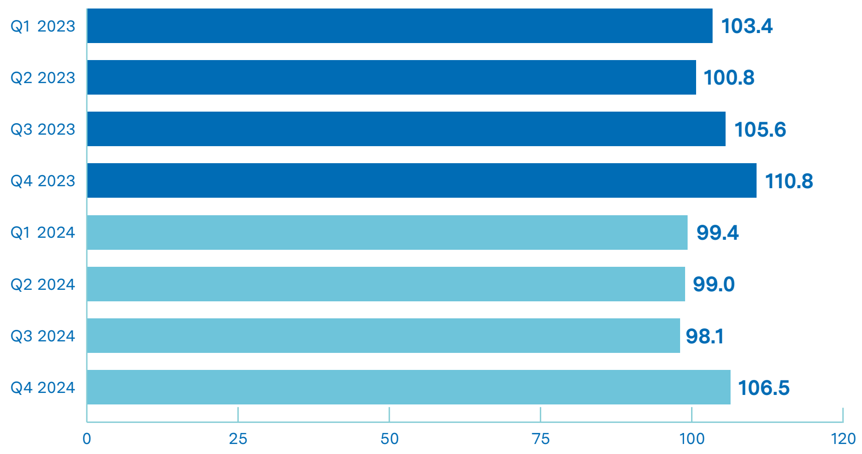
Further information and the company's latest news can be found at www.allgeier.com.

Group key figures[1]	2020[2]	2021[2]	2022[2]	2023	2024
Revenue	351.7	403.3	479.4	420.6	403.0
EBITDA	23.4	38.3	62.3	55.8	56.8
Adjusted EBITDA[3]	30.3	45.1	61.4	57.8	53.8
EBIT	7.1	19.8	35.0	30.1	28.8
EBT	8.2	20.2	30.4	21.7	16.0
Profit or loss for the period	1.1	12.5	22.2	15.9	13.9
Adjusted earnings per share in EUR (basic)	0.94	1.80	2.12	1.42	0.89
Total assets on Dec. 31	243.9	485.0	513.3	524.8	470.7
Equity as of December 31	105.5	162.9	180.8	189.2	194.2
Number of employees as of December 31	2,366	2,937	3,320	3,226	3,140

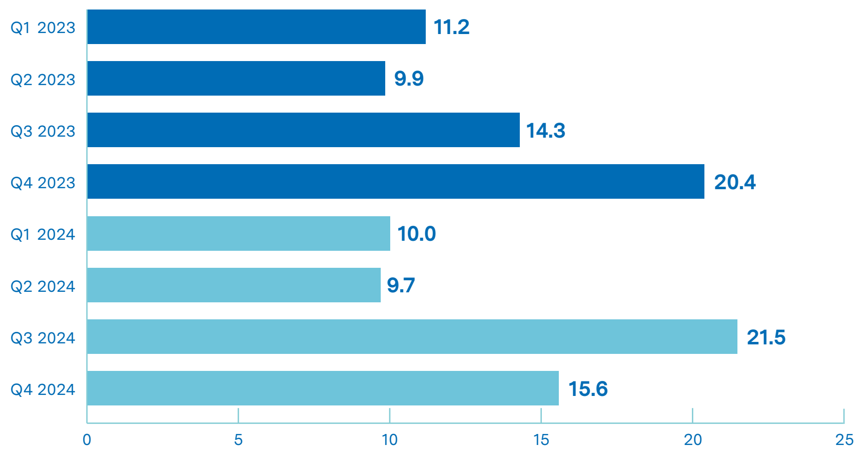
[1] Continuing operations in accordance with IFRS including retrospective adjustments required by IFRS, figures in EUR million (unless otherwise stated)

[2] Figures for the financial years 2020-2022 for the Group as a whole (incl. discontinued operations of the Experts Group)

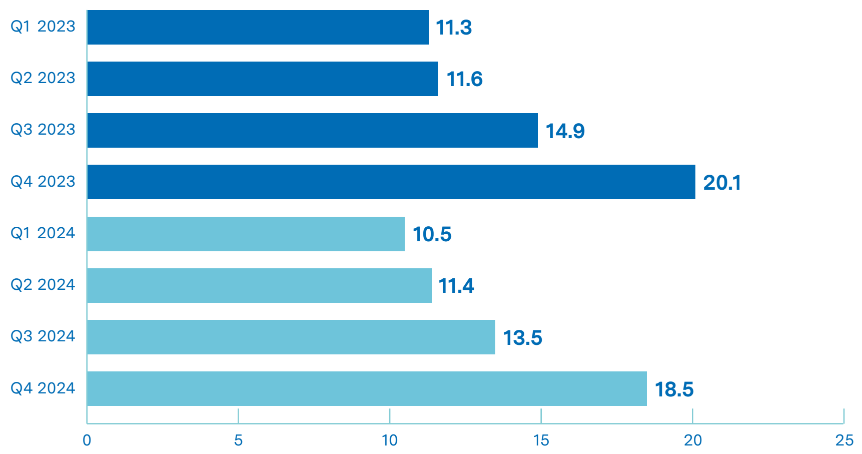
[3] EBITDA before effects that are classified as extraordinary or relating to other accounting periods



Revenue
in EUR million



EBITDA
in EUR million



Adjusted EBITDA*
in EUR million

All figures refer to continuing operations (in EUR million)
*EBITDA before effects that are classified as extraordinary or relating to other accounting periods

Letter from the Management Board

Dear Shareholders and Business Partners of Allgeier SE,

Our business performance in the 2024 financial year was unexpectedly strongly influenced by an exceptional political situation in the area of public sector contractors. The amendment to the German Online Access Act (Onlinezugangsgesetz, OZG), the main legal act for the digitalization of public administrations, was blocked for months and only came into force at the end of the first half of the year. As a result, a large number of digitalization projects at federal and state level that had already been budgeted for and taken into account in personnel planning were delayed until well into the second half of the year - and in some cases are still delayed - and could not start as planned. We had already won some of the corresponding tenders in 2023 and expected the projects to start in the first quarter of 2024.

Due to the postponement of projects and the corresponding temporary lack of capacity utilisation of the project teams, we missed out on revenue of around EUR 25 million in 2024 as a whole, which had a negative impact on EBITDA in the order of more than EUR 10 million compared to the initial planning for 2024. In business areas, which were not affected by the exceptional situation with public-sector contractors, there was a mood of caution and restraint among many of our customers, which is understandable given the overall economic development and political uncertainty. However, we were able to develop stably in this environment and have largely achieved our targets for 2024 for customers outside the public sector, which account for over 60 percent of our total business.

A second significant event in the 2024 financial year was the sale of the IT personnel services business of the Allgeier Experts Group to the IT services company emagine. Thus, we have achieved a significant step in the transformation of the Allgeier Group´s business orientation. Following the spin-off of the Nagarro-Group, our objective was to leverage the Allgeier Group´s gross margin to a level above 35% and the adjusted EBITDA margin to a level of at least 15%. The continuing operations of the Allgeier Group achieve a gross margin of over 36% by the end of the 2024 financial year. In comparison, the Allgeier Group´s gross profit margin at the end of 2023 was still around 33%.

We believe that the megatrend towards the digitalization of business processes that supports our business, with its rapidly changing technical characteristics such as cloud technology and AI, will create significant growth opportunities for the coming years. This applies both to the diverse digitalization issues in the area of private corporate customers as well as the digitalization of the public sector. Our core business, the creation and provision of software solutions for the digitalization of standardized and individual business processes as well as related operational and support services, is in demand, and the relationships with our customers are generally long-term relationships. This will support the growth planned from the second half of 2025. If the major investment projects announced by the future German government are implemented, we expect an additional boost for digitalization projects in the coming years, both in the public and private sectors.

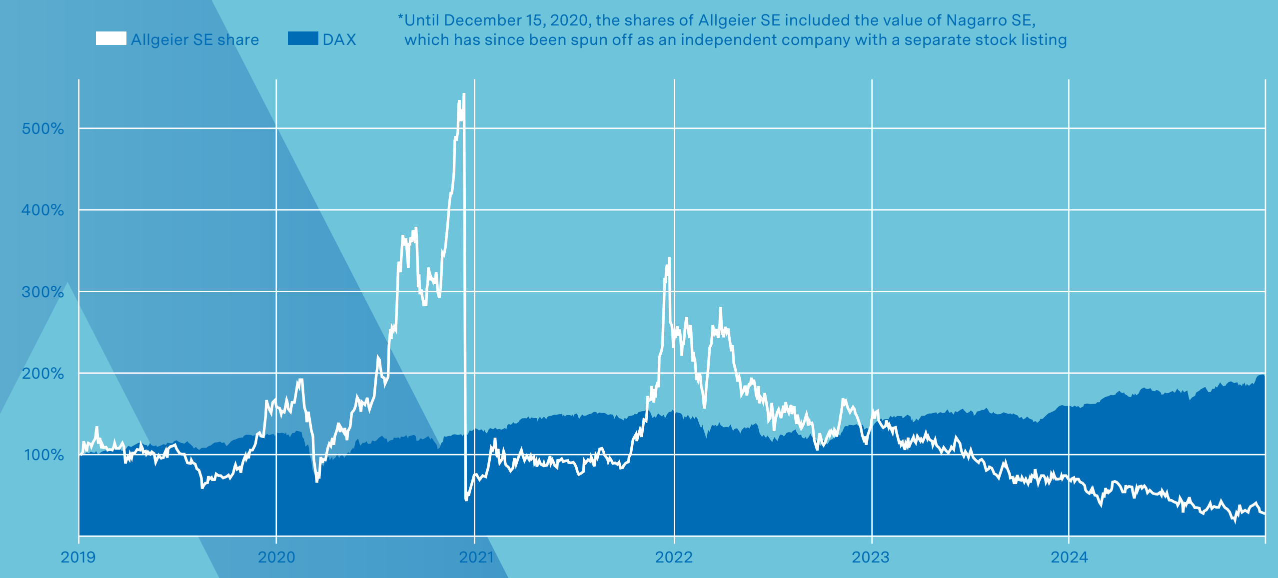
Thank you very much for your interest in our company and your many years of loyalty.

Yours faithfully

The Management Board of Allgeier SE

Dr. Marcus Goedsche Member of the Management Board	Hubert Rohrer Member of the Management Board	Moritz Genzel Member of the Management Board

Stock market year 2024: Second-line stocks still under pressure



Performance of the Allgeier SE share and the DAX from 2019 to 2024*

*Until December 15, 2020, the shares of Allgeier SE included the value of Nagarro SE, which has since been spun off as an independent company with a separate stock listing

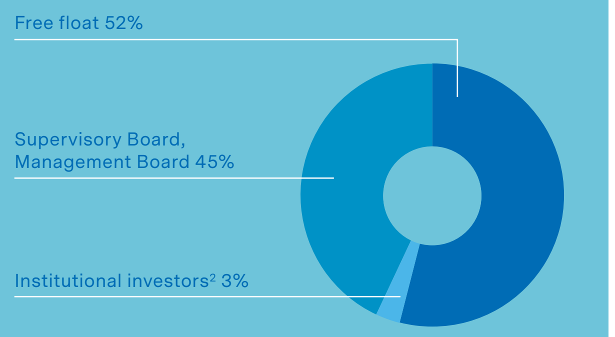
In general, the past two years have been positive for investors and most stock markets were able to record significant price gains after having a difficult year 2022. However, in view of the numerous stress factors and negative news, the positive development of the stock market year 2024 came as a surprise to many. In particular, the gains of the DAX, which became the top performer among European stock exchanges, were not expected by many in view of Germany´s weak economy, the backlog of reforms and the government crisis at federal level. As in the previous year, the major international technology stocks in particular generated enthusiasm among investors in 2024. Overall, the stock markets closed the past year with considerable price gains. The Nasdaq 100 closed with an increase of 25 percent, once again driven in particular by the US tech giants, the so-called “Magnificent Seven”, which benefited greatly from the AI boom. At the end of the year, the US presidential election was followed by a rally on theAmerican stock markets. The broad-based US index S&P 500 also ended the year with a significant gain of 23 percent, exceeding numerous forecasts. Japan´s leading index, the Nikkei, posted a record result and an increase of 19 percent. The DAX recorded a year full of new record highs and also ended the year with 19 percent growth after the index exceeded the 20,000-point mark for the first time in December. However, the top performers in the DAX, which grew by double or even triple-digit percentages, were worlds apart from the weakest index stocks, some of which lost more than 30 percent of their value. And in the shadow of the blue chips, the situation for the so-called small and mid caps was also considerably different. The second-line stocks indices and many other non-index stocks were unable to benefit from the positive sentiment. The hoped-for market-wide recovery has so far failed to materialize and investors´ reluctance to invest in small stocks is still clearly noticeable. In the TecDAX, which ended the trading year with a small gain of 0.9 percent compared to the previous year´s close, half of the stocks lost value, ten of which fell by as much as 25 percent to over 50 percent. Over the year, the MDAX lost 6 percent and the SDAX 2 percent, meaning that the small cap index remained well below its high from the beginning of 2022. At the end of the year, the pressure on some smaller stocks increased further as larger international institutional investors in particular withdrew funds from small and mid caps. This effect was reinforced by significant inflows into ETFs, which in turn have to invest the majority of their assets in the already largest companies. A reversal of the trend is not yet in sight. According to many stock market experts, a more expansive monetary policy could have led to a recovery of second-tier stocks, but the central banks interest rate hikes in 2024 hardly had any positive effect. Investors had to wait a long time last year for the US central bank to cut interest rates. Market experts had initially expected an interest rate hike in the spring of 2024, but first the Fed has pushed back its interest rate turnaround further and further. Although the long-awaited cuts followed, scepticism about the pace of further interest rate cuts grew towards the end of the year in view of the Fed´s cautious outlook. In anticipation of an aggressive tariff policy by the new US government, the Fed raised its inflation forecast for 2025 at their December meetingand pointed out that interest rate cuts would no longer be automatic from now on, especially as a neutral interest rate was not far away. Stock market experts expect that the current stock market year 2025 will also be characterized by geopolitical and economic challenges. The policies of the new US government in particular are likely to have a major influence on share price performance in the current year.

Allgeier share

Index	General Standard
ISIN	DE000A2GS633
SECURITIES NO.	A2GS63
Number of shares	11,472,313
Share price (as of April 1, 2025)	EUR 19.65
Market capitalization (as of April 1, 2025)	EUR 225.4 million

Shareholder structure

(As at December 31, 2024)[1]



[1] To the extent known to the company (partly estimated)

[2] According to voting rights notifications

The Allgeier share: Further price declines in a difficult environment - market-wide recovery is a long time coming

Unlike the larger index stocks in Germany and Europe and, in particular, the US tech giants, many smaller German technology stocks have not yet been able to benefit from the positive trend on the stock markets in 2024. The liquidity and absorption capacity of the markets remained too low overall, so that the valuation gap between the large and liquid companies and the small and mid caps widened further. In line with the development of many of our competitors, the Allgeiershare price continued to fall in the stock market year 2024. Trading volumes remained at a low level. After the Allgeiershare started XETRA trading at a price of EUR 21.30 on 2 January, the share reached its year high of EUR 21.85 in XETRA trading on the first day of trading. The negative trend of the previous year continued in the following months. The share fell to its half-year low of EUR 16.00 (XETRA) by 7 March. The share recovered in the following weeks and was back above the EUR 20 markby the end of the first quarter. The share fluctuated in the subsequent months between prices of just over EUR 20 Euro and EUR 18. The share price began to fall again at the start of the second half of the year, dropping to EUR 16 by the end of the third quarter. This trend continued at the beginning of the fourth quarter and the share recorded its intraday low for the year at EUR 12.95 on 5 November. The two closing months showed significantly above-average trading volumes: The share price initially recovered until mid-December and once again approached the EUR 17 mark, only to fall back to EUR 15 at the end of the year. The Allgeier shareended an overall disappointing year on 30 December 2024 with a XETRA closing price of EUR 15.05, equating to a year-end market capitalization of EUR 172.7 million. Compared to the closing price for the previous year of EUR 21.50, the share experienced a loss in value of 30.0 percent. Including the paid out dividend of EUR 0.50 per share, the return of investment for the 2024 year was -27.7 percent. As of the end of 2024, Allgeier SE had a market capitalization of EUR 172.7 million (previous year: EUR 246.1 million), equating to a drop of 29.8 percent. Stock market turnover at increased slightly, albeit at a very low level: The average daily number of Allgeier sharestraded via XETRA rose to 6,824 in 2024 after several years of decline (previous year: 5,936 units), supported in particular by the above-average trading volume in the month of November and December.

Dividend payment (in EUR)	2019	2020	2021	2022	2023	2024
Per share	0.50	0.50	0.50	0.50	0.50	0.50

Key figures per share 2024 vs. 2023	2023	2024	Change in %
Earnings per share (in EUR)	1.07	0.72	-32.7
Dividend per share (in EUR)	0.50	0.50	0.0
XETRA high for the year (in EUR)	33.10	21.85	-34.0
XETRA low for the year (in EUR)	19.64	12.95	-34.1
XETRA year-end price (in EUR)	21.50	15.05	-30.0
Number of shares	11,444,313	11,472,313	0.1
Year-end market capitalization (EUR million)	246.1	172.7	-29.8
Average XETRA stock market turnover (in number of shares per day)	5,936	6,824	15.0

*Continuing operations according to IFRS

A. Combined Management Report of Allgeier Group and Allgeier SE

This report summarizes the Management Report of Allgeier Group and the Management Report of Allgeier SE as an individual company for the first time. This is intended to avoid redundancies in the two reports and increase transparency for shareholders.

General information:

In the following Group Management Report, the business of the sold Allgeier Experts Holding GmbH, Munich, and their subsidiaries (“Experts Group”) was classified as discontinued operations in the reporting year and in the comparative year 2023. Due to the retrospective reclassification, the discontinued and continuing operations of Allgeier Group are not comparable with the previous year´s annual report. The Experts Group was part of the Enterprise IT segment. The segment information for the remaining part of the Enterprise IT segment was also adjusted retrospectively.

1. Basic Information on the Group

1.1 Business model of the Allgeier Group

1.1.1 Business and structure of the Allgeier Group

The Allgeier Group (hereinafter referred to as “Allgeier“ or “Allgeier Group“) is a technology company specializing in digital transformation. The Group companies offer their customers a comprehensive portfolio of IT and software services extending from high-end software development to business efficiency solutions for the digital transformation of critical business processes.

The Allgeier Group comprises 48 consolidated companies as of the end of the in the period under review. In the previous year, the Allgeier Groupconsisted of 54 fully consolidated companies. The parent company of the Allgeier Group is Allgeier SE, based in Munich. With the sale of the Experts Group, five companies left the Group. Two companies were acquired with the acquisition of Ability. There was also one newly founded company and four mergers in the reporting year.

The operating business of the Allgeier Group is structured as the two operative segments, Enterprise IT and mgm technology partners, which each have their own operating business.

Significant legal, political, economic, environmentaland social framework conditions for the business of the Group and the segments are described in section 2. Business report.

1.1.2 Duties of Allgeier SE

Allgeier SE is responsible for the governance, financing andstrategic development of the Group:

- Strategic orientation and ongoing review of the strategy of the Group and the operating segments in line with value-oriented and sustained corporate development
- Coordination and organizational structuring of the Group
- Organization of finances and financing of the Group’s ongoing development
- Identifying, addressing and examining potential additional suitable equity investments in Germany and abroad, based on Group strategy
- Negotiation and execution of acquisitions and disposals of companies and equity investments
- Controlling, risk management and compliance
- Preparing accounting policies and the consolidated financial statements in accordance with IFRS
- Group planning
- Managing and supporting the management of the operating segments and individual Group companies
- Integration of the various equity investments into the Group
- Organization and coordination of Group-wide committees and processes
- Coordination of Group-wide project and sales activities
- Management of Group-wide communications (public relations, investor relations, internal communications) and general marketing

1.1.3 Business operations of the segments

Solutions and service portfolio	
Enterprise IT	**mgm technology partners**
Design, development, launch and operation of business software solutions such as enterprise resource planning (ERP), document management (DMS)/enterprise content management (ECM), e-commerce, business process management (BPM), BDP – business digitalization platform & business efficiency solutions, each based both on proprietary software solutions and the solutions of major producers such as Microsoft, SAP, ServiceNow, etc.	Integrated service portfolio for enterprise applications: · A12 Enterprise low-code platform · Industrial software development and implementation of business software · Efficient model-driven software engineering: Tools, templates and best practices for enterprise projects
IT services and open-source software development in the area of public sector contractors	Realisation and operation of software projects using the following core areas and products: · Management consultancy and digital consulting · Business analysis and requirements engineering · Software modelling and development · Design & usability (UI/UX) · Web & application security · Quality assurance, testing automation · Q12 quality product landscape incl. TMT and QF testing · SAP integration, process optimization, S/4HANA · C12 cloud services
Consultancy, software solutions, support and migration concepts in the field of information security and compliance	
Cloud transformation and cloud-native application development as well as cloud-based managed services in the leading cloud environments (Microsoft Azure, Google etc. or individual cloud environments of the customer)	
Field service and asset management	

Enterprise IT segment

The Enterprise IT segment is a full-range provider of IT solutions and services for critical business processes with broad and in-depth expertise. The Enterprise IT segment supports global corporations, SMEs and public-sector customers in their digital transformation and the optimization of their digital business processes along the entire value chain. The segment offers its customers a full portfolio of IT services for major software projects and long-term managed services and maintenance agreements. In this context, the companies of the Enterprise IT segment design, create and operate end-to-end IT solutions for implementing and supporting customers' critical business processes on the basis of business software products. They do this using their own IP-based software architecture and solutions plus market-leading software products and platforms for the digitalization of business processes in cooperation with providers such as Microsoft, SAP, IBM and Oracle. One key area is the development of software solutions on the basis of open-source components. The segment is benefiting equally from Allgeier Group's good positioning as a long-term digitalization partner for the public sector on the one hand, on the basis of its wealth of experience, specific expertise and outstanding references, and – on the other hand – high requirements for further and more rapid digitalization in the public sector and what it offers for private citizens and companies. The employees combine both technical expertise and comprehensive process and industry know-how as well as consulting expertise in the areas of custom software development with a special focus on open- source software solutions, e-government solutions and services for administrative digitalization, cyber and information security, cloud/containerization, business process management, enterprise content management and managed services. With their consulting, development, project planning, implementation and support services, the segment's companies create IT solutions in the core areas for business software, such as:

- Open-source software development, in particular for public sector customers: Due to political requirements and initiatives, such as the pursuit of digital sovereignty, European data protection or the "Public Money, Public Code" campaign, open-source solutions are becoming increasingly relevant, especially in the public sector. Starting with consulting for all facets of this issue, through open source-compliant software development and the development of industry solutions as open-source software to long-term support for such solutions and entire communities, a completely new market is emerging in Germany and Europe. The Enterprise IT segment is positioning itself as an innovation leader for public administration in the growth market of open-source software development.
- BDP – Business Digitalization Platform: The historical roots of the Allgeier Group lie in this area. Business efficiency solutions for business process digitalization are implemented for SME and enterprise customers with the in-house development syntona logic®, leading standard software solutions from international manufacturers such as Microsoft and SAP and itrade series add-ons for specific industries.
- Document Management (DMS)/Enterprise Content Management (ECM): Customer Document-intensive business processes are supported and executed for customers with high efficiency using the company's proprietary digital information management with integrated DMS and ECM functions – metasonic® Doc Suite. The entirevalue chain of the editing process is supported – from the detection, reading-out and editing of content in professional workflow sequences through to tamper-proof archiving. On request, the solutions are integrated into the customer's IT infrastructure or are offered as complete cloud solutions with hosting in separate German data centers. Companies that use an ECM solution such as the metasonic® Doc Suite benefit from cost and time savings thanks to more efficient processes. You can save costs and time through more efficient processes. In addition, office work, which in many cases continues to be done in analogue form, is automated to a high degree and the workload of employees is reduced in this way.
- Information Security: The issue of data security is becoming increasingly important for organizations of all sizes and from all sectors in the face of constantly new and growing threats from cyberspace. The segment combines experienced information security, cyber security and IT forensics experts and offers a comprehensive portfolio of cyber security and IT security consulting, operations and (incident) response & emergency services that fully meets the growing demands of the information security market. The segment also offers its own software solutions, including for example the encryption of SharePoint platforms or e-mail traffic encryption. The company's own cyber security software solution julia mailoffice is already in use at a number of ministries, government agencies and large enterprises. EMILY and EMILY SP (SharePoint) ensure a secure collaboration.
- SAP: The Enterprise IT segment offers its customers Full-Stack SAP Services, ranging from project consulting to managed services for the high-end midmarket.
- Business Process Management (BPM): Business software solutions are used for the IT-supported implementation and optimization of business processes.
  In conjunction with a large number of software products and in view of the constantly accelerating change cycles for software and business processes, process tools must be particularly flexible. With its metasonic® Process Suite software, which comprises the latest generation BPM software and a platform for dynamic process applications, Allgeier can support customers in producing bespoke software solutions in significantly shorter cycles. Interactive touchscreens simplify this process considerably: Teams can use them to playfully put together their business processes and build functional applications in a simple and intuitive way – without any programming effort.
- Cloud solutions: The Enterprise IT segment offers customers flexible and scalable cloud solutions in the aforementioned areas of application that are tailored to the individual requirements of large internationa corporations, medium-sized companies and public administration. The cloud services offered range from strategic planning and consulting, cloud migrations and the development of cloud-native applications to comprehensive support and the operation of cloud solutions. Technologies such as containerization and Kubernetes ensure the future-proof migration and transformation of existing applications and systems into modern, agile environments, while cloud infrastructures guarantee maximum data security and fail-safety as well as reliability and resilience in the event of high data volumes. In this context, software solutions can be operated in private cloud environments (enterprise clouds) as well as in Allgeier data centers or public cloud environments (public cloud).
- Field service and asset management: In particular, the segment offers customers from capital goods-intensive industries a comprehensive range of solutions for the efficient and user-friendly management of field service and systems based on SAP and ServiceNow solutions. Together with the in-house developed applications, the ongoing operation and mobile maintenance of systems as well as other business processes such as resource planning, order management and customer & field service can be simplified and optimized. With the specialized solutions and services, customers can achieve significant cost and resource savings, productivity gains and an increase in security.

In the past financial year, the companies in the Enterprise IT segment served more than 2,000 customers in Germany and internationally. This includes, for example, 14 of 40 DAX companies (previous year: 16 of 40 DAX companies) as well as a large number of SMEs and a variety of public sector contractors at various federal levels. The customers are broadly distributed across a variety of different industries. The companies in this segment have particular industry expertise in areas such as digitalization services for public sector customers as well as industry and trade.

As of December 31, 2024, the companies in the Enterprise IT segment had more than 35 locations, of which 21 are located in Germany, eight throughout the rest of Europe and three in Asia.

mgm technology partners segment

The mgm technology partners ("mgm") segment is an international software provider that is one of the leading providers of e-government and retail solutions in Germany. mgm is an integrated service offering aimed at achieving highly efficient software development. This is achieved through the A12 Enterprise Low-Code Platform, model-driven software engineering and decades of experience in implementing enterprise projects. For further optimisation and to expand its leading position, mgm is working with several universities and colleges, including RWTH Aachen, the University of Bamberg, the University of Bern, LMU Munich, the University of Marburg, the University of Grenoble and the Technical University of Nuremberg.

In particular, mgm is commissioned for large, complex and long-term software projects where scalability, security and reliability are the focus – for example, in case of ELSTER and customers such as Lidl, Allianz or ERGO. This makes mgm a strong partner for, insurance, commerce and the public sector – which are all expected to experience strong momentum in digitalization in the coming years.

mgm has systematically improved its in-house software production processes in recent years for the purpose of cross-project optimization. The result is an in-house product development on the basis of the proprietary A12 Enterprise Low-Code Platform. Building on this, software products such as the test management tool Q12-TMT or the AI-supported X12-COSMO, an industry solution for industrial insurance companies, are offered. As such, mgm brings the process models and tools tested in its own company to the market, thus being a valuable partner for all companies that are building up more software expertise in their value chain for strategic reasons instead of outsourcing development orders. The more applications are implemented using this industrial manufacturing approach, the more mgm and its customers will benefit from this scalable approach. mgm follows the digital sovereignty approach, whereby every company retains sovereignty and control over its own IT systems and data.

Together with the dedicated service portfolio of the subsidiaries mgm consulting partners (management consulting), mgm security partners (security), mgm integration partners (SAP process optimization) and QFS Quality First Software (test automation), mgm covers the full range for digitalization projects: From digital consulting and software development tointegration, SAP, S/4HANA through to infrastructure, managed services and cloud.

In addition to the proven A12 low-code platform, mgm´s new product and service offering includes the Q12 Quality Landscape, a QA toolset that covers the entire software lifecycle and integrates seamlessly into workflows through reliable end-to-end quality assurance. The centerpiece is the test management tool Q12-TMT as a professional tool for structured test case creation, test execution, documentation and reporting.

mgms X12-COSMO is the only platform for underwriting, sales and operations that digitizes the entire value chain-based on the A12-platform for even more flexibility in individual applications. The X12-COSMO AI suite offers comprehensive services relating to AI solutions: Ranging from AI hosting, AI-knowledge chat, the AI assistant to the Cosmo AI framework.

The C12 cloud infrastructure offers scalable and secure solutions, hosted in Germany: Public and private cloud services, whether classic infrastructure outsourcing, modern Kubernetes development environments or flexible cloud solutions. With its integrated project portfolio, mgm offers a full service for successful digitalization: From consulting and development to operation in the cloud.

The core target sectors at a glance:

Public sector

- mgm is the technology partner and developer behind the ELSTER project, the procedure for electronic tax returns in Germany. Over 100 million tax returns and registrations from citizens, companies, associations and other organizations are transmitted to the financial administrations every year. This includes income tax, corporation tax, VAT and property tax - plus income surplus statements, declarations of assessment and other transactions. Full data validation, data encryption and transmission are carried out either through "My ELSTER," the tax administration's platform with numerous electronic services at elster.de, or by means of the ERiC (ELSTER Rich Client) component, which is also managed by mgm and is integrated into all tax programs. Modular parts from the ELSTER ecosystem now also play a major role in other e-government solutions, such as the infrastructure of the standardized company account in Germany, which offers entrepreneurs a digital identity in the form of a user account with an integrated mailbox for messages and official notifications.
- In the public sector, the mgm A12 platform is a tried and tested solution for the legally required implementation of the German Online Access Act (Onlinezugangsgesetz, OZG) and other digitalization and infrastructure projects in public authorities and public sector companies at the federal and state level.
- In the public sector in particular, the number and scope of projects in which developers and architects, business analysts and quality assurance experts as well as security specialists from the entire segment work together with consultants for customers has increased in recent years.

Retail/Commerce

- mgm sees commerce as an individual high-speed business. The company supports the full commerce value chain from purchasing to goods flows and front office with individual solutions that maximize customers' optimization potential and thus make a significant contribution to business success.
- The subsidiary mgm integration partners specializes in SAP process optimization for supply chains. The combination of this special expertise with the experience of other mgm areas, in consulting on ERP migration projects (S/4HANA) and implementation using SAP Commerce Cloud, adds up to a multi-faceted SAP solution offering. This has been implemented very successfully in the recent past, particularly by international fashion manufacturers.

Insurance

- mgm has focused on digitalization in the industrial insurance business since 2006. "X12-COSMO", which is based on the A12 Enterprise low-code platform, is a digital platform offering integrated product configuration, underwriting, digital collaboration and cover, loss and process modeling in the highly complex and individual industrial insurance business and – in the final phase of development – the end-to-end digitalization of business and customer processes. Since 2024, the platform has been expanded to include the X12-COSMO AI suite.
- Part of the platform strategy is the establishment of long-term partnerships with insurers and brokers, through which mgm aims to directly participate in the success of digitalization initiatives.
- In consulting for the insurance industry, the focus is on business intelligence and data warehouse projects, including in the context of Solvency II.

Another key industry focus in management consulting (through the mgm consulting partners subsidiary) is the energy provider sector, especially for CIO advisory and sourcing services.

The mgm technology partners segment worked for more than 500 customers in the financial year 2024, including 17 of the 40 DAX companies (previous year: 16 of the 40 DAX companies) and a number of public sector contractors and institutions at federal, state and municipal level.

As at December 31, 2024, the segment's companies were located at 19 sites, 12 of which were located in Germany, one each in France, Austria, Portugal, the Czech Republic and the US plus two development sites in Vietnam.

1.2 Management system

The business of the Allgeier Group is managed within a tiered organization. Company management is structured into the following levels:

- Group level: Management by the Management Board of Allgeier SE
- Segment level: Management by the governance of the operating segments
- Company level: Management by the management teams at the individual companies

At each level, operating business is managed on the basis of key performance indicators, such as revenue growths, contribution margin, profitability and accounting ratios, which are set for each financial year in conjunction with corporate planning. As a year progresses, corporate planning is typically supplemented by further forecasts each quarter. Corporate planning serves as the benchmark for managing business activities at the level of the individual companies and for monthly reporting between the individual company, the segment and Allgeier SE. Reporting relies on monthly variance analysis. Quarterly business review meetings between the Management Board of Allgeier SE and the management of the individual companies are held to discuss business performance, business environment and market trends, strategy, the development in risks and opportunities and any necessary measures. If deviations arise, appropriate measures are determined and implemented at various levels to realign business operations in the quarterly business review meetings – and in additional meetings and telephone calls more frequently if required. Reporting by the

Management Board to the Supervisory Board is based on corporate planning and the above financial and qualitative parameters.

1.3 Research and development

The Allgeier Group continues to refine its existing products (e.g. the ERP solutions syntona logic, Aurelo Energiepark Manager and Allgeier itrade, the metasonic digitalization platform, the e-commerce solution MySign, the compliance management software DocSetMinder ONE, the security solution julia mailoffice and the A12 enterprise low-code platform as well as the EvoSuite product family for business process optimization) on an ongoing basis and in cooperation between the different units of the segments. Further development of the Enterprise IT segment's software products takes place at the German and Swiss locations, in Poland as well as at the Evora unit's locations in India. With the exception of the development and refinement of its own products, the Allgeier Group does not usually pay large amounts for conventional research. Development work is also often performed and billed in connection with customer projects.

In the 2024 financial year, we capitalized in particular as part of the further development of our internally developed software solutions, in particular the low-code platform A12 from mgm technology partners and the software products in the Enterprise IT segment. These include the software solutions of the Allgeier inovar unit for the digitalization and optimization of business-critical processes, including in the fields of Enterprise Resource Planning (ERP), Enterprise Content Management & Business Process Management (ECM/BPM) and B2B e-commerce, as well as the cyber security solutions of Allgeier CyRis.

In total, expenses of EUR 8.1 million (previous year: EUR 7.8 million) were recognized for the ongoing development of products in continuing operations in the reporting period. Depreciations on capitalized development work amounted to EUR 4.5 million (previous year: EUR 3.3 million). Accordingly, the ratio of depreciation and amortization to capitalization in the financial year was 56 percent in the 2024 financial year (previous year: 42 percent). The carrying amounts of capitalized internally generated development services amounted to EUR 17.2 million as of December 31, 2024 (previous year: EUR 13.7 million).

2. Business Report

2.1 General Economic and Industry Conditions

2.1.1 General economic conditions: Expectations remain cautious after two years of recession

The German economy continued to face major challenges in 2024. Following the sustained burdens of recent years, it has become apparent that the economy is only very slowly returning to a recovery path and that both gross domestic product and labour productivity are stagnating at the level reached before the Corona crisis. 2024 was already the second year of recession in a row for the German economy. After GDP fell by 0.3 percent in 2023, economic output declined by 0.2 percent in 2024. According to the German government, the ongoing weakness was caused by structural factors and economic effects such as the persistently weak demand from Germany and abroad, as well as the ongoing restrictive monetary policy. According to the German Council of Economic Experts (so called Wirtschaftsweise, ((economy wise men/women)) production and gross profit in industry have declined. In addition, according to the German Council of Economic Experts, investments are also declining. At the same time, the recovery of the global economy is not leading to an increase in German exports to the usual extent. The weak phase of the German economy is also increasingly affecting the labour market. Employment is barely increasing and the unemployment rate rose by 0.3 percentage points between August 2023and the end of 2024. Despite significant real wage increases in the past year, households have not yet increased their consumer spending again.

By contrast, the IT and telecommunications industry (ITC) remained a silver lining in the German economy in 2024. While other sectors struggled with subdued demand and structural challenges, the ITC sector continued to benefit from robust demand for digital services and softwaresolutions. According to estimates by the digital industry association BITKOM, the market for software and IT services in particular, which is the relevant one for Allgeier, grew at an above-average rate in 2024. For details on the development of the sector please refer to section 2.1.2. below.

The inflation rate in Germany fell noticeably in 2024 to 2.2 percent, down from 5.9 percent in 2023. The decline is mainly due to a slowdown in price increases for energy and food. The general government deficit for 2024 is estimated at 2.6 percent of gross domestic product (GDP), on the same level as in the previous year. The federal states, municipalities and social insurance increased their financing deficit primarily due to higher expenditure on social and monetary benefits such as pensions, long-term care and citizens´ benefits. The federal government, on the other hand, was able to reduce its deficit as measures to mitigate the energy crisis expired at the end of 2023.

The global economy proved to be resilient in 2024. Inflation has weakened further and overall inflation has once again reached the central banks´ targets in many economies. The European and global economies grew moderately in 2024. According to the OECD, the global economy grew by 3.2 percent last year. The economy in the eurozone grew by 0.8 percent. The EU Commission is forecasting growth of 0.9 percent for the European Union as a whole. Despite the high level of interest rates, the US economy remained robust in 2024 and grew by 2.8 percent according to OECD figures. The Chinese economy grew by 4.9 percent in 2024, burdened by the weakening real estate sector and low consumer spending, while robust export growth, high investment in infrastructure and industry as well as supportive fiscal and monetary policy measures underpinned overall development.

According to the OECD´s latest economic outlook, the global economy is expected to remain resilient in the current year 2025 despite considerable challenges. The OECD is forecasting global GDP growth of 3.3 percent for the current year. The situation on the labour markets is gradually easing and unemployment remains low by historical standards. Strong nominal wage growth and a sustained reduction in inflation have boosted households´ real incomes. However, growth in private consumption remains subdued in most countries and reflects weak consumer confidence. Global trade volumes are recovering. According to the OECD, the recovery in real household incomes, the tense situation on the labor market and the reduction in key interest rates are continuing to drive growth in the eurozone. GDP growth in the eurozone is estimated at 1.3 percent for 2025. Growth in the EU as a whole is expected to accelerate to 1.5 percent in 2025 as consumption increases and investment picks up again following the decline in 2024.

Despite the robust global economy and the ongoing economic recovery in Europe, Germany is likely to be the growth laggard among the leading industrialised nations (G20) in 2025, according to the OECD. The German government expects a minimal increase in price-adjusted GDP of 0.3 percent in 2025. Private consumer spending in particular is seen as a key growth factor, along with an increase in investments over the course of the year. Foreign trade, on the other hand, is likely to weigh on growth, as exports are expected to continue to decline on average over the year, while imports are going to increase at the same time. The continuing stagnation of the German economy has cyclical, but above all structural causes such as the changed geopolitical situation and demographic change. The German Council of Economic Experts and the German Federal Statistical Office have also emphasized the ongoing economic and structural burdens that are hindering growth. These included increasing competition for the German export industry in important sales markets, high energy costs, a persistently high interest rate level and an uncertain economic outlook. The leading business associations are also not yet confident that the German economy will see a turnaround in the current year. And the German government´s Council of Experts is also forecasting only slight GDP growth of 0.4 percent for 2025 - that is 0.5 percentage pointsless than the experts had expected in spring 2024. According to the German Council of Economic Experts, this means that the German economy is still not emerging from the phase of stagnation that has persisted since the start of the pandemic and crisis years from 2020. The weak industrial economy will also affect other sectors of the economy. Due to the high level of uncertainty regarding future economic development and the slowdown in real wage growth, the German government´s Council of Experts expects only weak growth impetus from consumer demand in the current year as well.

Thus, economic expectations for Germany in particular remain subdued. An economic improvement will not materialize until later in the year at the earliest.

2.1.2 Sector-specific framework conditions: Growth in the digital sector is accelerating; persistent shortage of skilled workers

The ITC sector as a whole (information technology, telecommunications and consumer electronics) remains a growth driver in the recession. According to the industry association BITKOM (German Association for Information Technology, Telecommunications and Consumer Electronics), revenue in the ITC market as a whole grew by 3.3 percent to EUR 222.6 billion in 2024. For the current year 2025, the digital association expects further growth of 4.6 percent to EUR 232.8 billion. The number of employees in the sector is expected to rise by 20,000 to just under 1.4 million. The sector is now Germany´s largest industrial employer.

The information technology segment, which is of relevance to Allgeier, remained the main pillar of growth within the German technology industry in the first half of 2024. The segment´s growth is also gaining momentum. After revenues of IT rose by just 2.6 percent in 2023, growth picked up in 2024. In 2024, EUR 149.7 billion was generated with information technology, corresponding to growth of 4.4 percent. Within IT, the development of the software market was the most dynamic: The software business grew by 9.5 percent to EUR 46.5 billion in 2024. The market for IT services grew by 3.8 percent to EUR 51.2 billion in 2024.

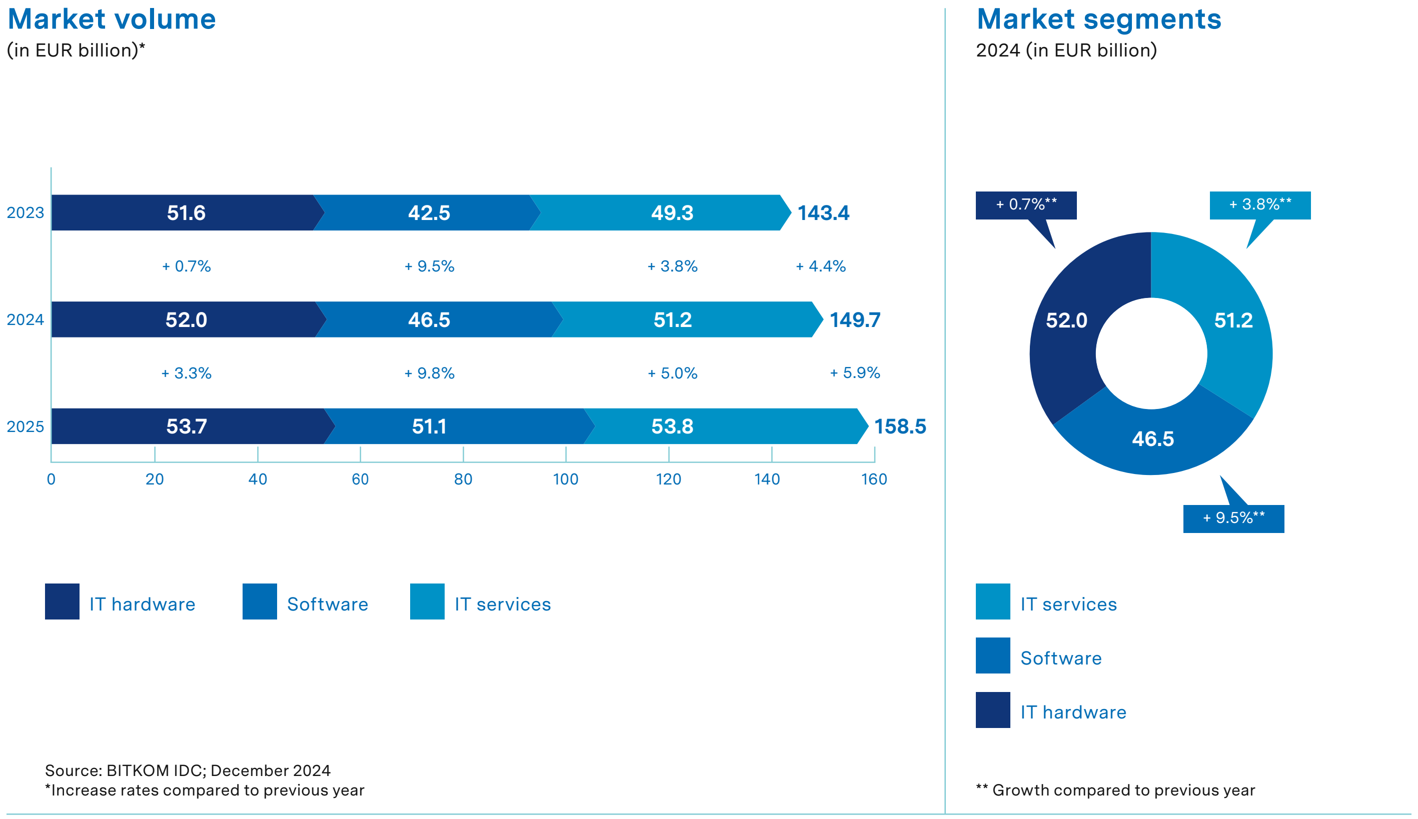
BITKOM expects a further increase in growth rates for the current year 2025. The IT market is expected to grow by 5.9 percent to EUR 158.5 billion. Within IT, the markets for software (+ 9.8 percent to EUR 51.1 billion) and IT services (+5.0 percent to EUR 53.8 billion), which are relevant for Allgeier, are the main drivers. The increase in the software market is due in part to business with platforms for artificial intelligence (AI), which is expected to grow by 43 percent to EUR 2.3 billion. The association also expects double-digit growth rates for collaboration tools for collaboration and remote working in companies (+12 percent to EUR 1.4 billion) and for security software (+11 percent to EUR 5.1 billion). Above-average growth is also forecast for certain services within the market for IT services, which is expected to be larger than the IT hardware business for the first time in 2025. The cloud services business, for example, is expected to grow by 17 percent to EUR 20 billion.

According to the BITKOM forecast, global ITC sales will increase by 6.6 percent to EUR 5.2 trillion in 2025. India recorded the highest growth with an increase of 8.0 percent, followed by the USA with forecast growth of 7.3 percent. The market in the EU (excluding Germany) is expected to grow by 7.1 percent. With a global market share of 4.1 percent, the German digital market shares the fourth rank with the United Kingdom in a worldwide comparison behind the USA, China and Japan.

According to BITKOM, in order to establish Germany as a leading force in global competition and strengthen its digital sovereignty, Germany needs its own capabilities, particularly in key technologies such as AI, microelectronics, industrial metaverse, quantum computing and cyber security. The digital association is calling on the new federal government to act quickly and decisively in order to drive forward digitalization in Germany and secure the competitiveness of Germany as a business location. This would require less regulation, more investment (in particular the mobilization of more capital for companies and alleviating the shortage of IT specialists) and the creation of an independent digital ministry. In addition, the overhaul of state structures and a consistent digitalization of public administrations with modern registers and digital identities is necessary.

The dynamic development of the sector shows once again that digitalization is seen as an important part of the solution to social and economic (cyclical and structural) challenges, especially in times of crisis. The business community, the government and civil society as well are still pushing the digital transformation with investment in infrastructure, devices, software and services. The global trend of digitalization is ensuring that virtually all business models are changing and are being significantly influenced by IT and software. This will tend to increase spending and investment in IT and software solutions. In recent years already, investments in IT and software had been largely unaffected by fluctuations in the economy as a whole. Key market trends and technologies such as artificial intelligence, information security and cyber resilience, cloud transformation and modernization, data as a product and low-code software development, the Internet of Things (IoT), blockchain and augmented/virtual reality act as drivers.

Growth on the German information technology market



Source: BITKOM IDC; December 2024
*Increase rates compared to previous year

** Growth compared to previous year

However, the persistent shortage of skilled workers continues to pose challenges for the industry. Although, according to BITKOM, tens of thousands of new IT jobs are being created in German companies, job growth would be significantly higher if sufficient skilled workers were available. According to BITKOM, there was a shortage of 149,000 IT experts in German companies across all sectors. According to the BITKOM forecast, there will be a shortage of around 663,000 IT specialists by 2040. To counter the shortage of skilled workers, larger companies in particular want to make greater use of artificial intelligence. The challenges posed by the shortage of skilled workers are also underlined by the IT Trends 2024 study by the consulting firm Capgemini. According to the survey, more than three quarters of respondents reported a shortage of skilled workers. As a result, almost a fifth of the positions are unfilled. This percentage will continue to rise over the next two years. The gap will be widest in the public sector, where the rate is expected to rise to over 30 percent during this period. One of the main reasons for the increasing shortage of skilled workers is demographic change. This will affect public administration more than other sectors, as a proportionately higher number of employees will retire over the next ten years.

2.2 Business performance in 2024

In the past financial year 2024, our Group´s business was characterized by the politically induced exceptional situation in the area of public sector contractors, which had a significant impact on the Group´s business development due to the general importance of the public sector for the business of both segments. This impact was unforeseeable for us and particularly affected the revenue and earnings performance of our Group companies mgm technology partners and publicplan. The amendment to the German Online Access Act (Onlinezugangsgesetz, OZG), the central law for the digitalization of public administrations, was blocked for months and only came into force at the end of July 2024 after an agreement was finally reached between the federal and state governments in the Mediation Committee. After the Parliament of the Federal Republic of Germany had already approved in February, the bill was initially rejected by the German Federal Council. Even after the agreement in the Mediation Committee, there were further delays in some project call-offs, as detailed budgeting issues between individual federal states and the federal government had not yet been finalized. The delayed implementation of digitalization projects as a result of the delayed entry into force of the amended German Online Access Act had a significant impact on the business of the Group companies affected. As a result, a large number of digitalization projects at federal and state level that had already been budgeted for and taken into account in personnel planning were delayed in the past financial year and could not start as planned. We had already won some of the corresponding tenders in 2023 and expected the projects to start in the first quarter of 2024. As a result of the postponements and the corresponding temporary lack of capacity utilization in the project teams, we lost revenue in the order of around EUR 25 million and EBITDA in the order of EUR 11 million in the 2024 financial year. It is pleasing that business in the public sector at our Group company mgm technology partners has already picked up noticeably in the course of the second half of 2024 . In addition to the exceptional situation with public sector contractors, there was no tailwind from the economic side. The spending restraint that we observed among our customers in some areas as early as 2023 continued in parts in 2024 and made sales more difficult in some cases. Overall, we were therefore unable to achieve the growth initially planned for the financial year in all areas of the business.

However, in view of the many other external challenges and apart from the exceptional situation with public sector customers, it should be noted that our business remained largely stable in the past financial year and the Allgeier Group was able to achieve its adjusted EBITDA target in the remaining business as expected. Consolidated revenue across all segments and business areas of continuing operations totalled EUR 403.0 million (previous year: EUR 420.6 million). Last year, we also benefited in various areas of the Allgeier Groupfrom the growth in the IT and software sector driven by digitalization, which is significantly higher than overall economic growth.

We consider it very positive that the gross profit (defined as total operating performance less sales and personnel costs directly attributable to sales) of EUR 148.4 million was almost as high as in the 2023 financial year(EUR 151.5 million). The gross margin, which for us is a key indicator of business performance, thus rose from 35.4 percent to 36.1 percent. The Group achieved an adjusted EBITDA (EBITDA before effects that are classified as extraordinary or relating to other accounting periods) of EUR 53.8 million (previous year: EUR 57.8 million). Without the special effect of the delayed entry into force of the German Online Access Act Amendment Act, adjusted EBITDA in the 2024 financial year would have been over EUR 64 million.

This means that the Allgeier Group's growth and improvement in operating margins are on track despite the special circumstances described above and the still weak economic development. We are cautiously optimistic for the current financial year. The business from the projects won for public administration has shifted and improves the prospects for the current year 2025 and the following years, in which an enormous backlog in the area of digitalization of public administrations must be handled. In the 2024 financial year, we were also able to win a number of new major public tenders and our business with the private sector also proved to be robust in many areas. We did not significantly reduce our capacities in the 2024 financial year despite the temporarily low capacity utilization and are expanding them in a targeted manner. We expect demand to grow strongly in areas such as the development of digitalization solutions based on open-source software.

Capital Market and Financing

We have significantly expanded our capital market activities over the past few years. In the past financial year as well, we engaged in an intensive dialog with existing and potential investors as well as analysts on the buy and sell side. We took part in a number of capital market conferences. Among other things, we were represented at the German Equity Forum of Deutsche Börse, the Spring Conference and the Corporate Conference of Oddo BHF and Commerzbank in Frankfurt am Main and the Highlights Conference of M.M.Warburg & CO in Hamburg. In addition to attending conferences, we held a large number of bilateral meetings with investors (including at the Baader Investment Conference in Munich) and presented ourselves to national and international investors and analysts. In turn, this allowed us to attract and interest new institutional investors in our shares over the past year as well. After two mixed stock market years in 2023 and 2024 in an environment that is still difficult overall for technology second-line stocks, we want to continue to create sustainable value for our share and build on our long-term positive performance trend.

A dividend totaling EUR 5.7 million (previous year: 5.7 million) was paid out to the shareholders of Allgeier SE in June 2024 (in both financial years, this corresponded to EUR 0.50 per dividend-bearing share).

We have strengthened the debt capital side with the further extension of our syndicated loan agreement. In April 2022 already, Allgeier reached an agreement with the syndicate of banks to increase and amend the syndicated loan agreement from EUR 140 million to now EUR 200 million. The total volume was agreed for a new term of four years with an extension option of up to two years. In February 2023, Allgeier made use of the extension option for the first time and extended the framework loan agreement by one year. A further extension was granted in February 2024, meaning that the loan agreement now runs until April 2028. As before, the loan bears interest based on 3-months-EURIBOR plus a margin dependent on specific key financial ratios. Financing partners are the banks Norddeutsche Landesbank, Commerzbank, Landesbank Baden-Württemberg and Landesbank Hessen-Thüringen. With the increase of the credit line of the syndicated loan and the new issue of the promissory note loan in the amount of EUR 60 million in 2022 with maturity tranches of five and seven years, Allgeier has created medium and long-term financing security for the entire Group at sustainably favourable conditions. The additional credit volume opens up further headroom to support our organic growth with targeted investing activities, and also to enhance and expand our portfolio in line with our buy-and-build strategy with further targeted, value-adding acquisitions on future markets moving ahead. With theinterest rate swap concluded in 2022,Allgeier has also hedged against risinginterest rates and reduced the interest rate risk.

We did not acquire any treasury shares in the 2024 financial year. Accordingly, treasury shares still accounted for 0 percent (previous year: 0 percent) of the share capital as of December 31, 2024.

Acquisitions

Allgeier acquired the following company in the past financial year 2024:

Allgeier Inovar GmbH, Bremen, acquired all shares in Ability GmbH, based in Ravensburg, by purchase and transfer agreement dated January 30, 2024. The company, in turn, holds all shares in ABILITY GmbH, based in Rankweil (Austria) (collectively referred to as "Ability"). Ability is a Microsoft Partner, an IT solutions developer and consulting company with around 200 customers from the retail, manufacturing and real estate industries. In addition to Microsoft Dynamics 365 Expertise, particularly in ERP Business Central, Ability has an integrated software ecosystem for document management and digital workflows. The portfolio also includes solutions for the evaluation, analysis and visualization of data as well as portals and apps for cross-system processes. With this acquisition, Allgeier strengthens its market position as one of the leading companies for Microsoft ERP software and consulting and expands its comprehensive service portfolio with additional teams of experts, particularly in southern Germany, Austria and Switzerland. Ability generated revenue of EUR 5.0 million in the 2023 financial year. The company´s initial consolidation was carried out at January 31, 2024.

Disposals

Allgeier sold the personnel services business bundled under Allgeier Experts Holding with a purchase agreement dated October 10, 2024. With this strategic move, we have continued the transformation into a software and IT services company that began in 2021 following the spin-off of Nagarro SE. Our aim is to focus on our core competencies of creating software solutions and providing IT services for the digitalization of business-critical company processes. We intend to continue our successful buy-and-build strategy. Allgeier realised a cash inflow of EUR 15.9 million from the sale. The result from the sale was slightly negative at EUR 1.2 million due to the proportionate goodwill to be allocated. For details, see Section 2.3.1 Results of operations/discontinued operations and notes to the consolidated financial statements A. VI Scope of consolidation.

Customers

The basis for our growth is our stable and broad customer base: The Allgeier Group companies also expanded their customer baseand strengthened existing customer relationships in the past financial year. Allgaier works for both a large number of global groups - e. g. by now for 21 of 40 current DAX companies (previous year: 20 of then 40 DAX companies) – and for a number of market and sector leaders and many high-performing SMEs and public sector contractors at federal, state, regional and municipal level in virtually all industries. Allgeier generated annual revenue in excess of over EUR 1 millionrespectively with 57 national and international individual customers (previous year: 59 individual customers). The Group companies generated average revenue of EUR 17.8 million with the top ten customers in the 2024 financial year (previous year: EUR 20.0 million). Thus, this customer group accounts for 45 percent of the Group´s total sales from continuing operations (previous year: 47 percent).

Allgeier has a broad customer base of companies and entities from various sectors. The sectors in which the companies of the Allgeier Group (continuing operations) generated the highest revenue in 2024 were:

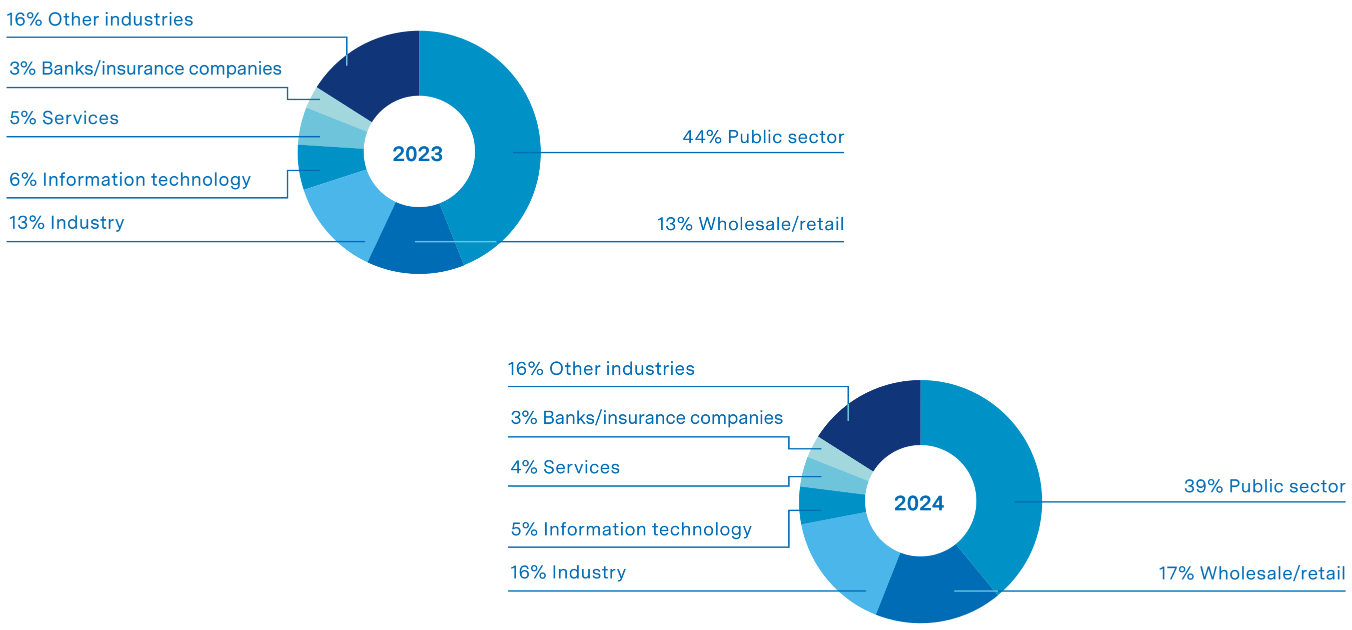
- Public sector: The Allgeier Group works for public companies and corporations at all federal levels in Germany. In the past year, Allgeier further consolidated its market position as a digitalization service provider for public administration despite the exceptional political situation described above and the Group companies were able to win new tenders. Allgeier benefits equally from its good positioning as a long-standing partner for the public sector on the one hand, on the basis of its broad wealth of experience, expertise and excellent references, and - on the other hand- the unbroken high demand for further and faster digitalization of the public sector and its services for citizens and companies.

  All levels of the federal, state and local governments face major challenges in achieving the desired effects of digitalization sustainably with the budgets provided. The time pressure is high and is being exacerbated by demographic trends, as the retirement of what is known as the baby boomer generation means that the labor force and expertise of a large number of specialists will no longer be available to public administration.

  The special requirements of public sector customers have to be taken into account regarding the digitalization steps about to be taken. With the aim of far-reaching digital sovereignty, large parts of the software solutions to be created are being developed on the basis of open-source components. High security and dependability in operations create complex challenges that require years of specific expertise. Allgeier is excellently positioned in this area as one of the larger German IT and software companies. With the acquisitions of recent years, Allgeier has further expanded its service portfolio and implementation expertise for customers in the public administration sector. The continuing high demand from the public sector for the Group´s services is also reflected in the revenue figures: 39 percent of Group revenues in the 2024 financial year resulted from services for public sector contractors (previous year: 44 percent), making the public sector by far the largest industry segment within the Allgeier Group.

  The change compared to the previous year is due to the temporary delay in the implementation of digitalization projects for public sector contractors as a result of the delayed entry into force of the amended German Online Access Act (Onlinezugangsgesetz).
- Retail: As the Group´s second-largest customer group, retail companies play an important role within the Group companies´ business. Allgeier implements solutions for digitalization and optimisation of key business processes (such as resource planning, merchandise management and e-commerce) for companies in the retail sector. Allgeier was able to increase sales with corresponding software and IT services in the past financial year. The Group generated 17 percent of consolidated sales with companies in the retail sector (previous year: 13 percent).
- Industry: At around 16 percent (previous year: 13 percent), industrial companies constitute the Group´s third-largest industry segment in terms of revenue. The demand for solutions for the digitalization of business-critical processes remains high at many industrial companies. The Group´s key customers include leading companies from various industries such as chemicals and pharmaceuticals, metals and electronics, aerospace, automotive, construction, wood and consumer goods. Long-standing industrial customers also include companies in the energy supply sector, among them international energy producers and a number of regional suppliers.
- Information technology: The IT industry was the fourth-largest industry segment within the Allgeier Groupin 2024, accounting for around 5 percent of revenue share (previous year: 6 percent).
- Services: Measured in terms of revenue in the financial year 2024, this sector is now the Group’s fifth-largest industry segment. The Group generated a share of 4 percent of its revenue with service companies in 2024 (previous year: 5 percent).

Revenue



- Banks and insurance companies: At 3 percent, companies in the financial and insurance sector comprise the second-largest revenue segment for the Group’s continuing operations (previous year: 3 percent). This sector has also had consistently high digitalization requirements for years. We help to drive the sectors’ digital transformation and the services it offers with our software solutions and our IT and consulting services for the digitalization of key business processes.
- Other sectors: Key sectors such as healthcare, telecommunications, logistics, media and entertainment are grouped within other industries. In these sectors, Allgeier achieved a share of around 16 percent of Group sales (previous year: 16 percent), enabling us to further expand our broad diversification across a large number of different sectors.

Awards

Our Group companies received a number of awards in the past year: According to a study by the consulting and analysis company Lünendonk®, Allgeier is one of the “leading IT service companies” in Germany and ranked eighth in Germany in the corresponding list. In the 2024 reporting year, mgm technology partners once again achieved podium finishes in two readers´choice awards: Both the prestigious IT Awards organized by Vogel IT-Medien (in the “Low Code / No Code” category) and the Readers´ Choice Awards organized by the trade journal “eGovernment” (in the “Consulting” category) awarded the company a platinum certificate and thus first place twice. Among the ten nominees for the IT awards, mgm was once again able to outperform some large, international low-code providers. This puts mgm at the top of the winners´podium at the Readers´ Choice Awards for the fourth time in a row.

Strategic development

In both Group segments, we worked on strategic development in the past year and set the course for the future:

- The enterprise IT segment continued to develop its internal structures and processes in the 2024 financial year and further shaped various business areas: With the strategic sale of the personnel services business bundled under Allgeier Experts Holding GmbH, Munich, we have continued the transformation into a software and IT services company that began in 2021 following the spin-off of Nagarro SE . With the sale of the business unit, Allgeier is continuing to focus on its core competencies of creating software solutions and providing IT services for the digitalization of business-critical corporate processes. In recent years, we have significantly reorganized the personnel services-related business and reduced its volume with the aim of focusing more on higher gross profit and margins as well as providing services in strategic focus areas and customers. The Allgeier public sector division will remain part of the Allgeier Group and will continue to focus on the digitalization of public administrations together with the Group companies mgm technology partners and publicplan.

  With the acquisition of the company Ability described above, Allgeier has further expanded its Microsoft business software business and its portfolio of services and customers. Around the companies Allgeier inovar and Allgeier Switzerland, we have accelerated the further development of a business unit specializing in business applicationsand cloud solutions from Microsoft for enterprise and SME customers. Last year, we acquired SDX, a specialist for cutting-edge cloud technologies in the Microsoft Azure environment, which is at the forefront of digitalization. Together with the other companies in the segment, we are pooling our expertise and resources to further expand a specialized business unit for Microsoft technology and other business applications in the fields of e-commerce, IoT and others, which is aiming for strong growth. This also includes Evora´s specialized offering in the fields of SAP, service and asset management. With our positioning, we are operating from an attractive position within the segment in the corresponding sections of the market, for example in the rapidly growing business with public sector contractors for the digital transformation of administration using open source technologies and solutions, in cyber security, in e-commerce, in cloud transformation and containerizing, asset and service management and many other growth and future areas like AI and industry 4.0. The specialized solutions business is flanked by our expertise and performance in the area of IT services and managed services. This enables us to guarantee comprehensive operational and support services for IT systems and applications at a high level for many years. Thanks to Allgeier's public divison´s expertise in the area of flexible IT services for public administration, we are able to reliably and quickly fulfill the requirements of public customers from extensive projects and projects with apidly changing demands.

- The mgm technology partners segment has continued to develop as a specialist in software development and platform provider for digitalization projects in 2024.

  The basis of the development work in the mgm technology partners segment remains the extensive expertise in the area of model-based software engineering. mgm is working consistently to increase the efficiency of software development, both for customer projects and in the further development stages of its own enterpriselow-code platform A12. One focus is on quality assurance and therefore on systematic processes and methods to ensure quality and standards. This is achieved through a series of highly specialised and coordinated applications. As a QA toolset, the mgm Q12 Quality Landscape covers theentire software lifecycle.
  The product family offers everything from a single source: Continuously optimized QA tools and QA services guarantee reliable end-to-end quality assurance that integrates seamlessly into workflows. Q12-TMT should be emphasized as a central tool for professional test management. Public tenders are and will remain an important pillar for mgm technology partners. A steadily growing number of platform-based projects that are or can become part of a public infrastructure are helping to achieve this. In 2024, networking activities in the software and IT industry were further expanded in order to thematically emphasise the core of the product promise. Consequently, mgm joined the Low-Code Association e.V. (LCA) and the Software Quality and Training Working Group. Another highlight was the involvement of mgm experts as co-authors on a scientific publication by LCA. They are also continuing their commitment as moderators of the low-code working groupat the NEGZ, the National E-Government Competence Centre for Digital Administration in Germany. In addition, mgm once again successfully participated in various events, whose activities will be further intensified and expanded in the current year. These include the most important industry events in the public sector, such as "Digital State" or "Future Congress of State and Administration". There were also specialist events focusing on "Low Code" such as the "German Low Code Day", "Modelling" or "SE Live" as well as events on the topic of "Quality Assurance" such as the "Software Quality Days" and "German Testing Day". In order to support growth on the skilled labour side, mgm has already opened new locations in previous years: in the Portuguese city of Porto and - in addition to the location in Da Nang, which has already existed for many years - in Ho Chi Minh City in Vietnam. In both cities, initially small offices have developed into new, independent branches with ample growth potential.

2.3 Business situation

2.3.1 Results of operations

Continuing operations:

The Allgeier Group generated revenue of EUR 403.0 million in the past financial year 2024 (January 1, 2024 through December 31, 2024) (previous year: EUR 420.6 million), corresponding to a decrease of 4.2 percent. The main reason for the decline is that both Group segments were affected by the exceptional political situation with project delays for public administration customers. Delayed project call-offs meant that the affected Group companies missed out on sales that were postponed to the future, resulting in a temporary reduction in capacity utilisation, which had a negative impact on earnings figures. Despite these influences, the mgm technology partners segment achieved a slight increase of its revenue of 1.5 percent to EUR 126.6 million in the reporting year (previous year: EUR 124.7 million). In the Enterprise IT segment, however, sales in the 2024 financial year fell by 7.4 percent to EUR 277.7 million (previous year: EUR 299.9 million). The delayed implementation of digitalization projects in the public sector had a significant negative impact on the revenue and earnings performance over the entire financial year, in particular of the Group company publicplan. Group gross profit totalled EUR 148.4 million and was therefore only slightly below the previous year´s figure (previous year: EUR 151.5 million). As a result, the gross margin increased further to 36.1 percent (previous year: 35.4 percent).

The Allgeier Group's EBITDA amounted to EUR 56.8 million in the reporting year, 1.9 percent higher than the result for financial year 2023 (previous year: EUR 55.8 million). Thus, the Group increased its EBITDA margin to 13.8 percent (previous year: 13.0 percent). EBITDA was influenced by one-off effects and effects from previous periods totalling a net amount of EUR 3.0 million (previous year:EUR -2.0 million). This includes a special contribution of EUR 9.4 million from the new purchase price and earn-out agreement for the Evora Group. After adjusting for these special effects, the Allgeier Group achieved an adjusted EBITDA of EUR 53.8 million (previous year: EUR 57.8 million). Adjusted EBITDA in theEnterprise IT segment was EUR 2.1 million below the previous year´s result, while adjusted EBITDA in the mgm technology partners segment fell by EUR 1.0 million. Adjusted EBITDA from other business (Allgeier SE and consolidation) resulted in a decrease by EUR 1.0 million as against the previous year.

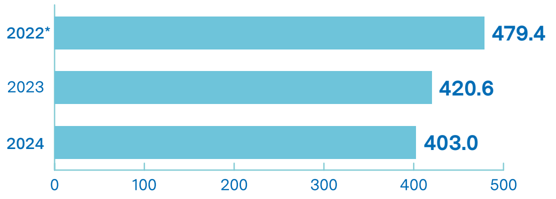
Depreciations and write-downs rose from EUR 25.7 million in the previous year to EUR 28.0 million in the reporting year. A large share of depreciation of EUR 13.2 million (previous year: EUR 12.2 million) relates to the depreciation on right-of-use assets from capitalized rent and lease agreements. Further depreciation in the amount of EUR 4.4 million (previous year: EUR 4,7 million)comprise planned depreciation on customer relationships and products capitalized in conjunction with the acquisition of subsidiaries. Depreciation on property, plant and equipment amounts to EUR 4.1 million (previous year: EUR 4.3 million). Depreciations of internally generated developments and other intangible assets amounted to EUR 6.2 million (previous year: EUR 4.5 million). Thus, the Group generated EBIT of EUR 28.8 million (previous year: EUR 30.1 million). This corresponds to a decrease of 4.3 percent compared to the previous year.

The Allgeier Group's financial result amounted to EUR -12.8 million (previous year: EUR -8.4 million). The main reason for the increase in financial expenses was the revaluation of the shares in the venture capital fund Speedinvest totalling EUR 2.0 million. The Group generated EBT in the amount of EUR 16.0 million (previous year: 21.7 million), which corresponds to an absolute decrease of EUR 5.7 million or 26.4 percent compared to the previous year. Corporate income tax expenses totalled EUR 2.0 million in the reporting period (previous year: EUR 5.9 million). The corporate income tax expense in relation to earnings before taxes was therefore 13 percent (previous year: 27 percent). After taxes, the Group generated earnings for the period from continuing operations in the amount of EUR 13.9 million (previous year: EUR 15.9 million), equating to a decrease of 12.0 percent.

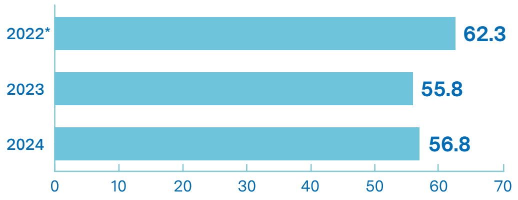
EUR 8.2 million (previous year: EUR 12.2 million) of the earnings for the period from continuing operations is attributable to the shareholders of Allgeier SE and EUR 5.7 million (previous year: EUR 3.6 million) is attributable to non-controlling shareholders of subsidiaries. This results in earnings per share for the reporting year of EUR 0.72 (previous year: EUR 1.07).

To present adjusted earnings per share, the Allgeier Group corrects the reported consolidated EBIT of continuing operations for depreciation of intangible assets capitalized in connection with acquisitions (effects of purchase price allocation), income and expenses from purchase price adjustments in profit or loss and other non-recurring effects relating to other periods. Taking these adjustments into account and applying a uniform tax rate of 30 percent, the Group generated earnings per share in the amount of EUR 0.89 in the financial year 2024 (previous year: EUR 1.42).

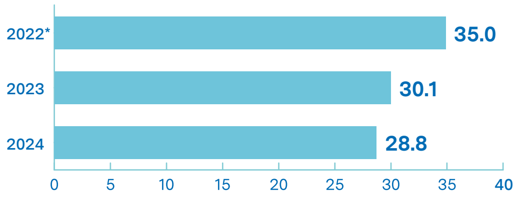
Revenue (continuing operations in EUR million)



EBITDA (continuing operations in EUR million)



EBIT (in EUR million)



*incl. discontinued operations of the Experts Group

Adjusted for special items, earnings per share are calculated as follows:

(Continuing operations in EUR million)	2024	2023
Profit from operating activities (EBIT as reported)	28.8	30.1
Depreciation of intangible assets from acquisitions	4.4	4.7
Other non-recurring effects and effects relating to other periods	-3.0	2.0
Financial result	-12.8	-8.4
Adjusted earnings before taxes	17.4	28.4
Tax rate	30%	30%
Taxes	-5.2	-8.5
Adjusted profit or loss for the period	12.2	19.9
Non-controlling shareholders' interests*	-2.0	-3.6
Earnings for calculation of adjusted earnings per share	10.2	16.3
Number of shares outstanding	11,461,985	11,436,534
Adjusted earnings per share in EUR (basic)	0.89	1.42

*2024 adjusted for minority interests for effects from the purchase price adjustment of the Evora Group

The other non-recurring effects and effects relating to other periods and purchase price adjustments in profit and loss include the following items:

(in EUR million)	2024	2023
Income from the adjustment of purchase prices from acquisitions	9.5	0.7
Income from write-ups of right-of-use assets	0.0	1.7
Losses from bad debt allowances and uncollectable receivables (net)	-0.1	-0.3
Cost of stock options issued	-0.2	-0.1
Sunk costs and non-capitalized incidental costs of acquisitions	-0.5	-0.2
Payment of inflation adjustment bonuses to employees	-0.5	-1.6
Continued pay and severance payments for former employees	-3.4	-1.6
Other extraordinary income and expenses and income and expenses relating to other periods (net)	-1.8	-0.6
Total	**3.0**	**-2.0**

The order backlog of the Allgeier Group amounts to EUR 80.1 million as of December 31, 2024 (previous year: EUR 115.4 million). The order backlog will predominantly be worked off within the next twelve months. Based on the 2024 revenue from continuing operations, the order backlog has a notional range of 2.4 months (previous year: 3.3 months).

Discontinued operations:

The discontinued operations comprise the business of the companies sold up to the date of disposal from the Allgeier Group. Through a purchase agreement dated October 10, 2024, the Allgeier Group sold Allgeier Experts Holding GmbH, Munich, together with the personnel services business bundled under it ("Experts Group"). The closing of the transaction and the transfer of control to the buyer took place on November 21, 2024. Accordingly, the deconsolidation was carried out with effect on this closing date. The purchase price for all sold shares in Allgeier Experts Holding GmbH totalled EUR 21.4 million. The purchase price was offset by assets and liabilities directly attributable to the Experts Group totallingEUR 7.7 million, goodwill proportionately attributable to the Experts Group amounting to EUR 13.8 million and incidental costs from the sale amounting to EUR 1.1 million. In 2024, the Allgeier Group realized a loss on disposal before income taxes of EUR 1.2 million from the sale of the companies in the discontinued operations.

In the 2024 financial year, Allgeier generated revenue of EUR 46.0 million in discontinued operations, which includes the Experts Group's business for the period from January 1, 2024 through November 21, 2024 (entire previous year: EUR 68.3 million). Gross profit totalled EUR 9.7 million (entire previous year: EUR 13.9 million). Adjusted EBITDA totalled EUR 2.0 million (entire previous year: EUR 3.4 million). EBITDA totalled EUR 1.4 million (entire previous year: EUR 2.5 million). EBIT totalled EUR 1.2 million (entire previous year: EUR 2.2 million). Earnings before taxes totalled EUR 1.1 million (entire previous year: EUR 2.0 million) and the earnings for the period before the result from disposals was EUR 0.7 million (entire previous year: EUR 1.1 million). After the result from disposals, the earnings for the period totalled EUR -0.9 million (previous year: EUR 0.8 million), corresponding to earnings per share of EUR -0.07 (previous year: EUR 0.07).

2.3.2 Financial position

Various financial management measures are taken within the Group. The Group companies monitor and manage their cash flows closely. At Group level, the credit volume from the credit facility concluded in 2022 should provide scope to support organic growth with targeted investments and to expand the portfolio with targeted acquisitions. Ensuring compliance with the covenants and ratios agreed in the credit agreements is a key part of Allgeier SE's liquidity management. With the interest rate swap concluded in 2022, Allgeier has also hedged against rising interest rates and reduced the interest rate risk. Despite an increase in net debt, the Allgeier Group's financial position remains stable. Interest-bearing financial liabilities were reduced to EUR 149.2 million as of December 31, 2024 (previous year: EUR 154.1 million). However, cash and cash equivalents also fell to EUR 57.3 million as of the balance sheet date (previous year: EUR 83.0 million). As a result, the Allgeier Group's net debt as a result of interest-bearing financial liabilities less cash and cash equivalents increased by EUR 20.8 million from EUR 71.0 million to EUR 91.8 million. Part of the decrease in cash and cash equivalents totalling EUR 13.0 million was used to reduce factoring. Including liabilities from factored invoices totalling EUR 30.0 million (previous year: EUR 43.0 million), the Allgeier Group's net debt increased by EUR 7.9 million from EUR 114.0 million to EUR 121.9 million as of the balance sheet date. Liabilities from rental and lease agrrements decreased by EUR 9.2 million to EUR 36.6 million over the same period (previous year: EUR 45.8 million).

The Group has access to a credit line of EUR 200 million from a syndicated loan agreement, the term of which has been extended until 2028. With the credit line and the available cash and cash equivalents, sufficient funds are available to finance the fluctuating cash flow requirements of the operating business and to continue the growth of the Allgeier Group. As of December 31, 2024, the remaining free framework from debt financing totalled just under EUR 110 million (previous year: EUR 120 million). In addition, there is a framework for factoring customer receivables in place, totalling EUR 60 million, unchanged from the previous year. Allgeier SE has made a commitment to the syndicate banks to maintain a maximum debt coverage ratio of 3.5 and a minimum equity of EUR 130 million. On December 31, 2024, the debt coverage ratio according to the definition agreed in the syndicated loan amounted to 2.48 and equity amounted to EUR 194 million.

The cash flow statement shows the net change in cash and cash equivalents from cash flows from operating activities, investing activities and financing activities. Cash and cash equivalents consist exclusively of cash and cash equivalents and current liabilities to banks. The borrowing and repayment of bank loans and the cash flow from factoring are shown under cash flow from financing activities. Accordingly, cash and cash equivalents do not represent the change or the absolute amount of Allgeier´s net debt.

- In the 2024 financial year, the Allgeier Group generated cash flow of EUR 37.8 million from operating activities (previous year: EUR 31.6 million). This cash flow includes cash inflows totalling EUR 1.8 million (previous year: outflows of EUR 11.7 million) from changes in working capital. Before changes in working capital, the Allgeier Group achieved a cash flow from operating activities of EUR 36.0 million (previous year: EUR 43.3 million).
- As part of its investment activities, the Allgeier Group spent a total of EUR 26.8 million in the 2024 financial year (previous year: EUR 36.7 million). This amount includes payments of EUR 12.0 million (previous year: EUR 14.6 million) for investments in non-current assets and payments of EUR 16.2 million (previous year: EUR 9.4 million) from company acquisitions. Furthermore, there were payments from rental and lease agreements of EUR 15.3 million in the reporting year (previous year: EUR 13.7 million). The disposal of subsidiaries generated net proceeds of EUR 15.9 million in the period under review (previous year: EUR -0.0 million).
- Financing activities resulted in cash outflows totalling EUR 27.2 million in the 2024 financial year (previous year: inflow of EUR 5.9 million). Loans of a net amount of EUR 3.3 million were taken out in the 2024 financial year (previous year: EUR 8.9 million). The reduced factoring of customer receivables resulted in a cash outflow of EUR 12.9 million (previous year: inflow of EUR 14.0 million). Dividends of EUR 5.7 million were distributed to the shareholders of Allgeier SE (previous year: EUR 5.7 million). The Allgeier Group paid interest of EUR 9.0 million net in financial year 2024 (previous year: EUR 8.2 millionnet). The reason for the increase in interest is the seasonal development of interest-bearing loans, which only fell below the previous year´s level towards the end of 2024 with the payment of the purchase price for Allgeier Experts Holding GmbH and high incoming payments from the operating business. The cash outflow to non-controlling interests totalled EUR 3.0 million (previous year: EUR 3.2 million).
- The balance of cash flows from operatingactivities, investing activities and financing activities and the item for the correction of currency translation differences in cash and cash equivalents resulted in a cash outflow from cash and cash equivalents available at short notice totalling EUR 16.0 million in the 2024 financial year (previous year: inflow of EUR 1.0 million). As a result of capital outflows, cash and cash equivalents decreased from EUR 68.4 million on December 31, 2023 to EUR 52.4 million as of the end of financial year 2024.

Liquidity level 1 (cash and cash equivalents/current liabilities) improved to 66 percent as of December 31, 2024 (previous year: 62 percent). Liquidity figure level 2 (cash funds and trade receivables/current liabilities) was 137 percent positive as of the end of the reporting period (previous year: 113 percent).

2.3.3 Net assets

The Allgeier Group continues to have a solid financial position. The development of the asset situation is characterized by the development of the assets and liabilities required for the operating business, the change in the scope of consolidation of the Allgeier Groupand the transactions with the shareholders of Allgeier SE and the minority shareholders of the subsidiaries.

From the acquisition of subsidiaries, the Allgeier Group received assets including acquired goodwill totalling EUR 6.2 million in the past financial year (previous year: EUR 10.1 million) and debt in the amount of EUR 5.1 million (previous year: EUR 3.5 million). Cash outflows for the acquisition of the companies totalled EUR 0.8 million (previous year: EUR 6.6 million). Purchase price liabilities of EUR 15.4 million were recognized for purchase prices of companies acquired in previous years (previous year: EUR 3.5 million). Purchase price liabilities of EUR 9.4 million included in the previous year were derecognized through the profit or loss calculation.

From the sale of the Experts Group, the Allgeier Group lost assets including pro rata goodwill totalling EUR 30.4 million and liabilities totalling EUR 11.7 million in the past financial year. The sale of these companies resulted in an inflow of funds totalling EUR 18.1 million.

Total assets decreased to EUR 470.7 million at the end of 2024 (previous year: EUR 524.8 million). On the assets side, non-current assets fell to EUR 333.1 million (previous year: EUR 358.0 million). Within non-current assets, intangible assets in particular fell to EUR 277.7 million (previous year: EUR 290.4 million) and the right-of-use assets from rental and lease agreements fell to EUR 35.2 million (previous year: EUR 44.0 million). Property, plant and equipment amounted to EUR 7.8 million (previous year: EUR 9.8 million). Other non-current financial assets decreased to EUR 5.4 million (previous year: EUR 8.2 million). Deferred tax assets rose to EUR 5.8 million at the end of 2024 compared with EUR 4.6 million at previous year´s balance sheet date. Within the intangible assets, goodwill fell to EUR 250.1 million at the end of 2024 (previous year: EUR 263.6 million), mainly due to the disposal of the Experts Group. Other intangible assets increased by EUR 0.8 million to EUR 27.6 million (previous year: EUR 26.8 million).

The investment ratio, calculated as the ratio of non-current assets to total assets, rose to 70.8 percent in the past financial year 2024, and thus was above the level of the previous financial year as a result of the more than proportional decrease of total assets (previous year: 68.2 percent).

Current assets totalled EUR 137.6 million as of the 2024 balance sheet date (previous year: EUR 166.7 million). Trade receivables amounted to EUR 61.4 million (previous year: EUR 68.2 million). Cash funds amounted to EUR 57.3 million as of December 31, 2024 (previous year EUR 83.0 million). All other current assets rose from EUR 15.5 million in the previous year to EUR 18.9 million as of December 31, 2024.

On the liabilities side, Group equity increased to EUR 194.2 million (previous year: EUR 189.2 million). As in the previous year, dividends totalling EUR 5.7 million were paid to the shareholders of Allgeier SE from Group equity and payments totalling EUR 2.4 million to minority shareholders (previous year: EUR 2.0 million) were made or resolved. Accordingly, the earnings for the period increased the equity byEUR 13.1 million (previous year: EUR 16.7 million). The equity ratio rose to 41.3 percent as of the 2024 balance sheet date (previous year: 36.1 percent).

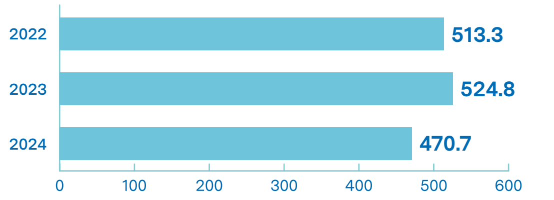
Non-current and current liabilities amounted to EUR 276.5 million as of the balance sheet date of December 31, 2024 (previous year: EUR 335.6 million).

Non-current liabilities fell by EUR 11.6 million over the past financial year to EUR 189.7 million as of the end of 2024 (previous year: EUR 201.3 million). Within non-current liabilities, non-current financial liabilities rose to EUR 144.3 million (previous year: EUR 139.6 million). The financial liabilities include the financial liabilities of EUR 84.0 million (previous year: 80.0 million) drawn down under the syndicated loan facility and the promissory note loan of EUR 60 million, which remains unchanged from the previous year. In the reporting year, non-current liabilities from rental and lease agreements declined to EUR 25.2 million (previous year: EUR 34.5 million). Other non-current liabilities declined by EUR 7.1 million to EUR 20.1 million in financial year 2024 (previous year: EUR 27.2 million). Within this item, other non-current financial liabilities fell by EUR 5.6 million to EUR 10.7 million in particular as a result of company acquisitions (previous year: EUR 16.3 million). The main reason for the decline is the reduction in the maximum achievable earn-outs from the acquisition of the Evora Group.

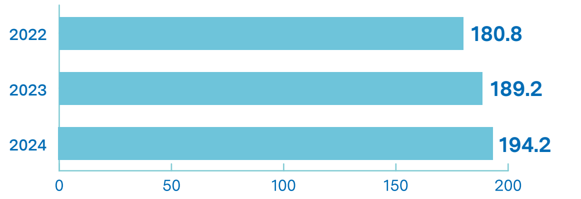
Current liabilities decreased to EUR 86.8 million as of the reporting date December 31, 2024 (previous year: EUR 134.3 million). Within this item, financial liabilities declined by EUR 9.6 million to EUR 4.8 million at the end of 2024 (previous year EUR 14.5 million). Current liabilities from rental and lease agreements remained almost constant at EUR 11.3 million (previous year: EUR 11.3 million). Other current liabilities fell byEUR 37.9 million toEUR 70.6 million (previous year: EUR 108.5 million). Within this item, other non-current financial liabilities in particular as a result of company acquisitions fell by EUR 18.4 million to EUR 1.7 mil-ion (previous year: EUR 20.1 million). The main reason for the decline is the reduction in the purchase price and payment of the portion of the purchase price of the Evora Group not yet paid by the end of 2023. Due to the overproportional reduction in liabilities in ratio to total assets, the Group's debt ratio – the quotient of liabilities to total assets – decreased to 58.7 percent as of the end of financial year 2024 (previous year: 63.9 percent).

Kann ich leider nicht anders setzen. Auch nicht bei “mil-”.

Balance sheet total Dec. 31 (in EUR million)



Equity Dec. 31 (in EUR millions)



2.3.4 Segments

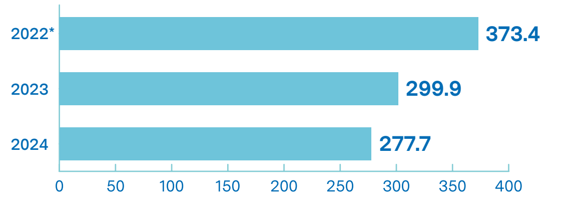
The disclosures and information below include revenue and earnings from transactions performed between the segments.

2.3.4.1 Enterprise IT segment

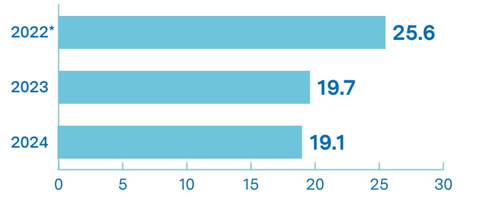
In terms of external revenue, the Enterprise IT segment contributed 69 percent (previous year: 71 percent) to the Allgeier Group's revenue from continuing operations in the reporting period.

The revenue and earnings situation in the Enterprise IT segment was negatively impacted by the exceptional situation in the public sector in the financial year. Due in particular to the aforementioned exceptional situation in the public sector, the segment recorded an overall reduction in revenue of 7.4 percent to EUR 277.7 million in the past financial year (previous year: EUR 299.9 million). The Enterprise IT segment's gross profit (defined as total performance less the costs directly attributable to revenue) decreased by 2.8 percent to EUR 98.4 million (previous year: EUR 101.2 million), with the gross margin increasing further to 34.9 percent (previous year: 33.3 percent). As in the previous year, EBITDA in the Enterprise IT segment totalled EUR 36.5 million in the reporting year (previous year: EUR 36.5 million). Adjusted EBITDA (EBITDA before effects that are classified as extraordinary or relating to other accounting periods) decreased by 5.3 percent year-on-year to EUR 36.8 million (previous year: EUR 38.9 million). The adjusted EBITDA margin thus rose to 13.1 percent (previous year: 12.8 percent). The adjusted effects totalled EUR 0.3 million in the 2024 financial year (previous year: EUR 2.3 million). Segment depreciation amounted to EUR 17.5 million in the reporting year (previous year: EUR 16.9 million). Segment EBIT decreased slightly from EUR 19.7 million in 2023 to EUR 19.1 million in the reporting year. The profit for the period in the Enterprise IT segment before taxes and before profit and losses transferred under profit and loss transfer agreements amounted to EUR 11.2 million (previous year: EUR 13.8 million), equating to a decrease of 19.0 percent compared to previous year´s figure.

Revenue of the Enterprise IT segment (in EUR million)



EBIT of the Enterprise IT segment (in EUR million)



*incl. discontinued operations of the Experts Group

2.3.4.2 mgm technology partners segment

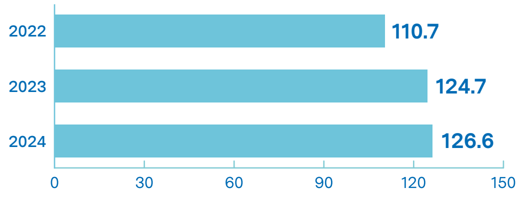
The segment mgm technology partners accounted for 31 percent of the external revenue of the Allgeier Group's continuing operations in financial year 2024 (previous year: 29 percent).

The mgm technology partners segment achieved slight revenue growth of 1.5 percent to EUR 126.6 million in the reporting year (previous year: EUR 124.7 million). However, the revenue trend was negatively impacted by the special effect described above in the area of public digitalization projects due to the delayed entry into force of the new German Online Access Act, in particular in the first half year. The segment´s gross profit totalled EUR 50.4 million (previous year: EUR 50.6 million). The segment´s gross margin was thus 38.7 percent (previous year: 39.5 percent).

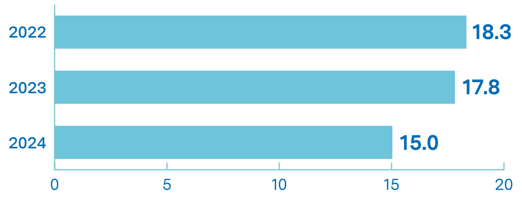
The segment's EBITDA declined by 3.6 percent to EUR 24.4 million in the reporting year (previous year: EUR 25.3 million). The segment reported a result from extraordinary effects and effects relating to other periods of EUR -0.5 million in financial year 2024 (previous year: EUR -0.6 million). Adjusted EBITDA (EBITDA before effects that are classified as extraordinary or relating to other accounting periods) amounted to EUR 24.9 million in the reporting year (previous year: EUR 25.9 million), a decrease of 3.8 percent. This equates to an adjusted EBITDAmargin of 19.1 percent (previous year: 20.2 percent). The main reason for the decline in profit margins was the temporarily lower capacity utilization of the project teams, particularly in the first half of the year, due to the special effect of the delayed entry into force of the new German Online Access Act.

Segment depreciation increased to EUR 9.4 million in the reporting year (previous year: EUR 7.5 million). Thus, the segment generated EBIT of EUR 15.0 million (previous year: EUR 17.8 million). This equates to a decline of 15.9 percent. The segment's profit before corporate income taxes decreased by 16.1 percent to EUR 14.7 million (previous year: EUR 17.5 million).

Revenue of the mgm technology partners segment
(in EUR million)



EBIT of the mgm technology partners segment
(in EUR million)



2.4 Net assets, financial position and earnings position of Allgeier SE

The following statements relate to Allgeier SE as the parent company of the Allgeier Group. The financial statements of Allgeier SE are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, HGB) and the relevant supplementary regulations of the German Stock Corporation Act (Aktiengesetz, AktG).

The economic situation of Allgeier SE is significantly influenced by its subsidiaries, some of whose income is recognised as investment income by Allgeier SE via profit and loss transfer agreements or profit distributions. The object of the company is the activity of a management holding company, in particular the acquisition, sale, holding and management of investments as well as consulting and the assumption of other business management tasks. Allgeier SE acts as an advisor to its subsidiaries and is responsible for the governance, financing and strategic development of the Group. The holding company has a lean organizational structure.

The complete annual financial statements of Allgeier SE are published separately.

2.4.1 Results of operations

Allgeier SE generated revenue of EUR 1.8 million in 2024 (previous year: EUR 1.7 million). Revenue includes consulting services to companies of the Allgeier Group totalling EUR 0.3 million (previous year: EUR 1.1 million). Other operating income totalling EUR 24.0 million (previous year: EUR 2.3 million) mainly consist of income from the sale of Allgeier Experts Holding GmbH, Munich, totalling EUR 21.4 million (previous year: EUR 0.0 million) and income of EUR 1.9 million (previous year: EUR 0.0 million) from the reversal of impairment losses on loans with affiliated companies and income from the reversal of provisions totalling EUR 0.2 million (previous year: EUR 2.0 million). Income from profit transfer agreements, less the profit shares to be transferred to minority shareholders, totalled EUR 8.6 million in the financial year (previous year: EUR 12.2 million). Expenses from loss transfers totalled EUR 8.5 million (previous year: EUR 1.2 million).

Other operating expenses totalling EUR 11.3 million (previous year: EUR 8.6 million) mainly consist of rental expenses totalling EUR 2.3 million (previous year: EUR 2.3 million), legal and consulting fees in the amount of EUR 2.5 million (previous year: EUR 2.6 million) and financing costs in the amount of EUR 1.3 million (previous year: EUR 1.4 million), Supervisory Board remuneration in the amount of EUR 0.6 million (previous year: EUR 0.7 million), costs from the sale of the Experts Group totalling EUR 1.1 million and losses from the disposal of financial assets as part of the sale of Allgeier Experts Holding GmbH, Munich, amounting to EUR 0.9 million. Personnel expenses fell to EUR 3.4 million in the reporting period (previous year: EUR 3.6 million). Personnel expenses of Allgeier SE include the charges of the subsidiary Allgeier Management AG, Munich, which provides accounting services for Allgeier SE. These services in the amount of EUR 1.0 million (previous year: EUR 0.9 million) are included in other operating expenses in the separate financial statements of Allgeier SE.

Income from other securities and loans held as financial assets totalled EUR 6.3 million (previous year: EUR 6.3 million). Other interest and similar income increased to EUR 1.7 million (previous year: EUR 0.4 million). Interest expenses in the 2024 financial year totalled EUR 8.9 million (previous year: EUR 7.0 million).

In 2024, Allgeier SE achieved earnings after taxes in the amount of EUR 10.5 million (previous year: EUR 0.6 million). Net profit for the year totalled EUR 10.1 million (previous year: EUR 0.5 million).

Statement of comprehensive income of Allgeier SE according to the German Commercial Code for the period from January 1, 2024 to December 31, 2024

Statement of comprehensive income (in EUR million)	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023
Revenue	1.8	1.7
Other operating income	24.0	2.3
Cost of materials	1.1	0.5
Personnel expenses	3.4	3.6
Depreciation	0.2	0.1
Other operating expenses	11.3	8.6
Income from profit and loss transfer agreements	8.6	12.2
Expenses from loss absorption	8.5	1.2
Income from other securities and loans of financial assets	6.3	6.3
Other interest and similar income	1.7	0.4
Depreciation of property, plant and equipment	2.8	0.3
Interest and similar expenses	8.9	7.0
Earnings before taxes	**6.2**	**1.6**
Taxes on income and earnings	-4.3	1.0
Earnings after taxes	**10.5**	**0.6**
Other taxes	0.4	0.0
Net income for the year	**10.1**	**0.5**

2.4.2 Net assets and financial position

On the assets side, Allgeier SE´s balance sheet mainly comprises shares in and loans to affiliated companies totalling EUR 261.5 million (previous year: EUR 254.6 million) and receivables from affiliated companies totalling EUR 23.1 million (previous year: EUR 27.9 million). Other assets totalling EUR 1.5 million (previous year: EUR 1.3 million) mainly include corporate income tax receivables of EUR 1.1 million (previous year: EUR 0.5 million) and deferred income from an interest rate swap totalling EUR 0.1 million (previous year: EUR 0.1 million). Cash and cash equivalents (cash and bank balances) totalled EUR 10.6 million (previous year: EUR 10.2 million).

The main item on the liabilities side is equity totalling EUR 93.4 million (previous year: EUR 88.8 million), provisions in the amount of EUR 3.9 million (previous year: EUR 8.5 million), liabilities to banks totalling EUR 144.0 million (previous year: EUR 140.0 million), liabilities to affiliated companies totalling EUR 53.7 million (previous year: EUR 51.3 million), as well as other liabilities in the amount of EUR 6.0 million (previous year: EUR 6.8 million). Retained earnings totalled EUR 18.6 million (previous year: EUR 14.2 million). The net profit for 2024 in the amount of EUR 10.1 million (previous year: EUR 0.5 million) was transferred to the retained earnings. In June 2024, a distribution of EUR 5.7 million (previous year: EUR 5.7 million) was made to the shareholders of Allgeier SE from retained earnings.

Allgeier SE has access to a bank syndicated loan facility of up to EUR 200 million and a promissory note loan of EUR 60.0 million to finance the growth of the Allgeier Group. As at the balance sheet date of December 31, 2024, the credit line had been drawn down in the amount of EUR 84.0 million (previous year: EUR 80.0 million). The syndicated loan has a term until April 2028. EUR 50 million of the promissory note loan was concluded with a term until June 2027. The remaining EUR 10 million is due for repayment in June 2029.

Total assets increased from EUR 298.7 million in the previous year to EUR 301.8 million in the reporting year. The equity ratio as of December 31, 2024 is 30.9 percent (previous year: 29.7 percent).

Balance sheet of Allgeier SE according to the German Commercial Code as of December 31, 2024

Balance sheet of Allgeier SE (in EUR million)

Assets	December 31, 2024	December 31, 2023
Intangible assets	0.0	0.0
Property, plant and equipment	0.6	1.5
Shares in affiliated companies	157.6	157.3
Loans to affiliated companies	103.9	97.3
Other loans	2.4	2.3
Fixed assets	**264.5**	**258.4**
Trade receivables	0.1	0.1
Receivables from affiliated companies	23.1	27.9
Other assets	1.5	1.3
Cash on hand, Federal Bank balances, bank balances and cheques	10.6	10.2
Current assets	**35.3**	**39.5**
Prepaid expenses	**0.5**	**0.8**
Deferred tax assets	**1.5**	**0.0**
Assets	**301.8**	**298.7**

Liabilities	December 31, 2024	December 31, 2023
Authorized capital	11.5	11.4
Capital reserves	63.2	63.1
Retained earnings	0.1	0.1
Balance sheet profit	18.6	14.2
Equity	**93.4**	**88.8**
Provisions	**3.9**	**8.5**
Liabilities to banks	144.0	140.0
Trade payables	0.8	0.9
Liabilities to affiliated companies	53.7	51.3
Other liabilities	6.0	6.8
Liabilities	**204.5**	**199.0**
Prepaid expenses	**0.0**	**0.0**
Deferred tax liabilities	**0.0**	**2.4**
Liabilities	**301.8**	**298.7**

2.4.3 Anticipated development with its main risks and opportunities

The anticipated development with its main risks and opportunities of Allgeier SE is largely dependent on the development of the Allgeier Group. Allgeier SE generally participates in the risks of the subsidiaries and investments in proportion to its shareholding. As the parent company of Allgeier, Allgeier SE is integrated into the Group-wide risk management and internal control system. Please refer to section 4 Forecast, Report on Risks and Opportunities in the combined management report for information on this and the expected development with its significant risks and opportunities.

2.5 Financial and non-financial performance indicators

2.5.1 Financial performance indicators

At Group level, the following financial performance indicators are the focus for the management of the company:

Revenue growth

Allgeier operates on the growing market of information technology. Worldwide, this overall market has already been growing faster than the economy as a whole for several years, and in some areas significantly so. This was also evident in the 2024 financial year, in which the ITC sector as a whole in Germany achieved growth of 3.3 percent in a persistently difficult macroeconomic environment, while the economy as a whole shrank, as it did in 2023.

The information technology segment, which is of relevance to Allgeier, remained the main pillar of growth within the German technology industry in the first half of 2024. After sales with IT rose by just 2.6 percent in 2023, growth picked up again in 2024. EUR 149.7 billion was generated with information technology in 2024, equating to growth of 4.4 per cent. Within IT, the development of the software market was the most dynamic: The software business grew by 9.5 percent to EUR 46.5 billion in 2024. The market for IT services grew by 3.8 percent to EUR 51.2 billion in 2024. Without the market for IT hardware, which only grew by 0.7 percent, the IT industry would have grown even more significantly in the second year of recession. Moving ahead, it is expected that information technology companies in particular will benefit from the ongoing trend towards business process digitalization. The digitalization requirements of private industry and the public sector alike were amplified again after the COVID pandemic. Demographic change is also having an increasingly strong impact. The loss of qualified workers due to the retirement of baby boomers makes a considerable increase in labour productivity necessary in order to maintain society´s prosperity in the future. Digitalization can make a decisive contribution to increasing efficiency and productivity and ensuring the functionality of public administration.

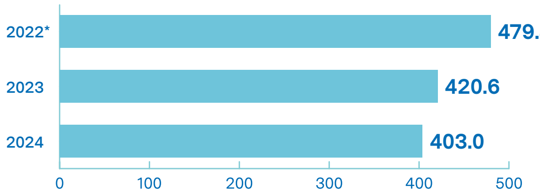
We had initially planned a total consolidated revenue of between EUR 510 and EUR 550 million for financial year 2024. Both segments of the Group were expected to contribute to the planned growth. On August 6, 2024, we announced in an ad hoc disclosure that we were adjusting our guidance for the 2024 financial year due to the exceptional political situation in the public sector and expect consolidated revenue of between EUR 475 million and EUR 480 million. As our sales and earnings performance in the third and fourth quarters of 2024 was still characterized by the exceptional situation in the area of public sector contractors, we announced in an ad hoc disclosure on November 5, 2024 that we now expect consolidated revenues of between EUR 455 million and EUR 460 million for the year as a whole. With actual revenue for the Group as a whole (continuing and discontinued operations) totalling EUR 449 million, Group revenue ultimately fell slightly short of the forecast range. The Group generated revenue in the amount of EUR 403 million from continuing operations. Contrary to the initial planning, not both segments achieved growth in the past financial year.

The individual segments had planned the following revenue development:

- The Enterprise IT segment had set itself the target of increasing its revenue to between EUR 380 and 420 million. Due to the sale of the Experts Group, the Experts business has been removed from the segment, meaning that the segment revenue achieved in 2024 cannot be compared with the expectations expressed in the previous year. In 2024, the segment achieved revenue (including revenue with other segments) in the amount of EUR 278 million. The delayed implementation of digitalization projects in the public sector had a significant impact on the financial year, particularly at our Group company publicplan. As a result, the Enterprise IT segment did not achieve the initial revenue target corridor overall.
- The mgm technology partners segment had planned a further increase in revenue between EUR 126 million and EUR 136 million. The segment was also affected by project postponements in the public sector in the first half of 2024 in particular. However, the corresponding business has already picked up noticeably in the second half of the year. In the past financial year, the segment actually achieved revenue (including revenue with other segments) in the amount of EUR 126.6 million.
  The segment thereby also achieved the target corridor for its revenue forecast.

The revenue growth from the Group's continuing operations has been as follows over the past few years:

Revenue (continuing operations in EUR million)



*incl. discontinued operations of the Experts Group

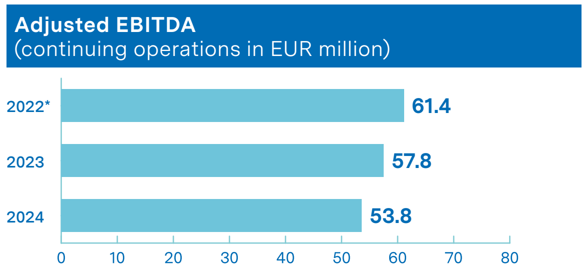
Profitability

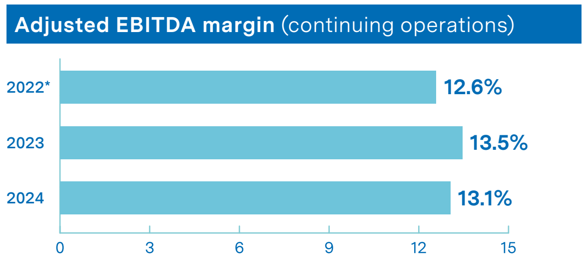
In the last annual report, we set ourselves the target for profitability measured in terms of adjusted Group EBITDA of disproportionately high growth to an adjusted EBITDA of between EUR 63 and EUR 69 million and an adjusted EBITDA margin of between 12 and 13 percent. The calculation for the adjustments in the 2023 and 2024 financial years can be found in Section 2.3.1. On August 6, 2024, we announced in an ad hoc disclosure that we are adjusting our guidance for the 2024 financial year and expect adjusted EBITDA in the range of EUR 63 million. As the project postponements continued to impact our business in the third and fourth quarters, we announced in an ad hoc announcement on November 5 that we now expect adjusted EBITDA for the year as a whole to be in the range of EUR 55 to 56 million. In fact,the Group as a whole achievedan adjusted EBITDA of EUR 55.8 million in the 2024 financial year. Compared to the previous year, adjusted EBITDA fell by 8.8 percent. The adjusted EBITDA margin amounted to 12.2 percent and was therefore in line with expectations. Incontinuing operations, the Group generated adjusted EBITDA of EUR 53.8 million in the 2024 financial year,equating to an adjusted EBITDA margin of 13.1 percent. This means that we have not achieved the expectations we expressed in the last annual report with regard to the development of the Group´s profitability, but have slightly exceeded the expectation expressed in the ad hoc announcement of November 5, 2024.

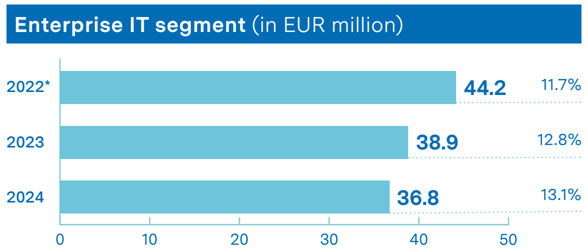
Our earnings targets at the level of the segments had been as follows:

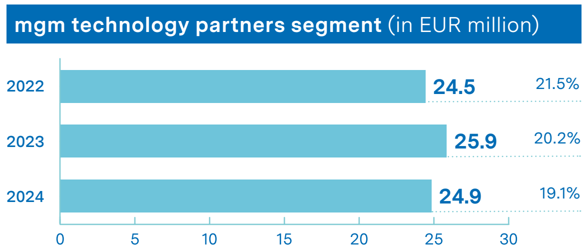
- The Enterprise IT segment planned for an adjusted EBITDA of EUR 49 to 53 million. The adjusted EBITDA margin was supposed to approach a level of between 12 and 13 percent. Due to the sale of the Experts Group, the business has been removed from the segment, meaning that the segment result achieved in 2024 cannot be compared with the previous year´s expectations. The segment generated adjusted EBITDA of EUR 36.8 million in the 2024 financial year, which equates to a margin of 13.1 percent, and therefore did not achieve its original profitability target in absolute terms, but exceeded expectations for the adjusted EBITDA margin. The negative impact on earnings was due to the considerable delays in the implementation of digitalization projects for public sector contractors caused by political factors, which led to a temporary reduction in capacity utilization.
- The mgm technology partners segment had been planning for an EBITDA of between EUR 25 and EUR 27 million for the financial year 2024. The adjusted EBITDA margin was supposed to be around 20 percent. The segment was also affected by the exceptional situation in the area of public sector contractors, particularly in the first half of the year, which resulted in temporarily lower capacity utilization and a corresponding negative impact on earnings. The segment generated adjusted EBITDA of EUR 24.9 million, equating to an EBITDA margin of 19.1 percent.
  The segment thus fell just short of its earnings target.

The adjusted EBITDA and the adjusted EBITDA margin for the Allgeier Group and the individual Group developed as follows:


Adjusted EBITDA
(continuing operations in EUR million)


Adjusted EBITDA margin (continuing operations)


Enterprise IT segment (in EUR million)


mgm technology partners segment (in EUR million)

*incl. discontinued operations of the Experts Group

Net debt

Our goal for the financial year was for the Group not to build up any further net financial liabilities without taking possible acquisitions into account. In 2024, Allgeier spent EUR 16.2 million in the context of acquisition activities (previous year: EUR 5.9 million). In contrast, the Allgeier Group received EUR 15.9 million from the sale of the Experts Group (taking into account the cash and cash equivalents disposed of). The Group also repaid liabilities from factoring. As a result, net debt as of December 31, 2024 (including liabilities from rental and lease agreements) amounted to EUR 128.4 million (previous year: EUR 116.8 million). This included liabilities from rental and lease agreements totalling EUR 36.6 million (previous year: EUR 45.8 million). We therefore did not achieve our goal of not increasing net debt without further acquisitions. This was due to the exceptional situation in the area of public sector contractors, which had a negative impact on profitability and cashflow. However, including the liabilities from the factored invoices, net financial liabilities totalled EUR 158.5 million and have decreased slightly compared to the previous year (previous year: EUR 159.8 million).

Growth through acquisitions

Another indicator of our Group development is the ability to take advantage of market consolidation through acquisitions. This not only accelerates growth but also the potential alignment and focusing of business activities. By now, Allgeier has more than 20 years of in-depth experience in implementing acquisition projects. We are recognized on the market as a potential purchaser of medium-size enterprises in Germany and abroad, and we have proven our ability to successfully integrate companies in a sustainable process, and to develop more growth. Over the years, we have steadily improved the process, which ranges from recording all acquisition candidates we are offered or which we actively identify, through to selection and execution of specific transactions. This process actively involves the Group´s operating units in the realization of add-on acquisitions.

Our goal is to continue growing through acquisitions in addition to organic growth. The Allgeier Group's transactions in recent years have included:

Transactions (acquisitions)	
2022	pooliestudios GmbH, Düsseldorf
	Quality First Software GmbH, Geretsried
	Höhn Consulting GmbH, Kiel
2023	ShiftDigital Government Solutions GmbH, Bochum
	SDX AG, Frankfurt am Main
2024	ABILITY GmbH, Ravensburg

2.5.2 Non-financial performance indicators

Employee satisfaction

Our employees are our Group's most valuable capital. Their expertise, their motivation, their solidarity and also their substantial dedication drive the projects for our customers and consequently drive our business forward every day. The employees of the various different units of our Group are the ones who enjoy the trust of our customers and develop and implement innovations for them. In competing for qualified new employees, it is more important today than ever before to be an attractive and reliable employer for the best candidates. An increasing degree of intelligent and flexible organization and diversification is required to combine different individual requirements, educational levels and expectations. The continuous development of existing employees and the recruitment of new highly qualified colleagues are essential factors for the development of the entire Group. Accordingly, employee satisfaction within our Group is a key performance indicator.

2.6 Human resources

Allgeier counts on dedicated and loyal employees

Highly qualified and motivated employees are a key success factor for the development of our Group. Every company in the Allgeier Group is crucially dependent on its employees' technical knowledge, abilities and loyal dedication. Our employees are in constant contact with customers, providing the agreed consulting and IT services, and developing innovative solutions for complex challenges. In the future as well, the strategy of our Group will depend on the commitment of our employees and our capacity to recruit new and high-performing employees, and to ensure their long-term loyalty to the Group in the competitive market.

Continuously fostering and developing the motivation and skills of our employees is therefore a central objective of our human resources policy. Allgeier has made good progress in the reporting year by further intensifying its employee recruitment and retention activities within the operating segments. We have expanded our international presence significantly in recent years – in Germany, in particular – but also at our development sites in the Czech Republic, Portugal, Vietnam and India. In our core DACH market, we continue to see considerable shortages of highly qualified experts at our key sites. For this reason as well, we are continuously investing in our employees to ensure the sustained growth of our Group and to keep valuable knowledge within the company. Moving ahead, this will entail a further rise in investment in ongoing employee training and continuing professional development. During the past years, we have also opened new locations in Spain, Portugal and Poland and significantly expanded other international locations, such as in India and Vietnam, in order to tap into additional skilled workers resources.

The company's appeal – to both its existing workforce and to good applicants – is becoming an increasingly important competitive factor. Given the fast-moving nature of the IT industry, ongoing technical training and education for employees is a key success factor in competing for the best employees. Staying on the ball technically is also crucial to satisfying rising customer requirements and being able to help shape key innovations within the industry. In turn, the employees of the individual Groupcompanies benefit from the steady expansion of our portfolio as well as from the Group's continuous growth, size and stability. The existing jobs within the Group are therefore becoming more secure while new jobs are being created at the same time. New challenging assignments with interesting customers who are at the heart of digitalization in our economy and society are creating attractive and inspiring professional prospects while at the same time providing good opportunities for individual development.

Employee figures: Broad base of highly qualified IT and software experts - further expansion of the employee base in Germany and at the international locations

At the end of the 2024 financial year, the Allgeier Group employed 3,140 people in continuing operations (previous year: 3,226 employees). As of the end of the financial year, Allgeier had 2,492 permanent employees in Germany (previous year: 2,582) and 648 permanent employees outside Germany (previous year: 644). As of the end of the 2024 financial year, 79.4 percent of all permanent employees were based in Germany (previous year: 80.0 percent).

The balance of additions and departures reduced the number of employees by 86 in the reporting year (previous year: increase of 227 employees). This development resulted from both Group segments. A further 45 jobs were created as a result of the acquisitions in financial year 2024 (previous year: 42 employees). As of the end of 2024, we employed staff from more than 25 different nations at our locations at home and abroad. In recent years, the degree of internationalization of our Group has increased and we have gained numerous highly qualified specialists at our international locations such as Austria, Switzerland, France, Spain, Portugal, Poland, the Czech Republic, the Netherlands, India, Vietnam and the US, which we intend to expand significantly in the coming years. With the further expansion of our locations abroad, we continued our internationalization process in the past financial year and created additional access to highly qualified employees in these regions.

In the 2024 financial year, the proportion of female employees in the Allgeier Group companies was 28 percent (previous year: 29 percent). Depending on the survey, Eurostat and the federal industry association BITKOM assume that the share of female employees across all companies in the German IT industry is between just 15 and 17 percent. Similarly, we also still have a high level of staff with university level qualifications: The proportion of academics was 63.2 percent as of the reporting date (previous year: 63.2 percent). In total, 92.1 percent of our employees hold a bachelor's/master's/doctoral degree, state-certified technician/master trades certificate, or have other qualified vocational training (previous year: 92.4 percent). In addition to continuous further training and professional development, it is the demand we place on ourselves to offer our employees long-term prospects and an attractive individual future within the Group by enabling a healthy and appealing work-life balance.

The number of employees in the Allgeier Group has developed as follows over the past five years:

Number of employees as of December 31 (by headcount)	2020*	2021*	2022*	2023	2024
Number of employees	2,366	2,937	3,320	3,226	3,140

* Figures including discontinued operations of the Experts Group

3. Overall Statement on the Business Situation of the Allgeier Group

The Allgeier Group´s business development in the 2024 financial year shows a fundamentally stable basis and sustainable growth opportunities despite a politically induced exceptional situation for public administration customers and the ongoing multiple challenges for German and international economic development. Over the course of 2024, our business model proved tobe robust, apart from the dependence on the specific availability of budgets in the public sector, and supported by the creation and provision of software solutions for the digitalization of standardized and individual business processes as well as related operational and support services, which is supported by our good positioning in a high-growth market environment and secures us attractive long-term prospects in the areas of private and public digitalization. In doing so, we pursue the goal of constantly increasing the added value of our services.

The delayed amendment to the German Online Access Act (Onlinezugangsgesetz), which only came into force at the end of July 2024 after months of blockades, led to delays in digitalization projects that we had already won and firmly planned for in the previous year. Our Group companies mgm technology partners and publicplan in particular were affected by some significant project postponements and a corresponding temporary lack of capacity utilization of the project teams, which led to a total loss of revenue of around EUR 25 million and a negative impact on EBITDA of around EUR 11 million over the 2024 financial year. Overall, the Group´s total performance in continuing operations fell by 4 percent to EUR 410.9 million. Fortunately, we were able to further increase our gross margin despite this challenging situation. Adjusted EBITDA was EUR 53.8 million, and thus fell a bit short of the previous year level. This equates to an adjusted EBITDA margin of 13.1 percent. The Allgeier Group´s balance sheet is stable and balanced. Equity amounts to EUR 194.2 million, which equates to an equity ratio of 41.3 percent. The net debt built up through company acquisitions in recent years is offset by the Group´s valuable companies with their operating results and cash flows. There is financial scope for further acquisitions.

The two segments of the Allgeier Group developed differently in the 2024 financial year. Our mgm technology partners segment was thus able to achieve slight growth despite the negative impact on revenue and earnings from the postponement of projects by public sector contractors. Business with public sector customers in the segment mgm technology partners already picked up noticeably in the course of the second half of 2024. Many business areas in the Enterprise IT segment were also stable in the reporting year. However, the segment was hit harder overall by the exceptional situation in the public sector, as revenue and earnings were significantly affected throughout the year, particularly at our company publicplan. Despite the temporary challenges for some of our Group companies in 2024, the dynamic growth of the software and IT services industry segments within the IT market, which was significantly higher than general economic growth and amounted to almost ten and four percent respectively across Germany in 2024, underlines the resilience and future viabilityof the Allgeier Group in a market segment characterized by sustainable global growth, digitalization and rapid technological development.

In the final quarter of 2024, we sold the personnel services business bundled under Allgeier Experts Holding GmbH, Munich, which further advanced the transformation into a software and IT services company with higher gross profit that has been underway since the spin-off of Nagarro SE in 2021. Allgeier is thus focusing on its core competencies in the development of software solutions and IT services for the digitalization of business-critical processes for customers in the private and public sectors. The Allgeier Public division will remain part of our group and, together with mgm technology partners and publicplan, will focus on the digitalization of public administrations. There is a high demand for digitalization services, particularly in the public sector, and demand could increase even further in the future: At federal, state and municipal level, institutions face enormouschallenges in achieving sustainable digitalization effects with the budgets provided. The high time pressure and the impending loss of skilled workers due to the baby boomer generation retiring from the workforce are further increasing this demand. Public sector customers are therefore increasingly focussing on customized solutions - for example by using open-source components to achieve digital sovereignty - that guarantee a high level of security and reliability in operation. Thanks to its many years of specific expertise, Allgeier is very well positioned to fulfill the complex and strategically important requirements of public administration customers.

Our qualified employees form the basis for the Allgeier Group´s business. At the end of the financial year 2024, more than 3,100 colleagues in 13 countries were working for the companies of the Allgeier Group. Together, we offer over 2,500 customers from various industries in Germany and abroad our software solutions and services for the digitalization of their businesses. The diversified base of our customers and the solutions and technologies we use make us largely independent of individual customers, sectors or technologies. Strategically, we endeavour to benefit sustainably from the attractiveness of the constant development of requirements and technological possibilities and align our business accordingly. We expect further growth opportunities for the current year 2025.

4. Forecast, Report on Risks and Opportunities

4.1 Forecast

General economic forecast

The organic growth of the Group companies is largely dependent on the appeal of the products and services they offer and on customers' willingness to spend, which is influenced by the overall landscape of the economy as a whole, as well as that of the individual sectors and companies. In particular, the development of the software and IT services market in Germany and several other relevant markets is the key benchmark for Allgeier's development as a provider of software and IT servicesfor the digitalization of enterprise and administration processes.

Following the two years of recession in 2023 and 2024, the German government and economic researchers expect only slight overall growth in Germany in 2025. In its current annual economic report from spring 2025, the German government expects price-adjusted GDP to grow by 0.3 percent. The German Council of Economic Experts and the EU Commission are forecasting slight growth of 0.4 percent and 0.7 percent respectively for the German economy in 2025, with the OECD also forecasting 0.7 percent, the ifo Institute 0.4 percent in its baseline scenario and KfW Research 0.5 percent. The German government emphasises that, beyond short-term developments, the current weakness in growth is above all an expression of structural causes. The German economy is facing several structural challenges that are slowing down growth. These included geopolitical factors such as the changed security situation as a result of the war in Ukraine and the intensification of global competition in the wake of China´s rise - both of which hit the export-orientated German economy particularly hard. At the same time, demographic change is exacerbating the shortage of skilled workers with the retirement of the baby boomer generation and increasing the pressure on social security systems. Added to this is climate change, which causes economic and social costs and requires considerable investment in decarbonisation. After all, Germany suffers from neglected location factors that impair productivity and growth potential.

Beyond the structural challenges, economic research institutes believe that an improvement in the economic situation will not materialize until the course of the current year at the earliest. According to forecasts by the German government, the German Council of Economic Experts and the ifo Institute, the inflation rate is likely to be between 2.1 and 2.3 percent in the current year, roughly the same level as last year, before falling further to 2.0 percent in 2026. The economic weakness is also having an increasing impact on the labor market. The German Institute for Employment Research at the Federal Employment Agency forecasts an increase in the unemployment rate to 6.1 percent by 2025, while the Kiel Institute for the World Economy expects it to rise to 6.3 percent. However, this has not yet had a noticeable impact on the IT and software sector.

The economy in the EU and worldwide is developing more dynamically overall. For the EU and the eurozone, the European Commission expects economic growth in the order of 1.5 and 1.3 percent respectively in 2025. The OECD is forecasting growth of 3.3 percent for the global economy in 2025. The economy is currently expected to pick up in the following year 2026, with a further slight increase in growth in both the German and European economies. Further details of the overall economic outlook can be found above in Section 2.1.1. of this Group Management Report.

Forecasts for the IT industry

The continued generally positive outlook for the IT industry and the growing momentum in the corresponding market segments (see the description in Section 2.1.2 above) also gives the companies of the Allgeier Group reason to be confident about business development in 2025 and subsequent years. Growth in the entire information technology sector in Germany is expected to rise to 5.9 percent in the current year. The growth drivers continue to be the IT services business, which is increasing its growth to five percent, and the software business, which in turn is expected to grow by almost ten percent. The growth of these market segments and the associated services shows that the overarching trend towards the digitalization of all key business and administrative processes is still in full swing.

According to the study "Top Tech Trends of 2025" by Capgemini, IT investments this year will be driven in particular by the increased integration of artificial intelligence and generative AI. Generative AI (GenAI) is evolving from co-pilots to logically thinking AI agents. These adaptive AI agents can adapt to new situations, making them valuable resources in a variety of industries, from customer service to healthcare. According to all company representatives surveyed, the most important trend and at the same time the biggest concern is cyber security - both for the private sector and public administration. AI solutions are designed to help protect systems against growing threats more effectively. In the industry sector, the automation of supply chains through AI plays a key role: New, AI-supportedsupply chains should help to become more resilient to geopolitical risks and implement more sustainable procurement strategies. Overall, technologies are becoming increasingly networked and interdependence is growing. Emerging areas such as edge AI (resource-efficient use of AI on decentralized devices), digital twins (virtual replicas of objects, systems or processes), AI in software development and industry-specific, customized cloud solutions are contributing to this. According to the experts at Capgemini, the key trends driven by the transformative potential of AI promise to revolutionize industries, increase efficiency and promote innovation. However, taking these trends into account will also be crucial to achieving sustainable growth and maintaining a competitive advantage in an increasingly dynamic market. Accordingly, the need to invest in IT and software could increase even further. The research and consulting firm Gartner forecasts global growth in IT spending of 9.3 percent for the current year 2025, with spending on generative artificial intelligence (GenAI) being the main driver. Within IT, spending on software and IT services is growing significantly, primarily due to investments in AI-related projects such as email and word processing. The Software market segment will accelerate its growth to 14.0 percent in the current year and the IT Services market segment is expected to increase its growth to 9.4 percent. GenAI products and services will contribute additional billions to in 2024 and 2025. According to Gartner, the current investment in GenAI is being driven primarily by technology companies that are building the infrastructure for it. From 2025, CIOs will increasingly invest in GenAI, beyond initial pilot projects. Although spending is increasing, the analysis company believes that expectations of GenAI´s capabilities will fall, as current GenAI models and the data available to CIOs do not meet the high expectations. With increasing investment, GenAI will easily eclipse the impact that cloud and outsourcing providers have had on data center systems in recent years, leading to a tripling of server sales by 2028. Overall, IT growth will increase by USD 500 billion annually, which means that global IT spending could reach the USD 7 trillion mark by 2028 . In the Gartnersurvey of CIOs and technology experts for the year 2025, over 80 percent of CIOs stated that they plan to increase their IT spending. The main objectives are to implement digital initiatives more effectively, promote collaboration between IT and specialist departments and make technologies usable throughout the company. At the same time, expenditure on outdated infrastructures is being reduced in order to accelerate migration to the cloud. The main focus of investment is once again on managing cyber security and other technological risks - alongside increased investment in business intelligence, data analysis and integration technologies (APIs). The industry association BITKOM also points to the increasing investment in cyber security. In 2024 alone, data theft, espionage and sabotage caused a record loss of EUR 267 billion to the German economy. Two thirds of companies feel that their existence is threatened by cyber attacks, but only 53 percent consider their defences to be adequate. Companies´ expenditure on IT security has already risen to 17 percent of the IT budget in the past year. The companies emphasize the need for closer cooperation with security authorities and a focus on security of supply chains.

In addition to the key technology trends of artificialintelligence and cyber security, the public sector is also likely to be a focal point of demand this year. The delayed entry into force of the amendment to the German Online Access Act last year has further increased the pressure to implement the digitalization of public administration. In the past decade, the federal and state governments had already defined joint fields of action for digitizingthe administration in the national eGovernment strategy. The German Act on the Improvement of Online Access to Administrative Services (Online Access Act, Onlinezugangsgesetz, OZG) had required the federal government, states and municipalities to offer their administrative services digitally as well by the end of 2022.

The Federal Government saw the first German Online Access Act as the starting signal for a sustainable change in public administration, which has set an important course for future digitalization work. The implementation of the German Online Access Act has made important administrative services such as applications for citizens´ allowance, child benefit and BAföG as well as parental allowance available digitally. The federal portal bund.de serves as a central access point and enables fully digital processes in some cases. In addition, the Federal Ministry of the Interior has funded the digitalization of 143 administrative procedures from 2021 to 2023, 135 of which are being used at least in pilot projects. The federal and state governments have also agreed on 16 focus services - federal administrative services that are frequently requested and should therefore be prioritized for digitalization. According to the Federal Government, however, it was already clear when the German Online Access Act came into force in 2017 that the administration would not be “fully digitalized” by the end of 2022, but that the digitalization of the administration would be an ongoing task. In May 2023, the Federal Government thus adopted a follow-up framework with the draft law to amend the German Online Access Act in order to drive forward the further necessary digital transformation of public administration and create central conditions for user-friendly and fully digital processes and services for all citizens and companies. Following approval by the Bundestag in February 2024, the Bundesrat finally approved the Amendment Act to the German Online Access Act (OZGÄndG) in June 2024 on the second attempt and after some delay. The law finally came into force in July, which the Federal Ministry of the Interior expects to significantly advance the digitalization of the administration. The goal is a user-friendly, fully digital administration. Key points are the introduction of the DeutschlandID as a central citizen account including a digital mailbox, the abolition of the written form and the “paper chaos” through the once-only principle, the introduction of an enforceable legal right to digital administrative services from 2028,completely digital administrative procedures for companieswithout media discontinuity within five years and stronger standards and interfaces to achieve a uniform digitalization. In order to make progress in digitalization in Germany, also the digital industry association BITKOM is calling on the German government to create an ambitious digital policy with a focus on administration, education, data rooms and infrastructure. The intended acceleration of administrative and approval processes should be implemented rapidly.

Following the delays in the amendment of the German Online Access Act, the digital industry association BITKOM is now calling for the law to be implemented quickly in order to drive forward digital administration and ensure the state´s ability to function. The law sets out important steps for a digital administration at federal level. These include common digital administrative processes throughcentrally provided basic components and the mandatory use of open standards and interfaces, which should accelerate future digitalization projects. However, BITKOM emphasises that long-term financial security for the measures is also particularly important in order to ensure that the digitalization of administration does not fail due to the interests of the federal, state and local governments or a lack of funding. The digital association is also calling for greater cooperation between the federal, state and local authorities in order to use best practices and standardize administrative services.

Forecast by the Allgeier Group

The Allgeier Group companies expect IT dependency to continue to grow in 2025 in an increasingly globalized world. The forecast growth in the IT industry as a whole and its relevant sub-sectors supports this assumption. The growth rates for IT services and software in particular are well above the industry average and even higher than the overall economic trend. At the same time, IT itself is undergoing rapid change, resulting in a constant need for innovation and investment as areas that have been relevant to date are quickly overtaken and replaced by others. Thanks to the Allgeier Group’s good positioning in key, high-growth innovation and future areas on the one hand, and its broad customer base covering multiple industries and consisting of several hundred large companies, SME market and sector leaders and public sector contractors on the other, Allgeier is confident in its ability to continue to profit from the structural opportunities for growth in the software and IT services sector.

In line with the expected development of the IT market both in Germany and in the other relevant markets, the Management Board considers the fundamental prospects for further growth of Allgeier Group´s business in the coming years to be positive.

The Allgaier Group companies have long held a strong market position in many of these trending and growth areas. In addition to cybersecurity, open- source software development and low-code platforms, the ongoing trend towards moving business software solutions to modern cloud ecosystems such as Microsoft Azure or SAP S/4HANA and, last but not least, the many ways in which software solutions with AI applications are beginning to be implemented can act as additional growth drivers.

We operate in several areas that have enjoyed high growth for years. To name just a few examples:

- mgm technology partners has been a pioneer in digitalization for many years, in particular in the public sector and in creating complex online portals. Our own enterprise low-code platform A12 enables fast and reliable development and customization of complex, functional and secure applications. AI components are also increasingly being used for this purpose, such as in the A12-based X12-COSMO AI suite, an AI-supported platform for industrial and commercial insurance.
- Public sector spending on the digitalization of administration at all levels (government, states, municipalities) is immense and still rising. Special conditions play a role in this. One major issue is digital sovereignty, i.e. independence from individual and, in particular, foreign manufacturers. We are serving this requirement with the development of administration software on the basis of open-source products. Our Group company publicplan is one of Germany’s leading specialists in this field.
- Classic software products such as ERP systems are gaining new significance in conjunction with ongoing digitalization and the considerable networking with other software products. They are often a central element in the system landscape of our customers and, as such, have to satisfy new requirements for connecting with other systems and the cloud. Our Group companies Allgeier inovar and Evora are specialists in this field and also have their own software solutions with a broad, long-standing customer base.
- Goods and services are increasingly being offered on dynamic online portals. Topics such as e-commerce are an essential part of the business. Existing systems have to satisfy a variety of new requirements, which often
- necessitates their replacement or further development. The software solutions of mgm technology partners and Allgeier inovar are leaders in this area.
- Almost all major software applications are increasingly being developed and operated in professional cloud environments. At the same time, the underlying cloud technology is constantly changing. Containerization is playing an increasingly important role for cloud-native applications. This means that the software code, with only the operating system libraries and dependencies required to run the code, is packaged in individual containers that are more mobile, resource-efficient and secure than previous cloud applications. This requires the considerable adjustment of existing software solutions and systems, consequently comprehensive transformation projects are required. This gives rise to new services for operating and maintaining applications in the cloud, known as managed services, for the ongoing support of business-critical and complex systems.
  In addition to mgm technology partners and publicplan, the Group companies Cloudical and Allgeier IT Services specialize in this area. With the C12 cloud solutions hosted in Germany, mgm offers among other things IaaS and PaaS services, managed services, infrastructure and network as well as hosting PaaS services.
- Data security and cyber security are becoming increasingly important. The specialist products and services of our Group company Allgeier CyRis help customers to achieve a requisite level of protection and to protect themselves against specific threats. Allgeier has bundled its business with its own cyber security solutions and corresponding services in a new high-performance unit, which has been operating on the market since 2022 as Allgeier CyRis.
  With software-based and automated security solutions and comprehensive services in the IT security environment, Allgeier has considerable potential. The service portfolio ranges from vulnerability management, pentesting and the detection of malware to the establishment of secure communication channels, for example with our julia mailoffice solution, through to ongoing support and consulting services. It also provides consulting services and performs audits and security awareness training.
  The mgm security partners unit also covers the entire range of services from information security to application security and security testing. For more than 20 years, the unit has been helping companies to develop and deploy software securely through among other things services such as information and web security consulting, pentests, training, Red Teaming Assessments or Host Audits, as well as through products such as the mgm ATLAS security test platform, an Application Security Posture Management (ASPM) solution.

One challenge for our Group companies is the shortage of qualified IT and software specialists. We are continuously intensifying our recruitment activities and also internal training and professional development in addition to making jobs at Allgeier Group companies more attractive. Further steps include broadening the employee base in other countries such as India, Vietnam, Southwest or Eastern Europe and acquisitions of companies with correspondingly qualified employees.

Based on the Group’s planning to date, we are providing the following forecast for the individual performance indicators for continuing operations:

The current planning for the 2025 financial year envisages revenue in the range of EUR 410 million to EUR 450 million for continuing operations. Both segments of the Group are set to contribute to the planned revenue growth. The expected adjusted EBITDA of the Allgeier Group´s continuing operations for 2025 is between EUR 57 million and EUR 63 million. (The calculation for the adjustments in the 2023 and 2024 financial years can be found in Section 2.3.1) This corresponds to an expected increase in sales of around 6 percent compared to 2024 and a disproportionately high increase in adjusted EBITDA of around 10 percent. The corresponding adjusted EBITDA margin is expected to be in the range of 14 percent. In the medium term, the Management Board is aiming for an annual organic growth rate of the Group sales of 10 percent for the coming three-year period. Within this period, the adjusted EBITDA margin should continue to rise to more than 15 percent. All target figures and objectives for the period from 2025 onwards relate to organic Group growth. Potential further acquisitions will make an additional contribution to revenue and earnings growth.

We plan the following revenue and earnings trends for the specific segments:

- The Enterprise IT segment is planning for adjusted revenue of between EUR 285 million and EUR 315 million with adjusted EBITDA of EUR 41 to 46 million. This corresponds to an increase in revenue of around 8 percent and a disproportionately high increase in adjusted EBITDA of around 18 percent. The adjusted EBITDA margin is expected to be between 13 and 15 percent.
- The mgm technology partners segment is planning further revenue growth to between EUR 125 million and EUR 135 million with adjusted EBITDA of EUR 25 to 26 million. This corresponds to an increase in revenue of around 3 percent and an increase in adjusted EBITDA of around 2 percent. The adjusted EBITDA margin is expected to be around 19 percent.

Disregarding potential acquisitions, the Allgeier Group does not intend to accumulate any further net financial liabilities in financial year 2025.

Objective for 2025: Expansion of our expertise and services in areas in which we can generate high value added for our customers and strong growth; further transformation of core business with a focus on technologically state-of-the-art software solutions and associated services

The following still applies to 2025: Our primary goal is the sustainable development of our Group, our business areas and our enterprise value. While this is happening, the Group will become more attractive to employees and customers, with improved performance. As a major mid-market player, we see ourselves as an established and reliable partner with close proximity to customers, but also with the potential to offer these qualities in major, long-term projects and at an international level as well. Broad and also steadily increasing international performance and technological equality are assumed, local proximity is desired.

Our specific goals for the current 2025 financial year are to continue focusing within the segments on value-adding business with sustainable growth potential based on current and promising technologies such as platform solutions, open-source software and cloud solutions. We want to further expand our expertise in the applications and ecosystems of the major manufacturers as well as further develop our own software solutions. Growth also includes the continued development of the organization and the governance of the operating business units. Further targeted acquisitions are also an express part of the growth strategy in 2025.

4.2 Report on risks and opportunities

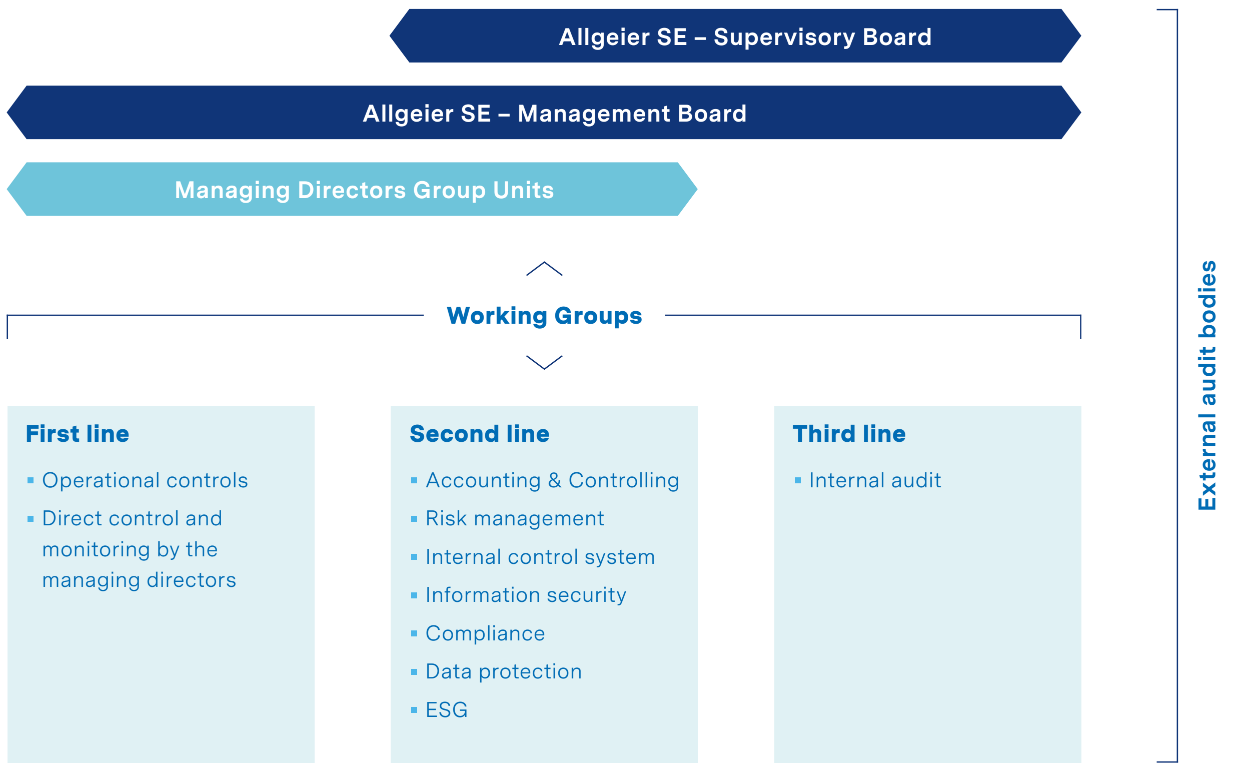
The Allgeier Group is exposed to various external and internal influences. The Group’s business activities are associated with risks that cannot be ruled out from the outset. Risk management focuses on recognizing the relevant business risks and dealing with them systematically. The following sections explain the Group-wide governance system, the risk management system, the internal control system as well as the compliance management system.

4.2.1 Key features of the governance system

Allgeier SE pursues a holistic approach to the implementation and management of governance issues. The following overview provides a summary of the basic structure and the interaction of the functions involved in the Allgeier Group:

The aim of the integrated approach pursued is to actively establish a consistent and recurring governance system (“GRC - Governance Risk & Compliance”) across the entire organization for the individual topics and to continuously improve it through a systematic process. Ongoing communication and reporting between the Supervisory Board, the Management Board and those responsible is ensured.

Key features of the governance system



4.2.2 Key features of the risk management system

The aim of the Allgeier Group’srisk management system is to identify potential risks that could jeopardise the success of the Group and the individual segments at an early stage and to actively address them through appropriate measures. The risk culture in the Allgeier Group plays a decisive role in achieving this aim. It is therefore necessary to ensure that all employees, and decision-makers in particular, are aware of the risks that exist within the Company. Consistent communication within the Group and the systematic process contribute to this. The risk management strategy comprises various options for action, such as risk avoidance, risk minimization, risk transfer, risk provisioning and risk acceptance. Allgeier SE categorizes risks into four risk categories and is guided by legal requirements and best practices:

- Strategic risks
- Operational risks
- Financial risks
- Compliance risks

Our risk management process follows a standardized approach and is continuously improved. This process is explained in more detail below.

1. Risk identification

At Group level, a systematic risk survey is carried out at least once a year within the Allgeier Group, which results in a risk matrix. This process is based on a uniform guideline and ensures that the risks that arise are transparent and controllable. In addition, a business review of the main Group companies is carried out at least quarterly, the results of which are reported to the Management Board. Part of the monthly business reviews is the preparation of a forecast for the remainder of the year. Business figures are collected from all Group companies on a monthly basis and subjected to a review.

2. Risk assessment and risk aggregation

The Allgeier Group assesses and classifies risks in terms of their probability of occurrence and qualitative significance. The risk-bearing capacity is assessed more precisely by means of a quantitative assessment. Risks are systematically assessed on the basis of the extent of damage and probability of occurrence and classified in a risk matrix. Classification into the respective risk categories high, medium and low helps to prioritize the identified risks and counter them with appropriate measures.

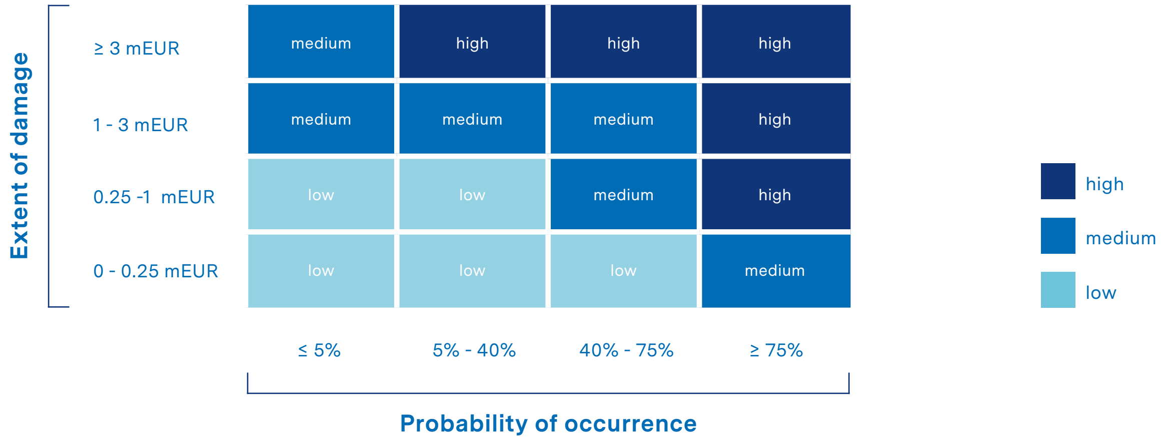
3. Risk control and risk monitoring

The Allgeier Group manages risks based on the risk assessment. Risk measures are derived, controlled and monitored in accordance with the risk assessment of the Group companies. The appropriate and effective implementation of the risk management guidelines in the various Group companies is reviewed and monitored at Group level. The aim of the risk management system is to reduce existing risks to an acceptable level.

4. Risk reporting

Continuous risk reporting between the Group companies and Allgeier SE as the Group holding company ensures that the Management Boardregularly receives an overall picture of the Allgeier Group´s risk situation. The management of the Group companies and the Management Board are responsible for the risk management system and the Supervisory Board monitors this system.

Risk matrix by measure (net presentation)



Extent of damage	≤ 5%	5% - 40%	40% - 75%	≥ 75%
≥ 3 mEUR	medium	high	high	high
1 - 3 mEUR	medium	medium	medium	high
0.25 -1 mEUR	low	low	medium	high
0 - 0.25 mEUR	low	low	low	medium

Probability of occurrence

4.2.3 Key features of the internal control system

The Allgeier Group regards the internal control system as a fundamental building block for corporate management. The main objective is to implement the strategic and operational guidelines of the Allgeier Group’s Management Board and the managing directors of the business units while ensuring efficiency and compliance.

There are two main control levels: the company level and the operational process level. At segment and company level, management is carried out using various vehicles, including rules of procedure, budget/forecast targets, quarterly business reviews and the review of monthly business figures. The operational process level is subject to Group-wide guidelines that cover essential and business-critical processes. These include, among others:

- Four-eyes principle
- Separation of functions
- Need-to-know/access permissions
- Documentation & transparency

4.2.4 Key features of the accounting-related internal control system

The internal control system for accounting-related issues – in particular, financial reporting – aims to provide reasonable assurance that financial reporting is reliable and complies with generally accepted accounting standards. This includes the recording, processing and evaluation of relevant facts and forms the basis for reliable internal and external reporting of the Allgeier Group. Various processes and regular analytical audit procedures are carried out for this purpose, including work instructions, evaluations, variance analyses, order backlogs, margin developments, receivables statistics and employee statistics. Clearly defined roles and responsibilities are an integral part of this framework. A standardized, Group-wide IT-supported internal reporting is firmly integrated into the overall corporate management structure. The key features of the internal control system are of particular relevance.

4.2.5 Compliance management system

4.2.5.1 Key features of the compliance management system

Trust and integrity are fundamental values in the Allgeier Group’s corporate culture and form the foundation for entrepreneurial success. The compliance management system aims to ensure responsible and ethically correct conduct within the Group. This goal is actively supported by Supervisory Board, Management Board, managing directors as well as supervisorsand employees. Binding regulations apply to all employees throughout the Group, which ensure that employees treat each other fairly and respectfully. The compliance organization has established binding regulations for issues such as corruption, money laundering, insider trading, data protection and employee leasing throughout the Group. The German Whistleblower Protection Act (Hinweisgeberschutzgesetz) enables employees to report suspicious circumstances (“whistleblowing”). The compliance organization ensures compliance and implementation. Reports are evaluated according to a systematic process and, depending on the individual case, can lead to far-reaching consequences.

4.2.5.2 Further development of the compliance management system in the 2024 financial year

In the 2024 financial year, the Allgeier Group´s compliance management system (CMS) underwent regular further development and updating. In the course of further development, the existing group policy was adapted to the current internal and external requirements of the Allgeier Group. The CMS was also integrated into the GRC system (Governance, Risk & Compliance) to ensure that the Management Board and Supervisory Board have a standardized and compact overview of governance issues. Corresponding responsibilities at Group level have been specified for this purpose.

Allgeier SE provides the basic framework and the relevance analysis of the Allgeier Group last carried out in the 2024 financial year in the form of the Group Compliance Policy to ensure uniform standards and specifications for implementation in the individual Group companies. Responsibility for the implementation and practical application of the guideline is decentralized and lies with the managing directors of the respective Group companies. They bear primary responsibility for the identification, assessment and management of compliance risks in their operational areas of responsibility.

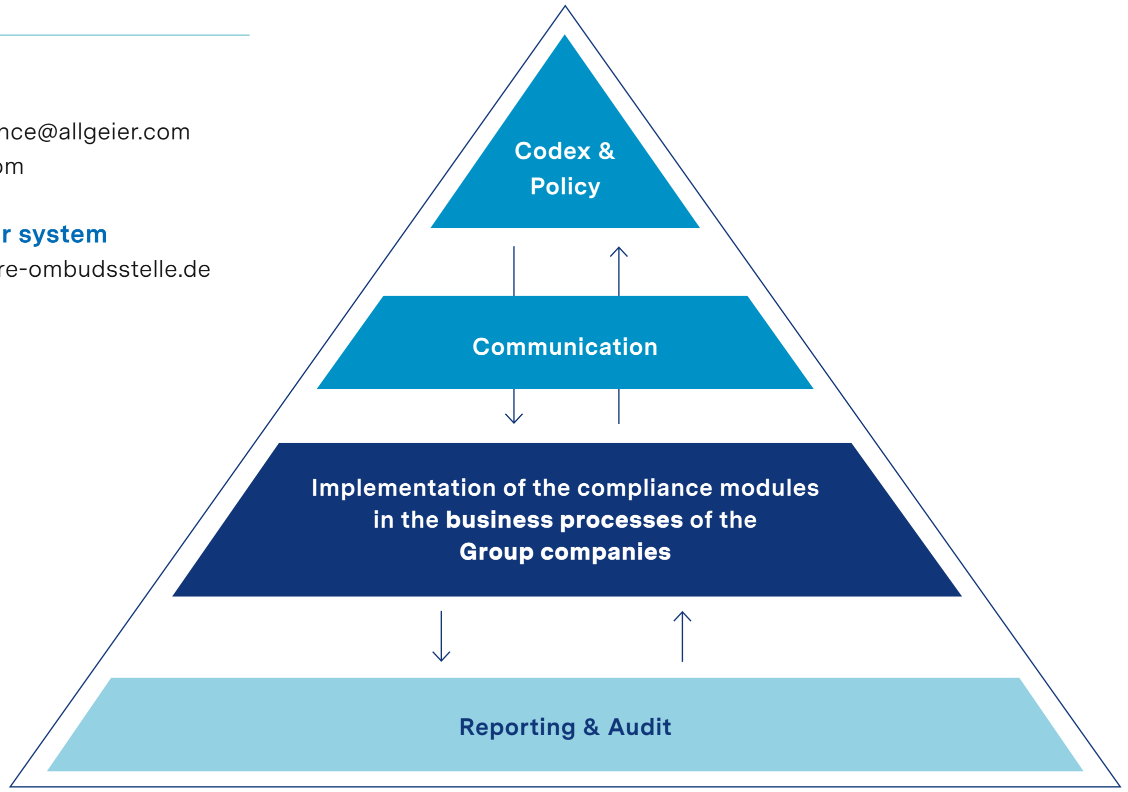
The Management Board of Allgeier SE monitors and supervises compliance with compliance requirements at a centralized level. This is achieved in particular by carrying out regular reviews, audits and an established reporting system that ensures transparent reporting and monitoring of the Group companies´ activities. These measures ensure that operational business processes fulfill the constantly growing complexity of regulatory requirements and are implemented in a legally compliant manner. The following graphic illustrates the structure of the CMS.

Compliance management system of the Allgeier Group

Contact

E-mail: compliance@allgeier.com
www.allgeier.com

Whistleblower system
www.allgeier.ihre-ombudsstelle.de



4.2.6 Risk report of Allgeier SE

The assessments of the risk categories under consideration and the risk catalog are presented below. The identified risks apply to the two segments Enterprise IT and mgm technology partners as well as the Group and are valid for at least the following financial year. An explanation of the relevant risks is provided for the high and medium risk classes. Climate risks were also analysed and assessed, but were classified as low in the 2024 financial year, as in the previous year. These risks are thus not discussed further. Potential opportunities in the area of environment/climate risks, particularly in the context of an IT services company, are dealt with separately in the opportunities section . The list is not exhaustive. In addition to the risks listed, there may be other risks to which Allgeier Group is exposed but which have not been identified as being significant. All of the risks listed, as well as the risks identified as immaterial, can have a negative impact on the business, net assets, financial position and results of operations.

I. Strategic risks

The economic environment is of key importance for the Allgeier Group. In particular, business activities are influenced by economic developments, the economic environment and budget planning at federal, state and municipal level. The current political uncertainty in the federal government poses a considerable risk. The unclear political governance and the new elections in February 2025 are creating uncertainty, particularly with regard to the financing of public projects. This can lead to delays or cuts in the funding of digitalization projects.

Macroeconomic risks remain challenging. Budget cuts and shifts in budget expenditure, for example due to rising defence spending, could have a negative impact on demand for software and IT services. Customers of the Allgeier Group are themselves dependent on the economic development of their markets. A persistently weak or volatile economy can lead to customers reducing their IT budgets.

In addition to the associated opportunities, technological dynamism also represents an ongoing risk. The Allgeier Group must continuously adapt its software and services to take account of technological developments such as cloud solutions, open source and artificial intelligence. Ensuring technical capabilities remains crucial in order to remain competitive.

Inflation has lost some of its risk potential compared to the previous year. The current inflation rates are at an expected level and only have a limited impact on the Allgeier Group's operating margins.

II. Operational risks

Key accounts and customers: Allgeier Group counts companies and public institutions of all sizes among its customers. There is a risk that Allgeier Group may lose key customers in individual cases or that projects may be continued on a smaller scale. Systematic and regular analyses of individual projects are carried out to counter this risk at an early stage (early risk detection). In addition, a business review is conducted at least quarterly with the individual Group companies. This reports in detail on the development of key customers and key accounts (top-10 customers). In addition, a short, medium and long-term projection of the main revenues is carried out. In addition, parts of Allgeier Group are covered by bad debt insurance, which reduces the risk of bad debt losses.

Products and technology: Timely recognition and application of new product trends and technologies strengthens the competitiveness of Allgeier Group. However, the speed of developments and constant innovation also represent a risk for Allgeier Group – particularly in terms of acquired licenses and internally developed software solutions. Liability and warranty risks may arise if the products are not used or developed properly or in accordance with the contract. Allgeier Group counters this risk through ongoing training and further education programs. This is because employee expertise is an important component in the (further) development of products. In addition, the Allgeier Group has establisheda large number of quality management modules. Pertinent standards, such as ISO 9001, 27001, 14001 and other certifications in relevant Group companies contribute to a high level of quality. This is also taken into account when commissioning partner companies or subcontractors and is continuously monitored and audited internally and externally. The use of third-party companies can entail a certain dependency, but is sometimes indispensable due to a lack of resources. This may result in a risk of reduced performance at individual Group companies.

Employees: Employees are one of the Allgeier Group´s central and business-critical success factors. Their commitment, expertise and sense of responsibility ensure the company´s competitiveness and long-term success.

The current economic situation, which in some cases is leading to considerable staff cuts in other industries, has not yet affected the IT industry to the same extent. This opens up opportunities for the Allgeier Group to attract qualified specialists and managers. At the same time, competition for talent remains high as the demand for specialized IT professionals continues to rise.

The loss of qualified employees without an adequate replacement in a timely manner harbors risks for business development. To counteract this risk, the Allgeier Group attaches great importance to the long-term retention of its employees. Key measures include competitive remuneration, flexible working models and comprehensive training and development opportunities. Through these approaches, the Allgeier Group strengthens the satisfaction and loyalty of its employees and continues to position itself as an attractive employer in the IT industry.

Information security: According to the World Economic Forum´s latest Global Cybersecurity Outlook 2024, 93% of companies surveyed worldwide consider cyberattacks to be a major risk to their business activities. The Allgeier Group is also exposed to various threats from cyberspace. Cyber attacks or system failures can lead to considerable disruption to business operations, both for the Allgeier Group and for its customers. In such cases, the recovery of data often requires considerable time and resources.

To counter these risks, the Allgeier Group has established a Group-wide information security management system (ISMS) in accordance with the ISO 2700x series and implemented a specialized information security organization with a direct reporting line to the Management Board. These measures are continuously monitored and adapted to new threats. The decentralized structure of the Group and the largely independent IT systems ensure natural risk diversification. In addition, Group-wide cyber security insurance protects against the financial impact of potential attacks.

The Allgeier Group reacted to the requirements of the NIS2 directive at an early stage and adapted the minimum information security requirements accordingly. Increasing regulatory requirements require additional measures, but at the same time open up opportunities. With its expertise, the Allgeier Group supports customers in maintaining and further developing security-relevant IT architectures and thus not only strengthens the digital resilience of its customers, but also their trust in its services.

Contracts and projects: In the operating business, the Group companies sometimes assume contractual liabilities and warranties, particularly in fixed-price projects. Under certain conditions, variances in the projects can lead to increased expenses. Allgeier Group has implemented systematic processes and an early risk detection system that continuously pinpoints and analyzes budget deviations. Ongoing project control is ensured by recording the time spent on the respective projects. In addition, insurance contracts are in place for significant business risks, including a Group-wide compulsory business liability insurance policy.

Acquisitions: In addition to organic development, the Allgeier Group´s strategic orientation includes targeted acquisitions of suitable companies in Germany and abroad. These transactions, combined with corresponding investments, entail risks such as potential depreciation on assets and business values in the event of unforeseen negative developments. Financing risks may arise, particularly if parts of the transaction are financed with borrowed funds. Decisions on the sale of business units are made with due care in order to optimize strategic orientation.

Integration into existing Group companies can also entail risks. In order to minimize these, the Allgeier Group has established systematic post-merger processes that ensure the successful integration of the acquired companies. The Management Board makes decisions with the involvement of external experts and conducts due diligence reviews prior to transactions. The transactions require the approval of the Management Board and the Supervisory Board.

III. Financial risks

Liquidity, credit and interest rate risks: As of December 31, 2024, the Allgeier Group had cash and cash equivalents of EUR 57 million (December 31, 2023: EUR 83 million). This is offset by liabilities to banks (including factoring) in the amount of EUR 149 million as of the balance sheet date (December 31, 2023: EUR 154 million). In the financial year 2024, Allgeier Group generated a positive cash flow from operating activities, which creates the basis for continuous organic growth and investments through acquisitions. Overall, however, the Allgeier Group´s cash flow was negative in the 2024 financial year.

Allgeier Group's financial liabilities involve interest rate risks and contractual risks that could trigger early repayments. These risks result from compliance with balance sheet and income statement key figures as well as other requirements. Non-compliance could lead to the termination of loans and immediate maturity. Future cash flows and the Allgeier Group's liquidity situation can also be negatively influenced by changes in customers' payment behavior, e.g. longer payment terms or defaults. Systematic processes and systems, such as liquidity planning, receivables management and cash management, have been established in order to recognize liquidity bottlenecks and interest rate changes in good time.

In addition, the Group makes targeted use of internal distribution and financing opportunities. Furthermore, the topics of banking, liquidity and risk management, as well as the expansion of governance structures and the revision of processes and systems, are being continuously refined at holding company level.

As of the reporting date of December 31, 2024 , the syndicated loan has tranches of EUR 84 million (December 31, 2023: EUR 80 million) and is subject to a variable interest rate. The promissory note loan in the amount of EUR 60 million (December 31, 2023: EUR 60 million) carried a variable interest rate for an amount of EUR 29 million as of the reporting date (December 31, 2023: EUR 29 million). Fixed interest rates were agreed for the remaining portion of the promissory note loan. In addition, an interest rate swap with a nominal value of EUR 50 million serves to hedge the interest rate risk. Therefore, the remaining portion of the variable interest-bearing financing in the total amount of EUR 63 million is subject to interest rate risk. Further details can be found in the notes to the consolidated financial statements in the 2024 Annual Report (19. Financial liabilities).

We conduct talks and negotiations on an ongoing basis to evaluate and assess financing for acquisitions and the Group's growth. If new debt or equity financing is needed for our future growth, we are dependent on the developments of the financial and capital markets and on our ability to access new debt or equity financing.

IV. Compliance risks

Taxes: The Allgeier Group is subject to tax risks, particularly in connection with tax groups and liability for the liabilities of individual subsidiaries. Potential risks arise from ongoing tax audits for previous financial years. The final findings for the last ten years are not yet available for all matters and Group companies. Advance payments were made or provisions recognized for potential tax liabilities for known findings. In addition, however, there may be subsequent tax claims for matters for which final tax assessments have not yet been madeand for which there is insufficient information to recognize provisions.

Tax compliance has been further developed in recent years. A tax compliance management system is in place for the Group. The Group regularly reviews its tax groups with the involvement of external tax consultants and internal experts. In addition, tax audits are proactively prepared, relevant employees are trained and changes to the law are continuously monitored in order to identify and minimize risks at an early stage.

Legal requirements: Changes in legislation or its interpretation can affect the business activities and profitability of the Allgeier Group. In particular, regulatory requirements in the areas of taxes, social security law, labor law and service and work contract law can lead to higher expenses or liability risks. For some Group companies, ongoing audits are being conducted by the social security authorities for past financial years, the results of which are not yet available.

The further development of compliance processes and the transformation of the Group, including the sale of the Experts Group, have reduced these risks for the future. At the same time, the business models are continuously adapted to new legal framework conditions.

The Allgeier Group is continuously improving its standardised order processes with the help of external expertise. Internal and external experts regularly review the processes, while comprehensive documentation ensures compliance with the requirements. These measures enable potential risks to be identified and minimized at an early stage.

Regulatory environment: The regulatory environment, characterized by requirements such as CSRD/ESRS, the German Supply Chain Due Diligence Act and the EU taxonomy, places high demands on the Allgeier Group. The Group expects clear and timely legal requirements from the legislator in order to ensure reliable planning and effective implementation. Although these topics offer limited direct added value for an IT service provider, there are risks involved in implementing complex requirements within short deadlines. The Allgeier Group is in close dialogue with key relevant stakeholders, such as banks, in order to implement the requirements in a targeted manner and ensure a balanced relationship between costs and benefits.

Overall statement on the risk situation of Allgeier SE

The risk-bearing capacity of the Allgeier Group has been determined and compared with the aggregated risks. Based on this analysis, from a present-day perspective there are nocritical risks to the future development of Allgeier Group that could have a material adverse effect on the net assets, financial position and results of operations. The Management Board assumes that the identified risks are limited and manageable, like they were in the previous year. No risks have been identified that could jeopardize the continued existence of the company,either individually or considered as a whole.

4.2.7 Opportunities report of Allgeier SE

In addition to the risks described above, the business activities of the Allgeier Group involve corresponding opportunities, which are taken into account in the specific plans by way of the business development already recorded. These opportunities are analyzed continuously and documented on an annual basis. The regular business reviews enable an ongoing assessment and evaluation of developments. On this basis, new market opportunities are identified and pursued in a targeted manner in line with the strategic direction.

General market and industry opportunities

The Allgeier Group operates in a sustainably growing market that is characterized by advancing digitalization. According to the industry association BITKOM, the digital economy is considered resilient to crises and has a positive business climate compared to the economy as a whole. The disproportionately high growth in the IT industry opens up a wide range of opportunities for the Allgeier Group to develop new ideas and business models.

The economic and political dynamics also offer opportunities. Following the elections in February 2025, the new federal government could provide new impetus for digitalization projects, particularly in cooperation with public institutions and the private sector. Thanks to its flexibility, the Allgeier Group is able to react to economic fluctuations and secure market shares in a volatile environment.

Future opportunities through digitalization and social impulses

The Allgeier Group sees great opportunities in the growing demand for cyber security and customized IT solutions. With its expertise in cyber security, the Group can develop innovative protection mechanisms, strengthen the digital resilience of its customers and expand its position as a reliable partner. At the same time, the development of customized software for complex business processes enables the targeted servicing of individual customer needs. By focusing on system infrastructure, security solutions and innovative technologies, the Allgeier Group is taking advantage of the opportunities presented by advancing digitalization and the growing demand for digital solutions.

Impetus from politics and the increasing expectations of the population are fuelling rising demand for IT services. The Germany Digitalization Index 2023 (Fraunhofer Institute for Systems and Innovation Research) shows that 53% of administrative services are now available online, which represents a significant increase compared to 2021 Nevertheless, Germany is still only ranked 18th out of 27 in the EU´s e-government ranking (European Commission's e-government benchmark 2022). This discrepancy illustrates the great untapped potential in the public sector. At the same time, a study by PwC ("The networked administration") shows that 92% of the population are prepared to carry out administrative processes digitally - a clear indicator of the acceptance and urgency of digitally available services.

In Germany, demographic trends mean that there is an urgent need for action, both for public and private sector contractors The Allgeier Group is already supporting customers from the public and private sectors in modernizing their IT systems. The aim is to enable efficiency improvements, promote sustainable administration and realize innovative business models. This strategic orientation makes the Allgeier Group a relevant partner in an increasingly digitalized environment.

Transitioning towards a sustainable economy

Digitalization opens up new opportunities for sustainability, climate protection and improving competitiveness. According to the current study by the industry association BITKOM "Climate effects of digitalization 2.0" from spring 2024, digital solutions can make an important contribution to achieving Germany's climate targets and, at the same time, strengthen the competitiveness of Germany as a business location. The Allgeier Group can benefit from this change by offering relevant technologies such as information security, artificial intelligence and IT services. By supporting its customers in their digital transitioning, the Allgeier Group can make a significant impact on their transformation processes. This helps to strengthen resilience, makes the business model more crisis proof and promotes innovation. In addition, the focus on sustainable management and the link to technological developments could appeal to young talent and make Allgeier Group and its subsidiaries more attractive to potential employees.

Acquisitions as a value-creating and central strategic element

Targeted acquisitions are a key growth driver for the Allgeier Group. Through increased internationalization, the Group is reducing potential risks in individual countries and achieving broader diversification in strategically important growth markets. This opens up the opportunity to optimally utilize regional market developments, acquire new customers in growth markets and expand their international expertise.

The Allgeier Group is actively seeking acquisition opportunities in Germany and worldwide to strengthen its portfolio with companies with complementary skills and innovative technologies. Acquisitions not only provide access to new markets, but also enable the recruitment of highly qualified specialists, the scaling of existing offerings and the integration of future technologies. This strategy strengthens the company´s competitiveness and sustainably increases its value. With a clear focus on value-creating partnerships and innovative companies, the Allgeier Group is continuously working to expand its market position in a dynamic global environment.

Overall statement on the opportunity situation of Allgeier SE

Thanks to its decentralized structure, the Allgeier Group can respond flexibly to the numerous areas of opportunity and exploit them. This agile development is part of the corporate strategy. By identifying, evaluating and making targeted use of these opportunities, the Group aims to benefit from the resulting possibilities and potential. The overarching goal is to further expand the market position in the coming years.

5. Takeover-Related Disclosures (in accordance with Section 289a and Section 315a HGB) and Explanatory Report

5.1 Composition of issued capital

The issued capital of Allgeier SE amounted to EUR 11,472,313.00 as of December 31, 2024 (previous year: EUR 11,444,313.00) and was divided into 11,472,313 no-par value registered shares (previous year: 11,444,313 no-par value shares). Each share accounts for a notional amount of the share capital of EUR 1.00. All the no-par value shares of the company belong to the same class of shares. The shares are fully paid in. The issued capital of Allgeier SE was increased by the allocation of 28,000 new registered no-par shares from Contingent Capital 2014 (pre-emption shares) in the financial year 2024. The shares of Allgeier SE closed at EUR 15.05 in Xetra trading on the Frankfurt Stock Exchange on December 30, 2024 . In the previous year, the shares closed at EUR 21.50 on December 29, 2023.

All shares have the same rights and obligations. In particular, each share has one vote in the Annual General Meeting. This does not include treasury shares that do not convey rights. The shares of the company are listed in the General Standard on the Regulated Market of Frankfurt Stock Exchange (ISIN DE000A2GS633, WKN A2GS63). The rights and obligations in connection with the shares of the company are governed by the company's Articles of Association, supplemented by the EU Regulation on the Statute for a European Company Regulation, the German SE Implementation Act and the German Stock Corporation Act.

5.2 Restrictions on voting rights or the transfer of shares

The Management Board is not aware of any restrictions on voting rights or the transfer of shares.

5.3 Interests exceeding 10 percent of voting rights

The following persons have informed us (as of December 31, 2024) that their direct or indirect interests in the share capital exceed 10 percent of the voting rights of Allgeier SE based on the total number of voting rights of 11,472,313:

- Lantano Beteiligungen GmbH, Munich, Germany directly and indirectly holds an interest of 28.41 percent.
- The Chairman of the Supervisory Board, Mr. Carl Georg Dürschmidt, Germany, indirectly holds an interest of 28.41 percent through Lantano Beteiligungen GmbH, Munich.
- Dr. Christa Kleine-Dürschmidt, Germany, directly and indirectly - through Lantano Beteiligungen GmbH, Munich - holds an interest of 28.41 percent in total.
- Ms. Linda Müller-Dürschmidt, Germany, directly and indirectly - through Lantano Beteiligungen GmbH, Munich - holds an interest of 28.41 percent in total.
- Ms. Laura Pirkl-Dürschmidt, Germany, indirectly holds an interest of 28.41 percent through Lantano Beteiligungen GmbH, Munich.
- The Deputy Chairman of the Supervisory Board, Mr. Detlef Dinsel, Germany, directly and indirectly holds an interest of 14.01 percent.

Other direct or indirect interests exceeding 10 percent of the voting rights have not been reported to the company and are not otherwise known.

5.4 Shares with special rights granting control

The company has no shares that confer special rights, especially rights of control over the company for their owners, as compared to the other shareholders.

5.5 Type of voting right control where employees hold an interest in the share capital and do not exercise their rights of control directly

The Management Board is not aware of any employee investments in the company's capital, where employees do not exercise the control rights from their investment directly.

5.6 Statutory regulations and provisions of the Articles of Association for the appointment and dismissal of members of the Management Board and the amendment of the Articles of Association

The requirements for appointing and dismissing members of the Management Board and for amending the Articles of Association are based on the provisions of the Articles of Association, the Regulation on the Statute for a European Company, the German SE Implementation Act and the German Stock Corporation Act. In accordance with Article 9.1 of our Articles of Association and Article 39 of the Regulation on the Statute for a European Company, the Management Board consists of one or more persons; the number of members of the Management Board is determined by the Supervisory Board.

In accordance with Article 9.3 of our Articles of Association and Section 84 of the German Stock Corporation Act, the Supervisory Board can appoint a Chairman of the Management Board.

If a necessary member of the Management Board is lacking, the court must appoint this member in urgent cases at the request of a party involved in accordance with Section 85 German Stock Corporation Act. In accordance with Article 39 of the Regulation on the Statute for a European Company and Section 84 of the German Stock Corporation Act, the Supervisory Board can revoke the appointment of members of the Management Board and the Chairman for cause. In accordance with Article 46 of the Regulation on the Statute for a European Company and Article 9.2 of our Articles of Association, members of the Management Board are appointed for a maximum of six years. Reappointment is permitted in accordance with Article 46 of the Regulation on the Statute for a European Company and Article 9.2 of our Articles of Association. The Supervisory Board appoints the members of the Management Board by way of resolution with a simple majority of the votes cast. Amendments to the Articles of Association require a resolution by the General Meeting. In accordance with Article 59 of the Regulation on the Statute for a European Company, Section 51 of the German SE Implementation Act and Article 23.2 of the Articles of Association, a resolution to amend the Articles of Association, insofar as no mandatory legal regulations exist to the contrary, requires a majority of two thirds of the votes cast or the simple majority of the votes cast provided that at least half of the share capital is represented. The Articles of Association thus utilize the option provided by Section 51 of the German SE Implementation Act. A larger majority is prescribed by Section 51 of the German SE Implementation Act, for example, to change the purpose of the company or to relocate the registered office to another Member State. In accordance with Article 18.2 of the Articles of Association and Section 179 German Stock Corporation Act, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect their wording.

5.7 Authorization of the Management Board to issue or repurchase shares

5.7.1 Authorized capital

By way of resolution of the General Meeting on June 25, 2024, the Management Board is authorized, to increase the share capital of Allgeier SE with the approval of the Supervisory Board, on one or more occasions against cash or non-cash contributions, by up to a total of EUR 5,722,156.00 by issuing up to 5,722,156 new no-par registered shares by June 24, 2029 (2024 Authorized Capital). However, the Management Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' statutory pre-emption rights in the following cases:

- For a rights issue for fractional amounts arising when determining the subscription ratio;
- For a capital increase against non-cash contributions
- to acquire (also indirectly) companies, parts of companies, investments in companies or other contributable assets in the context of such a transaction, if the acquisition is in the company's best interests;
- For a capital increase against cash contributions for a share of authorized capital of up to 20 percent in total of the share capital at the time that this authorization becomes effective or, if lower, at the time that it is exercised, provided that the issue amount of the new shares is not significantly less than the market price of shares already listed at the time that the issue amount is finalized. This 20 percent limit includes shares issued or sold during the term of this authorization by the time of its utilization in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act, in direct or analogous application, and shares to be issued or granted on account of convertible bonds or bonds with warrants during the term of this authorization with pre-emption rights disapplied in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act;
- To issue pre-emption rights to bearers of conversion or option rights to bonds issued by the company or an entity in which the company directly or indirectly holds a majority.

5.7.2 Contingent capital

By way of resolution of the General Meeting on June 17, 2014, the share capital of the Allgeier SE was contingently increased by up to EUR 140,000.00 by issuing up to 140,000 new no-par registered shares (2014 Contingent Capital). The Contingent Capital 2014 is intended to serve up to 140,000 options under the 2014 stock option plan, that are to be fully issued. In the 2024 financial year, option rights were exercised for 28,000 new shares. On December 31, 2024, the 2014 Contingent Capital amounts to EUR 95,200.00.

By way of resolution of the General Meeting on June 08, 2021, the share capital of Allgeier SE was contingently increased by up to EUR 940,000.00 by issuing up to 940,000 new no-par registered shares (2021 Contingent Capital). The 2021 Contingent Capital is intended to serve up to 940,000 options under the 2021 stock option plan. All option rights were issued. Thus, the 2021 Contingent Capital amounts to EUR 940,000.00, as of December 31, 2024. Options have not yet been exercised.

By way of resolution of the General Meeting on June 13, 2023, the share capital of the company was contingently increased by up to EUR 4,500,000.00 by issuing up to 4,500,000 new no-par registered shares (2023 Contingent Capital). The 2023 Contingent Capital serves to service convertible bonds, bonds with options rights and/or participating bonds and/or profit participation rights with or without conversion or option rights or obligations or a combination of the aforementioned financial instruments that can be issued by the company or a company in which the company directly or indirectly holds a majority interest until June 12, 2028. Allgeier SE has not yet issued any corresponding conversion or option rights.

5.7.3 Treasury shares acquired

The General Meeting of Allgeier SE on September 24, 2020 authorized the Management Board to acquire treasury shares up to10 percent of the share capital at the time that the resolution was adopted by September 23, 2025, subject to the condition that these treasury shares , together with other treasury shares already acquired and still held by the company, do not exceed 10 percent of the share capital.

The company does not hold any treasury shares.

Furthermore, the General Meeting on September 24, 2020 authorized the Management Board, with the approval of the Supervisory Board, to use shares of the company that will be or have been acquired on the basis of the above or prior authorizations for any purpose permitted by law, including in particular:

- Resale to third parties against cash payment by means other than on the stock market or by way of an offer to all shareholders;
- As consideration for a direct or indirect non-cash contribution to the company by a third party, in particular in a business combination or when acquiring companies, parts of companies, equity investments or other assets;
- To serve conversion or option rights issued by the company or its subsidiaries to the bearers of these rights;
- To issue employee stocks to employees or members of executive bodies of the company or affiliated companies as defined in Sections 15 et seq. German Stock Corporations Act.

If sold by means other than on the stock market or by way of an offer to all shareholders, particularly in the four above cases, the disposal price must not be more than 5 percent less than the market price of the shares of the company as of the time of the disposal. The relevant stock market price for the purposes of this regulation is the arithmetic mean of the closing prices of the company's shares in XETRA trading on the Frankfurt stock exchange (or a comparable successor system) over the last three trading days before the disposal of the shares. Shareholders' pre-emption subscription rights are thus disapplied. This authorization is limited to a maximum of 10 percent of the share capital of the company at the time that the authorization is exercised. In the event of the disposal of treasury shares to third parties against cash payment or by means other than on the stock market or by way of an offer to all shareholders, this limit includes shares issued or sold during the term of this authorization by this date in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act, with the corresponding changes, with pre-emption rights disapplied, or relating to conversion/pre-emption rights for warrant or convertible bonds issued during the term of this authorization until the date of its utilization, with pre-emption rights disapplied, in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act, either directly or with the corresponding changes.

The Management Board is also authorized to retire treasury shares acquired on the basis of this authorization with the approval of the Supervisory Board without requiring a further resolution by the General Meeting.

The authorization to acquire treasury shares and to use them can be exercised by the company or its Group companies in full or also partial amounts on one or more occasions.

5.8 Significant agreements of the company subject to a change of control following a takeover bid

Some lending agreements contain standard provisions that result in legal consequences in the event of a majority takeover or control in excess of 50 percent or a disposal of material assets of the company.

5.9 Agreements by the company with the members of the Management Board or employees for compensation in the event of a takeover bid

In the event of a change of control, i.e. when a third party obtains control over the company as referred to by Section 29 para. 2, Section 30 of the German Securities Acquisition and Takeover Act, a member of the Management Board has the right to terminate their service contract. Exercising this right results in entitlement to severance payment capped at one year's remuneration. Allgeier SE has not entered into any other compensation agreements with members of the Management Board or employees for the event of a takeover bid.

6. Corporate Governance Declaration in accordance with Section 289f and Section 315d HGB

The corporate governance declaration in accordance with Section 289f and Section 315d of the German Commercial Code (Handelsgesetzbuch; HGB) is a component of the combined management report; however, the disclosures it contains is not included in the audit in accordance with Section 317 para. 2 sentence 3 of the German Commercial Code. The corporate governance declaration in accordance with Section 289f and Section 315d of the German Commercial Code can be found in the Corporate Governance Report (Section B.2).

7. General Information

In accordance with IFRS, acquisitions are consolidated from the date of their acquisition throughout the Group management report and in the charts. All figures relate to the Group's continuing operations. The charts typically show that last three financial years.

Information for financial year 2025

All information for financial year 2025 uses assumptions and estimates based on Management Board expectations. While the Management Board believes that these assumptions and estimates are accurate, actual future developments and results could differ significantly from these assumptions and estimates. Allgeier SE provides no guarantee that future developments and the actual results achieved in the future will be consistent with the assumptions and estimates expressed in this report and assumes no such liability.

The further economic impact of the structural challenges that the German economy is facing play a particularly important role in the realization of the assumptions and estimates. These include geopolitical factors such as the changed security situation as a result of the war in Ukraine and the changed competitive situation in the wake of China´s rise, but also possible new trade policy conflicts, for example between the USA and the EU or other countries. While the business of the Allgeier Group has so far proved largely resilient to the consequences of these crisis, because of the minor impact on the IT and software industry and thanks to the broad diversification of our customer portfolio, it still cannot be ruled out that developments affecting individual markets, industries and companies due to the crisis could affect the revenue and financial performance of Allgeier SE in ways unforeseeable by the Management Board at the time of this report being prepared.

Alternative performance measures

This document contains so-called supplementary financial indicators – not precisely defined in the relevant accounting framework – that are or could constitute alternative performance indicators. These supplementary financial indicators may be of limited suitability as an analytical tool and should not be used in isolation or as an alternative to the financial indicators presented in the consolidated financial statements and calculated in accordance with relevant accounting frameworks to assess the financial position and financial performance of Allgeier SE. Other companies that present or report alternative performance measures with similar names may calculate them differently and they therefore may not be comparable.

Non-Financial Group Statement in accordance with Section 315b HGB

The non-financial Group statement in accordance with Section 315b German Commercial Code (Handelsgesetzbuch, HGB) for the financial year 2024, including the extended reporting requirements of Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852) can be found at https://www.https://www.allgeier.com/en/investor-relations/reports/

Remuneration Report

The remuneration report of Allgeier SE for the financial year 2024can be found on the company's website at https://www.allgeier.com/en/investor-relations/corporate-governance

Munich, March 31, 2025

Dr. Marcus Goedsche Member of the Management Board	Hubert Rohrer Member of the Management Board	Moritz Genzel Member of the Management Board

B. Corporate Governance

1. Corporate Governance Report

In the following section, we report on corporate governance and its principal characteristics at the Allgeier Group, including the declaration of compliance with the German Corporate Governance Code and other disclosures in accordance with the regulations of the German Commercial Code. Good corporate governance is essential for sustained business success. Therefore, the Management Board and the Supervisory Board act in accordance with the principles of the social market economy, taking into account the interests of the shareholders, the staff and other stakeholders to ensure the continued existence of the company and its long-term gross profit (business interests). These principles demand not only legality, but also ethically sound and responsible conduct (model of business integrity). The relevant standards for the corporate governance of Allgeier SE are the regulations of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE), the Germany SE Implementation Act and the German SE Participation Act, the German Stock Corporation Act, the provisions of the company's Articles of Association, the Rules of Procedure for the Management Board and the Supervisory Board, plus the provisions of the German Corporate Governance Code, insofar as we follow its recommendations.

1.1 Corporate charter of the societas europaea (SE)

Allgeier is a European company, a societas europaea (SE). As a European company, in addition to the provisions of German stock corporation law, Allgeier SE is subject to the specific European and German regulations for European companies The essential characteristics of a German public stock corporation, in particular the dual management system consisting of a Management Board and Supervisory Board, were retained. Cooperation between the Management Board and Supervisory Board is geared towards the interests of the company and the shareholders in the successful ongoing development of the Allgeier Group's existing business and sustained growth in the Group's value through further acquisitions. At the same time, the Group's strategic direction is also subject to regular review and adjusted as necessary. The Management Board and Supervisory Board work together closely in the interests of the company.

2. Corporate Governance Declaration in accordance with Section 289f and Section 315d HGB

The corporate governance declaration in accordance with Section 289f and Section 315d of the German Commercial Code (Handelsgesetzbuch, HGB) is a component of the combined management report; however, the information it contains is not included in the audit in accordance with Section 317 para. 2 sentence 3 HGB.

2.1 Declaration of compliance by the Management Board and the Supervisory Board of Allgeier SE on the recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz; AktG)

Allgeier SE complies with the principles, recommendations and suggestions of the German Corporate Governance Code of April 28, 2022, promulgated by the Federal Ministry in the official section of the Federal Gazette on June 27, 2022, with the following exceptions:

Recommendation D.2 and recommendation D.4

The Supervisory Board currently consists of four members. An Audit Committee was formed in accordance with Section 107 para. 4 AktG. There are no other committees.

Recommendation F.2

Allgeier SE reserves the right to utilize the statutory time limits for the publication of the mandatory financial reports in each case if this is required in order for the financial statements and reports to be prepared and reviewed properly.

2.2 Disclosures on corporate governance practices and working methods of the Management Board and the Supervisory Board

2.2.1 Shareholders and the General Meeting

Our shareholders exercise their rights at the General Meeting. The Annual General Meeting, at which the Management Board and the Supervisory Board answer to the shareholders on the past financial year, is held within the first six months of the following financial year. Generally, the General Meeting is chaired by the Chairman of the Supervisory Board. Each share confers one vote in votes on resolutions at the General Meeting. We support voting by our shareholders by providing a voting rights representative who exercises voting rights solely according to the instructions of the respective shareholders.

The General Meeting elects the members of the Supervisory Board and adopts resolutions on the appropriation of net retained profits, the formal approval of the actions of the Management Board and the Supervisory Board and the appointment of the auditor. Furthermore, the General Meeting is responsible for adopting resolutions on amendments to the Articles of Association, corporate actions, company agreements and the remuneration of the Supervisory Board.

2.2.2 The Supervisory Board

The Supervisory Board advises the Management Board in the management of the company and monitors its activities. On December 31, 2024, the Supervisory Board of Allgeier SE consisted of four members who are elected by the shareholders at the General Meeting, in accordance with the Articles of Association. A member of the Supervisory Board was elected at the General Meeting on June 30, 2022. Their term of office ends at the end of the Annual General Meeting for the financial year 2026. Two further Supervisory Board members were elected at the General Meeting on June 13, 2023. The term of office of those members of the Supervisory Board ends at the end of the Annual General Meeting for the financial year 2027. A member of the Supervisory Board was elected at the General Meeting on June 25, 2024. Their term of office ends at the end of the Annual General Meeting for the financial year 2028. An Audit Committee has been formed.

In addition to the responsibilities established by law, such as appointing the members of the Management Board and establishing the remuneration system for members of the Management Board, monitoring the company's business development including planning for future financial years, reviewing risk management and the internal control system, auditing and approving the annual financial statements and the proposal for the appropriation of net retained profits, the Supervisory Board essentially deals with matters that require the approval of the Supervisory Board in accordance with the Articles of Association of the company and the Rules of Procedure for the Management Board. One focus of the Supervisory Board's work is to discuss and make decisions on acquisition projects.

The Supervisory Board is also involved in all decisions of fundamental importance to the company, such as strategic development or significant individual issues. To this end, there is a regular exchange of information between the Management Board and members of the Supervisory Board, in particular the Chairman of the Supervisory Board. Details of the cooperation between the members of the Supervisory Board are set out in the Rules of Procedure for the Supervisory Board. The Supervisory Board has set itself various objectives: Its primary objective is to ensure that the Supervisory Board comprehensively fulfills its statutory advisory and monitoring duties in the proposed composition and that its members have the necessary knowledge, skills and experience to perform their duties optimally and responsibly. For Allgeier SE, this specifically means that the Supervisory Board should have the following qualifications in particular if possible (skills profile): the qualification as an independent finance expert expressly required by law, the ability to assess companies in the service sector (not limited to just the IT business), the ability to assess acquisition opportunities in Germany and abroad together with corresponding transaction experience and experience with the organization and procedures of a fast-growing Group with a holding structure. Furthermore, the composition of the Supervisory Board must make it possible for the Supervisory Board to work efficiently and for its members to have adequate capacity for this responsibility.

The Supervisory Board must also have an adequate number of independent members. The Supervisory Board deems that a member is not independent if, for example, the member has a personal or business relationship with Allgeier SE that could give rise to a substantial and not merely temporary conflict of interests. The Supervisory Board should include at least one member who is independent. Moreover, the Supervisory Board must not include more than two former members of the Management Board.

A further objective of the Supervisory Board is to ensure that, in future appointments, preference is given to similarly qualified candidates who enrich the Supervisory Board in terms of their gender, nationality or other characteristics in the interests of achieving the desired diversity. However, the Supervisory Board does not consider rigid quotas to be an appropriatetool. In its resolution regarding nominations, in addition to the statutory requirements and the requirements of the German Corporate Governance Code and the Rules of Procedure for the Supervisory Board, the Supervisory Board paid particular attention to its stated objectives.

Members of the Supervisory Board and their skills profile:

At the end of 2024, the Supervisory Board consisted of Mr. Carl Georg Dürschmidt (Chairman), Mr. Detlef Dinsel (Deputy Chairman), Mr. Christian Eggenberger and Prof. Dr. Jörg-Andreas Lohr. Mr. Dürschmidt, Mr. Dinsel and Mr. Lohr are German citizens and Mr. Eggenberger is a Swiss citizen. They belong to various professional groups and have been active internationally for many years, particularly in the service sector and in the M&A business.

The Supervisory Board of Allgeier SE

Name	Area of qualification	Committee member
Carl Georg Dürschmidt	▪ Governance ▪ Mergers & Acquisitions ▪ Strategy & Business Development ▪ Market & Market Environment	Audit Committee
Detlef Dinsel	▪ Governance ▪ Mergers & Acquisitions ▪ Strategy & Business Development ▪ Market & Market Environment	Audit Committee
Christian Eggenberger	▪ Governance ▪ Accounting ▪ Marketing & Sales ▪ Digital Transformation	Audit Committee
Prof. Dr. Jörg-Andreas Lohr	▪ Accounting ▪ Audits of Financial Statements ▪ Financial Reporting ▪ Sustainability/ESG	Audit Committee

For further details on the composition of the Supervisory Board, please refer to the notes to the consolidated financial statements under F. Other Disclosures, III. Corporate Bodies of Allgeier SE. Information on specific activities can be found in the Supervisory Board's report.

As of December 31, 2024, the members of the Supervisory Board of Allgeier SE were responsible for the following areas.

Meetings of the Supervisory Board:

The members of the Management Board attend the meetings of the Supervisory Board if so determined by the meeting's chairman. Members of the Management Board can be invited to committee meetings at the request of the chairman of the respective committee; the Management Board reports on individual items of the agenda and proposed resolutions in addition to answering the questions of the individual members of the Supervisory Board. The members of the Supervisory Board receive an invitation and an overview of all items of the agenda, as well as reports, information and detailed documents on the proposed resolutions, no later than two weeks before each meeting. The Supervisory Board can adopt urgent resolutions by way of circulation.

Supervisory Board communications:

The Chairman of the Supervisory Board regularly meets with the Management Board and discusses current issues and developments with them. Each year, the Chairman of the Supervisory Board explains the activities of the Supervisory Board and its committees in its report to the shareholders in the annual report and at the General Meeting. On request, the Chairman of the Supervisory Board will meet with relevant investors to discuss issues specific to the Supervisory Board. The Chairman of the Supervisory Board will inform the Management Board and the shareholders in the report of the Supervisory Board if such talks have taken place. The Chairman of the Audit Committee also regularly discusses accounting, risk management and compliance issues with the Management Board.

Self-assessment of the Supervisory Board:

The Supervisory Board regularly performs a review of its activities, the organization and procedure of its meetings, including their preparation, information provided by the Management Board and other aspects (self-assessment in accordance with D.12 of the German Corporate Governance Code). As a result, the Supervisory Board determines where any changes should be made to procedures or it determines that no changes are necessary.

2.2.3 The Management Board

The Management Board is the Group´s Management Board. It manages the business of the Group and is bound to the interests and business policy principles of the Company in accordance with the regulations of stock corporation law. It manages the company on its own responsibility. It reports to the Supervisory Board regularly, promptly and comprehensively on all key issues of business performance, corporate strategy and potential risks. As of December 31 2024, the Management Board consisted of the members Dr. Marcus Goedsche, Mr. Hubert Rohrer, and Mr. Moritz Genzel. The Management Board members Dr. Goedsche and Mr. Rohrer are each authorized to sign individually, while Mr. Genzel is authorized to sign jointly. In its function as the executive body of the Allgeier Group, the Management Board is responsible in particular for the strategy for the Group's ongoing development and works toward the goal of creating sustainable added value and increasing the value of the Group. The principle of joint responsibility applies, i.e., the members of the Management Board are jointly responsible for managing the company as a whole. Given the corporate structure of the Allgeier Group and the specific position of Allgeier SE as a holding company with the associated tasks, there was no strict assignment of duties within the Management Board in the past financial year in the manner commonly seen in companies with a traditional governance structure. However, the duties and responsibilities within the Management Board are assigned on the basis of appropriate focal points and technical qualifications. Key decisions, e.g. concerning proposed acquisitions, are made by the Management Board as a whole in consultation with the Supervisory Board. The Management Board did not form any committees on account of its size.

The details of cooperation within the Management Board and with the Supervisory Board are set out in the Rules of Procedure for the Management Board. In addition to Article 13 of Allgeier SE's Articles of Association, the Rules of Procedure for the Management Board also contain a list of transactions for which the Management Board requires the approval of the Supervisory Board. With respect to the function as shareholders or supervisory bodies of the Group companies, the Management Board of Allgeier SE performs a controlling, coordination and management function to the extent permitted by law.

The Supervisory Board also ensures long-term succession planning together with the Management Board. The Supervisory Board regularly discusses this with the Management Board. Together, the Management Board and the Supervisory Board evaluate the suitability of potential succession candidates and discuss how suitable internal candidates can be developed. The Supervisory Board also regularly reviews the size and composition of the Management Board. To this end, the Chairman of the Supervisory Board discusses in particular with the Management Board which knowledge, experience and professional or personal skills the Management Board should possess with a view to the strategic development of the Company and the extent to which the Management Board is already appropriately comprised according to these requirements. The Supervisory Board also pays attention to diversity. As a decision-making criterion,

the Supervisory Board interprets diversity as meaning different, mutually complementary profiles and professional experience, including in an international setting, different personalities, an appropriate representation of genders and a sufficient range of ages.
For further details on the composition of the Management Board, please refer to the notes to the consolidated financial statements under F. Other Disclosures, III. Corporate Bodies of Allgeier SE.

2.2.4 Transparency

The business situation and the results of Allgeier SE are reported on in the annual and half-yearly financial report, the voluntary interim statements at the end of the quarter and at conferences and in talks with analysts and investors. Information is also published in ad hoc disclosures and press releases. All announcements, presentations and notifications can be viewed on the company´sInvestor Relations website at https://www.allgeier.com/en/investor-relations. Allgeier SE has produced an insider list in accordance with the MarketAbuse Regulation. The relevant persons are informed of their statutory duties and sanctions. We publish reportable securities transactions in accordance with Article 19 of the Market Abuse Regulation(MAR), the so-called managers' transactions, immediately upon receipt of the respective notification.

2.2.5 Accounting and auditing

The consolidated financial statements are prepared in accordance with IFRS. The separate financial statements of Allgeier SE are prepared in accordance with the German Commercial Code. After preparation by the Management Board, the separate and consolidated financial statements are audited by the auditor. Finally, the Supervisory Board decides on the adoption or approval of the financial statements. The consolidated financial statements and the individual statements are published within 120 days of the end of the financial year. It was agreed with the auditor that the Chairman of the Supervisory Board or the Chairman of the Audit Committee will be informed without undue delay of any grounds for exclusion or exemption or of any inaccuracies in the declaration of compliance that arise during the course of the audit. The audit company reports to the Chairman of the Supervisory Board without undue delay on any findings or events significant to the duties of the Supervisory Board that arise during the performance of the audit. The separate and consolidated financial statements were audited by ARGENKO plus GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf.

2.2.6 Control variables and control system

Allgeier SE has established value-based performance indicators for its strategic objectives. These performance indicators are described in more detail above in the combined management report under A.2.5. The internal control system and the risk management system are described under A.4.2.3 and A.4.2.2 above, respectively.

2.2.7 Diversity/diversity concept

Our employees are our Group’s most valuable capital. Their expertise, their motivation, their solidarity and also their dedication drive our business forward every day. Our employees form the basis for our business success, both now and in the future. We practice common values and act in the overall interests of the Allgeier Group in line with sustainable principles. The way we work together is characterized by a sense of responsibility, respect and mutual esteem. We reject and do not tolerate any form of discrimination. Diversity and the diversity concept are described in detail under B.4 below.

2.2.8 Other corporate governance practices

The Allgeier Group performs its business in a commercially viable and sustainable manner while promoting ethical, social and environmentally conscious conduct. Further information and details of its strategy and activities can be found in the consolidated non-financial statement in accordance with Section 315b of the German Commercial Code.

2.2.9 Remuneration Report

The remuneration report of Allgeier SE for the financial year 2024 can be found on the company’s website at https://www.allgeier.com/en/investor-relations/corporate-governance.

3. Shareholdings of the Management Board and the Supervisory Board

On December 31, 2024, the members of the Management Board directly held a total of 228,056 (previous year: 208,441) shares of Allgeier SE. On December 31, 2024, the members of the Supervisory Board directly and indirectly held a total of 4,892,433 (previous year: 4,763,516) shares of Allgeier SE. In accordance with Article 19 of the Market Abuse Regulation, reportable transactions involving shares of Allgeier SE or related financial instruments by a member of the Management Board or the Supervisory Board or a person closely associated with a member were properly reported in the past financial year.

4. Diversity

Diversity is an asset for our group of companies. At the Allgeier Group companies, people from a wide range of different origins, cultures and religions work together in different countries. We are committed to preserving and implementing values that promote diversity and equal rights in the workplace, and to cultivating diversity as a company wherever it is able to do so. The Allgeier Group believes in the right to equality and the dignity of all people. All our employees receive the same work opportunities and prospects, and no one is discriminated against on the basis of their membership of a group, the color of their skin, their marital status or family situation, parental status or origin, income, religion, gender, age, national origin, disabilities, sexual orientation, state of health or other characteristics. Our corporate culture is characterized by intercultural collaboration across highly international mixed teams, a lot of times across our locations. Affirmative action for gender diversity matters to us. We firmly believe that this also makes a key contribution in combating the shortage of skilled workers in our sector, and gives us an edge in recruiting sought-after specialists as an attractive employer. The Group has continued to become more international in the past financial year, and we employed staff from more than 25 different nations at our locations at home and abroad as of the end of 2024. Measured against the industry average, our Group also has a high proportion of female employees, which we have been able to further increase in recent years. In the 2024 financial year, the share was approximately 28 percent, similar to the previous year. Generally, our goal in filling management positions is to give preference to similarly qualified candidates who offer an enrichment in terms of their gender, nationality or other characteristics in the interests of achieving the desired diversity. This applies in particular to the participation of women in management. Accordingly, the company will continue to look at whether the share of women in management can be increased with suitable candidates moving ahead. However, the company does not consider rigid quotas to be an appropriate tool. In general, appropriate qualifications are the deciding criterion for filling management positions.

5. Takeover Disclosures (in accordance with Section 289a and Section 315a HGB) and Explanatory Report

Takeover disclosures (in accordance with Section 289a and Section 315a of the German Commercial Code ((Handelsgesetzbuch, HGB)) and the explanatory report can be found in the combined management report (Section A.5).

Consolidated Financial Statements of Allgeier SE

for the 2024 financial year in accordance with IFRS

Consolidated Statement of Financial Position of Allgeier SE, Munich, as of December 31, 2024

Consolidated Statement of Financial Position (in EUR thousand)

Assets	Note	December 31, 2024	December 31, 2023
Intangible assets	1.	277,746	290,441
Property, plant and equipment	2.	7,796	9,757
Right-of-use assets from rental and lease agreements	3.	35,190	44,044
Non-current contract costs	4.	144	287
Other non-current financial assets	5.	5,387	8,233
Other non-current assets	6.	1,027	629
Deferred tax assets	7.	5,785	4,623
Non-current assets		**333,074**	**358,015**
Inventories	8.	1,376	1,249
Current contract costs	4.	264	144
Contract assets	9.	4,363	1,671
Trade receivables	10	61,418	68,180
Other current financial assets	5.	1,559	2,563
Other current financial assets	6.	6,834	6,136
Corporate income tax receivables		4,473	3,757
Cash funds	11	57,317	83,041
Current assets		**137,603**	**166,741**
Assets		**470,677**	**524,756**

Consolidated Statement of Financial Position (in EUR thousand)

Liabilities	Note	December 31, 2024	December 31, 2023
Authorized capital	12.	11,472	11,444
Capital reserves	13.	71,852	71,509
Retained earnings	14.	102	102
Profit carryforward	16.	44,550	37,788
Profit or loss for the period		7,344	13,078
Changes in equity not recognized in equity	17.	4,142	4,654
Equity share attributable to shareholders of the parent company		139,463	138,576
Equity share attributable to non-controlling interests	18.	54,724	50,620
Equity		**194,187**	**189,196**
Non-current financial liabilities	19.	144,334	139,616
Non-current liabilities from rental and lease agreements	20.	25,240	34,457
Non current provisions for post-employment benefit costs	21.	1,012	1,115
Other non current provisions	22.	288	273
Non-current contractual liabilities	9.	119	312
Other non-current financial liabilities	23.	10,772	16,304
Deferred tax liabilities	7.	7,956	9,214
Non-current liabilities		**189,721**	**201,291**
Current financial liabilities	19.	4,819	14,460
Current liabilities from rental and lease agreements	20.	11,336	11,344
Current provisions for post-employment benefit costs	21.	4	22
Other current provisions	22.	15,287	16,089
Current contractual liabilities	9.	7,642	4,970
Trade payables		19,629	26,942
Other current financial liabilities	23.	17,449	37,761
Other current liabilities	24.	4,275	7,810
Income tax liabilities		6,328	14,869
Current liabilities		**86,770**	**134,268**
Liabilities		**470,677**	**524,756**

Consolidated Statement of Comprehensive Income of Allgeier SE, Munich, for the period from January 1, 2024 to December 31, 2024

Consolidated statement of comprehensive income (in EUR thousand)							
		Total		Discontinued operations		Continuing operations	
Statement of comprehensive income	**Note**	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023
Revenue	26.	448,970	488,824	46,011	68,272	402,959	420,552
Other own work capitalized		7,937	7,493	0	0	7,937	7,493
Other operating income	27.	13,862	6,693	399	161	13,463	6,532
Cost of materials	28.	110,599	148,731	21,787	35,939	88,812	112,792
Personnel expenses	29.	258,997	255,644	20,029	26,472	238,968	229,171
Impairment on trade receivables and contract assets		778	609	34	0	744	609
Other operating expenses	30	42,153	39,747	3,154	3,506	38,999	36,241
Earnings before interest, taxes, depreciation and amortization		**58,241**	**58,279**	**1,406**	**2,516**	**56,836**	**55,763**
Depreciation, amortization and impairment	31.	28,272	25,998	245	329	28,026	25,669
Earnings from operating activities		**29,970**	**32,282**	**1,161**	**2,187**	**28,809**	**30,094**
Financial income	32.	569	2,298	173	215	397	2,083
Financial expenses	33.	13,456	10,826	238	368	13,219	10,458
Earnings before taxes		**17,083**	**23,753**	**1,096**	**2,034**	**15,987**	**21,719**
Corporate income tax result	34.	-2,458	-6,793	-415	-926	-2,043	-5,867
Profit for the period before gains and losses on disposals		**14,625**	**16,960**	**681**	**1,108**	**13,944**	**15,853**
Discontinued operations:							
Earnings from discontinued operations before taxes		-1,218	-279	-1,218	-279	0	0
Corporate income tax result		-317	0	-317	0	0	0
Earnings from discontinued operations		**-1,535**	**-279**	**-1,535**	**-279**	**0**	**0**
Total operations:							
Earnings before taxes		15,865	23,474	-122	1,754	15,987	21,719
Corporate income tax result		-2,774	-6,793	-732	-926	-2,043	-5,867
Profit for the period after gains and losses on disposals		**13,090**	**16,681**	**-854**	**828**	**13,944**	**15,853**
Allocation of results for the period:							
shareholders of the parent company		7,344	13,078	-854	856	8,198	12,223
non-controlling shareholder		5,746	3,603	0	-27	5,746	3,630
Undiluted earnings per share:							
Average number of shares outstanding after pro rata temporis weighting, undiluted		11,461,985	11,436,534	11,461,985	11,436,534	11,461,985	11,436,534
Earnings per share for the period in EUR	35.	0.64	1.14	-0.07	0.07	0.72	1.07
Diluted earnings per share:							
Average number of shares outstanding after pro rata temporis weighting, diluted		11,531,669	11,536,380	11,531,669	11,536,380	11,531,669	11,536,380
Earnings per share for the period in EUR	35.	0.64	1.13	-0.07	0.07	0.71	1.06

▶ Continued overleaf

Consolidated Statement of Comprehensive Income of Allgeier SE, Munich, for the period from January 1, 2024 to December 31, 2024

Consolidated statement of comprehensive income (in EUR thousand)		Total		Discontinued operations		Continuing operations	
Other comprehensive income	Note	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023
Items that cannot be reclassified to the statement of comprehensive income:							
Actuarial gains (losses)		126	-45	0	0	126	-45
Tax effects		-36	13	0	0	-36	13
		89	-32	0	0	89	-32
Items that can be reclassified to the statement of comprehensive income:							
Foreign exchange differences		169	566	0	-18	169	585
Foreign exchange differences reclassified to profit or loss		0	18	0	18	0	0
Change in value of interest rate hedging derivative		-893	-1,654	0	0	-893	-1,654
Deferred taxes from the remeasurement of the interest rate hedging derivative		277	513	0	0	277	513
		-447	-556	0	0	-447	-556
Other comprehensive income for the period		-358	-589	0	0	-358	-589
Comprehensive income for the period		12,732	16,092	-854	828	13,586	15,264
Total comprehensive income for the period attributable to:							
shareholders of the parent company		6,832	12,586	-854	856	7,686	11,730
non-controlling shareholder		5,900	3,506	0	-27	5,900	3,534

Consolidated Statement of Changes in Equity of Allgeier SE, Munich, as of December 31, 2024

Consolidated statement of changes in equity (in EUR thousand)

	Authorized capital	Capital reserves	Retained earnings	Profit carryforward	Profit or loss for the period	Changes in equity not affecting income	Equity share of the shareholders of the parent company	Equity share attributable to non-controlling shareholders	Equity
As of January 1, 2023	11,428	71,363	102	22,508	21,618	5,146	132,165	48,651	180,816
Transfer of profit or loss for the previous year to profit carried forward	0	0	0	21,618	-21,618	0	0	0	0
Exercise of stock options from the 2014 stock option programme	17	62	0	0	0	0	79	0	79
Issue of stock options from the 2021 stock option programme	0	83	0	0	0	0	83	0	83
Actuarial gains (losses)	0	0	0	0	0	-25	-25	-7	-32
Transfer of shares of non-controlling shareholders of Allgeier Experts Select GmbH	0	0	0	-184	0	0	-184	184	0
Interest rate hedging derivative	0	0	0	0	0	-1,141	-1,141	0	-1,141
Dividends	0	0	0	-5,714	0	0	-5,714	-1,988	-7,702
Non-controlling interests in the equity of SDX AG at the time of acquisition	0	0	0	0	0	0	0	453	453
Acquisition of shares of non-controlling shareholders of MySign AG	0	0	0	-441	0	0	-441	-185	-625
Profit or loss for the period	0	0	0	0	13,078	0	13,078	3,603	16,681
Foreign currency conversion differences	0	0	0	0	0	674	674	-89	585
As of December 31, 2023	11,444	71,509	102	37,788	13,078	4,654	138,576	50,620	189,196
As of January 1, 2024	11,444	71,509	102	37,788	13,078	4,654	138,576	50,620	189,196
Transfer of profit or loss for the previous year to profit carryforward	0	0	0	13,078	-13,078	0	0	0	0
Exercise of stock options from the 2014 stock option programme	28	104	0	0	0	0	132	0	132
Issue of stock options from the 2021 stock option programme	0	238	0	0	0	0	238	0	238
Actuarial gains (losses)	0	0	0	0	0	72	72	17	89
Acquisition of shares of non-controlling shareholders of Allgeier Experts Select GmbH	0	0	0	-332	0	0	-332	332	0
Subsequent purchase price for shares acquired in previous years from non-controlling shareholders of Allgeier Experts Select GmbH	0	0	0	-450	0	0	-450	0	-450
Contribution of 50% of the outstanding shares in MGM CP to mgm tp in return for the granting of shares	0	0	0	187	0	0	187	-187	0
Interest rate hedging derivative	0	0	0	0	0	-616	-616	0	-616
Dividends	0	0	0	-5,722	0	0	-5,722	-1,941	-7,663
Profit or loss for the period	0	0	0	0	7,344	0	7,344	5,746	13,090
Foreign currency conversion differences	0	0	0	0	0	32	32	137	169
As of December 31, 2024	11,472	71,852	102	44,550	7,344	4,142	139,463	54,724	194,187

Consolidated Statement of Cash Flows of Allgeier SE, Munich, for the period from January 1, 2024 to December 31, 2024

Consolidated Statement of Cash Flows (in EUR thousand)	Total		Discontinued operations		Continuing operations	
	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2023	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2024	January 1, 2024 - December 31, 2024	January 1, 2023 - December 31, 2024
Earnings from operating activities	29,970	32,282	1,161	2,187	28,809	30,094
Depreciation on non-current assets	28,272	25,998	245	329	28,026	25,669
Expenses on the disposal of non-current assets	847	168	0	0	847	167
Change in non-current provisions	64	-157	5	-19	59	-139
Non-cash reversals of provisions	-929	-1,511	-91	-123	-839	-1,388
Other non-cash expenses and income	-9,948	-1,947	-1	-31	-9,947	-1,916
Corporate income taxes paid	-12,234	-11,543	-1,100	-1	-11,134	-11,542
Cash flows from operating activities before changes in working capital	36,041	43,289	219	2,343	35,822	40,946
Cash flows from changes in working capital	1,754	-11,696	1,836	1,085	-82	-12,781
Cash flows from operating activities	37,795	31,594	2,054	3,428	35,740	28,165
Payments for investments in non-current assets	-12,025	-14,572	-46	-66	-11,979	-14,507
Payments for liabilities from rental and lease agreements	-15,292	-13,729	-265	-292	-15,028	-13,436
Proceeds from the disposal of non-current assets	795	199	0	0	795	199
Proceeds from sale-leaseback transactions	0	816	0	0	0	816
Payments for the acquisition of subsidiaries	-796	-5,866	0	0	-796	-5,866
Payments for purchase price components for companies not acquired in the financial year	-15,411	-3,545	0	0	-15,411	-3,545
Proceeds from the sale of subsidiaries	18,104	86	0	0	18,104	86
Decrease in cash and cash equivalents from the sale of subsidiaries with loss of control	-2,229	-122	-2,229	-122	0	0
Cash flows for non-current financial assets	82	25	0	0	82	25
Cash flows from investing activities	-26,772	-36,708	-2,540	-480	-24,232	-36,228
Proceeds from capital increase	132	79	0	0	132	79
Proceeds from borrower's note loan	0	0	0	0	0	0
Proceeds from bank loans	4,019	9,000	0	0	4,019	9,000
Repayment of bank loans	-715	-90	0	0	-715	-90
Cash flows from financing of discontinued operations	0	0	708	1,266	-708	-1,266
Cash flow from factoring	-12,948	14,010	-4,712	-2,967	-8,236	16,977
Interest received	459	87	19	0	440	86
Interest paid	-9,440	-8,241	-177	-282	-9,263	-7,960
Distributions	-5,722	-5,714	0	0	-5,722	-5,714
Balance of payments with non-controlling shareholders	-2,984	-3,181	0	0	-2,984	-3,181
Cash flows from financing activities	-27,200	5,949	-4,163	-1,983	-23,037	7,932
Total cash flows	-16,177	835	-4,648	965	-11,528	-130
Changes in cash and cash equivalents due to exchange rate movements	146	155	0	-1	146	156
Total changes in cash and cash equivalents	-16,030	990	-4,648	964	-11,382	26
Cash and cash equivalents at the beginning of the period	68,402	67,411	4,648	3,684	63,753	63,727
Cash and cash equivalents at the end of the period	52,371	68,402	0	4,648	52,371	63,753

Notes to the Consolidated Financial Statements of Allgeier SE

for financial year 2023 in accordance with IFRS

A. GENERAL DISCLOSURES

I. Information on the Allgeier Group and Allgeier SE

Allgeier Group is a technology company specializing in digital transformation. The Group companies offer their customers a comprehensive portfolio of IT and software services extending from high-end software development to business efficiency solutions for the digital transformation of critical business processes. The parent company of the Group is Allgeier SE. Its registered office is Einsteinstrasse 172, 81677 Munich, Germany. It is entered in the commercial register of the Munich District Court under HRB 198543. Allgeier SE is a management holding company that acquires, holds and sells companies in the information technology and service sectors as well as related fields. Furthermore, Allgeier SE provides consulting services and other business management services for companies.

II. Accounting Policies

The consolidated financial statements of Allgeier SE were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union and the commercial law regulations applicable under Section 315e of the German Commercial Code. These consolidated financial statements prepared in accordance with IFRS principles fulfill the requirements for exemption from preparing consolidated financial statements in accordance with Section 290 German Commercial Code. They consist of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes to the consolidated financial statements. The consolidated financial statements of Allgeier SE are based on the going concern assumption.

Unless stated otherwise, all amounts in the consolidated financial statements are presented in thousands of euro, with one decimal place. Due to the presentation, rounding differences may occur in individual cases. The figures reported in the consolidated financial statements for the financial year have been presented with comparative figures for the previous year.

In the statement of comprehensive income and in the consolidated statement of cash flows, the Allgeier Group presents the discontinued operations sold in the financial year and in the previous year.

The consolidated financial statements of Allgeier SE have been prepared on the basis of historical cost. Exceptions to this are derivative financial instruments, the shares in the venture capital company Speedinvest and contingent consideration from company acquisitions, all of which were measured at fair value.

III. Standards and interpretations effective for the first time in the current financial year

In the 2024 financial year, the following standards and interpretations revised or newly issued by the IASB were required to be applied for the first time as of January 1, 2024 in accordance with EU regulations:

Standard/interpretation	Title of the standard/ interpretation or amendment
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The impacts of the initial adoption of new or amended standards and interpretations for the Allgeier Group are described below.

Amendments to IAS 1 – Classification of liabilities as current or non-current

The amendments to IAS 1 on the classification of liabilities as current or non-current clarify the following: The right to postpone the fulfillment of a debt is explained. The right to defer fulfillment of a liability must exist on the reporting date. For classification purposes, it is irrelevant whether the company expects that it will actually exercise this right. Only if a derivative that is embedded in a convertible debt instrument is an equity instrument to be recognized separately do the terms of the debt instrument not have to be taken into account when classifying it. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. This did not have any impact on the Allgeier consolidated financial statements.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments relate to new disclosures on supplier finance arrangements. The amendments are intended to make the impacts of such delivery financing transactions on liabilities, cash flows and liquidity risks more transparent. The term “supplier finance arrangements” is not precisely defined, but the standard describes characteristics that characterize such an agreement. The disclosures in the notes relate in detail to:

- Description of the contract terms
- Disclosure of carrying amount and balance sheet items for liabilities corresponding to such an agreement
- Disclosure of carrying amount and balance sheet items for liabilities for which suppliers have already received payments from a financial service provider
- Maturity range for financial liabilities, separately for liabilities that are part of such an agreement and for other trade payables
- Information on liquidity risk

This did not have any impact on the Allgeier consolidated financial statements.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendment contains subsequent measurement requirements for lease liabilities in a sale and leaseback transaction for seller-lessees. Above all, this is intended to standardize the subsequent measurement of lease liabilities to prevent inappropriate profit recognition. The amendment means that the payments expected at the inception of the lease must be taken into account in the subsequent measurement of lease liabilities under a sale and leaseback transaction. In each period, the lease liability is reduced by the expected payments and the difference to the actual payments is recognized in profit or loss. This did not have any material impact on the Allgeier consolidated financial statements.

IV. Standards and Interpretations Not Adopted Early

The IASB and IFRIC have issued the following standards, interpretations and amendments to existing standards and interpretations that were not yet effective for the financial year 2024 in accordance with EU regulations:

Standard/interpretation	Title of the standard/ interpretation or amendment	First-time adoption
Endorsed by the EU		
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability / The effects of changes in foreign exchange rates: Lack of exchangeability of a currency	Jan. 1, 2025
Not yet endorsed by the EU		
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments /	Jan. 1, 2026
Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10	Annual Improvements to IFRS Accounting Standards – Volume 11 /	Jan. 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity /	Jan. 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements /	Jan. 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures / Subsidiaries without public accountability: Details	Jan. 1, 2027

The Allgeier Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. If the amendments could be significant for the Allgeier Group in the future, the amendments are explained below:

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments supplement IAS 21 with detailed rules for determining whether two currencies can be exchanged for one another and how exchange rates are to be determined if exchangeability is not given. In addition, disclosure requirements are introduced in order to assess the impact of the lack of exchangeability on the net assets, financial position and results of operations of the company. The amendments are to be applied for the first time to financial years beginning on or after January 1, 2025. Earlier application is permitted. The Management Board does not expect the first-time application of the amendments to have any impact on the consolidated financial statements, as Allgeier does not currently conduct any business in non-exchangeable currencies.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The amendments address issues identified during the post-implementation review of the classification and measurement requirements of IFRS 9 “Financial Instruments”. With regard to the settlement of liabilities via electronic payment systems, there is an option to derecognize financial liabilities before the settlement date if the payment has already been initiated and the corresponding conditions (no practical possibility of withdrawing and accessing payment and negligible settlement risk) are met. The amendment provides clarity in the classification of financial instruments with cash flows that exhibit variability depending on an ESG factor.

The amendments are effective for reporting periods beginning on or after January 1, 2026. No significant impact on the Allgeier consolidated financial statements is expected.

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 contains requirements for the presentation and disclosure of information in financial statements. IFRS 18 replaces IAS 1 “Presentation of Financial Statements” and changes the structure of the statement of comprehensive income in particular through the introduction of three newly defined categories (operating, investing and financing) and introduces disclosures in the notes on so-called management performance measures (MPMs). The new standard is effective for financial years beginning on or after January 1, 2027. Allgeier has begun to determine the quantitative and qualitative impact of the application of IFRS 18 on the consolidated financial statements, but cannot yet reliably estimate their extent.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19 sets out reduced disclosure requirements for non-publicly accountable subsidiaries, which can be applied instead of the disclosure requirements in the other IFRS accounting standards. The amendments are expected to take effect for reporting periods beginning on or after January 1, 2027. This has no impact on Allgeier´s consolidated financial statements.

V. Principles of consolidation

Allgeier SE and all the companies that are directly or indirectly controlled by Allgeier SE or in which Allgeier SE directly or indirectly holds a majority of voting rights, are included and consolidated in the consolidated financial statements of Allgeier SE. Allgeier SE has the power to govern the financial and operating policies of and to obtain benefits from the activities of its subsidiaries for all consolidated companies.

With the exception of Evora IT Solutions Inc., New York, USA, and Evora IT Solutions Pvt. Ltd., Bangalore, India, all companies of the Allgeier Group prepare their separate financial statements as of December 31. The two companies whose financial year ends on March 31 prepared interim financial statements as of December 31 for the purposes of the Allgeier consolidated financial statements.

The Allgeier Group consolidates its newly acquired companies using the purchase method. The assets, liabilities and contingent liabilities of the acquired companies are identified at the time of acquisition, and the hidden reserves and liabilities are recognized at fair value and the applicable deferred taxes recognized in the Group. Non-controlling interests are carried at the amount of their share of the fair value of the assets and liabilities. Any excess of the cost of the acquisition costs of the companies acquired over the fair value of the identifiable assets, liabilitiesand non-controlling interests acquired is recognized as goodwill. Incidental acquisition costs for legal and consulting services and finder's fees are recognized as other operating expenses through profit or loss. Companies newly acquired by the Group are consolidated from the month that control begins. The expenses and income of the companies acquired are included in the consolidated financial statements from this date.

Receivables, liabilities, income and expenses between Group companies are offset. Profits and losses on intragroup disposals of assets are also eliminated. Deferred taxes are recognized on consolidation processes that affect profit or loss and will reverse in the future (temporary differences).

Subsidiaries are deconsolidated as soon as the parent-subsidiary relationship ceases and they are no longer controlled. The assets and liabilities of subsidiaries are derecognized as of the date of deconsolidation.

VI. Scope of Consolidation

The consolidated group of Allgeier SE consisted of 48 (previous year: 54) fully consolidated companies as of December 31, 2024. The number of companies consolidated by Allgeier SE changed as follows in financial year 2024:

(in EUR thousand)	Carrying amounts	Allocation	Fair values
Intangible assets	1,111	1,448	2,559
Property, plant and equipment	54	0	54
Right-of-use assets from rental and lease agreements	0	557	557
Contract assets	0	0	0
Trade receivables	620	-32	588
Other financial assets	369	0	369
Other assets	884	0	884
Cash funds	52	0	52
Deferred tax assets	766	0	766
Acquired assets	**3,856**	**1,973**	**5,829**
Non-current financial liabilities	1,198	0	1,198
Financial liabilities (cash and cash equivalents)	74	0	74
Lease liabilities	0	557	557
Provisions	18	759	777
Trade payables	756	0	756
Other financial liabilities	505	0	505
Other liabilities	1,052	0	1,052
Income tax liabilities	1	0	1
Deferred tax liabilities	0	204	204
Acquired liabilities	**3,604**	**1,520**	**5,124**
Net assets	**252**	**453**	**705**

Changes in the scope of consolidation have a significant impact on the informative value of the net assets, financial position and results of operations and the comparability of the figures with the previous year. For a complete list of Group companies as of December 31, 2024, see page 172.

Acquisition of ABILITY GmbH based in Ravensburg

Allgeier Inovar GmbH, Bremen, acquired all shares in Ability GmbH, based in Ravensburg, by purchase and transfer agreement dated January 30, 2024. The company, in turn, holds all shares in Ability GmbH, based in Rankweil (Austria) (collectively referred to as "Ability"). Ability is a Microsoft Partner, an IT solutions developer and consulting company with around 200 customers from the retail, manufacturing and real estate industries. In addition to Microsoft Dynamics 365 Expertise, particularly in ERP Business Central, Ability has an integrated software ecosystem for document management and digital workflows. The portfolio also includes solutions for the evaluation, analysis and visualization of data as well as portals and apps for cross-system processes. With this acquisition, Allgeier strengthens its market position as one of the leading companies for Microsoft ERP software and consulting and expands its comprehensive service portfolio with additional teams of experts, particularly in southern Germany, Austria and Switzerland. Ability generated revenue of EUR 5.0 million and earnings before depreciation, interest and taxes of EUR -328 thousand in the 2023 financial year.

The purchase price for the shares in ABILITY GmbH, Ravensburg, totalled EUR 1,074 thousand, of which EUR 774 thousand was paid in the 2024 financial year and the remaining amount of EUR 300 thousand is scheduled for payment in 2025. In addition to the purchase price, legal and consulting costs totalling EUR 116 thousand were incurred with the acquisition of the company. These were recognized in other operating expenses.

Ability´s initial consolidation was carried out at January 31, 2024. With the initial consolidation of Ability, the Allgeier Group acquired assets recognized under commercial law in the amount of EUR 3,856 thousand and liabilities recognized under commercial law in the amount of EUR 3,604 thousand. In addition, hidden reserves in the company´s customer relationships totalling EUR 1,448 thousand were identified and recognised as part of the initial consolidation. In addition, provisions of EUR 759 thousand were recognized for upcoming restructuring measures and a customer receivable in the amount of EUR 32 thousand was written down as payment is no longer expected. The right-of-use assets and liabilities from the acquired rental and lease arrangements of the company each amounted to EUR 557 thousand. Goodwill in the amount of EUR 369 thousand resulted from the difference between the purchase price and the net assets acquired in the amount of EUR 705 thousand.

Carrying amounts and fair values of Ability´s net assets as of January 31, 2024:

(in EUR thousand)	
Intangible assets	5
Goodwill	13,763
Property, plant and equipment	91
Right-of-use assets from rental and lease agreements	329
Other financial assets	20
Other assets	649
Deferred tax assets	139
Trade receivables	12,500
Cash funds	2,927
Assets	**30,423**
Lease liabilities	301
Provisions for post-employment benefits	73
Other provisions	666
Other financial liabilities	2,642
Other liabilities	1,031
Deferred tax liabilities	8
Financial liabilities (cash and cash equivalents)	698
Trade payables	4,718
Income tax liabilities	1,562
Liabilities	**11,700**
Net assets disposed of	**18,723**

The acquired trade receivables were paid in full in the amount of their fair value added . ABILITY GmbH, Ravensburg, was merged with Allgeier Inovar GmbH, Bremen, in the 2024 financial year. The earnings contribution that Ability generated within Inovar from February 2024 can no longer be determined due to the merger.

Disposal of Allgeier Experts Holding GmbH, Munich

By purchase agreement dated October 10, 2024, Allgeier SE sold Allgeier Experts Holding GmbH, Munich, together with the personnel services business bundled under it in the companies U.N.P.-Software GmbH, Düsseldorf, U.N.P.-HRSolutions GmbH, Düsseldorf, Allgeier Experts Consulting GmbH, Munich, and Allgeier Experts GmbH, Munich (collectively referred to as “Experts Group”). With this strategic step, Allgeier is continuing the realignment of the Allgeier Group, which began in 2021 following the spin-off of Nagarro SE, into a software and IT services company with a focus on the core competencies of creating software solutions and providing IT services for the digitalization of business-critical corporate processes. The closing of the transaction and the transfer of control to the buyer took place on November 21, 2024. The deconsolidation was carried out accordingly on this closing date.

The purchase price for the shares in Allgeier Experts Holding GmbH totalled EUR 21,361 thousand. At the time of closing, there were liabilities totalling EUR 2,798 thousand to the sold group, which were offset against the purchase price or paid after the closing. The sale resulted in the disposal of attributable assets and liabilities totalling EUR 18,723 thousand net. Ancillary costs for legal and consulting services and payments to employees totalled EUR 1,059 thousand. Therefore, the loss on disposal from the sale of Allgeier Experts Holding GmbH totalled EUR 1,218 thousand. Corporate income taxes totalling EUR 317 thousand were incurred on the loss on disposal.

The details of the result from the sale are as follows:

(in EUR thousand)	
Purchase price	21,361
Liabilities to the Experts Group	2,798
Outgoing assets and liabilities	18,723
Ancillary costs	1,059
Loss on disposal	**1,218**

The individual assets and liabilities disposed of are as follows:

(in EUR thousand)	
Intangible assets	5
Goodwill	13,763
Property, plant and equipment	91
Right-of-use assets from rental and lease agreements	329
Other financial assets	20
Other assets	649
Deferred tax assets	139
Trade receivables	12,500
Cash funds	2,927
Assets	**30,423**
Lease liabilities	301
Provisions for post-employment benefits	73
Other provisions	666
Other financial liabilities	2,642
Other liabilities	1,031
Deferred tax liabilities	8
Financial liabilities (cash and cash equivalents)	698
Trade payables	4,718
Income tax liabilities	1,562
Liabilities	**11,700**
Net assets disposed of	**18,723**

The goodwill disposed of with the Experts Group was calculated proportionately in relation to the fail values of the disposed group and the part of the Enterprise IT segment remaining in the Allgeier Group. Due to the classification of the disposal group as discontinued operations from the third quarter of 2024, depreciation and impairment losses on depreciable assets were no longer recognized from this date.

In this annual report, the Experts Group was categorized as discontinued operations in the reporting year and in the comparative year 2023.

Due to the retrospective reclassification, the discontinued and continuing operations of Allgeier Group are not comparable with the previous year´s annual report. The Experts Group was part of the “Enterprise IT” segment. The segment information for the remaining part of the segment was also adjusted retrospectively.

Acquisition of shares of non-controlling shareholders

Under the contribution agreement dated December 19, 2024, 15% of the shares in MGM Consulting Partners GmbH, Hamburg (“MGM CP”), were contributed to mgm technology partners GmbH, Munich (“mgm tp”), by way of a contribution in kind. In return, the previous minority shareholder of MGM CP received 1% of the shares in mgm tp. As a result, Allgeier SE´s previous stake in mgm tp changed from 80.0% to 79.2%.

Allgeier Public SE, Munich, acquired all outstanding 8.5% shares in Allgeier Experts Select GmbH, Düsseldorf, as part of the exercise of an option . Due to the company´s negative equity, the acquisition resulted in a receivable of EUR 379 thousand from the former minority shareholder.

Pro forma result of the merged companies

Assuming that the companies acquired in financial year 2024 had already been consolidated by the Allgeier Group on January 1, 2024 and the companies acquired in financial year 2023 had already been consolidated by the Allgeier Group on January 1, 2023, the revenue and earnings of the Allgeier Group would have been as follows:

Revenue and earnings (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Revenue	449,354	491,785	46,011	68,272	403,343	423,513
Earnings before interest, taxes, depreciation and amortization	58,236	58,790	1,406	2,516	56,830	56,274
Earnings before taxes	17,036	24,135	1,096	2,034	15,941	22,101

Subsidiaries with non-controlling interests

The following subsidiaries in which Allgeier SE does not hold all shares were included in consolidation by the Allgeier Group in 2024:

Financial figures of subsidiaries (in EUR thousand)

	mgm technology partners GmbH (including subsidiaries)		thereof: mgm security partners GmbH		thereof: mgm consulting partners GmbH (including subsidiary)		Allgeier publicplan Holding GmbH (including subsidiaries)		Allgeier Evora Holding GmbH (including subsidiaries)		SDX AG		Allgeier Experts Select GmbH	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Percentage of non-controlling interests as of December 31 (calculated)	20.80%	20.00%	44.56%	44.00%	32.68%	44.00%	10.00%	10.00%	40.00%	40.00%	20.00%	20.00%	0.00%	8.50%
Non-current assets	40,735	42,698	39	55	141	170	15,176	16,449	146,737	147,868	1,457	1,882	0	0
Current assets	44,711	48,064	1,906	1,931	3,814	4,921	13,233	23,313	46,285	47,494	2,402	1,962	145	161
Non-current liabilities	13,282	16,278	4	9	50	54	2,266	3,042	12,903	18,369	544	778	0	0
Current liabilities	31,476	36,755	1,028	1,137	2,273	2,645	15,071	23,658	47,551	58,218	1,108	793	4,045	3,852
Net assets	**40,688**	**37,730**	**913**	**840**	**1,632**	**2,392**	**11,072**	**13,061**	**132,568**	**118,774**	**2,207**	**2,273**	**-3,900**	**-3,691**
Carrying amount of non-controlling interests	**296**	**1,361**	**502**	**481**	**191**	**610**	**1,300**	**1,486**	**52,445**	**47,631**	**464**	**455**	**0**	**-314**
Revenue	126,614	124,729	6,633	6,611	16,088	16,295	31,327	46,785	34,690	33,750	4,148	1,892	0	0
Earnings from operating activities	15,002	17,836	698	1,185	1,396	1,776	-1,536	6,504	16,006	5,771	-117	31	-20	-39
Earnings before taxes	14,668	17,487	696	1,205	1,410	1,807	-2,183	5,706	13,703	5,525	-94	27	-209	-70
Profit or loss for the period	**12,416**	**15,115**	**473**	**816**	**961**	**1,210**	**-1,860**	**3,919**	**12,259**	**3,971**	**-67**	**9**	**-209**	**-71**
Other comprehensive income	**15**	**-147**	**0**	**0**	**0**	**0**	**0**	**0**	**375**	**-196**	**0**	**0**	**0**	**0**
Total comprehensive income	**12,431**	**14,968**	**473**	**816**	**961**	**1,210**	**-1,860**	**3,919**	**12,634**	**3,774**	**-67**	**9**	**-209**	**-71**
Cash flows from operating activities	19,598	16,899	337	663	302	1,273	-1,326	-1,443	8,361	1,671	867	176	-14	-495
Cash flows from investing activities	-10,629	-12,499	-5	-12	-71	-91	-919	-1,433	-15,445	-1,062	-165	631	0	0
Cash flows from financing activities	-11,568	-5,940	-401	-746	-691	-317	-3,282	7,697	8,544	-1,002	-394	-395	0	590
thereof from dividends to non-controlling interests	-2,666	-2,530	-120	-230	-516	-270	0	0	0	0	0	0	0	0
of which from proceeds from non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Changes in cash and cash equivalents due to exchange rate movements	-39	26	0	0	0	0	0	0	213	-91	0	0	0	0
Net increase (decrease) in cash and cash equivalents	**-2,639**	**-1,514**	**-69**	**-94**	**-461**	**864**	**-5,527**	**4,821**	**1,674**	**-483**	**307**	**412**	**-14**	**95**

The table shows the figures for the subsidiaries without intragroup elimination with other companies of the Allgeier Group.

VIII. Foreign currency

The transactions in foreign currency by Group companies domiciled in the euro area are translated into euro at the exchange rate on the transaction date. The assets and liabilities denominated in a foreign currency at the end of the reporting period are translated into euro at the closing rate. Foreign currency translation differences are reported in profit or loss under other operating income or other operating expenses. The assets and liabilities of subsidiaries not domiciled in the euro area are translated into euro at the closing rate at the end of the reporting period. This also applies to the goodwill that arises on the acquisition of these companies. The income and expenses of the international subsidiaries are translated using the average annual exchange rate. Currency translation differences are recognized in the statement of comprehensive income under other comprehensive income and in equity under accumulated OCI. If currency translation differences relate to non-controlling shareholders, they are allocated to these shareholders in other comprehensive income and in equity. On disposal of foreign operations, the cumulative value of currency translation reserves posted without effect of profit and loss are recognized by the disposal date is transferred to the income statement.

Annual financial statements prepared in foreign currency were translated using the following exchange rates:

Exchange rates

		Average rates per EUR 1		Closing rates per EUR 1	
		2024	2023	2024	2023
US dollar	USD	1.080	1.083	1.039	1.104
Swiss franc	CHF	0.952	0.971	0.940	0.929
Czech crown	CZK	25.144	23.986	25.176	24.698
Indian rupee	INR	90.438	89.422	88.906	91.814
Vietnamese dong	VND	27,076.675	25,846.310	26,474.650	26,787.400
Polish zloty	PLN	4.303	4.526	4.276	4.345

VIII. Balance sheet

Intangible assets

The Allgeier Group capitalises orders on hand, customer lists, software products under development and finished software products as well as goodwill as part of the initial consolidation of the acquired companies. These assets are measured at cost less accumulated impairment losses. Orders on hand are depreciated in the course of revenue recognition of the underlying orders. Customer lists are depreciated on a straight-line basis over a period of five years. The developments and products acquired are written down on a straight-line basis over four years.

The Allgeier Group capitalizes internally generated developments if future economic benefits are expected from the disposal proceeds. Capitalized costs for internally generated developments are measured at cost less cumulative depreciation and impairment. Cost comprises the staff costs including social security contributions as well as pro rata overheads. Internally generated developments are amortized starting from the month of completion on a straight-line basis over a term of between three and up to four years. Cost does not include borrowing costs. Expenditure for research activities and other development costs is recognized in profit or loss.

Goodwill arising from business combinations is recognized at cost less cumulative impairment.

All other intangible assets are measured at cost and amortized on a straight-line basis over three to six years. Trademarks and domains purchased from third parties are amortized on a straight-line basis over a term of 15 years.

The Allgeier Group tests intangible assets for impairment on an ongoing basis. Goodwill is tested for impairment annually at segment level. Goodwill that is no longer recoverable is depreciated unscheduled. Impairment tests are also performed on an ad hoc basis if certain findings indicate that carrying amount of assets may no longer be recoverable. Repair and maintenance costs incurred in connection with intangible assets are recognized as an expense. Any gains or losses on the disposal of intangible assets are also reported in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment are recognized at cost less cumulative depreciation. For internally generated assets, cost comprises costs that can be directly allocated, pro rata overheads and depreciation. Assets are depreciated on a straight-line basis over their useful life. The carrying amounts of property, plant and equipment are tested for impairment when there are indications that they may not be recoverable. Land, land rights and buildings, including buildings on third-party property, are measured using the cost model. Buildings are depreciated on a straight-line basis over a maximum useful life of 50 years. Other operating and office equipment is depreciated on a straight-line basis over a period of three to 15 years. Repair and maintenance costs incurred in connection with property, plant and equipment are recognized as an expense. Any gains or losses on the disposal of property, plant and equipment are also reported in statement of comprehensive income.

Leases as a lessee

As a lessee, the Group assesses each individual lease or leasing contract as to whether it constitutes a lease in accordance with IFRS 16. If the criteria for capitalisation are met, the Allgeier Group recognises assets for the rights to use these contracts and lease liabilities in the amount of the present value of the future lease payments. The right-of-use asset is equal to the present value at the inception of the lease, adjusted for payments made before the commencement date, plus direct costs in conjunction with the lease asset and costs to restore the asset. The right-of-use asset is depreciated on a straight-line basis over the useful life of the underlying asset and adjusted for any further write-downs as necessary. The useful life of the right-of-use asset is determined by the expected use of the individual asset taking into account the lease or leasing term.

If the leases contain extension options that can be exercised unilaterally by the Allgeier Group, the option is taken into account in calculating the right-of-use asset if it is reasonably certain that the option will be exercised. The lease liability is discounted to the present value of the lease payments not yet made. The discount rate used is the interest rate implicit in the lease or, if this rate cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is the interest rate based on the Group's current borrowing costs.

The lease liability is remeasured when the future lease payments change or the Allgeier Group changes its assessment of the remaining terms or the probability of exercising extension options. The lease liabilities and the carrying amount of the right-of-use asset are adjusted when such remeasurement takes place.

Assets are not recognized for leases with a useful life of less than twelve months or leases for which the cost does not exceed EUR 5 thousand. The expenses for such contracts are recognized as other operating expenses in the statement of comprehensive income.

Leases as a lessor

As a lessor, the Group classifies each lease as either a finance lease or an operating lease. If substantially all the risks and rewards incidental to ownership of a leased asset are transferred to the lessee, the Group accounts for the lease as a finance lease; otherwise, it accounts for the lease as an operating lease. The Group recognizes lease payments from operating leases as revenue. Income from subleases is recognized as other operating income.

Deferred taxes

Deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and the tax base and for consolidation adjustments in profit or loss. Deferred tax assets are also recognized in respect of the expected utilization of unused tax loss carryforwards in subsequent years provided the tax loss carryforwards are sufficiently likely to be utilized. Deferred tax assets are calculated on the basis of the tax rates applicable or anticipated in the relevant countries at the time of realization in accordance with the current legal situation. Deferred tax assets and liabilities are calculated on the temporary differences between the IFRS carrying amounts and the tax bases and the loss carryforwards realizable according to planning using country-specific tax rates, taking into account any features specific to the company (e.g. municipal trade tax rates in Germany). The tax rates for the specific countries are as follows:

Country	Tax rate	
	December 31, 2024	December 31, 2023
Germany	31.00%	31.00%
Austria	23.00%	23.00%
USA	25.70%	25.70%
India	25.17%	25.17%
Switzerland	18.10%	18.10%
Spain	25.00%	25.00%
France	25.00%	25.00%
Vietnam	10.00%	10.00%
Czech Republic	21.00%	21.00%
Poland	19.00%	19.00%

The table contains the tax rates for both continuing and discontinued operations.

Deferred tax assets and liabilities are offset if they relate to the same taxation authority. Deferred tax assets and liabilities are reported under non-current assets and non-current liabilities.

Inventories

Inventories essentially consist of purchased hardware and software intended for resale to customers. Inventories are measured at the lower of cost and net realizable value. The weighted average method is used to calculate the cost. Impairment is recognized if the cost or net realizable value has decreased at the end of the reporting period.

Contract costs

Capitalized contract costs relate to the costs of fulfilling a customer contract. If the costs of fulfilling the contract do not fall within the scope another standards (e.g. inventories, intangible assets or property, plant and equipment), they must be capitalized separately as contract costs in the balance sheet if they create resources in connection with a customer contract and it is expected that the costs will be covered by future revenue. They are measured at direct costs plus pro rata production overheads. Capitalized costs are recognized as a expense when incurred in accordance with the revenue recognition to which the asset relates. The depreciation period also includes probable future contract extensions. If the expected revenue less expenses still to be incurred is lower than the contract costs to be capitalized, an impairment loss is recognized.

Contract assets and liabilities

If one of the contractual parties between Allgeier and a customer has fulfilled its contractual obligations, depending on the relationship between Allgeier's performance and the customer's payment, a contract asset or a contract liability is recognized in the balance sheet. Contract assets and contract liabilities are essentially reported as current as they typically arise within the normal operating cycle of less than one year.

Contract assets and contract liabilities include customer-specific construction contracts that are accounted for in accordance with IFRS 15. Revenue is recognized in line with the percentage of completion at the end of the reporting period. The percentage of completion is calculated as the ratio of the contract costs incurred as of the end of the reporting period to the total calculated contract costs. After deduction of the partial payments received, they are reported under contract assets and services if the contract balance is positive and under contract liabilities if the contract balance is negative. Borrowing costs are not capitalized in customer-specific orders.

Trade receivables

Trade receivables are reported when the right to receive the consideration has come into existence. They are measured at amortized cost. These costs are calculated using the effective interest method. The carrying amount is equal to cost less any write-downs. For trade receivables, the expected credit losses are calculated using a simplified approach on the basis of expected credit losses using calculated loss rates derived from historical data and taking into account the respective customer. Trade receivables are derecognized if payment is no longer expected. Trade receivables sold to a factor are derecognized as soon as all risks and rewards associated with ownership have been transferred.

Other financial assets

Derivative financial instruments and the shares in the venture capital company Speedinvest are recognized at fair value. The rest of the financial assets are carried at nominal amount less any write-downs. For other financial receivables, recognized at fair value, expected credit losses are determined on the basis of default risks, either on the basis of defaults expected in the next twelve months or on the basis of the remaining term. Significant changes in default risks are taken into account.

Other assets and corporate income tax receivables

Other assets and corporate income tax receivables are recognized at nominal amount.

Cash funds

Cash funds include cash in hand, bank balances and current deposits with original terms of less than three months. They are measured at their nominal amount, while cash funds in foreign currency are translated using the closing rate.

Provisions for post-employment benefits

Pension provisions

Pension provisions are recognized for defined benefit obligations under pension plans for active or former employees of the Group. The present value of defined benefit obligations is measured by a recognized actuary using the projected unit credit method taking into account future wage, salary and pension trends. The calculation according to actuarial principles in line with the Heubeck 2018 G mortality tables is based on the individual pension commitments and, typically, the following general parameters:

	December 31, 2024	December 31, 2023
Interest rate for those with vested pensions	3.45%	3.15%
Interest rate for retired persons	3.40%	3.15%
Increase in current pensions	2.00%	2.00%
Turnover	0.00%	0.00%

Reinsurance policies have been taken out in some cases to cover pension obligations. Insofar as the reinsurance policies are pledged to the beneficiary, the present value of insurance policies is offset against the pension provisions.

The service cost (current and past service cost, gains or losses due to plan amendments or curtailments) and interest expenses or income on the net obligation (pension obligations less present value of the plan assets) are recognized in the statement of comprehensive income. To determine interest income on plan assets – regardless of whether this is subsequently offset against interest expenses on the pension obligations or reported under interest income – only a typical interest yield on the plan assets at the discount rate of the present value of defined benefit obligations at the start of the year is permitted.

Remeasurements due to actuarial gains or losses and income on plan assets (not including interest on the net obligation) are recognized directly in other comprehensive income and are not subsequently reclassified to the statement of comprehensive income. The actuarial gains and losses include the differences between the planned and actual present value of defined benefit obligations at year-end and the effects of changes in the measurement parameters.

Obligations for defined contribution plans are recognized directly as an expense after the employees render the related service.

Provisions for gratuities

At Allgeier there are obligations for future severance payments to employees that become payable when employees leave the company (gratuity obligations), regardless of whether this results from a termination by the employer or the employee. These gratuity payments constitute a defined benefit plan in accordance with IAS 19 and are measured using actuarial methods.

The present value of defined benefit obligations is calculated using mortality tables for the specific country and the following general parameters:

India		
	December 31, 2024	December 31, 2023
Interest rate	6.95%	7.40%
Salary increase p.a.	12.64%	13.00%
Turnover p.a.	15.00%	15.00%
Average expected length of service	6.0 Years	8.3 Years

Other provisions

Other provisions have been recognized where there is a legal or factual obligation to third parties as a result of a past event and when the obligation is likely to result in a future outflow of resource s that can be reliably estimated. The provisions are recognized for all identifiable risks and contingent liabilities at the expected amounts. Provisions are not offset against rights of recourse. Warranty provisions are recognized based on past or estimated future claims. The expense relating to a provision is presented in the statement of comprehensive income net of any expected reimbursement. The non-current shares of the provisions are discounted.

Financial liabilities

Interest-bearing loans are carried at the amount received on the date of addition. Transaction costs incurred on the agreement of loans are deducted from financial liabilities. The financial liabilities are subsequently measured at amortized cost with transaction costs distributed over the term. Borrowing costs are recognized as an expense in the period in which they are incurred.

Trade payables

Trade payables are initially carried at settlement amount. They are subsequently measured at amortized cost.

Other financial liabilities

Other financial liabilities are initially carried at settlement amount. They are subsequently measured at amortized cost. Other financial liabilities include contingent liabilities from acquisitions that are recognized and subsequently measured at fair value. The non-current portion of other financial liabilities is carried at the present value of expected future payments. The average interest rate for non-current financial liabilities is used as the interest rate for the Allgeier Group.

Other liabilities

Other liabilities are initially carried at cost. They are subsequently measured at amortized cost.

Financial instruments

Financial assets

The financial assets include financial investments, loans and receivables, cash and other financial assets. Based on their characteristics and the purpose for which they were acquired, financial assets are allocated to the categories “financial assets at fair value” and “financial assets not at fair value”.

In accordance with IFRS 9, financial assets are subsequently measured in the categories “amortized cost” (AC), “fair value through other comprehensive income” (FVOCI) and “at fair value through profit or loss” (FVTPL). The classification of a financial instrument to one of these categories is dependent on the company’s business model, taking into account the risks of the financial assets and the terms of the respective instrument. Assessing the terms includes assessing whether contractually agreed cash flows are solely payments of principal and interest on the principal amount.

A financial asset is measured at amortized cost using the effective interest method if it is held within a business model whose objective is achieved by collecting contractual cash flows and the terms of the contract give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Changes in value are recognized through profit or loss. The FVOCI category includes financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling these assets, provided that the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial instruments for cash flow hedges are also assigned to this measurement category. They are subsequently measured at fair value. Changes in value are recognized in other comprehensive income (OCI).

Equity instruments and derivative financial instruments are allocated to the FVTPL category and net gains or losses and dividends are recognized through profit or loss.

Write-downs in the “amortized cost” category and on contract assets are recognized in the amount of the expected credit losses if the credit risk has increased significantly since initial recognition. For receivables and contract assets, this involves checking at the end of each reporting period whether there is evidence of credit impairment and whether the credit risk has thus increased significantly.

Quantitative and qualitative information and analyses such as the length of time past due, the nature and duration of financial difficulties or the geographical location are taken into account and forward-looking assessments are made on the basis of past experience. Objective evidence that a financial asset is credit-impaired includes being past due by more than 90 days. If an asset is credit-impaired or has defaulted, the expected credit losses over the lifetime of the financial asset are recognized as a loss allowance. If the credit risk has increased significantly since initial recognition, but the asset is not credit-impaired or has defaulted, the lifetime expected credit losses are recognized as a loss allowance. For trade receivables and contract assets, expected credit losses are measured using historical probabilities of default on the basis of an impairment matrix by maturity class. For all other financial assets, write-downs are calculated in the amount of the share of the expected credit losses within twelve months of the end of the reporting period or the remaining term. The expected loss model of IFRS 9 requires discretionary decisions in forecasting the development of future economic conditions. However, the assumptions made are subject to uncertainty.

Financial liabilities

Financial liabilities include liabilities to banks, trade payables, finance lease liabilities and other financial liabilities. Based on their characteristics, financial liabilities are allocated to the categories “financial liabilities at fair value” and “financial liabilities not at fair value”.

Financial liabilities at amortized cost are non-derivative financial liabilities with fixed or determinable payments. They are initially recognized and subsequently measured using the effective interest method. When liabilities are derecognized, the resulting gains are recognized under other operating income. Financial liabilities at fair value through profit or loss include contingent purchase price liabilities from acquisitions that are designated as at fair value through profit or loss on initial recognition. These financial liabilities are subsequently measured in line with their designation. Effects from the remeasurement of contingent purchase price liabilities are recognized through profit or loss.

Derivative financial instruments

The Allgeier Group uses derivative financial instruments (interest rate swaps) to reduce interest rate risks. The interest rate hedges are recognized at fair value as either a financial receivable (if the fair value is positive) or a financial liability (if the fair value is negative). Changes in fair value are recognized in profit or loss unless specific hedge accounting rules apply.

The Group ensures that the use of hedge accounting is consistent with the objectives and strategy of Group risk management and that hedge effectiveness is assessed prospectively. When using hedge accounting, derivative financial instruments are classified either as a hedge of the fair value (fair value hedge) or a hedge of future cash flows (cash flow hedge). When it enters into the transaction, the Group documents the relationship between the hedging instrument and the hedged item as well as the risk management objectives and strategies of the hedging transactions. Allgeier uses accepted methods to assess effectiveness and any ineffectiveness of the hedging arrangements. The recognition of fair value changes in hedge accounting is governed by the hedged item. In a fair value hedge, both the hedging instrument and the hedged item are recognized in profit or loss. In a cash flow hedge, the result of the effective portion of the hedge is recognized directly in equity and the ineffective portion is recognized in the statement of comprehensive income. The portion recognized in equity is recognized in profit or loss when the hedged item is recognized in profit or loss.

IX. Statement of comprehensive income

The statement of comprehensive income was prepared in line with the nature of expense method.

Revenue from the sale of products is recognized when the control and associated significant risks and rewards of ownership of the products sold have passed to the buyer, usually on delivery of the product. This usually occurs upon delivery of the product. Revenue from services is recognized in accordance with the contractual agreements and taking the services rendered into account. This is typically done on the basis of days and hours worked. For fixed price contracts, revenue from services is recognized in line with the percentage of completion and taking partial performance rendered into account. Furthermore, revenue from royalties is recognized on an accrual basis in accordance with the substance of the relevant agreement. If a contract comprises several distinct goods or services, the transaction price is allocated to the performance obligations on the basis of the relative stand-alone selling prices. For each performance obligation, revenue is recognized either at a point in time or over time.

As remuneration for services provided, the Allgeier Group grants managers equity-settled share-based payment (stock options). Expenses for services by employees who are granted options to purchase shares in Allgeier SE in return are calculated using the fair value of the options on the grant date, including market performance conditions. Other performance and non-market vesting conditions that lead to options not being exercised are not included in the calculation of fair value. With the exception of subsequent adjustments to the exercise price, vesting conditions that are not market conditions are taken into account in the assumption of the expected number of options that can be exercised. The calculated total value of an option tranche issue is recognized through profit or loss as personnel expenses in line with the agreed vesting over a specified vesting period pro rata and when entitlements become vested. The offsetting entry is made directly in equity (capital reserves). The number of options that can be exercised based on vesting conditions that are not market conditions must be reviewed at the end of each reporting period. Adjustments are made for subsequent deviations from the initial measurement and recognized in the statement of comprehensive income and in equity.

Additional personnel expenses must be recognized if the calculated fair value of the options granted increases as the result of a modification of the stock option programmes in connection with corporate actions immediately before or after the date of this modification (e.g. as a result of a change in the exercise price of other option parameters). New shares are issued when the options are exercised. The cash received is recognized in issued capital (nominal amount) and capital reserves, net of directly attributable transaction costs.

Operating expenses are recognized at the time of performance.

Borrowing costs are recognized as an expense in the period in which they are incurred.

Corporate income taxes are calculated according to the tax law provisions of the countries where the respective Group company operates.

X. Estimates and Judgments

The preparation of the consolidated financial statements requires certain estimates and assumptions affecting the amount and reporting of the assets and liabilities recognized and the reporting of income and expenses. Although these estimates and assumptions have been made to the best of knowledge, the actual results can differ at a later date. The estimates and assumptions are reviewed on an ongoing basis. Necessary adjustments are recognized prospectively. Estimates and assumptions essentially relate to:

- the assumptions used to calculate impairment on goodwill and other intangible assets;
- the measurement of variable purchase price components for acquisitions;
- the determination of the term of the recognized leases;
- the calculation of receivables and liabilities from income taxes;
- the allocation of impairment losses to financial assets;
- the availability of future profits for using the deferred tax assets recognized;
- the measurement of provisions;
- the classification of revenue and the associated costs of project business performed over time as of the end of the reporting period.

If the estimates and assumptions are significant and material adjustments could be necessary in future financial years, this information is provided in the notes to the balance sheet. A significant adjustment to the assets and liabilities reported in the consolidated statement of financial position are not currently anticipated in the following financial year.

B. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Intangible assets

Intangible assets include the order backlog, customer lists, software products and goodwill capitalised as part of the initial consolidation of the acquired companies, as well as the software, licences and rights required for business operations. Furthermore, intangible assets include internally generated developments. Intangible assets developed as follows:

Intangible assets (in EUR thousand)

	Order backlog	Customer lists	Software products	Website, software, licenses and rights	Internally generated developments	Goodwill	Total
Carrying amount as of January 1, 2023	0	11,020	2,674	2,676	9,218	257,321	282,910
Changes in 2023:							
Additions to consolidated group	270	1,322	0	0	0	5,904	7,496
Ongoing additions in financial year	0	0	0	1,005	7,829	0	8,834
Disposals at carrying amounts	0	0	0	-2	0	0	-2
Foreign exchange differences	9	5	0	0	0	590	604
Planned depreciation	-279	-3,427	-1,007	-1,168	-3,321	0	-9,202
Disposals from sale FYii	0	0	0	0	0	-199	-199
Carrying amount as of December 31, 2023	0	8,920	1,667	2,511	13,726	263,617	290,441
Changes in 2024:							
Additions to consolidated group	50	1,398	1,055	56	0	369	2,928
Ongoing additions in financial year	0	0	156	706	8,108	0	8,969
Foreign exchange differences	-3	-1	0	0	3	-115	-116
Planned depreciation	-47	-3,616	-1,219	-1,200	-4,504	0	-10,587
Impairment	0	0	0	0	-121	0	-121
Disposals from the sale of Experts	0	0	0	-5	0	-13,763	-13,768
Carrying amount as of December 31, 2024	0	6,701	1,659	2,067	17,211	250,108	277,746

Order backlogs of EUR 50 thousand (previous year: EUR 270 thousand) were received in the 2024 financial year in conjunction with company acquisitions. The order backlogs were valued at their expected result on the basis of their full costs.

Customer lists of EUR 1,398 thousand (previous year: EUR 1,322 thousand) were received in the financial year 2024 in conjunction with company acquisitions. To evaluate the customer lists, historical sales were broken down into sales with regular customers and sales with other customers and the expected results were calculated from the sales revenue that could be generated with regular customers, taking their full costs into account. Discounts were recognized for future risks due to customer fluctuation, customer dependencies and declines in earnings. Customer sales already recognized as orders on hand are not included in the customer lists.

In the 2024 financial year, software products totalling EUR 1,055 thousand (previous year: EUR 1,055 thousand) were acquired together with ABILITY GmbH, Ravensburg (previous year: EUR 0 thousand). The acquired products are valued on the basis of the production costs recognized by the company in accordance with commercial law. The review of the recoverability of these software products is confirmed by sales planning and the resulting contribution margins.

The additions to internally generated developments include an amount of EUR 4.5 million (previous year: EUR 5.1 million) developments that had not yet been completed by December 31, 2024. The capitalisations include in particular the further development of our internally developed software solutions, including the low-code platform A12 from mgm technology partners and software products from Allgeier Inovar GmbH, Bremen, for the digitalization and optimisation of business-critical processes, including in the fields of enterprise resource planning (ERP), enterprise content management & business process management (ECM/BPM) and B2B e-commerce.

The Allgeier Group recognizes goodwill for the differences between the cost and fair values of the assets, liabilities and contingent liabilities assumed in the context of company acquisitions at the acquisition date. The acquisition of ABILITY GmbH, Ravensburg, in the 2024 financial year resulted in goodwill in the amount of EUR 369 thousand. The conversion of companies not acquired in euro in the past increased goodwill by EUR 115 thousand in total (previous year: EUR 590 thousand). The currency differences were recognized in the consolidated statement of comprehensive income under other comprehensive income. With the sale of Allgeier Experts Holding GmbH, Munich, goodwill totalling EUR 13,763 thousand was disposed of in the previous year. Goodwill developed as follows:

(in EUR thousand)	Enterprise IT	mgm technology partners	Total
Carrying amount as of January 1, 2023	245,811	11,510	257,321
Changes in 2023:			
Additions	5,904	0	5,904
Foreign exchange differences	590	0	590
Disposals	-199	0	-199
Carrying amount as of December 31, 2023	252,107	11,510	263,617
Changes in 2024:			
Additions	369	0	369
Foreign exchange differences	-115	0	-115
Disposals	-13,763	0	-13,763
Carrying amount as of December 31, 2024	238,598	11,510	250,108

Goodwill is regularly tested for impairment once per year and also on an ad hoc basis if there are discernible indications of impairment. Impairment is determined on the basis of the value-in-use and the three-year planning (detailed planning period) of the respective cash-generating units (CGUs). For the following years, the cash flows of the third year are extrapolated for all other future years. The cash flows are discounted in perpetuity using the following capitalization rates. In the planning phase after the third planning year, the interest rates are reduced by a growth discount of one percentage point. If market prices exist in individual cases, these are used for the measurement of the cash-generating units. Data from comparable companies were referenced and formed into peer groups to calculate the weighted average cost of capital (WACC) for the cash-generating units. The equity and liability ratios and the five-year peer beta factor used to calculate the WACC are determined from the peer groups. The interest rate in the current terms for Allgeier Group borrowings is used as the interest rate for long-term borrowed capital. The country risk premium takes into account the risks specific to individual countries and is based on country ratings provided by rating agencies and default risks observable on the market. For the Enterprise IT and mgm technology partners cash-generating units, the cash flows after the period of three years are extrapolated using an unchanged growth rate compared to the previous year of 1.0 percent. The WACC for the two cash-generating units is calculated as follows:

	Enterprise IT		mgm technology partners	
	2024	2023	2024	2023
Risk-free interest rate	2.50%	2.75%	2.50%	2.75%
Interest rate on debt	4.14%	4.38%	4.14%	4.38%
Risk premium for equity	7.50%	7.50%	7.50%	7.50%
WACC before taxes	9.73%	9.72%	9.74%	11.12%
WACC after taxes	7.15%	7.51%	7.44%	8.44%

All goodwill was found to be recoverable. The value in use of the individual cash generating units is as follows:

	Enterprise IT	mgm technology partners
Growth rates in the detailed planning period and value of use 2023		
Average annual revenue growth	10.5%	9.8%
Average annual growth of underlying cash flow	17.3%	18.3%
Value in use in EUR million	605	213
Growth rates in the detailed planning period and value of use 2024		
Average annual revenue growth	9.5%	10.7%
Average annual growth of underlying cash flow	11.0%	35.6%
Value in use in EUR million	359	234

2. Property, plant and equipment

Property, plant and equipment developed as follows:

Property, plant and equipment (in EUR thousand)

	Land, land rights and buildings	Other fixed assets, operating and office equipment	Total
Carrying amount as of January 1, 2023	379	9,034	9,413
Changes in 2023:			
Additions to consolidated group	0	77	77
Ongoing additions in financial year	0	4,922	4,922
Disposals at carrying amounts	0	-166	-166
Foreign exchange differences	0	-64	-64
Depreciation	-24	-4,332	-4,356
Disposal from consolidated group	0	-69	-69
Carrying amount as of December 31, 2023	355	9,402	9,757
Changes in 2024:			
Additions to consolidated group	0	54	54
Ongoing additions in financial year	0	3,056	3,056
Disposals at carrying amounts	0	-847	-847
Foreign exchange differences	0	17	17
Depreciation	-24	-4,125	-4,149
Disposal from consolidated group	0	-91	-91
Carrying amount as of December 31, 2024	330	7,466	7,796

3. Right-of-use assets from rental and lease agreements

With the exception of a property in Bremen, which is owned, the Allgeier Group leases the properties used by the Group. The Allgeier Group also uses leases to finance some of its vehicles and some of its IT equipment. The property leases have terms of up to 10 years. The leases for vehicles and IT equipment typically have terms of two to five years. For all leases agreements for a period of not more than one year or for low-value assets, the Group recognizes the right-of-use asset from these rental and lease agreements as the value in use from the leases at the respective present value. Right-of-use assets from rental and lease agreements developed as follows:

Right-of-use assets from rental and lease agreements (in EUR thousand)

	Properties	Motor vehicles	Operating and office equipment/ IT equipment	Total
Carrying amount as of January 1, 2023	36,466	2,223	1,053	39,742
Changes in 2023:				
Additions to consolidated group	667	0	0	667
Ongoing additions in financial year	2,896	2,197	4,971	10,064
Lease modifications	4,298	55	2	4,355
Foreign exchange differences	-63	1	0	-62
Depreciation	-9,157	-1,804	-1,479	-12,439
Attributions	1,717	0	0	1,717
Carrying amount as of December 31, 2023	36,824	2,672	4,548	44,044
Changes in 2024:				
Additions to consolidated group	557	0	0	557
Ongoing additions in financial year	2,012	2,472	3,193	7,678
Lease modifications	-3,589	275	-54	-3,368
Foreign exchange differences	21	0	0	20
Depreciation	-9,015	-2,217	-2,182	-13,414
Disposals from the sale of Experts	-239	-73	-17	-329
Carrying amount as of December 31, 2024	26,572	3,130	5,489	35,190

Expenses for leases for low-value assets and short-term leases were as follows in the financial year 2024:

Expenses for leases (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Leases for low-value assets	430	296	4	5	426	291
Short-term leases	199	298	7	8	192	290

In 2024, the Allgeier Group generated income of EUR 129 thousand from operating sub-lease arrangements (previous year: EUR 364 thousand). The Group anticipates income of EUR 79 thousand from operating sub-leases in continuing operations in the financial year 2025 (previous year: EUR 464 thousand).

4. Contract costs

Depreciation in the amount of EUR 144 thousand (previous year: EUR 144 thousand) was recognized on capitalized contract costs in connection with customer projects. No impairment losses were recognized on capitalized contract costs. In the 2024 financial year, contract costs in the amount of EUR 120 thousand (previous year: EUR 0 thousand).

5. Other financial assets

Other financial assets break down as follows:

Other financial assets (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Total	thereof non-current	thereof current	Total	thereof non-current	thereof current
Interests in Speedinvest	2,816	2,816	0	4,809	4,809	0
Security deposits	1,911	1,609	302	1,967	1,655	312
Hedging instruments	761	316	445	1,654	638	1,016
Loans to minority shareholders	479	479	0	456	456	0
Claim against a former minority shareholder of Allgeier Experts Select GmbH	371	0	371	0	0	0
Receivables from employees	324	45	279	419	274	145
Creditors with debit balances	157	0	157	284	0	284
Vendor loans	150	0	150	141	141	0
Posting of collateral	120	120	0	180	180	0
Receivables from loans	12	0	12	22	0	22
Impairment losses	-412	0	-412	0	0	0
Other	257	2	255	864	80	784
	6,946	5,387	1,559	10,796	8,233	2,563

Allgeier SE holds shares in the venture capital fund Speedinvest. These shares were valued on the basis of the annual report submitted by the fund management. The fund consists of a portfolio of individual investments, a few of which contribute significantly to the valuation of the financial instrument. If the economic development of the portfolio deteriorates or its growth accelerates, greater fluctuations in the fair value of the financial instrument are anticipated. Allgeier SE still held 18,437 shares at an average cost of EUR 100 each at the end of 2022. As of December 31, 2024, one share was valued at EUR 153 (previous year: EUR 261). The remeasurement resulted in an expense of EUR 1,993 thousand for 2024 (previous year: income of EUR 24 thousand). Changes in value are recognized in the statement of comprehensive income within the financial result.

Remaining shares (in EUR thousand)

	2024	2023
Carrying amount as of January 1	4,809	4,785
Income from remeasurement	0	24
Expense from remeasurement	-1,993	0
Carrying amount on December 31	2,816	4,809

Allgeier SE received dividends from its investment in Speedinvest of in the amount of EUR 82 thousand in 2024 (previous year: EUR 25 thousand).

In the 2022 financial year, Allgeier SE concluded an interest rate swap with a nominal volume of EUR 50 million and a term until May 19, 2027 to hedge the interest rate risk for part of the existing variable-interest financial liabilities. The interest rate swap was fully designated as a hedging instrument as part of a cash flow hedge. The interest rate swap converted variable interest payments based on the 3-months-EURIBOR into fixed interest payments for a loan volume of EUR 50 million. As of December 31, 2024, the interest rate swap has a positive fair value of EUR 761 thousand (previous year: EUR 1,654 thousand) and is recognized at fair value under other financial assets. In the statement of comprehensive income, the current income and expenses from the quarterly marginal payments on the interest rate swap are netted against the interest expenses in financial liabilities. Deferred taxes are recognized if the income/expenses for the interest rate hedges are not recognized for tax purposes until later periods.

The effective portion of the cash flow hedge is reported under accumulated OCI. This developed as follows before deferred taxes:

Cash flow hedge (in EUR thousand)

	2024	2023
As of January 1	**1,654**	**3,307**
effective portion of the change in fair value	-893	-1,653
As of December 31	**761**	**1,654**

The future hedged cash flows from the interest rate hedges of EUR 761 thousand in total will be recognized in profit or loss in subsequent years until 2027.

A long-term loan was granted to non-controlling shareholders of the Allgeier Group in 2023. The loan bears interest at standard market conditions and is agreed on a long-term basis. The interest is capitalized and paid at the end of the loan term. As of December 31, 2024, the loan receivable amounted to EUR 479 thousand (previous year: EUR 456 thousand).

6. Other assets

Other assets break down as follows:

Other assets (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Total	thereof non-current	thereof current	Total	thereof non-current	thereof current
Prepaid expenses	6,236	1,027	5,209	4,878	629	4,249
VAT receivables	1,625	0	1,625	1,887	0	1,887
	7,860	**1,027**	**6,834**	**6,765**	**629**	**6,136**

7. Deferred taxes

Deferred tax assets and liabilities arising from temporary differences between tax and financial reporting carrying amounts, on consolidation adjustments through profit or loss and on tax loss carryforwards are allocated to the following balance sheet positions and statement of comprehensive income items as follows:

Deferred taxes (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Deferred tax assets	Deferred tax liabilities	Statement of comprehensive income	Deferred tax assets	Deferred tax liabilities	Statement of comprehensive income
Intangible assets	574	8,306	701	675	8,468	-532
Property, plant and equipment	110	4	71	44	9	-7
Right-of-use assets from rental and lease agreements	0	10,343	3,472	0	13,614	-1,424
Contract costs	0	89	45	0	134	44
Contract assets and liabilities	3	528	-190	0	336	37
Trade receivables	70	542	159	70	666	-157
Miscellaneous (financial) assets	37	700	415	86	1,435	-640
Lease liabilities	10,737	0	-3,673	14,204	0	1,001
Provisions for post-employment benefits	39	0	42	64	0	-175
Other provisions	276	9	160	146	42	-32
Other financial liabilities	386	0	118	251	0	103
Temporary differences including consolidation though profit or loss	**12,232**	**20,521**	**1,320**	**15,540**	**24,704**	**-1,782**
Loss carryforwards	6,118	0	445	4,573	0	3,640
Offsetting	-12,565	-12,565	0	-15,490	-15,490	0
	5,785	**7,956**	**1,765**	**4,623**	**9,214**	**1,858**

The income statement column relates to the total deferred taxes from the earnings of the period before the sold business with deferred tax income of EUR 2,082 thousand (previous year: EUR 1,858 thousand) and the deferred corporate income tax expense from the divested business of EUR 317 thousand (previous year: EUR 0 thousand).

On December 31, 2024, the Allgeier Group had corporate income tax loss carryforwards of EUR 38,184 thousand (previous year: EUR 31,190 thousand) and trade tax loss carryforwards of EUR 28,723 thousand (previous year: EUR 24,242 thousand). The Group has deferred tax assets of EUR 10,479 thousand in total (previous year: EUR 8,640 thousand). EUR 6,118 thousand (previous year: EUR 4,573 thousand) of deferred tax assets were recognized and an amount of EUR 4,361 thousand (previous year: EUR 4,067 thousand) was not recognized due to uncertainty concerning their utilization. The recognition of deferred tax assets from loss carryforwards results from expected future earnings allocations, the reorganization of tax groups and the subsequent tax utilization of start-up losses of newly acquired or established subsidiaries.

EUR 1,029 thousand) of the deferred tax assets of EUR 5,785 thousand (previous year: EUR 4,623 thousand) EUR 4,697 thousand (previous year: EUR 2,161 thousand) were current. Of the deferred tax liabilities of EUR 7,956 thousand (previous year: EUR 9,214 thousand) in total, EUR 5,072 thousand (previous year: EUR 4,867 thousand) were current. Current deferred taxes are reported within non-current assets and non-current liabilities.

8. Inventories

Inventories break down as follows:

Inventories (in EUR thousand)

	December 31, 2024	December 31, 2023
Merchandise	1,358	1,177
Raw materials and supplies	11	36
Other	7	36
	1,376	**1,249**

Impairment losses totalling EUR 258 thousand (previous year: EUR 8 thousand) were recognized on inventories. Inventories recognized as an expense in the reporting period amounted to EUR 21,082 thousand in the financial year 2024 (previous year: EUR 31,415 thousand).

9. Contract assets and liabilities

Contract assets and liabilities were as follows as of the end of the reporting periods:

Assets and liabilities (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Total	thereof non-current	thereof current	Total	thereof non-current	thereof current
Customer projects measured according to the percentage-of-completion method	4,363	0	4,363	1,671	0	1,671
Contract assets	**4,363**	**0**	**4,363**	**1,671**	**0**	**1,671**
Customer projects measured according to the percentage-of-completion method	903	0	903	1,147	0	1,147
Deferred income	6,858	119	6,739	4,078	312	3,766
Other timing differences between revenue recognition and customer invoicing	0	0	0	57	0	57
Contract liabilities	**7,761**	**119**	**7,642**	**5,282**	**312**	**4,970**

Contract assets and liabilities developed as follows:

Assets and liabilities (in EUR thousand)

	Contract assets	Contract liabilities
As of January 1, 2023	**3,379**	**6,363**
Currency effect	-140	-43
Addition due to acquisitions	10	0
Revenue recognition	3,734	-5,428
Reclassification to trade receivables	-3,242	0
Advance payments received from customers	-2,069	4,390
Disposal due to business combinations	0	0
As of December 31, 2023	**1,671**	**5,282**
Currency effect	16	0
Addition due to acquisitions	0	0
Revenue recognition	5,124	-7,752
Reclassification to trade receivables	-2,061	1,363
Advance payments received from customers	-387	8,867
Disposal due to business combinations	0	0
As of December 31, 2024	**4,363**	**7,761**

Revenue in 2024 includes EUR 4,702 thousand (previous year: EUR 5,416 thousand) reported under contract liabilities at the beginning of the financial year.

10 Trade receivables

Trade receivables break down as follows:

Trade receivables (in EUR thousand)

	December 31, 2024	December 31, 2023
Customer receivables	92,355	112,617
Factoring	-30,046	-42,995
Impairment of customer receivables	-891	-1,443
	61,418	**68,180**

The Allgeier Group has entered into a factoring program of up to EUR 60 million (previous year: EUR 60 million). The factoring programme is accounted for "off-balance sheet" after the factor or the trade credit insurer bears the default risk of the receivables sold. As of December 31, 2024, the Allgeier Group recorded a payment receipt on submitted customer invoices from the factoring programme after deduction of all retentions in the amount of EUR 34,991 thousand (previous year: EUR 57,632 thousand). Of this amount, a partial amount of EUR 30,046 thousand (previous year: EUR 42,995 thousand) was netted against trade receivables. The remaining portion of EUR 4,945 thousand (previous year: 14,637 thousand) was recognized under financial liabilities after the payments received from customers were also available in this amount due to overlapping periods.

11 Cash funds

Cash funds break down as follows:

Cash (in EUR thousand)

	December 31, 2024	December 31, 2023
Bank balances	57,297	83,031
Cash balances	20	10
	57,317	83,041

Bank balances at credit institutions include current account balances and balances in call money accounts available at short notice. They are highly liquid and available as means of payment at short notice. Demand deposits are not subject to (significant) risks of fluctuations in value. Cash funds are an element of the Allgeier Group’s cash and cash equivalents.

12. Authorized capital

The issued capital of Allgeier SE amounted to EUR 11,472,313.00 as of December 31, 2024 (previous year: EUR 11,444,313.00) and was divided into 11,472,313 no-par value registered shares (previous year: 11,444,313 no-par value shares). Each share accounts for a notional amount of the share capital of EUR 1.00. All the no-par value shares of the company belong to the same class of shares. The shares are fully paid in. In the 2024 financial year, 28,000 new shares were allocated from the Contingent Capital 2014 (subscription shares).

The shares of Allgeier SE closed at EUR 15.05 in Xetra trading on the Frankfurt Stock Exchange on December 30, 2024. In the previous year, the shares closed at EUR 21.50 on December 29, 2023.

Authorized capital

By way of resolution of the General Meeting on June 25, 2024, the Management Board is authorized, to increase the share capital of Allgeier SE with the approval of the Supervisory Board, on one or more occasions against cash or non-cash contributions, by up to a total of EUR 5,722,156.00 by issuing up to 5,722,156 new no-par registered shares by June 24, 2029 (2024 Authorized Capital). The Management Board is authorized, with the approval of the Supervisory Board, to disapply shareholders’ statutory pre-emption rights in the following cases:

- For a rights issue for fractional amounts arising when determining the subscription ratio;
- For a capital increase against non-cash contributions to acquire (also indirectly) companies, parts of companies, investments in companies or other contributable assets in the context of such a transaction, if the acquisition is in the company’s best interests;
- For a capital increase against cash contributions for a share of authorized capital of up to 20 percent in total of the share capital at the time that this authorization becomes effective or, if lower, at the time that it is exercised, provided that the issue amount of the new shares is not significantly less than the market price of shares already listed at the time that the issue amount is finalized. This 20 percent limit includes shares issued or sold during the term of this authorization by the time of its utilization in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act, directly or with the corresponding changes, and shares to be issued or granted on account of convertible bonds or bonds with option rights during the term of this authorization with pre-emption rights disapplied in accordance with Section 186 para. 3 sentence 4 German Stock Corporation Act.
- To issue pre-emption rights to bearers of conversion or option rights under bonds issued by the company or an entity in which the company directly or indirectly holds a majority.

Contingent capital

By way of resolution of the General Meeting on June 17, 2014, the share capital of Allgeier SE was contingently increased by up to EUR 140,000.00 by issuing up to 140,000 new no-par registered shares (2014 Contingent Capital). The Contingent Capital 2014 is intended to serve up to 140,000 options under the 2014 stock option plan, that are to be fully issued. In the 2024 financial year, option rights for 28,000 new shares (previous year: 16,800 new shares) were exercised. As of December 31, 2024, the Contingent Capital 2014 amounts to EUR 95,200.00 (previous year: EUR 123,200.00). By way of resolution of the General Meeting on June 08, 2021, the share capital of Allgeier SE was contingently increased by up to EUR 940,000.00 by issuing up to 940,000 new no-par registered shares (2021 Contingent Capital). The 2021 Contingent Capital is intended to serve up to 940,000 options under the 2021 stock option plan. All option rights were issued. The Contingent Capital 2021 as of December 31, 2024 remains unchanged from the previous year at EUR 940,000.00. Options have not yet been exercised. By way of resolution of the General Meeting on June 13, 2023, the share capital of Allgeier SE was contingently increased by up to EUR 4,500,000.00 by issuing up to 4500000 new no-par value registered shares (Contingent Capital 2023). The 2023 Contingent Capital serves to service convertible bonds, bonds with options rights and/or participating bonds and/or profit participation rights with or without conversion or option rights or obligations or a combination of the aforementioned financial instruments that can be issued by the company or a company in which the company directly or indirectly holds a majority interest until June 12, 2028. Allgeier SE has not yet issued any corresponding conversion or option rights.

13. Capital reserves

The Allgeier Group’s capital reserves developed as follows:

Development of capital reserves (in EUR thousand)

	2024	203
Capital reserves as of January 1	71,509	71,363
Expenses to be distributed over the vesting period from the issue of stock options	239	83
Payment from the exercise of share options	104	63
Capital reserves on December 31	71,852	71,509

14. Retained earnings

The retained earnings of the Allgeier Group are unchanged from the previous year. They include the statutory reserve of Allgeier SE.

15. Treasury shares

The Annual General Meeting of Allgeier SE on September 24, 2020 authorized the Management Board to acquire treasury shares up to 10 percent of the share capital at the time that the resolution was adopted by September 23, 2025, subject to the condition that these treasury shares, together with other treasury shares already acquired and still held by the company, do not exceed 10 percent of the share capital. As in the previous year, Allgeier SE did not hold any treasury shares as of December 31, 2024.

16. Profit carryforward

The Allgeier Group's profit carryforward developed as follows:

Profit carryforward (in EUR thousand)

	2024	2023
Profit carryforward on January 1	**37,788**	**22,508**
Result for the previous year	13,078	21,618
Contribution of 50% of the outstanding shares of MGM CP to mgm tp in return for the granting of shares	187	0
Acquisition of minority interests in MySign AG	0	-440
Acquisition of shares of non-controlling shareholders of Allgeier Experts Select GmbH	-331	0
Derecognition of shares of non-controlling shareholders of Allgeier Select GmbH	0	-184
Subsequent purchase price for shares acquired in previous years non-controlling shareholders of Allgeier Experts Select GmbH	-450	0
Distribution to shareholders of Allgeier SE	-5,722	-5,714
Profit carryforward on December 31	**44,550**	**37,788**

At the General Meeting of Allgeier SE on June 25, 2024, a profit distribution of EUR 0.50 per share was resolved (previous year: EUR 0.50 per share). The distribution totalled EUR 5,722,156.50 (previous year: EUR 5713756.50). 11,444,313 Shares were entitled to the dividend (previous year: 11,427,513 shares).

A payment of EUR 450 thousand was made on 11.5% of the shares in Allgeier Experts Select GmbH already acquired in 2022 as part of a settlement.

17. Changes in equity not recognized in equity

The changes in equity recognized directly in equity break down as follows:

Income neutral changes in equity (EUR thousand)

	2024	2023
Actuarial gains on January 1	-305	-278
Change	73	-27
Actuarial gains on December 31	**-232**	**-305**
Foreign currency changes on January 1	3,818	3,143
Change	32	694
Reclassification due to the disposal of subsidiaries	0	-18
Foreign currency changes on December 31	**3,850**	**3,818**
Cash flow hedging on 01 January	1,141	2,282
Change	-616	-1,141
Cash flow hedging as of 31 December	**525**	**1,141**
Changes in equity recognized directly in equity on January 1	4,654	5,146
Change	-511	-474
Reclassification due to the disposal of subsidiaries	0	-18
Changes in equity recognized directly in equity on January 31	**4,142**	**4,654**

18. Equity share attributable to non-controlling interests

The equity share attributable to non-controlling interests consists of shares in the equity of subsidiaries attributable to other shareholders. It has developed as follows:

Equity share of non-controlling interests (in EUR thousand)

	2024	2023
As of January 1	**50,620**	**48,651**
Result for the period attributed to non-controlling shareholders	5,746	3,603
Acquisition of shares of non-controlling shareholders of Allgeier Experts Select GmbH	332	184
Share in exchange rate changes recognized directly in equity	137	-89
Share of actuarial gains recognized directly in equity	17	-7
Acquisition of shares of non-controlling shareholders of the MySign AG	0	-185
Non-controlling interests in the equity of SDX AG at the time of acquisition	0	453
Contribution of 50% of the outstanding shares of MGM CP to mgm tp in return for the granting of shares	-187	0
Distributions to non-controlling shareholders	-1,941	-1,988
As of December 31	**54,724**	**50,620**

Distributions of EUR 1,941 thousand in total (previous year: EUR 1,988 thousand) were paid to the non-controlling shareholders of mgm technology partners GmbH, Munich, mgm consulting partners GmbH, Hamburg, and mgm security partners GmbH, Munich from net retained profits as of December 31, 2023 in 2024 financial year.

19. Financial liabilities

Financial liabilities are broken down as follows:

Financial liabilities (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Total	thereof non-current	thereof current	Total	thereof non-current	thereof current
Syndicated loan	84,000	84,000	0	80,000	80,000	0
Deferred one-time costs related to the syndicated loan	-175	-25	-150	-325	-175	-150
Borrower's note loan	60,000	60,000	0	60,000	60,000	0
Deferred one-time costs relating to the borrower's note loan	-318	-199	-119	-438	-319	-119
Amortizing loan (from the acquisition of ABILITY GmbH)	625	525	100	0	0	0
Amortizing loan (from the acquisition of pooliestudios GmbH)	60	20	40	100	60	40
Amortizing loan (from the acquisition of Höhn Consulting GmbH)	0	0	0	100	50	50
Other loans	16	13	3	0	0	0
Financial liabilities from factoring (cash and cash equivalents)	4,945	0	4,945	14,637	0	14,637
Other (cash and cash equivalents)	0	0	0	2	0	2
	149,153	**144,334**	**4,819**	**154,076**	**139,616**	**14,460**

Allgeier SE has access to a bank syndicated loan facility of up to EUR 200 million to finance the growth of its business. As at the balance sheet date of December 31, 2024, the credit line had been drawn down in the amount of EUR 84.0 million (previous year: EUR 80.0 million). The syndicated loan has a term until April 2028. It bears interest at a variable rate based on the 3-month-Euribor plus a margin depending on the Allgeier Group´s debt ratio. An average interest rate of 5.63% (previous year: 6.48%) was applied to the utilised tranches at the end of 2024. To hedge the risk of a rise in EURIBOR, Allgeier SE has taken out an interest rate swap for EUR 50 million in 2022. The interest rate swap converts the variable 3-month Euribor for the hedged loan into a fixed interest rate. The interest rate swap has a term until May 2027. In addition to the tranches, the credit facility was utilized in the form of guarantees in the amount of EUR 2.7 million (previous year: EUR 2.6 million). A commitment fee of 0.93% (previous year: 0.86%) is payable for the undrawn portion of the syndicated loan. One-off costs were incurred with the establishment of the syndicated credit line, which are deferred over the term of the loan.

In May 2022, Allgeier SE issued a promissory note loan in the amount of EUR 60.0 million. The promissory note loan is structured as follows:

Borrower’s note loan (in EUR thousand)

Tranche	Payout	Term in years	Repayment	Interest	Interest rate	Interest rate on December 31, 2024	Interest rate on December 31, 2023
23,500	June 2022	5	June 2027	Fixed	2.46%	2.46%	2.46%
7,500	June 2022	7	June 2029	Fixed	2.65%	2.65%	2.65%
26,500	June 2022	5	June 2027	Floating rate	6-month EURIBOR + 1.1 percent	3.80%	4.82%
2,500	June 2022	7	June 2029	Floating rate	6-month EURIBOR + 1.15 pp	3.85%	4.87%

Non-recurring costs were incurred when the promissory note loan was issued that will be deferred over the term of the promissory note loan.

With the acquisition of ABILITY GmbH, Ravensburg, in January 2024, the Allgeier Group acquired a long-term amortising loan in the amount of EUR 725 thousand. It must be repaid in quarterly instalments in the amount of EUR 25 thousand each. The loan bears interest at a rate of 1.03% p.a. The loan had a carrying amount of EUR 625 thousand on December 31, 2024.

With the acquisition of pooliestudios GmbH, Cologne, in the 2022 financial year, the Allgeier Group acquired a long-term amortisingloan. It must be repaid in quarterly instalments in the amount of EUR 10 thousand each. The loan bears interest at a rate of 1.03% p.a. As of December 31 2024, the loan had a carrying amount of EUR 60 thousand (previous year: EUR 100 thousand).

The Allgeier Group uses a factoring program to finance customer receivables and to smooth fluctuations in working capital. Under this program, customer receivables are sold to the factoring company, usually every two weeks. If there are overlaps between incoming payments on customer receivables by customers and the factor, the obligations to forward customer payments to the factoring company are posted to financial liabilities. The financial liabilities from factoring amounted to EUR 4,945 thousand on December 31, 2024 (previous year: EUR 14,637 thousand). The factoring liability bears interest at a floating rate of 3-months-Euribor, plus a certain margin. At the end of 2024, the interest rate was 4.04% p.a. (previous year: 5.08% p.a.).

The financial liabilities due for repayment in financial year 2024 were repaid as agreed. There were no defaults on payment in the settlement of financial liabilities.

20. Lease liabilities

The minimum lease payments and expensed present values of leases break down as follows:

Lease liabilities (in EUR thousand)

	December 31, 2024				December 31, 2023			
	Properties	Motor vehicles	Operating and office equipment	Total	Properties	Motor vehicles	Operating and office equipment	Total
Minimum payments:								
Due in less than one year	8,037	1,852	2,457	12,346	9,129	1,477	1,977	12,583
Due between one and five years	17,621	1,454	3,632	22,707	23,381	1,278	3,056	27,716
Due after more than five years	3,136	0	0	3,136	10,250	0	0	10,250
	28,794	**3,305**	**6,090**	**38,189**	**42,761**	**2,756**	**5,033**	**50,549**
Discounting to present value:								
Due in less than one year	-656	-115	-239	-1,009	-937	-97	-206	-1,240
Due between one and five years	-257	-49	-204	-510	-1,599	-35	-191	-1,825
Due after more than five years	-93	0	0	-93	-1,684	0	0	-1,684
	-1,006	**-164**	**-443**	**-1,613**	**-4,220**	**-132**	**-397**	**-4,749**
Present value of minimum lease payments:								
Due in less than one year	7,381	1,737	2,218	11,336	8,192	1,380	1,771	11,344
Due between one and five years	17,364	1,405	3,428	22,197	21,782	1,244	2,865	25,891
Due after more than five years	3,043	0	0	3,043	8,567	0	0	8,567
	27,789	**3,142**	**5,646**	**36,577**	**38,541**	**2,624**	**4,636**	**45,801**

Payments of EUR 15,292 thousand were made for leases in the financial year 2024 (previous year: EUR 13,729 thousand). EUR 15,028 thousand (previous year: EUR 13,436 thousand) of these payments were related to continuing operations and EUR 265 thousand (previous year: EUR 292 thousand) to discontinued operations.

If the extension options not yet taken into account in the right-of-use assets are exercised, this will give rise to further potential future cash outflows of EUR 6,041 thousand (previous year: EUR 11,629 thousand). The Allgeier Group does not currently expect the extension options to be exercised.

21. Provisions for post-employment benefits

The Allgeier Group recognized provisions of EUR 1,016 thousand as of December 31, 2024 (previous year: EUR 1,137 thousand) to cover post-employment benefit obligations. The reconciliation of these amounts is as follows:

Provisions for pensions (in EUR thousand)

			2024			2023
	Germany	India	Total	Germany	India	Total
Reconciliation of present value of the defined benefit obligation:						
Present value of the defined benefit obligation on January 1	**1,395**	**244**	**1,639**	**1,307**	**176**	**1,483**
Change in consolidated group	-150	0	-150	0	0	0
Current service cost	39	70	109	37	58	95
Interest cost	44	18	62	49	13	62
Actuarial gains or losses	-79	-43	-122	30	17	47
Benefits paid	-16	-16	-32	-28	-11	-39
Currency conversion differences	0	7	7	0	-9	-9
Present value of the defined benefit obligation on December 31	**1,233**	**280**	**1,513**	**1,395**	**244**	**1,639**
Reconciliation of plan assets:						
Plan assets at fair value on January 1	**300**	**202**	**502**	**286**	**41**	**327**
Change in consolidated group	-77	0	-77	0	0	0
Returns on plan assets	9	15	24	11	26	37
Employer contributions	7	53	60	8	150	158
Benefits paid	-5	-16	-21	-6	-11	-17
Actuarial gains or losses	3	-1	2	1	1	2
Currency conversion differences	0	7	7	0	-5	-5
Plan assets at fair value on December 31	**237**	**260**	**497**	**300**	**202**	**502**
Net obligation as of December 31	**996**	**20**	**1,016**	**1,095**	**42**	**1,137**
thereof non-current	992	20	1,012	1,073	42	1,115
thereof current	4	0	4	22	0	22

The income and expenses from the change in net benefit obligations (benefit obligations less reinsurance policies) were shown in the consolidated statement of comprehensive income as follows:

Income and expenses from changes in net pension obligations (in EUR thousand)

			2024			2023
	Germany	India	Total	Germany	India	Total
Personnel expenses						
Current service cost	39	70	109	37	58	95
Past service cost	0	0	0	0	0	0
Personnel expenses	**39**	**70**	**109**	**37**	**58**	**95**
Financial expenses						
Interest cost	44	18	62	49	13	62
Return on plan assets (can be offset)	-9	-15	-24	-11	-26	-37
Interest and similar expenses	**35**	**3**	**38**	**38**	**-13**	**25**
Recognized in statement of comprehensive income	**74**	**73**	**147**	**75**	**45**	**120**
Gain/loss from remeasurement of pension obligations						
due to changes in demographic assumptions	0	-29	-29	0	25	25
due to changes in financial assumptions	18	7	25	35	0	35
due to experience adjustments	61	-21	40	-5	-8	-13
Income/expenses on plan assets without interest income	-3	1	-2	-1	-1	-2
Recognized in other comprehensive income	**76**	**-42**	**34**	**29**	**16**	**45**

All reported obligations as of December 31, 2024 are to be allocated to continuing operations. The change in the scope of consolidation relates to U.N.P. Software GmbH, which is included in the tables with the disposal of a net pension obligation of EUR 73 thousand as of November 21, 2024 and an effect on earnings (excluding net interest expense) in the statement of comprehensive income of EUR 4 thousand in the period from January 1 to November 21, 2024.

Pension obligations (Germany)

As of December 31, 2024, the Allgeier Group had defined benefit plans for eight (previous year: ten) persons in the form of direct pension commitments. Of the eligible persons, one is still working in the Allgeier Group and seven (previous year: nine) have retired. In one case the commitments call for the payment of an agreed, fixed one-time amount. In the other cases, index-linked pensions with an annual increase of at least 1% were agreed. A widow's pension has been agreed for seven (previous year: eight) pension beneficiaries. All commitments are vested.

In the event of larger specific obligations, the risk of beneficiary longevity is covered at least partially by reinsurance policies. The plan assets exclusively consist of the present value of reinsurance policies.

Payments into the defined benefit plan are expected to amount to EUR 7 thousand in 2025 (previous year: EUR 7 thousand).

The weighted average expected term of the defined benefit pension obligations is as follows:

Average expected term of defined benefit pension obligations (in years)

	Active employees	Retired employees	Total
As of December 31, 2024	3.9	10.6	4.3
As of December 31, 2023	4.8	8.1	5.5

Gratuity obligations

At a Group company in India (Evora IT Solutions Pvt. Ltd., Bangalore (India)), there are obligations for future gratuity payments to employees that become payable when employees leave the company, regardless of whether this is at the instigation of the employer or the employee. These gratuity payments constitute a defined benefit plan in accordance with IAS 19.

Payments into this defined benefit plan are expected to amount to EUR 86 thousand in 2025 (previous year: EUR 110 thousand).

The average term of the gratuity obligations is eight years as of December 31, 2024 (previous year: 10 years).

Sensitivity analysis

The Group is exposed to the following actuarial risks on the basis of its benefit commitments:

Longevity risk	The higher life expectancy is higher than the best possible estimate according to the mortality tables. This increases later actual pension obligations.
Investment risk	The interest rate used to calculate the present value of the benefit obligations is derived from the yield on high-quality corporate bonds. If the return on plan assets is lower than this interest rate, the pension plan is underfunded.
Interest rate risk	A decrease in interest on corporate bonds leads to an increase in benefit obligations, but this can be partly compensated by higher plan assets.
Salary risk	Subsequent, unexpected salary increases lead to an increase in benefit obligations linked to remuneration.

The actuarial parameters used to calculate the present value of defined benefit obligations and for change risks are the interest rate and the annual increase in pay (salary trend) and current pensions for pension commitments (pension trend). On the assumption that the other parameters remain constant, the present value of the defined benefit obligations as of December 31, 2024 changes in accordance with the following sensitivity analysis:

Change in present value of defined benefit obligations as of December 31, 2023 (in EUR thousand)

	Germany		India		Total	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Interest rate (1.00% change)	-49	52	-20	23	-69	75
Salary trend (1.00% change)	-	-	16	-16	11	-11
Pension trend (0.25% change)	2	-2	-	-	2	-2

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Defined contribution plans

Employer contributions for defined contribution plans of EUR 731 thousand were paid in the financial year (previous year: EUR 689 thousand).

22. Other provisions

Other provisions break down as follows:

Other provisions (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Total	thereof non-current	thereof current	Total	thereof non-current	thereof current
Royalties and bonuses	11,083	0	11,083	12,462	0	12,462
Restructuring, severance pay	1,080	0	1,080	447	0	447
Preparation and audit of annual financial statements	923	0	923	1,225	0	1,225
Warranties	370	0	370	406	0	406
Retention	243	202	40	328	273	55
Disability levy	236	0	236	245	0	245
Contributions to occupational health and safety agency	182	0	182	302	0	302
Other	1,458	85	1,373	945	0	945
	15,574	288	15,287	16,362	273	16,089

Other provisions developed as follows in financial year 2024:

Other provisions (in EUR thousand)

	As of Dec. 31, 2023	Addition to consolidated Group	Utilization	Unused amounts reversed	Arising during the year	Currency effects	Disposal from consolidated Group	As of Dec. 31, 2024
Royalties and bonuses	12,462	0	-11,888	-574	11,552	47	-516	11,083
Restructuring, severance pay	447	759	-1,116	-52	1,037	5	0	1,080
Preparation and audit of annual financial statements	1,225	10	-987	-71	808	0	-62	923
Warranties	406	0	-296	0	260	0	0	370
Retention	328	6	-5	-85	21	0	-22	243
Disability levy	245	0	-228	-15	244	0	-9	236
Contributions to occupational health and safety agency	302	0	-176	-53	122	0	-14	182
Other	945	2	-567	-80	1,199	1	-42	1,458
	16,362	777	-15,264	-929	15,243	52	-666	15,574

The provisions for royalties and bonuses are recognized for agreed performance-based remuneration components for management and the employees of the Allgeier Group.

Warranties include provisions for individually recognized warranty claims.

The provisions for financial statement costs include external and internal costs expected to be incurred in conjunction with the preparation and audit of the annual financial statements and the consolidated financial statements and the preparation of tax returns. Internal expenses include the direct costs for the Group's own personnel plus social security contributions. This provision also includes pro rata legal and consulting fees expected to be incurred in conjunction with future audits.

The retention provision covers the cost for statutory retention requirements. It is calculated based on renting storage space for a 10-year retention period with discounting on the basis of an average market interest rate for the last seven years.

The provision for severance pay includes severance pay and continued salary payments for employees who have left the company.

Other provisions include obligations from rental agreements totalling EUR 602 thousand (previous year: EUR 14 thousand).

23. Other financial liabilities

Other financial liabilities break down as follows:

Other financial liabilities (in EUR thousand)

	December 31, 2024			December 31, 2023		
	Total	thereof non-current	thereof current	Total	thereof non-current	thereof current
Remaining fixed purchase price of the Evora Group, acquired in December 2021	0	0	0	21,516	3,307	18,209
Variable purchase price liabilities from the acquisition of the Evora Group, the actual amount of which has not yet been determined	10,737	10,737	0	12,962	12,962	0
Originally variable purchase price liabilities from other acquisitions for which the actual amount is now known	841	0	841	1,762	0	1,762
Liabilities from the assumption of costs incurred by the buyer of the experts	600	0	600	0	0	0
Residual purchase price from the acquisition of Ability	300	0	300	0	0	0
Variable purchase price liabilities from other acquisitions for which the actual amount is not yet known	0	0	0	137	0	137
Liabilities from acquisition activities	**12,478**	**10,737**	**1,741**	**36,377**	**16,269**	**20,108**
Vacation obligations	4,466	0	4,466	4,533	0	4,533
Liabilities from wages and salaries	3,620	0	3,620	3,551	0	3,551
Outstanding incoming invoices	2,948	0	2,948	4,326	0	4,326
Profit transfer from profit shares of non-controlling shareholders of mgm technology partners Munich	1,304	0	1,304	1,488	0	1,488
Interest accrual	1,050	0	1,050	1,086	0	1,086
Working time accounts	889	0	889	1,156	0	1,156
Social security liabilities	509	0	509	621	0	621
Customers with credit balances	91	0	91	115	0	115
Loan liabilities	0	0	0	0	0	0
Other	866	35	831	812	35	777
	28,221	**10,772**	**17,449**	**54,065**	**16,304**	**37,761**

In a supplementary agreement dated July 9, 2024, entered between Allgeier and the seller of the Evora Group, the fixed purchase price of EUR 21.6 million that had not yet been paid to the seller and the variable purchase price were redefined with regard to the amount and the achievability criterion. The tranches of the remaining fixed purchase price were reduced from EUR 21.6 million to EUR 14.9 million. The maximum variable purchase price achievable by the seller was also limited from EUR 17.3 million to a maximum of EUR 12.6 million. The variable purchase price can be realised over a term of four years in four tranches of EUR 2.7 million in each of the first two years and EUR 3.6 million in each of the following years, depending on earnings targets. When recognising the variable purchase price, the Allgeier Group assumes that the earnings targets will be achieved and that the earn-out will be due in full in the years 2027 to 2030. The supplementary agreement on the revision of the purchase price of the Evora Group, taking into account the discounting of the long-term portions of the purchase price, resulted in other operating income of EUR 9.4 million, which was recognized in the statement of comprehensive income as other operating income. The newly agreed remaining fixed purchase price was paid in July 2024. The development of the purchase price liabilities from the acquisition of the Evora Group is as follows:

Purchase price liabilities (in EUR thousand)

	As of Dec. 31, 2023	Payment 2024	Interest 2024	Other operating income in 2024	As of Dec. 31, 2024
Remaining fixed purchase price before discounting	21,600	14,900	213	6,487	0
Interest portion	-84	0	-84	0	0
Variable purchase price	17,280	0	1,782	2,898	12,600
Discounting	-4,318	0	-2,455	0	-1,863
	34,478	**14,900**	**-544**	**9,385**	**10,737**

If it emerges at a future date that the variable purchase price components are higher or lower or no longer apply at all, the differences resulting from the adjustments to the purchase price liabilities are recognized as expenses or income in the statement of comprehensive income. The present value of the long-term purchase price liability was calculated with an interest rate of 4.14 % (previous year: 4.44%).

A variable purchase price liability originally recognized in current assets in the previous year in the amount of EUR 800 thousand was extended.

Obligations arising from vacation days from previous years not yet taken as of the end of the reporting period were recognized as vacation obligations. Vacation days are measured using the individual average salary of the respective employees, including social security contributions. Entitlement to vacation days for the subsequent year already taken were neither capitalized nor offset with provisions.

Invoices not yet received for goods and services received in the 2024 financial year are recognized as outstanding incoming invoices.

The working time accounts show the obligations from time balances of the working time accounts of the employees of the Group companies. The time accounts are measured at the individual average salaries of the employees, including social costs, not including vacation, sick leave, public holidays or one-off payments.

24. Other current liabilities

Other current liabilities break down as follows:

Other current liabilities (in EUR thousand)

	December 31, 2024	December 31, 2023
VAT liabilities	3,903	4,697
Other	372	3,113
	4,275	**7,810**

25. Financial instruments

Carrying amount and fair values

The carrying amounts and fair values of financial instruments are classified by statement of financial position items, measurement categories, classes and hierarchy levels as follows:

Carrying amounts and market values of financial instruments (in EUR thousand)

				Carrying amounts				Fair values
December 31, 2024	At fair value	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:								
Other financial assets	2,816	0	0	2,816	0	2,816	0	2,816
	2,816	0	0	2,816	0	2,816	0	2,816
Financial assets at fair value through other comprehensive income:								
Derivative financial instruments	761		0	761	0	761	0	761
	761	0	0	761	0	761	0	761
Financial assets at amortized cost:								
Trade receivables		61,418		61,418				61,418
Other financial assets		3,369		3,369				3,369
Cash and cash equivalents		57,317		57,317				57,317
	0	122,104	0	122,104				122,104
Financial assets	3,577	122,104	0	125,681				125,681
Financial liabilities at fair value through profit or loss:								
Contingent purchase price liabilities	10,737	0	0	10,737	0	0	10,737	10,737
	10,737	0	0	10,737	0	0	10,737	10,737
Financial liabilities at amortized cost:								
Financial liabilities	0	0	149,153	149,153				149,153
Trade payables	0	0	19,629	19,629				19,629
Leases	0	0	36,577	36,577				36,577
Other financial liabilities	0	0	15,743	15,743				15,743
	0	0	221,102	221,102				221,102
Financial liabilities	10,737	0	221,102	231,839				231,839

Carrying amounts and market values of financial instruments (in EUR thousand)

				Carrying amounts				Fair values
December 31, 2023	**At fair value**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:								
Other financial assets	4,809	0	0	4,809	0	4,809	0	4,809
	4,809	0	0	4,809	0	4,809	0	4,809
Financial assets at fair value through other comprehensive income:								
Derivative financial instruments	1,654	0	0	1,654	0	1,654	0	1,654
	1,654	0	0	1,654	0	1,654	0	1,654
Financial assets at amortized cost:								
Trade receivables	0	68,180	0	68,180				68,180
Other financial assets	0	4,332	0	4,332				4,332
Cash and cash equivalents	0	83,041	0	83,041				83,041
	0	155,553	0	155,553				155,553
Financial assets	6,463	155,553	0	162,017				162,017
Financial liabilities at fair value through profit or loss:								
Contingent purchase price liabilities	13,099	0	0	13,099	0	0	13,099	13,099
	13,099	0	0	13,099	0	0	13,099	13,099
Financial liabilities at amortized cost:								
Financial liabilities	0	0	154,077	154,077				154,077
Trade payables	0	0	26,942	26,942				26,942
Leases	0	0	45,781	45,781				45,781
Other financial liabilities	0	0	40,964	40,964				40,964
	0	0	267,764	267,764				267,764
Financial liabilities	13,099	0	267,764	280,863				280,863

As far as possible, the Allgeier Group uses prices observable on the market to determine the fair value of financial assets and liabilities. The fair values are assigned to the following levels of the fair value hierarchy:

Level 1: Prices for identical assets and liabilities available on active markets are used.

Level 2: Other measurement factors that can be observed directly or indirectly or that can be derived from market prices are used for assets and liabilities.

Level 3: Measurement factors that are not based on observable market data are used.

There were no reclassifications between the measurement categories and hierarchy levels as against the previous year.

The development of financial instruments assigned to Level 3 is as follows:

Development of contingent purchase price liabilities measured at fair value (in EUR thousand)	
As of January 1, 2023	**16,321**
Additions	937
Disposals of purchase price liabilities since established	-1,337
Purchase price adjustment from the acquisition of Quality First Software GmbH, Geretsried, recognized as income in profit or loss in 2022	-331
Purchase price adjustments from the acquisition of eForce21 GmbH, Munich, recognized as income in profit or loss in 2020	-333
Interest effect	-2,158
As of December 31, 2023	**13,099**
Disposals due to payments	-25
Purchase price adjustments from the acquisition of Evora, recognized as income in profit or loss in 2021	-2,898
Purchase price adjustments from the acquisition of ShiftDigital, recognized as income in profit or loss in 2023	-112
Interest effect	673
As of December 31, 2024	**10,737**

The fair values of the contingent cost of acquisitions is based on the earn-out clauses agreed in the purchase agreements and the companies' planning. The fair values derived from the calculations are taken into account in the initial consolidation. The fair values of the contingent cost is reviewed and adjusted on an ongoing basis in subsequent periods. If changes result from this, the necessary adjustments are recognized in the statement of comprehensive income under other operating income or other operating expenses. If an adjustment becomes necessary within 12 months of initial consolidation, the adjustment is offset against goodwill.

In 2024, the earn-out of the Evora Group acquired in the 2021 financial year, which was allocated to level 3, was renegotiated. The reduction in the earn-out resulted in other operating income of EUR 2,898 thousand and interest income of EUR 673 thousand.

Should Evora exceed or fall short of its planned EBITDA by more or less than 10%, this would have no impact on the first earn-out tranche of EUR 2.7 million due in 2027. Achieving the earn-out in subsequent years requires growth through acquisitions. If this does not materialise in the projected manner, a 10% shortfall in earnings would possibly lead to an adjustment of the variable purchase prices and the resulting other operating income. If EBITDA in 2025 is already significantly higher than expected, the first earn-out tranche would be due in 2026. If the discount rate were to change by 1 percentage point, the financial result would deteriorate by EUR 415 thousand if the interest rate were to fall and increase by EUR 395 thousand if the interest rate were to rise.

Net gains and losses on financial instruments

The net gains and losses on financial instruments break down as follows:

Net gains and losses on financial instruments (in EUR thousand)

						2024						2023
	Other operating income	Other operating expenses*	Financial income	Financial expenses	FVOCI	Total	Other operating income	Other operating expenses*	Financial income	Financial expenses	FVOCI	Total
Cash	0	0	326	0	0	326	0	0	44	0	0	44
Loans and receivables	646	-778	8	-7,933	0	-8,057	330	-609	10	-7,103	0	-7,372
thereof impairments	0	-87	0	0	0	-87	0	-178	0	0	0	-178
Other financial assets	0	0	32	0	0	32	0	0	29	0	0	29
Factoring	0	0	0	-1,400	0	-1,400	0	0	0	-1,438	0	-1,438
Derivative financial instruments	0	0	0	0	-893	-893	0	0	0	0	-1,654	-1,654
Leases	0	0	0	-1,478	0	-1,478	0	0	0	-1,475	0	-1,475
Financial liabilities at fair value	9,523	0	82	-2,536	0	7,069	664	0	2,154	-756	0	2,062
Total net gain/loss on financial instruments	**10,169**	**-778**	**448**	**-13,347**	**-893**	**-4,401**	**994**	**-609**	**2,237**	**-10,773**	**-1,654**	**-9,805**

* including impairment on trade receivables

No net gains or losses from financial instruments were recognized in discontinued operations.

C. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The consolidated statement of comprehensive income includes the results of the newly acquired subsidiaries pro rata temporis from the initial consolidation date.

26. Revenue

For customer contracts whose original duration was at least one year, revenue is/was anticipated from performance obligations yet to be fulfilled as shown in the table below:

Expected revenue from outstanding performance obligations with an original contact period > 1 year (in EUR thousand)

as of	Total	2024	2025	2026	2027	2028
December 31, 2024	56,966	-	43,063	9,882	2,653	1,368
December 31, 2023	55,666	39,619	9,726	4,832	1,489	-

Revenue relates to services performed over time, the amount of which is determined annually and can be clearly derived from the contractual agreements, and to customer-specific orders (contracts for work and services) scheduled to be completed in the following year, the amount of which is derived from the outstanding, firmly agreed order values in accordance with the updated order planning.

Revenue breaks down as follows:

Revenue (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Revenue with third parties	448,970	488,824	45,723	66,418	403,247	422,406
Consolidated revenue from discontinued operations	0	0	288	1,854	-288	-1,854
	448,970	**488,824**	**46,011**	**68,272**	**402,959**	**420,552**

27. Other operating income

Other operating income breaks down as follows:

Other operating income (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Reversals of liabilities from acquisitions	9,523	664	0	0	9,523	664
Reversal of provisions	929	1,511	91	123	839	1,388
Utilization and reversal of bad debt allowances	646	321	35	14	611	307
Income from currency conversion	164	479	0	18	164	461
Income from operating sub-leases	129	364	0	0	129	364
Recoveries on loans previously written off	0	9	0	0	0	9
Other	2,471	3,346	273	6	2,197	3,341
	13,862	**6,693**	**399**	**161**	**13,463**	**6,532**

28. Cost of materials

The cost of materials breaks down as follows:

Cost of materials (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Purchased services	89,518	117,316	21,332	35,184	68,185	82,132
Raw materials and supplies	21,082	31,415	0	0	21,082	31,415
Consolidated cost of materials of discontinued operations	0	0	455	755	-455	-755
	110,599	**148,731**	**21,787**	**35,939**	**88,812**	**112,792**

Purchased services include external service providers and subcontractors engaged on a project basis.

29. Personnel expenses

Personnel expenses break down as follows:

Personnel expenses (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Salaries and wages	207,777	204,906	16,747	22,053	191,030	182,853
Royalties and bonuses	14,949	14,929	523	929	14,426	14,000
Taxation of employee remuneration in kind	-2,428	-2,249	-203	-249	-2,224	-2,000
	220,298	**217,587**	**17,067**	**22,733**	**203,232**	**194,853**
Social security expenses	38,590	37,962	2,962	3,738	35,628	34,224
Pension costs	109	95	0	0	109	95
	258,997	**255,644**	**20,029**	**26,472**	**238,968**	**229,171**

The number of employees in the Allgeier Group by area of activity is as follows:

Headcount in the Allgeier Group (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Average:						
Working on customer orders	2,684	2,749	155	238	2,529	2,511
Working in other areas	751	782	68	107	683	676
	3,436	**3,531**	**223**	**345**	**3,213**	**3,186**
End of reporting period:						
Working on customer orders	2,475	2,795	0	224	2,475	2,571
Working in other areas	665	759	0	104	665	655
	3,140	**3,554**	**0**	**328**	**3,140**	**3,226**

The average values were calculated on the basis of the number of employees on March 31, June 30, September 30 and December 31.

Share-based remuneration program

The stock option programmes of the Allgeier Group aim to provide additional motivation for executives in the form of long-term remuneration components. As the basis for the authorization to issue option rights to purchase one no-par value share of Allgeier SE, the share capital was contingently increased by EUR 1.00 per option right.

The option programmes active in the 2024 and 2023 financial years are as follows

Stock option plans

	Date of issue
2014 Stock option plan	November 29, 2017
2021 Stock option plan	June 8 and November 12, 2021 November 15, 2023

According to the conditions of the stock option plans, the exercise price of the previously issued options corresponds to a premium of 10 percent on the average share price over the last five days before the options were granted. The options granted can be exercised no sooner than four years after they were issued (vesting period). The periods for exercising options thereafter is typically limited to a period of two weeks after the Annual General Meeting and after the publication of annual, semi-annual and quarterly figures. To prevent dilution effects, the exercise price is also adjusted in the event of capital changes and distributions that exceed earnings per share (not including the disposal of companies). The option rights expire ten years after they are issued/granted. In addition, at the time of the declaration of the subscription of shares, the 2014 stock option plans stipulate a cap that limits the maximum number of options exercised per beneficiary to an exercise gain (average share price of the last five trading days less exercise price) of EUR 1.0 million per calendar year. Furthermore, the 2014 stock option plan contains a minimum share price as an additional performance target for exercising the options.

The measurement of the option tranche granted was implemented on the basis of an option pricing model in accordance with the regulations of IFRS 2 at the time of the grant. A multi-stage binomial model (Cox-Ross-Rubinstein model) was used to determine the expense over the entire vesting period. The expected volatility corresponds to the annualized historical standard deviation of the ongoing interest-bearing share return. Volatility estimates are based on a statistical analysis of the historical share prices, taking into account dividend payments over an average expected exercise period of seven years for the options. Future expected dividend payments were also incorporated in the measurement model. Insofar as share options were issued after the spin-off of the Nagarro Group, the volatility for the pro rata historical observation periods prior to the spin-off was derived via a peer group.

When the spin-off of the Nagarro Group became effective as of December 16, 2020, the 2014 stock option programme was transferred pro rata to Allgeier SE and Nagarro SE in accordance with the spin-off agreement (modification of terms of stock options). With the number of options unchanged, there was a change in the form of a reduction of the option parameters of exercise price, cap and the minimum share price. The reduction was in the proportion of the 30-day average of Allgeier SE's share price to the total of the 30-day average prices of Allgeier SE and Nagarro SE after the spin-off became effective. Furthermore, in accordance with the spin-off agreement, the same number of options was issued to the same beneficiaries at Nagarro SE (SOP I/2020).

The following valuation parameters were used for the share options issued as of November 29, 2017 (2014 stock option programme):

Parameters of binomial model

	Issue date
Share price at issue	EUR 22.58
Exercise price per share*	EUR 24.42
Expected share price volatility	29.12%
Risk-free interest rate	0.49%

* the share price history prior to the spin-off of Nagarro is relevant for the valuation at the granting date

The distributions resolved by the Annual General Meetings in financial year 2018 and financial year 2019 resulted in an adjustment of the exercise price to EUR 24.17. The value was updated with the new exercise price, but otherwise using the same parameters as previously used on the issue date. The distributions in financial year 2020 through financial year 2024 did not result in any adjustments of the exercise price. The modification of the terms of the 2014 stock option plan as of December 16, 2020 as a result of spinning off the Nagarro Group increased the total valuation. After the spin-off became effective, the legally relevant exercise price for Allgeier's 2014 stock option plan was reduced to EUR 4.72 per option.

The following valuation parameters were used for the share options issued on June 8 and November 12, 2021 and November 15, 2023 (2021 stock option plan):

Parameters of binomial model

	Issue date
Issued on June 8, 2021	
Share price at issue	EUR 23.10
Exercise price per share	EUR 25.89
Expected share price volatility	29.30%
Risk-free interest rate	-0.11%
Issued on November 12, 2021	
Share price at issue	EUR 29.95
Exercise price per share	EUR 31.47
Expected share price volatility	30.30%
Risk-free interest rate	-0.03%
Issued on November 15, 2023	
Share price at issue	EUR 21.45
Exercise price per share	EUR 22.68
Expected share price volatility	39.60%
Risk-free interest rate	3.07%

The total expense of the 2021 stock option plan amounts to EUR 6,726 thousand (previous year: EUR 6,726 thousand). Assuming a partial non-linear distribution over the four-year vesting period, personnel expenses amount to EUR 238 thousand in financial year 2024 (previous year: EUR 83 thousand).

The outstanding stock option rights and contingent capital developed as follows:

Number of stock options

	2014 Stock option plan		2021 Stock option plan	
	2024	2023	2024	2023
As of January 1	123,200	140,000	940,000	902,000
Options granted	0	0	0	38,000
Options exercised	-28,000	-16,800	0	0
Options expired	0	0	0	0
As of December 31	95,200	123,200	940,000	940,000

The weighted average share price on the exercise date was EUR 18.95 for the stock options exercised in financial year 2024 (previous year: EUR 26.70).

The stock option rights still outstanding under the 2014 stock option plan as of December 31, 2024 expire on November 29, 2027. 900,000 of the outstanding options under the 2021 stock option plan will expire on June 8, 2031, 2,000 outstanding options on November 12, 2031 and 38,000 on November 15, 2033.

30 Other operating expenses

Other operating expenses break down as follows:

Other operative expenses (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
IT costs	6,343	5,284	203	193	6,140	5,091
Other personnel expenses	4,390	4,369	386	492	4,004	3,878
Travel expenses	4,011	4,088	82	124	3,930	3,965
Land and building costs	3,906	4,429	215	437	3,691	3,992
Legal and consulting fees	3,216	2,896	183	147	3,033	2,749
Vehicle costs	2,765	2,948	250	310	2,515	2,638
Advertising expenses	2,628	2,759	38	40	2,591	2,720
Communication expenses	2,007	1,944	80	105	1,926	1,839
Insurance, contributions	1,734	1,897	117	175	1,617	1,723
Services	1,116	976	79	85	1,037	891
Costs for the annual financial statements	973	991	67	134	906	857
Supervisory Board remuneration	610	665	0	0	610	665
Entertainment expenses	467	645	7	10	460	635
Expenses from acquisition activities	461	214	0	0	461	214
Direct selling expenses	383	636	25	22	358	614
Currency conversion differences	381	418	0	0	381	418
Office supplies	379	482	11	15	369	466
Maintenance	262	359	2	2	260	356
Other	6,121	3,745	535	314	5,585	3,431
Consolidated other operating expenses of discontinued operations	0	0	875	901	-875	-901
	42,153	39,747	3,154	3,506	38,999	36,241

Other operating expenses include fees for the auditor of the consolidated financial statements as follows:

Auditor's fees (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Audits of financial statements	495	644	0	0	495	644
Tax advisory services	0	0	0	0	0	0
Other services	0	231	0	0	0	231
Other assurance services	8	26	0	0	8	26
	503	902	0	0	503	902

31. Depreciation, amortization and impairment

Depreciation, amortization and impairment break down as follows:

Depreciation, amortization and impairment (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Depreciation of intangible assets:						
Acquired order backlogs	47	279	0	0	47	279
Acquired customer relationships and customer lists	3,616	3,427	0	0	3,616	3,427
Acquired marketable products	1,219	1,007	0	0	1,219	1,007
Acquired websites, software, licences, rights	1,200	1,168	2	1	1,198	1,167
Internally generated intangible assets	4,504	3,321	0	0	4,504	3,321
	10,587	9,202	2	1	10,585	9,201
Depreciation of property, plant and equipment:						
Land and buildings	24	24	0	0	24	24
Other fixed assets and office equipment	4,125	4,332	30	52	4,095	4,280
	4,149	4,356	30	52	4,119	4,304
Depreciation on right-of-use assets from rental and lease agreements:						
Right-of-use assets from rental and lease agreements	13,414	12,439	213	276	13,201	12,163
	13,414	12,439	213	276	13,201	12,163
	28,150	25,998	245	329	27,905	25,669
Impairment						
Internally generated intangible assets	121	0	0	0	121	0
	121	0	0	0	121	0
	28,272	25,998	245	329	28,026	25,669

32. Financial income

Finance income breaks down as follows:

Finance income (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Interest income on bank balances	326	44	15	0	311	43
interest income from tax interest on arrears	112	0	0	0	112	0
Dividends from Speedinvest	82	25	0	0	82	25
Interest income from discounting of non-current purchase price liabilities from acquisitions	0	2,154	0	0	0	2,154
Income from valuation at fair value of Speedinvest shares	0	24	0	0	0	24
Other finance income	49	52	0	0	49	52
Consolidated interest income from the discontinued business	0	0	157	214	-157	-214
	569	2,298	173	215	397	2,083

33. Financial expenses

Finance costs break down as follows:

Financial expenses (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Interest on bank loans and borrower's note loans	6,611	5,740	83	119	6,527	5,621
Expenses from the measurement of Speedinvest	1,993	0	0	0	1,993	0
Interest on finance leases	1,478	1,475	16	24	1,463	1,451
Factoring interest	1,400	1,438	90	161	1,311	1,277
Commitment interest for credit facility	1,052	1,075	0	0	1,052	1,075
Interest on non-current liabilities from acquisitions	544	756	0	0	544	756
Interest portion of additions to pension provisions	35	38	4	5	31	33
Other interest expenses	343	304	4	1	339	303
Consolidated interest expenses of discontinued operations	0	0	41	57	-41	-57
	13,456	10,826	238	368	13,219	10,458

34. Corporate income tax result

The corporate income tax expense before the disposed business is broken down as follows:

Income tax expense (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Current tax result	4,540	8,651	487	885	4,053	7,766
Deferred tax result	-2,082	-1,858	-72	41	-2,010	-1,899
	2,458	6,793	415	926	2,043	5,867

Income taxes are calculated on the basis of the applicable or expected tax rates of the countries and municipalities in which the Group companies are domiciled. In the following tax reconciliation, the expected corporate income tax result is reconciled to the actual tax result. The expected tax result is based on a Group tax rate of 30%.

Tax reconciliation (in EUR thousand)

	Total		Discontinued operations		Continuing operations	
	2024	2023	2024	2023	2024	2023
Earnings before income taxes	17,083	23,753	1,096	2,034	15,987	21,719
Group tax rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Expected corporate income tax result	**-5,125**	**-7,126**	**-329**	**-610**	**-4,796**	**-6,516**
Deviations due to tax rates	1,497	1,039	-18	-50	1,515	1,089
Tax effect of other non-deductible expenses	-1,184	-1,273	-2	-5	-1,182	-1,268
Tax-free income	47	14	0	0	47	14
Losses for which deferred tax assets were not recognized	-584	-600	-156	-136	-428	-464
Use of loss carryforwards for which deferred tax assets were not recognized	95	17	91	1	4	16
Write-downs of deferred tax assets	-233	-16	0	-15	-233	-1
Reversal of impairment on deferred tax assets	0	1,773	0	0	0	1,773
Intragroup restructuring	-12	-15	0	-114	-12	99
Non-tax-deductible ancillary acquisition costs	-69	-64	0	0	-69	-64
Intragroup distributions	-67	-16	0	0	-67	-16
Adjustment of earn-out liabilities	2,631	603	0	0	2,631	603
Expenses for share-based remuneration transactions (stock options)	-72	-25	0	0	-72	-25
Taxes relating to other periods	-467	-1,075	0	0	-467	-1,075
Earnings effect from deconsolidation (Recycling of cumulative currency effects)	0	6	0	6	0	0
Other deviations	161	-35	-1	-3	162	-32
Current corporate income tax result	**-2,458**	**-6,793**	**-415**	**-926**	**-2,043**	**-5,867**
	14.4%	28.6%	37.9%	45.5%	12.8%	27.0%

Deferred corporate income tax expenses of EUR 317 thousand (previous year: EUR 317 thousand) are attributable to the result of the sold business: EUR 0 thousand).

35. Earnings per share for the period

The Allgeier Group as a whole generated basic earnings per share of EUR 0.64 in 2024 financial year (previous year: EUR 1.14). Allgeier achieved undiluted earnings per share of EUR 0.72 (previous year: EUR 1.07) with its continuing business and undiluted earnings per share of EUR -0.07 (previous year: EUR 0.07) with the discontinued business. Undiluted earnings per share are calculated by dividing the profit for the period attributable to the shareholders of the parent company by the average number of outstanding shares of 11,461,985 (previous year: 11,436,534 outstanding shares).

Taking into account the outstanding option rights, the Allgeier Group as a whole generated diluted earnings per share of EUR 0.64 in the 2024 financial year (previous year: EUR 1.13). Of this amount, EUR 0.71 (previous year: EUR 1.06) is attributable to continuing operations and EUR -0.07 (previous year: EUR 0.07) to discontinued operations. Diluted earnings per share are calculated based on the assumption that all outstanding option rights will be exercised at the agreed exercises prices. The cash amount payable on exercise of the option is compared to the value of the shares granted for this purpose at the average annual price of EUR 17.61 (previous year: EUR 24.90). Dilution occurs if the value of the shares not yet exercised exceeds the exercise price. This was calculated on the basis of the issue of 69,684 bonus shares (previous year: 99,846 bonus shares).

As of December 31, 2024, there were 11,472,313 shares (previous year: 11,444,313 shares) in circulation.

D. SEGMENT REPORTING

In its segment reporting, the Allgeier Group divides its operating activities into the two segments of “Enterprise IT” and “mgm technology partners”.

The Enterprise IT segment is a full-range provider of IT solutions and services for the digitalization of critical business processes with broad and in-depth expertise regarding the core areas important for business software. The Enterprise IT segment supports global corporations, SMEs and public-sector customers on all federal levels in their digital transformation and the optimization of their digital business processes along the entire value chain with highly qualified software and IT experts. The segment companies' offerings range from large software projects, scalable cloud and security solutions and services to complete digitalization solutions based on their own IP software architecture and market-leading business software and long-term managed services. One key area is the development of software solutions on the basis of open-source components. The segment benefits from the Allgeier Group's good positioning as a long-standing digitalization partner for the public sector and from the high demand for further and faster digitalization of the public sector and its offerings for citizens and companies.

The mgm technology partners ("mgm") segment is an international software company that is one of the leading providers of e-government and commerce solutions in Germany. mgm stands for an integrated range ofservices with the aim of highly efficient software development. The basis for this is the A12 Enterprise low-code platform, the model-based approach to software development and decades-long experience with the implementation of Enterprise projects. In particular, mgm is commissioned for large, complex and long-term software projects where scalability, security and reliability are the focus – for example, with ELSTER and customers such as Lidl or Allianz. This makes mgm a strong partner for the core sectors commerce, insurance companies and the public sector – which are all expected to experience strong momentum in digitalization in the coming years. Together with the dedicated service portfolio of the subsidiaries mgm consulting partners GmbH (management consulting), mgm security partners GmbH (security), mgm integration partners GmbH (SAP process optimization) and Quality First Software GmbH (test automation), mgm covers the full range for digitalization projects: From digital consulting and software development to security, integration, quality assurance, SAP and S/4HANA through to managed services and cloud solutions.

The expenses of the holding and service companies Allgeier SE and Allgeier Management AG and other individual inactive companies not charged to the segments and the consolidation effects between these companies and the segments form the “Others” segment. Transactions between the individual segments are performed on an arm’s length basis. In the event of subcontracting transactions between the segments, the results essentially remain in the segments in which the service is provided.

Due to the retrospective reclassification of the sold Experts Group, the segment figures and the figures for discontinued operations are no longer comparable with the figures shown in the previous year's annual report. In addition, inactive companies were reclassified within the "Enterprise IT" and "Other" segments based on their utilisation. The previous year's figures have also been adjusted in these cases to improve comparability.

Segments (in EUR thousand)

	Enterprise IT segment		mgm technology partners segment		Other		Continuing operations		Discontinued operations		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External revenue	277,575	299,993	124,568	121,864	1,104	549	403,247	422,406	45,723	66,418	448,970	488,824
Revenue with other segments	114	-97	2,047	2,865	-2,448	-4,621	-288	-1,854	288	1,854	0	0
Other own work capitalized	4,203	4,183	3,733	3,309	0	0	7,937	7,493	0	0	7,937	7,493
Other operating income	13,137	3,328	497	1,406	-171	1,798	13,463	6,532	399	161	13,862	6,693
Cost of materials	73,273	99,547	16,511	16,966	-972	-3,720	88,812	112,792	21,787	35,939	110,599	148,731
Personnel expenses	153,090	146,628	81,070	77,837	4,809	4,706	238,968	229,171	20,029	26,472	258,997	255,644
Impairment on trade receivables and contract assets	744	580	0	28	0	1	744	609	34	0	778	609
Other operating expenses	31,379	24,130	8,875	9,311	-1,255	2,800	38,999	36,241	3,154	3,506	42,153	39,747
Planned depreciation	17,336	16,850	9,387	7,466	1,183	1,353	27,905	25,669	245	329	28,150	25,998
Impairment	121	0	0	0	0	0	121	0	0	0	121	0
Segment earnings from operating activities	**19,086**	**19,673**	**15,002**	**17,836**	**-5,280**	**-7,415**	**28,809**	**30,094**	**1,161**	**2,187**	**29,970**	**32,282**
Financial income	820	3,051	456	432	-880	-1,400	397	2,083	173	215	569	2,298
Financial expenses	8,713	8,910	790	782	3,716	767	13,219	10,458	238	368	13,456	10,826
Segment earnings before income taxes	**11,193**	**13,814**	**14,668**	**17,487**	**-9,875**	**-9,582**	**15,987**	**21,719**	**1,096**	**2,034**	**17,083**	**23,753**
Corporate income tax result	-4,839	-1,589	-2,253	-2,372	5,049	-1,906	-2,043	-5,867	-415	-926	-2,458	-6,793
Segment earnings before profit transfer	**6,355**	**12,225**	**12,416**	**15,115**	**-4,826**	**-11,488**	**13,944**	**15,853**	**681**	**1,108**	**14,625**	**16,960**
Segment assets	404,085	448,787	85,446	90,763	-18,854	-14,795	470,677	524,756	0	0	470,677	524,756
Segment liabilities	193,295	236,860	44,758	53,033	38,437	45,666	276,490	335,559	0	0	276,490	335,559
Net assets	**210,790**	**211,928**	**40,688**	**37,730**	**-57,291**	**-60,461**	**194,187**	**189,196**	**0**	**0**	**194,187**	**189,196**
Cash flows from operating activities	30,980	20,980	19,598	16,899	-14,837	-9,714	35,740	28,165	2,054	3,428	37,795	31,594
Cash flows from investing activities	-32,365	-21,091	-10,629	-12,499	18,762	-2,639	-24,232	-36,228	-2,540	-480	-26,772	-36,708
Cash flows from financing activities	-8,042	24	-11,568	-5,940	-3,427	13,849	-23,037	7,932	-4,163	-1,983	-27,200	5,949
Changes in cash and cash equivalents due to exchange rate movements	185	131	-39	26	0	0	146	156	0	-1	146	155
Net increase (net decrease in cash and cash equivalents)	**-9,242**	**44**	**-2,639**	**-1,514**	**499**	**1,496**	**-11,382**	**26**	**-4,648**	**964**	**-16,030**	**990**
Additions to intangible assets, property, plant and equipment and right-of-use assets from rental and lease agreements	16,823	23,600	6,239	7,460	135	885	23,197	31,945	46	115	23,243	32,060
Other non-cash expenses(+)/income(-)	-10,404	413	-78	-697	536	-1,632	-9,947	-1,916	-1	-31	-9,948	-1,947

The external revenue of the segments, by country and product, and their order backlogs break down as follows:

External segment revenue (in EUR thousand)

	Enterprise IT segment		mgm technology partners segment		Other		Continuing operations	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue by country:								
Germany	234,863	257,673	110,846	113,374	1,104	549	346,813	371,596
Switzerland	23,335	24,582	8,665	4,107	0	0	32,000	28,689
USA	7,401	8,654	795	747	0	0	8,196	9,401
Austria	6,958	5,680	691	170	0	0	7,649	5,850
Spain	846	430	1,930	1,742	0	0	2,775	2,172
France	948	503	473	377	0	0	1,421	880
Australia	949	553	74	33	0	0	1,023	586
Netherlands	378	406	324	387	0	0	702	793
UK	454	196	136	380	0	0	590	576
Other	1,443	1,316	633	547	0	0	2,076	1,863
Total international	42,712	42,320	13,721	8,490	0	0	56,434	50,810
Total	277,575	299,993	124,568	121,864	1,104	549	403,247	422,406
Revenue by product:								
Services	236,669	256,211	118,491	118,494	1,104	549	356,264	375,254
Products	36,686	33,230	6,077	3,369	0	0	42,763	36,599
Licenses	4,220	10,552	0	1	0	0	4,220	10,553
Total	277,575	299,993	124,568	121,864	1,104	549	403,247	422,406
Order backlog	60,797	83,745	19,327	31,699	0	0	80,124	115,444

External revenue is allocated based on the registered office of the recipient company. In its continuing operations, the Allgeier Group generated revenue of EUR 41.1 million with its largest single customer in financial year 2024 (previous year: EUR 54.7 million). The revenue generated with the largest customer therefore accounts for 10.2% of total revenue (previous year: 13.0%). The largest customer is predominantly a customer of the Enterprise IT segment. The order backlog of the Allgeier Group amounts to EUR 80.1 million as of December 31, 2024 (previous year: EUR 115.4 million). The order backlog will predominantly be worked off within the next twelve months. Based on the 2024 revenue from continuing operations, the order backlog has a notional range of 2.4 months (previous year: 3.3 months).

The segments' non-current assets are allocated to Germany and abroad as follows:

Non-current segment assets (in EUR thousand)

	Enterprise IT segment		mgm technology partners segment		Other		Total	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Germany	279,819	294,042	37,322	38,181	9,431	18,811	326,572	351,034
Vietnam	0	0	2,674	3,321	0	0	2,674	3,321
Switzerland	1,470	1,341	0	0	0	0	1,470	1,341
India	1,344	837	0	0	0	0	1,344	837
France	0	0	290	387	0	0	290	387
Austria	136	197	67	254	0	0	203	451
USA	26	12	175	90	0	0	201	102
Portugal	0	0	107	0	0	0	107	0
Czech Republic	0	0	101	304	0	0	101	304
Poland	67	48	0	162	0	0	67	210
Spain	31	28	0	0	0	0	31	28
Netherlands	15	0	0	0	0	0	15	0
Total international	3,089	2,463	3,414	4,518	0	0	6,503	6,981
Total	282,908	296,505	40,735	42,698	9,431	18,811	333,074	358,015

The non-current assets of the segments shown include deferred tax assets.

E. STATEMENT OF CASH FLOWS

In the statement of cash flows, the Allgeier Group reports the cash flows from operating activities using the indirect method and all other cash flows using the direct method. Interest paid and received is reported under cash flow from financing activities.

In the 2024 financial year, the Allgeier Group acquired shares in ABILITY GmbH, Ravensburg. Cash funds of EUR 774 thousand were used to acquire this company in the 2024 financial year. With the acquired companies, the Allgeier Group took over negative cash and cash equivalents totalling EUR 22 thousand. Cash outflows from company acquisitions made in previous yearstotalled EUR 15,411 thousand in the financial year 2024 (previous year: EUR 3,545 thousand).

The balance of payments with non-controlling interests breaks down as follows:

Cash and cash equivalents (in EUR thousand)

	2024	2023
Profit distribution to the non-controlling shareholders of mgm technology partners GmbH	1,488	2,030
Profit distribution to the non-controlling shareholders of mgm consulting partners	516	270
Subsequent purchase price for shares acquired in previous years from non-controlling shareholders of Allgeier Experts Select GmbH	450	0
Purchase price for the remaining shares in MySign AG, Olten (Switzerland)	410	200
Profit distribution to the non-controlling shareholders of mgm security partners GmbH	120	230
Loan to a non-controlling shareholder	0	451
	2,984	3,181

In the 2024 financial year, the Allgeier Group sold its shares in Allgeier Experts Holding GmbH, Munich. The Allgeier Group received EUR 18,104 thousand from this disposal. The sale of the company resulted in the disposal of cash and cash equivalents totalling EUR 2,229 thousand. The proceeds from the sale of the Experts Group are made up as follows:

Disposal of the Experts Group (in EUR thousand)

	2024
Purchase price received	21,361
Liabilities paid to the Experts Group	-2,798
Incidental costs paid in the 2024 financial year	-459
	18,104

Financial liabilities and liabilities from rentals and leases were transferred as follows:

Financial liabilities and lease liabilities (in EUR thousand)

					Non-cash					
	As of January 1, 2024	Cash effect in 2024	Additions from acquisitions in 2024	Sale of the Experts Group in 2024	Additions in 2024	Additions/ remeasurement in 2024	Exchange rate difference in 2024	Deferred one-time costs in 2024	Interest expense in 2024	As of December 31, 2024
Non-current financial liabilities	139,616	3,250	1,198	0	0	0	0	270	0	144,334
Current financial liabilities	14,460	-9,017	74	-698	0	0	0	0	0	4,819
thereof cash and cash equivalents	14,640	-9,071	74	-698	0	0	0	0	0	4,945
	154,076	-5,767	1,272	-698	0	0	0	270	0	149,153
Lease liabilities	45,801	-15,292	557	-301	7,678	-3,368	52	0	1,478	36,605
	199,877	-21,059	1,829	-999	7,678	-3,368	52	270	1,478	185,758

Financial liabilities and lease liabilities (in EUR thousand)

				Non-cash					
	As of January 1, 2023	Cash effect in 2023	Additions from acquisitions in 2023	Additions in 2023	Additions/ remeasurement in 2023	Exchange rate difference in 2023	Fair value measurements in 2023	Interest expense in 2023	As of December 31, 2023
Non-current financial liabilities	130,437	8,910	0	0	0	0	269	0	139,616
Current financial liabilities	19,830	-6,125	754	0	0	0	0	0	14,460
thereof cash and cash equivalents	20,010	-6,125	754	0	0	0	0	0	14,640
	150,268	2,785	754	0	0	0	269	0	154,076
Lease liabilities	43,032	-13,729	667	10,064	4,355	-63	0	1,475	45,801
	193,300	-10,944	1,421	10,064	4,355	-63	269	1,475	199,877

Cash and cash equivalents break down as follows:

Cash and cash equivalents (in EUR thousand)

	December 31, 2024	December 31, 2023
Cash funds	57,317	83,041
Excess payments from factoring	-4,945	-14,637
Use of overdraft facilities	0	-3
	52,371	68,402

As at December 31, 2024, credit balances in the amount of EUR 120 thousand (previous year: EUR 26 thousand) are blocked.

F. OTHER DISCLOSURES

I. Capital management

Allgeier SE ensures that the Allgeier Group has sufficient liquidity at all times and that the capital structure is well balanced. Allgeier SE and its subsidiaries achieve these objectives by focusing on solid operating business, a forward-looking dividend policy and equity measures to increase equity. Decisions regarding the acquisition and disposal of subsidiaries are made taking into account their impact on the capital structure and the effects of the transactions on future years. In particular, the Allgeier Group also used borrowed capital from the credit facility with the syndicate of banks to finance acquisitions. Interest rates for financial liabilities have in part been agreed based on market interest rates as well as the Allgeier Group's equity structure and leverage ratios. Other objectives of the Allgeier Group's capital management are to keep the costs of capital low and to repay existing debt in line with planning. Allgeier SE uses hedge products to hedge rising market interest rates. Capital management is essentially coordinated by Allgeier SE. The capital management objectives, processes and methods remain unchanged from the previous year.

II. Financial instrument risks

The financial instruments of the Allgeier Group are subject to various risks, such as liquidity risks, default risks, interest rate risks, currency risks and tax risks. Allgeier uses tiered risk management and control systems at all Group companies subsidiaries and at Allgeier SE to identify, assess and contain these risks. It also implements procedures for the avoidance, early identification and minimization of risks arising from financial instruments.

Liquidity risks

Liquidity risk can generally arise if the Allgeier Group is not be able to settle its contractual financial liabilities. All the Group companies of Allgeier SE closely monitor and manage their cash flows to ensure that no liquidity shortfalls arise. The financial liabilities of the Allgeier Group had amounted to EUR 231.8 million on December 31, 2024 (previous year: EUR 280.8 million), EUR 53.2 million of which are due within one year (previous year: EUR 90.5 million). The current financial liabilities were covered by current financial assets in the amount of EUR 120.2 million (previous year: EUR 153.8 million).

Financial liabilities include repayable interest-bearing financial liabilities of EUR 149.6 million in total (previous year: EUR 154.8 million). Financial liabilities of EUR 5.1 million (previous year: EUR 14.7 million) have to be repaid in financial year 2025 and liabilities of EUR 144.5 million (previous year: EUR 140.1 million) have to be repaid in subsequent years. The Allgeier Group anticipates the following future cash flows in conjunction with interest-bearing financial liabilities:

Cash flows (in EUR thousand)

	December 31, 2024	Cash flows 2025		Cash flows 2026		Cash flows 2027		Cash flows > 2027	
	Carrying amount	Payment of principal	Payment of interest	Payment of principal	Payment of interest	Payment of principal	Payment of interest	Payment of principal	Payment of interest
Syndicated loan	84,000	0	4,078	0	4,078	0	4,506	84,000	2,406
Borrower's note loan	60,000	0	1,879	0	1,879	50,000	1,087	10,000	442
Amortizing loan (from the acquisition of ABILITY GmbH)	625	100	6	100	5	100	4	325	6
Amortizing loan (from acquisition of pooliestudios GmbH)	60	40	0	20	0	0	0	0	0
Financial liabilities from factoring	4,945	4,945	17	0	0	0	0	0	0
Other	17	4	1	4	1	4	0	6	0
Future cash flows from financial liabilities	**149,647**	**5,089**	**5,980**	**124**	**5,962**	**50,104**	**5,597**	**94,331**	**2,854**
Deferred one-time costs	**-494**	**-269**	**0**	**-144**	**0**	**-59**	**0**	**-21**	**0**
Financial liabilities	**149,153**	**4,819**	**5,980**	**-21**	**5,962**	**50,045**	**5,597**	**94,310**	**2,854**

The Allgeier Group had loan facilities from Allgeier SE's syndicate of banks and other banks of EUR 202.0 million in total at its disposal as of December 31, 2024 (previous year: EUR 202.9 million). EUR 87.3 million of these credit facilities had been utilized as of December 31, 2024 (previous year: EUR 83.2 million). Furthermore, the Allgeier Group has a factoring facility for trade receivables of EUR 60.0 million (previous year: EUR 60.0 million). EUR 37.2 million of the factoring facility was utilized on December 31, 2024 (previous year: EUR 60.0 million) . The Allgeier Group had liquidity headroom from its unutilized credit and factoring facilities of EUR 137.4 million at its disposal as of December 31, 2024 (previous year: EUR 119.8 million).

In addition to borrowing instruments, Allgeier SE also uses equity instruments to finance investments if necessary.

The Allgeier Group has the following unutilized credit facilities and unutilized factoring facility at its disposal as of December 31, 2024:

Credit facilities and unutilized factoring facilities (in EUR thousand)

	Total		Utilization				Unutilized	
			Draws		Guarantees			
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Syndicated loan credit facility	200,000	200,000	84,000	80,000	2,675	2,567	113,325	117,433
Other credit facilities	1,971	2,928	0	0	663	604	1,308	2,324
Total credit facilities	**201,971**	**202,928**	**84,000**	**80,000**	**3,338**	**3,171**	**114,633**	**119,757**
Factoring facility	60,000	60,000	37,199	60,000	0	0	22,801	0
	261,971	**262,928**	**121,199**	**140,000**	**3,338**	**3,171**	**137,434**	**119,757**

The Allgeier Group undertook to comply with certain covenants and key financial figures in the loan agreement with a syndicate of banks. In particular, the Allgeier Group has undertaken to maintain a debt coverage ratio of not more than 3.5 and minimum equity of EUR 130.0 million. A breach of covenants or non-compliance with ratios would allow the banks to terminate the loan agreements without notice. In such event, the Allgeier Group would possibly not have sufficient liquidity to repay the loans. Ensuring compliance with the covenants and ratios agreed in the credit agreements is a key part of Allgeier SE's liquidity management. Allgeier SE prospectively monitors the covenants and factors that could influence it ratios. Countermeasures will be taken in good time if necessary. All covenants and ratios were complied with in the financial year 2024.

In addition to borrowing instruments, Allgeier SE also uses equity instruments to finance investments if necessary.

Default risks

There is a general risk exists for financial assets that customers or contracting parties will not honor their obligations and that loans and receivables will default. Default risks arise in the Allgeier Group from operating and financing activities.

The theoretical maximum default risk for loans and receivables is equal to the unimpaired gross amount of EUR 123.4 million in total (previous year: EUR 157.3 million). Write-downs of EUR 1.3 million (previous year: EUR 1.7 million) were recognized on this gross amount as of December 31, 2024. This corresponds to an unchanged impairment ratio of 1.1% compared to the previous year.

The Allgeier Group differentiates its risks of default by contractual assets and trade receivables, other financial assets and cash and cash equivalents.

Default risks in contract assets and trade receivables

The Allgeier Group has a broad-based customer structure that minimizes major individual risks. Around 10.4 percent of the Allgeier Group's revenue was generated with its largest single customer over a variety of different projects in the financial year 2024 (previous year: 11.2 %). Trade receivables are typically due within 30 to 90 days. Credit checks are performed regularly for customers with which the Allgeier Group has an ongoing business relationship. The credit ratings of new customers are checked before orders are agreed and information is obtained in individual cases. If customers default on payments, the steps required to collect the receivables are taken in a timely manner. Individual subsidiaries have taken out credit insurance in the event of unexpected defaults. Wherever possible, trade receivables are subject to retention of title which only expires when the respective receivable is paid. Currently, the Allgeier Group has no indications that the risk of default for contract assets or trade receivables exceeds the carrying amount already written down.

Using the simplified approach in accordance with IFRS 9, expected credit losses on trade receivables are calculated on the basis of calculated loss rates. The credit losses are derived from historical and forecast data and take into account the respective customer and the economic environment of the region.

Receivables covered by default insurance are written down by a maximum of the deductible. Impaired receivables and the impairment losses recognized on them can be derecognized when there is no longer any prospect of recovery.

The arrears structure of contract assets and trade receivables is as follows:

Arrears structure of contract assets (in EUR thousand)

	As of December 31, 2024	Not past due	Past due in days					
			<30	30-60	61-90	91-180	181-360	>360
Contract assets	4,363	4,363	0	0	0	0	0	0
Customer receivables not impaired	59,118	49,749	6,275	1,628	197	227	526	515
Gross amount of impaired customer receivables	3,191	362	0	0	0	0	91	2,737
Impairment	-891	-27	0	0	0	0	-18	-846
Carrying amount	**65,781**	**54,448**	**6,275**	**1,628**	**197**	**227**	**600**	**2,406**
Expected probability of default		0.00%	0.00%	0.00%	0.00%	0.00%	-2.95%	-26.01%

Arrears structure of contract assets (in EUR thousand)

	As of December 31, 2023	Not past due	Past due in days					
			<30	30-60	61-90	91-180	181-360	>360
Contract assets	1,671	1,671	0	0	0	0	0	0
Customer receivables not impaired	65,868	55,505	7,126	1,532	494	508	666	38
Gross amount of impaired customer receivables	3,663	173	0	0	0	0	42	3,448
Impairment	-1,443	-56	0	0	0	0	-20	-1,367
Carrying amount	**69,760**	**57,293**	**7,126**	**1,532**	**494**	**508**	**688**	**2,118**
Expected probability of default		0.00%	0.00%	0.00%	0.00%	0.00%	-2.79%	-39.23%

Impairment on trade receivables developed as follows:

Impairment on trade receivables (in EUR thousand)

	2024	2023
As of January 1	**1,443**	**1,756**
Additions to consolidated group	0	0
Charge for the year	53	178
Utilization and unused amounts reversed	-611	-596
Currency differences	6	122
Disposal from consolidated group	0	-17
As of December 31	**891**	**1,443**

The theoretical maximum default risk for trade receivables is equal to the gross value of trade receivables after factoring of EUR 62.3 million (previous year: EUR 68.2 million). This risk is reduced by collateral, credit insurance and other credit rating improvements. Credit insurance covers 8 percent (previous year: 13 percent) of customer receivables.

Risk of default in other financial assets

The gross carrying amounts before impairment and the net carrying amounts of other financial assets are shown in the following tables:

Gross carrying amounts before impairment and net carrying amounts of other financial assets (in EUR thousand)

December 31, 2024	FVTPL	FVOCI	Amortized cost			
			Expected 12-month credit loss	Lifetime expected credit loss – not credit-impaired	Lifetime expected credit loss – credit-impaired	Total
Gross value before impairment			3,741	379	41	4,161
Impairment losses			0	379	41	420
Residual carrying amount	**2,816**	**761**	**3,741**	**0**	**0**	**3,741**

Gross carrying amounts before impairment and net carrying amounts of other financial assets (in EUR thousand)

December 31, 2023	FVTPL	FVOCI	Amortized cost			
			Expected 12-month credit loss	Lifetime expected credit loss – not credit-impaired	Lifetime expected credit loss – credit-impaired	Total
Gross value before impairment			4,105	454	41	4,600
Impairment losses			0	227	41	268
Residual carrying amount	**4,809**	**1,654**	**4,105**	**227**	**0**	**4,332**

The reconciliation of impairment on other financial assets at amortized cost is as follows:

Impairment on other financial assets (in EUR thousand)

	Amortized cost			
	Expected 12-month credit loss	Lifetime expected credit loss – not credit-impaired	Lifetime expected credit loss – credit-impaired	Total
As of January 1, 2023	**0**	**0**	**-41**	**-41**
Net remeasurement of impairment	0	-227	0	-227
As of December 31, 2023	**0**	**-227**	**-41**	**-268**
Net remeasurement of impairment	0	-379	0	-379
Derecognition of impaired receivable	0	227	0	227
As of December 31, 2024	**0**	**-379**	**-41**	**-420**

Allgeier SE holds shares in the venture capital fund Speedinvest. The units are valued on the basis of an annual report submitted by the fund management. The fund consists of a portfolio of individual investments, a few of which contribute significantly to the valuation of the financial instrument. If the economic development of the portfolio deteriorates or its growth accelerates, greater fluctuations in the fair value of the financial instrument are anticipated.

Allgeier SE has concluded an interest rate swap with a nominal volume of EUR 50 million to hedge the interest rate risk for variable-interest financial liabilities. The partner in the interest rate swap is a major German bank of excellent credit standing. The risk of default is therefore low.

Risk of default in cash and cash equivalents

The Allgeier Group had cash and cash equivalents of EUR 57.3 million at its disposal as of December 31, 2024 (previous year: EUR 83.0 million). Cash and cash equivalents are deposited with banks and financial institutions that have a first-class rating. Business relationships are maintained with various banks to diversify the risk. The Allgeier Group can assume that the cash and cash equivalents of Allgeier SE and its subsidiaries have only a very low default risk.

Interest risks

The financial liabilities and assets at floating rates are subject to the risk that interest rates could rise and thereby influence the liquidity of the Allgeier Group.

The Allgeier Group's floating-rate financial liabilities amounted to EUR 117.9 million in total as of December 31, 2024 (previous year: EUR 123.6 million). This includes floating-rate liabilities of EUR 50.0 million for the interest rate swap with a term of five years entered into in the financial year 2022 to hedge the risk of rising interest rates. Accordingly, the hedging ratio is 42.4% (previous year: 40.5%). On the basis of the debt ratio and the interest rates as of December 31, 2024, an increase of interest rates of 100 basis points p.a. would lead to an increase of financial expenses of EUR 630 thousand p.a. (previous year: EUR 620 thousand p.a.). In this case, and applying a tax rate of 30 percent, equity would have been reduced by EUR 441 thousand (previous year: EUR 434 thousand).

Allgeier SE's central finance department monitors developments on the interest rate and capital markets very closely and is in close contact with the syndicate of banks so as to assess changes in interest rate risks early on. Allgeier SE constantly strives to use the liquidity made available by its operating activities to repay the variable loans. Based on the hypothetical assumption that all cash and cash equivalents recognized as of December 31, 2024 in the amount of EUR 57.3 million (previous year: EUR 83.0 million) could be used to repay financial liabilities, the non-interest-bearing variable loans totalling EUR 67.9 million (previous year: EUR 73.6 million) could not be repaid in full.

Currency risks

The Allgeier Group essentially operates in the euro area. There are minor risks of currency fluctuations for the national currencies of the subsidiaries of the Allgeier Group in India, Vietnam, the US, Poland, Czechia and Switzerland that do not use the euro as their functional currency. Assuming the euro had appreciated by 10 percent against the currencies of these subsidiaries in 2024, revenue would have been EUR 4,683 thousand lower (previous year: EUR 4,960 thousand), the net income for the year would have been EUR 148 thousand lower (previous year: EUR 267 thousand) and equity would have been EUR 1,528 thousand lower (previous year: EUR 1,533 thousand).

Tax risks

Allgeier SE and the subsidiaries of the Allgeier Group are required to pay taxes. Assumptions must be made to calculate the tax liability as, in many cases, the final amount of taxation cannot be conclusively determined. Deviations that arise at a later date between the assumed foreseeable tax liabilities and the final tax amount impact the tax expense in the period in which taxation is conclusively determined. If the final corporate income taxes are 10 percent higher than the amounts calculated in the statement of comprehensive income, the Allgeier Group's tax liability for current corporate income taxes would increase by EUR 485 thousand (previous year: EUR 1,005 thousand) or, including deferred taxes, by EUR 277 thousand (previous year restated: EUR 679 thousand). The equity of the Allgeier Group would be reduced by the same amount in such event.

III. Corporate bodies of Allgeier SE

The Supervisory Board

The members of the Supervisory Board of Allgeier SE were as follows in 2024:

Name	Profession	Residence	Membership in statutory supervisory boards	Membership in comparable supervisory bodies of companies in Germany or abroad
Mr. Carl Georg Dürschmidt (Chairman)	Business management graduate	Bad Abbach	· Nagarro SE, Munich (Chairman) (until April 30, 2025)	
Mr. Detlef Dinsel MBA, graduate engineer (Deputy Chairman)	IK Investment Partners AIFM Management	Hamburg		· Alanta Health Group, Hamburg
Christian Eggenberger graduate in business administration	Managing shareholder of CHE Consulting GmbH Binningen, Switzerland	Binningen, Switzerland	· Focus Discount AG, Basel (Switzerland) (Chairperson of the Board of Directors) · Focus Beteiligungen AG Basel (Switzerland) (Chairperson of the Board of Directors) · Wininvest AG, Gurmels (Switzerland) (Member of the Board of Directors)	
Prof. Dr. Jörg-Andreas Lohr, graduate in business dministration (since June 25, 2024)	Managing shareholder, auditor and tax consultant of LOHR+COMPANY GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf	Solingen		

The remuneration of the members of the Supervisory Board amounted to EUR 610 thousand in total in the financial year 2024 (previous year: EUR 665 thousand). The remuneration includes variable remuneration totalling EUR 185 thousand (previous year: EUR 265 thousand) that will be paid out in financial year 2025 after the approval of the consolidated financial statements. Further details of remuneration can be found in the remuneration report. Dipl.-Kfm. (graduate in business administration) Prof. Dr. Jörg-Andreas Lohr indirectly provided additional consulting services totalling EUR 104 thousand from the time of his appointment to the Supervisory Board. The consulting serviceswere invoiced at standard market conditions. The other members of the Supervisory Board did not provide any additional advisory services in the financial year 2024.

The Management Board

The members of the Management Board of Allgeier SE are:

Dr. Marcus Goedsche, lawyer
Mr. Hubert Rohrer, graduate in business administration
Mr. Moritz Genzel, lawyer

The fixed and variable remuneration of the members of the Management Board amounted to EUR 2,154 thousand in total in the financial year 2024 (previous year: EUR 2,262 thousand). The remuneration includes variable remuneration based on the earnings of the Allgeier Group, which was recognized as a provision and will be paid out after approval of Allgeier SE's consolidated financial statements for the 2025 year. The members of the Management Board participate in Allgeier SE's stock option programme. Further details of remuneration can be found in the remuneration report.

V. Related Party business relationships

Related parties as defined by IAS 24 are natural persons and companies that can be influenced by Allgeier SE, that can significantly influence Allgeier SE or that are influenced by another related party of Allgeier SE. Business relationships between all companies included in the consolidated financial statements were fully eliminated in the consolidated financial statements. Please refer to the disclosures on the consolidated group and the list of shareholdings in the consolidated financial statements for an overview of the companies. All transactions with related parties are carried out at arm's length. There were no significant transactions between Allgeier and related parties in the period under review.

V. Publication

The approval of the consolidated financial statements by the Supervisory Board and their release for publication are scheduled for April 14, 2025. The consolidated financial statements are published in the German Federal Gazette (Bundesanzeiger) and on the website of Allgeier SE. The following companies included in the consolidated financial statements of Allgeier SE fully or partially exercise the exemption in accordance with Section 264 para. 3 German Commercial Code:

- Allgeier Inovar GmbH, Bremen
- Allgeier Engineering GmbH, Munich
- Allgeier Enterprise Services AG, Bremen
- Allgeier Inovar GmbH, Bremen
- Allgeier IT Business Services GmbH, Munich
- Allgeier IT GmbH, Munich
- Allgeier IT Projects GmbH, Munich
- Allgeier IT Services GmbH, Bremen
- Allgeier Project MBO GmbH, Munich
- Allgeier Public SE, Munich
- Evora IT Solutions GmbH, Walldorf
- it-novum GmbH, Fulda
- MGM Consulting Partners GmbH, Hamburg
- mgm technology partners GmbH, Munich
- publicplan GmbH, Düsseldorf

VI. The German Corporate Governance Code

The declaration on the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act was submitted and made accessible to the shareholders on the website of Allgeier SE.

VII Contingent liabilities

Tax and social security audits that have not yet been completed may result in subsequent claims for taxes and social security contributions for matters for which there are no final findings and insufficient information to recognise provisions. This also includes potential liabilities arising from contractual guarantees in connection with the sale of Allgeier Experts Holding GmbH, Munich.

VIII. Supplementary Report

Acquisition of shares in MGM Consulting Partners GmbH

mgm technology partners, Munich, acquired all outstanding 15% of the shares in MGM Consulting Partners GmbH, Hamburg, with effect from January 1, 2025. The parties agreed on a purchase price of EUR 1.5 million for the shares.

Findings of BaFin on the consolidated financial statements of Allgeier SE as of the reporting date December 31, 2020

On July 12, 2022, the German Federal Financial Supervisory Authority (BaFin) published an announcement of an accounting audit of the presentation of the spin-off of Nagarro SE, Munich, in the consolidated financial statements of Allgeier SE for the year ended December 31, 2020. BaFin published the result of this review on March 10, 2025. The published findings of BaFin relate to a total of three issues regarding the disclosure of the spin-off of Nagarro SE, which took effect on December 15, 2020, included in the consolidated financial statements of Allgeier SE. In detail, BaFin criticises the following facts:

- In the consolidated statement of comprehensive income, the result from the spun-off and sold business was understated by at least EUR 199 million. Allgeier SE had not recognized the distribution of all shares in Nagarro SE as a dividend liability in accordance with IFRIC 17 due to the spin-off of the group of companies managed by Nagarro SE from December 20, 2020.
- In the consolidated statement of comprehensive income, depreciation, amortisation and impairment losses were overstated in an estimated amount of EUR 4.9 million.
- Other comprehensive income for the period was understated by EUR 14,478 thousand. The reclassified actuarial gains and reclassified currency differences were incorrectly deducted from other comprehensive income instead of these amounts being added.

If BaFin's findings had been recognized, the consolidated statement of comprehensive income for the Group as a whole and for the discontinued operations of Allgeier SE for the financial year from January 1, 2020 to December 31, 2020 would have presented the following picture:

Consolidated statement of comprehensive income (in EUR million)	Before BaFin findings			BaFin findings			After BaFin findings		
Statement of comprehensive income	**Total**	**Discontinued operations**	**Continuing operations**	**Total**	**Discontinued operations**	**Continuing operations**	**Total**	**Discontinued operations**	**Continuing operations**
Earnings before interest, taxes, depreciation and amortization	**77.8**	**54.5**	**23.4**	**0.0**	**0.0**	**0.0**	**77.8**	**54.5**	**23.4**
Depreciation, amortization and impairment	37.2	20.9	16.3	-4.9	-4.9		32.3	16.0	16.3
Earnings from operating activities	**40.6**	**33.5**	**7.1**	**4.9**	**4.9**	**0.0**	**45.5**	**38.4**	**7.1**
Earnings before taxes	**31.9**	**23.7**	**8.2**	**4.9**	**4.9**	**0.0**	**36.8**	**28.6**	**8.2**
Corporate income tax result	-19.3	-12.2	-7.1				-19.3	-12.2	-7.1
Profit for the period before gains and losses on spin-off and disposals	**12.5**	**11.5**	**1.1**	**4.9**	**4.9**	**0.0**	**17.4**	**16.4**	**1.1**
Business spun off and disposed of:									
Earnings from spin-off and discontinued operations	**-6.2**	**-6.2**	**0.0**	**199.0**	**199.0**	**0.0**	**192.8**	**192.8**	**0.0**
Total operations:									
Earnings before taxes	25.7	17.5	8.2	203.9	203.9	0.0	229.6	221.4	8.2
Corporate income tax result	-19.3	-12.2	-7.1	0.0	0.0	0.0	-19.3	-12.2	-7.1
Profit for the period after gains and losses on spin-off and disposals	**6.3**	**5.3**	**1.1**	**203.9**	**203.9**	**0.0**	**210.2**	**209.2**	**1.1**
Allocation of results for the period after gains and losses from spin-off and disposals:									
shareholders of the parent company	-0.4	-0.3	-0.0	203.9	203.9	0.0	203.5	203.6	-0.0
non-controlling shareholder	6.7	5.6	1.1	0.0	0.0	0.0	6.7	5.6	1.1
Other comprehensive income									
Items that cannot be reclassified to the statement of comprehensive income:									
Actuarial gains (losses)	1.0	1.1	-0.1	0.0	0.0	0.0	1.0	1.1	-0.1
unclassified actuarial gains (losses)	-1.6	-1.6	0.0	3.2	3.2	0.0	1.6	1.6	0.0
Tax effects	-0.2	-0.3	0.0	0.0	0.0	0.0	-0.2	-0.3	0.0
reclassified tax effects	0.4	0.4	0.0	0.0	0.0	0.0	0.4	0.4	0.0
	-0.5	**-0.4**	**-0.1**	**3.2**	**3.2**	**0.0**	**2.7**	**2.8**	**-0.1**
Items that cannot be reclassified to the statement of comprehensive income:									
Foreign exchange differences	-7.4	-7.3	-0.1	0.0	0.0	0.0	-7.4	-7.3	-0.1
foreign exchange differences reclassified to profit or loss	-5.6	-5.6	0.0	11.2	11.2	0.0	5.6	5.6	0.0
	-13.0	**-12.9**	**-0.1**	**11.2**	**11.2**	**0.0**	**-1.8**	**-1.7**	**-0.1**
Other comprehensive income for the period	**-13.5**	**-13.3**	**-0.2**	**14.4**	**14.4**	**0.0**	**0.9**	**1.1**	**-0.2**
Comprehensive income for the period	**-7.2**	**-8.0**	**0.9**	**218.3**	**218.3**	**0.0**	**211.1**	**210.3**	**0.9**
Total comprehensive income for the period attributable to:									
shareholders of the parent company	-15.0	-12.6	-2.4	218.3	218.3	0.0	203.3	205.7	-2.4
non-controlling shareholder	7.8	4.6	3.3	0.0	0.0	0.0	7.8	4.6	3.3

If BaFin’s findings had been recognized in the consolidated balance sheet of Allgeier SE as of December 31, 2020, the picture would have been as follows:

Consolidated Statement of Financial Position (in EUR million)

Liabilities	Before BaFin findings	BaFin findings	After BaFin findings
Authorized capital	11.4	0.0	11.4
Capital reserves	65.1	0.0	65.1
Retained earnings	0.1	0.0	0.1
Profit carryforward	25.9	-203.9	-178.0
Profit or loss for the period	-0.4	203.9	203.5
Changes in equity not recognized in equity	-0.1	0.0	-0.1
Equity share attributable to shareholders of the parent company	102.1	0.0	102.1
Equity share attributable to non-controlling interests	3.5	0.0	3.5
Equity	**105.5**	**0.0**	**105.5**

The findings published by BaFin relate exclusively to questions regarding the disclosure of the spin-off of Nagarro SE, which took effect on December 15, 2020, in the consolidated financial statements of Allgeier SE in accordance with the IFRS standards referred to in the publication. None of the findings relate to the individual financial statements of the companies involved. The findings are therefore not relevant for determining the taxes attributable to the transactions in connection with the spin-off and the Group's liquidity. The published findings only relate to the presentation of the statement of comprehensive income for the discontinued operation in the consolidated financial statements as of December 31, 2020. They have no impact on the presentation of the Allgeier Group's continuing operations as of December 31, 2020. The findings therefore also have no effect on the consolidated financial statements of Allgeier SE for subsequent years from 2021. The findings also have no impact on the financial statements of Nagarro SE as of December 31, 2020 or thereafter. The effectiveness of the spin-off, which occurred with the legally binding entry in the commercial register on December 15, 2020, is also not affected by these findings.

The following should be noted with regard to the findings in detail:

1. Recognition of the result in the IFRS statement of comprehensive income

BaFin criticised the fact that a "result from spun-off and sold business amounting to at least EUR 199 million" resulting from the spin-off was not reported under discontinued operations. This underlying factual assumption is that a dividend liability in the amount of the fair values of the spun-off assets is to be shown in the balance sheet due to the resolution of the General Meeting of September 24, 2020 regarding the spin-off, which can then be derecognized due to the spin-off actually taking place on December 15, 2020. Therefore, the result from the spin-off referred to by BaFin in the amount of "at least EUR 199 million" arose from the actual implementation of the spin-off on December 15, 2020, as the liability to be previously recognized for the resolved distribution was settled with the implementation of the spin-off. Thus, the actuarial profit arises from the distribution itself and the resulting "fulfilment" of the distribution liability. This means the BaFin equates the spin-off with the distribution of a dividend in kind. The recognition of the distribution liability in the amount of at least EUR 199 million and its compensation by the actual distribution in the same amount results in a netting of the two items in the balance sheet. Therefore, the balance sheet disclosure in the consolidated financial statements as of December 31, 2020 is correct and gives a true and fair view of the net assets and financial position of the Allgeier Group as of December 31, 2020. BaFin ultimately criticises the fact that the distribution liability and the result from the implementation of the spin-off leading to its compensation were not each reported separately, but were presented in net form instead. Irrespective of the IFRS reporting, it should be noted that the entire Nagarro Group effectively left the Allgeier Group with the spin-off and was transferred to the shareholders' share portfolios. Only a portion of the transaction costs remained in the Allgeier Group following the spin-off.

2. Recognition of depreciation, amortization and impairment losses in accordance with IFRS

BaFin also criticises the fact that the scheduled depreciation of the non-current assets of the Nagarro Group earmarked for spin-off was carried out by the date on which the spin-off took effect under civil law, i.e. on December 15, 2020. However, depreciation should only have been recognized in the IFRS presentation up to the date on which the assets were available for immediate distribution and the distribution was highly probable. In the opinion of BaFin, such date should already have been the day of the General Meeting on September 24, 2020 and not the day of the spin-off on December 15 2020, as assumed by Allgeier SE. The recognition of depreciation and amortisation on the non-current assets of the Nagarro Group in discontinued operations depends on when the spin-off was considered likely to take place. In the opinion of Allgeier SE, this was not yet the case with the General Meeting on September 24, 2020. After all, there were objections on record, a prospectus for the future listing of Nagarro SE had to be drafted and approved within a tight timeframe and, last but not least, it was the first year of the Corona pandemic, presenting a high level of uncertainty. There was a not insignificant probability that the spin-off would not have been able to take place in 2020. Therefore, Allgeier SE did not consider the probability to be sufficiently high until the entry in the commercial register, which is required for effectiveness, and recognized the transaction in its balance sheet accordingly. If the depreciation of the assets of the Nagarro Group had only been carried out until September 24, 2020, the result of the Nagarro Group reported under discontinued operations in accordance with IFRS would have been EUR 4.9 million higher. In any case, the discontinued operation would only have shown a pro rata temporis result until the spin-off actually took place. The IFRS disclosure in the consolidated statement of comprehensive income of Allgeier SE for the 2020 financial year has no impact on the actual results or assets of the Nagarro Group and also has no impact on the continuing operations of the Allgeier Group and the consolidated financial statements after December 31, 2020. The IFRS disclosure in the consolidated financial statements is not relevant for tax purposes anyway.

3. Comprehensive income for the period

Finally, BaFin criticises the fact that the total comprehensive income for the period was understated by EUR 14,478 thousand in the 2020 consolidated financial statements . BaFin refers to two disclosures made below the statement of comprehensive income. In fact, an amount of EUR -1.6 million for reclassified actuarial gains and EUR -5.6 million for currency differences were recognized in the consolidated financial statements. A typo has occurred in the presentation of both amounts. The correct presentation would have been an amount of EUR +1.6 million for actuarial gains and an amount of EUR +5.6 million for currency differences. The difference totals EUR 14,478 thousand. This constitutes an incorrect disclosure in accordance with the IFRS standards. This only affects the presentation of discontinued operations in the statement of comprehensive income. In the consolidated statement of financial position, the correct designations were taken into account so that this statement is not affected by the error. Furthermore, the disclosure has no impact on the continuing operations of the Allgeier Group and also has no impact on the consolidated financial statements of Allgeier SE from 2021.

Overall, it should be noted that a typo occured in the presentation of discontinued operations as described above. This presentation in accordance with IFRS standards related exclusively to discontinued operations in the consolidated statement of comprehensive income. In the opinion of BaFin, the result of at least EUR 199 million to be recognized in discontinued operations has been offset by a corresponding distribution liability in the consolidated statement of financial position. As with the question of the relevant reporting date for determining depreciation and amortisation in discontinued operations, this is therefore purely an IFRS reporting issue. No actual substantial profit remained in the Allgeier Group after the spin-off was implemented, as the spin-off led to a complete transfer of the assets and value of the Nagarro Group to the shareholders' securities accounts. In any case, it should be noted that the continuing operations of Allgeier SE and the consolidated financial statements for subsequent years are not affected by the IFRS disclosure issues. The effectiveness of the spin-off and the consolidated financial statements of Nagarro SE are also not called into question. These IFRS reporting issues are not relevant for tax purposes.

Munich, March 31, 2025

Allgeier SE

Dr. Marcus Goedsche Member of the Management Board	Hubert Rohrer Member of the Management Board	Moritz Genzel Member of the Management Board

Reporting Requirements under German Accounting Standards (HGB)

In accordance with Section 315e German Commercial Code, Allgeier SE, which is required to apply international financial reporting standards, must supplement its consolidated financial statements with the following disclosures in the notes:

Section 313 para. 2) nos. 1 and 2 German Commercial Code:

Name and registered office of the companies included in the consolidated financial statements. The share of capital of the subsidiaries that belongs to the parent company and the subsidiaries included in the consolidated financial statements. Please refer to the list of Group companies in the notes for this information.

Section 314 para. 1 no. 4 German Commercial Code:

The average number of employees of the companies included in the consolidated financial statements in the financial year and the personnel expenses incurred in the financial year. Please refer to the information in note 29. Personnel expenses in section C. Notes to the Consolidated Statement of Comprehensive Income.

Section 314 para. 1 no. 6 German Commercial Code:

For the members of the Management Board, a Supervisory Board, an advisory board or a similar body of the parent company, for each group of persons, the total remuneration granted for performing their duties in the parent company and the subsidiaries in the financial year. In addition to the remuneration for the financial year, other remuneration granted in the financial year but not yet disclosed in any consolidated financial statements must be disclosed. See disclosures in III. Coroprate Bodies of Allgeier SE in section F. Other Disclosures.

Section 314 para. 1 no. 8 German Commercial Code:

For every listed company included in the consolidated financial statements, that the declaration required by Section 161 German Stock Corporation Act has been issued and made available to the shareholders. See disclosures in VI. The German Corporate Governance Code in section F. Other Disclosures.

Section 314 para. 1 no. 9 German Commercial Code:

The total fee charged by the auditor of the consolidated financial statements for the financial year 2024 must be disclosed, broken down into:

a. audits of financial statements;
b. other assurances services;
c. tax advisory services;
d. other services

must be specified. The disclosures required can be found under note 30. Other operating expenses in section C. Notes to the Consolidated Statement of Comprehensive Income.

Consolidated Statement of Changes in Non-Current Assets of Allgeier SE, Munich, for the period from January 1, 2024 to December 31, 2024

Consolidated Statement of Changes in Non-Current Assets (in EUR thousand)

		Cost								Depreciation, amortization and impairment losses							Carrying amounts	
	Note	January 1, 2024	Currency differences	Additions to consolidated Group	Additions	Disposals	Revaluation Right-of-use assets	Disposal from consolidated Group	December 31, 2024	January 1, 2024	Currency differences	Depreciation	Impairment	Disposals	Disposal from consolidated Group	December 31, 2024	December 31, 2024	January 1, 2024
Intangible assets	1																	
Concessions, industrial property rights andsimilar rights as well as licences tosuch rights and assets		53,142	-10	2,559	8,969	-1,223	0	-22	63,416	-26,318	9	-10,587	-121	1,223	16	-35,778	27,638	26,825
Acquired intangible assets		27,026	-12	2,559	862	-1,223	0	-22	29,191	-13,928	8	-6,083	0	1,223	16	-18,763	10,427	13,099
Internally generated intangible assets		26,116	2	0	8,108	0	0	0	34,226	-12,390	1	-4,504	-121	0	0	-17,014	17,211	13,726
Goodwill		271,822	-115	369	0	0	0	-13,763	258,313	-8,206	0	0	0	0	0	-8,206	250,108	263,617
Intangible assets		**324,965**	**-125**	**2,928**	**8,969**	**-1,223**	**0**	**-13,785**	**321,730**	**-34,523**	**9**	**-10,587**	**-121**	**1,223**	**16**	**-43,983**	**277,746**	**290,441**
Property, plant and equipment	2																	
Land, land rights and buildings, including buildings on third-party land		1,991	0	0	0	0	0	0	1,991	-1,637	0	-24	0	0	0	-1,661	330	354
Other fixed assets and office equipment		25,757	42	54	3,056	-5,286	0	-285	23,337	-16,354	-25	-4,125	0	4,439	194	-15,871	7,466	9,403
Property, plant and equipment		**27,748**	**42**	**54**	**3,056**	**-5,286**	**0**	**-285**	**25,328**	**-17,991**	**-25**	**-4,149**	**0**	**4,439**	**194**	**-17,533**	**7,796**	**9,757**
Right-of-use assets from leases	3																	
Right-of-use assets of property		68,300	28	557	2,012	-5,512	-3,589	-1,090	60,708	-31,476	-8	-9,015	0	5,512	851	-34,136	26,572	36,824
Right-of-use assets of motor vehicles		5,477	-1	0	2,474	-1,717	275	-234	6,274	-2,806	1	-2,217	0	1,717	161	-3,144	3,130	2,672
Right-of-use assets operating and business equipment		7,683	0	0	3,193	-21	-54	-35	10,767	-3,136	0	-2,182	0	21	18	-5,278	5,489	4,548
Right-of-use assets from rental and lease agreements		**81,461**	**27**	**557**	**7,679**	**-7,250**	**-3,368**	**-1,359**	**77,749**	**-37,417**	**-7**	**-13,414**	**0**	**7,250**	**1,030**	**-42,558**	**35,190**	**44,044**
Total		**434,174**	**-56**	**3,539**	**19,704**	**-13,759**	**-3,368**	**-15,428**	**424,806**	**-89,932**	**-23**	**-28,150**	**-121**	**12,911**	**1,240**	**-104,074**	**320,732**	**344,242**

Consolidated Statement of Changes in Non-Current Assets of Allgeier SE, Munich, for the period from January 1, 2023 to December 31, 2023

Consolidated Statement of Changes in Non-Current Assets (in EUR thousand)

		Cost								Depreciation, amortization and impairment losses					Carrying amounts	
	Note	January 1, 2023	Currency differences	Additions to consoli-dated Group	Addi-tions	Attribu-tions	Disposals	Revaluation Right-of-use assets	December 31, 2023	January 1, 2023	Currency differences	Depreciation	Disposals	December 31, 2023	December 31, 2023	January 1, 2023
Intangible assets	1															
Concessions, industrial property rights and similar rights as well as licences to such rights and assets		47,907	44	1,592	8,834	0	-5,234	0	53,142	-22,318	-30	-9,202	5,232	-26,318	26,825	25,589
Acquired intangible assets		29,625	39	1,592	1,005	0	-5,234	0	27,026	-13,253	-25	-5,881	5,232	-13,928	13,099	16,371
Internally generated intangible assets		18,282	5	0	7,829	0	0	0	26,116	-9,064	-5	-3,321	0	-12,390	13,726	9,218
Goodwill		265,526	391	5,904	0	0	0	0	271,822	-8,206	0	0	0	-8,206	263,617	257,321
Intangible assets		**313,433**	**435**	**7,496**	**8,834**	**0**	**-5,234**	**0**	**324,965**	**-30,523**	**-30**	**-9,202**	**5,232**	**-34,523**	**290,441**	**282,910**
Property, plant and equipment	2															
Land, land rights and buildings, including buildings on third-party land		1,991	0	0	0	0	0	0	1,991	-1,613	0	-24	0	-1,637	354	379
Other fixed assets and office equipment		26,953	-213	77	4,922	0	-5,983	0	25,757	-17,919	80	-4,332	5,817	-16,354	9,403	9,034
Property, plant and equipment		**28,945**	**-213**	**77**	**4,922**	**0**	**-5,983**	**0**	**27,748**	**-19,532**	**80**	**-4,356**	**5,817**	**-17,991**	**9,757**	**9,413**
Right-of-use assets from leases	3															
Right-of-use assets of property		60,120	-67	667	2,896	1,717	-1,330	4,298	68,300	-23,654	4	-9,157	1,330	-31,476	36,824	36,466
Right-of-use assets of motor vehicles		4,549	3	0	2,197	0	-1,326	55	5,477	-2,326	-2	-1,804	1,326	-2,806	2,672	2,223
Right-of-use assets operating and businessequipment		2,868	0	0	4,971	0	-158	2	7,683	-1,815	0	-1,479	158	-3,136	4,548	1,053
Right-of-use assets from rental and lease agreements		**67,536**	**-64**	**667**	**10,064**	**1,717**	**-2,814**	**4,355**	**81,461**	**-27,794**	**2**	**-12,439**	**2,814**	**-37,417**	**44,044**	**39,742**
Total		**409,914**	**159**	**8,240**	**23,820**	**1,717**	**-14,031**	**4,355**	**434,174**	**-77,849**	**52**	**-25,998**	**13,863**	**-89,932**	**344,242**	**332,066**

List of Group Companies

List of Group Companies

		Relationship to Allgeier SE	IFRS share of capital December 31, 2024	Equity on December 31, 2024			Net profit/loss from January 1, 2024 to December 31, 2024				Profit and loss transfer agreement with	Obligation of assumption with	Segment	Disclosure
No.	Company			National currency		EUR	National currency		EUR					
1.	Allgeier SE, Munich			93,337,976		93,337,976	10,136,945		10,136,945				Other	Separate and consolidated annual financial statements in the Federal Gazette
2.	Allgeier Management AG, Munich	Directly	100.00%	4,490,474		4,490,474	11,289		11,289				Other	Federal Gazette
3.	Allgeier Public SE, Munich (until June 27, 2024 Allgeier Enterprise Services SE, Munich)	Directly	100.00%	35,100,328		35,100,328	0		0	(1)	1.		Enterprise IT	
4.	Allgeier publicplan Holding GmbH, Munich	Indirectly	90.00%	8,946,823		8,946,823	-1,703,214		-1,703,214				Enterprise IT	Federal Gazette
5.	publicplan GmbH, Düsseldorf	Indirectly	90.00%	5,603,985		5,603,985	0		0	(1)	4.	1.	Enterprise IT	
6.	Cloudical Deutschland GmbH, Berlin	Indirectly	90.00%	-1,127,516		-1,127,516	-369,066		-369,066				Enterprise IT	Federal Gazette
7.	ShiftDigital Government Solutions GmbH, Berlin (until December 18, 2024 Bochum)	Indirectly	90.00%	-141,079		-141,079	-283,000		-283,000				Enterprise IT	Federal Gazette
8.	Allgeier IT GmbH, Munich	Indirectly	100.00%	12,394,847		12,394,847	0		0	(1)	3.		Enterprise IT	
9.	Allgeier IT Projects GmbH, Munich	Indirectly	100.00%	13,701,398		13,701,398	0		0	(1)	3.		Enterprise IT	
10	Allgeier IT Business Services GmbH, Munich	Indirectly	100.00%	5,272,589		5,272,589	0		0	(1)	3.		Enterprise IT	
11	Allgeier IT Services GmbH, Munich	Indirectly	100.00%	2,675,596		2,675,596	0		0	(1)	3.		Enterprise IT	
12.	Allgeier Engineering GmbH, Munich	Indirectly	100.00%	3,303,901		3,303,901	0		0	(1)	3.		Enterprise IT	
13.	Allgeier Experts Select GmbH, Düsseldorf	Indirectly	100.00%	-3,900,298		-3,900,298	-209,237		-209,237				Enterprise IT	Federal Gazette
14.	Allgeier Enterprise Services AG, Bremen	Directly	100.00%	22,872,600		22,872,600	0		0	(1)	1.		Enterprise IT	
15.	Allgeier Inovar GmbH, Bremen (on September 5, 2024 ABILITY GmbH, Bremen (until September 5, 2024 Ravensburg))	Indirectly	100.00%	6,678,699		6,678,699	2,235,656		2,235,656			1.	Enterprise IT	
16.	MySign AG, Olten, Switzerland	Indirectly	100.00%	150,302	CHF	159,870	-658,082	CHF	-691,081				Enterprise IT	
17.	SDX AG, Frankfurt am Main	Indirectly	80.00%	1,563,440		1,563,440	122,076		122,076				Enterprise IT	Federal Gazette
18.	Allgeier (Schweiz) AG, Thalwil, Switzerland	Indirectly	100.00%	2,781,871	CHF	2,958,965	437,513	CHF	459,452				Enterprise IT	
19.	Allgeier Poland sp. z o.o., Rzeszów, Poland	Indirectly	100.00%	137,211	PLN	32,089	43,262	PLN	10,054				Enterprise IT	
20.	Allgeier Inovar GmbH, Bremen	Indirectly	100.00%	1,544,046		1,544,046	0		0	(1)	14.		Enterprise IT	
21.	Allgeier Inovar GmbH, Rankweil (Austria) (until November 19, 2024 ABILITY GmbH, Rankweil, (Austria))	Indirectly	100.00%	37,798		37,798	4,840		4,840				Enterprise IT	
22.	it-novum Holding GmbH, Fulda (until December 4, 2024 Allgeier Experts Medical GmbH, Fulda (until May 28, 2024 Düsseldorf))	Directly	100.00%	7,263,367		7,263,367	966,355		966,355				Enterprise IT	Federal Gazette
23.	it-novum GmbH, Fulda	Indirectly	100.00%	5,923,450		5,923,450	1,856,421		1,856,421			1.	Enterprise IT	
24.	Allgeier Evora Holding GmbH, Munich	Directly	60.00%	112,255,626		112,255,626	3,961,508		3,961,508				Enterprise IT	Federal Gazette
25.	Evora IT Solutions Group GmbH, Walldorf	Indirectly	60.00%	7,208,016		7,208,016	0		0	(1)	24.		Enterprise IT	Federal Gazette
26.	Evora IT Solutions GmbH, Walldorf	Indirectly	60.00%	6,204,145		6,204,145	0		0	(1)	25.	1.	Enterprise IT	
27.	Evora IT Solutions GmbH, Vienna, Austria	Indirectly	60.00%	1,160,246		1,160,246	340,734		340,734				Enterprise IT	
28.	Evora IT Solutions Inc., New York, USA	Indirectly	60.00%	4,161,105	USD	4,005,992	48,899	USD	45,288				Enterprise IT	
29.	Evora IT Solutions S.L., Saragossa, Spain	Indirectly	60.00%	30,416		30,416	-11,527		-11,527				Enterprise IT	
30	Evora IT Solutions Schweiz AG, Thalwil, Switzerland	Indirectly	60.00%	890,451	CHF	947,137	299,042	CHF	314,037				Enterprise IT	
31.	Evora IT Solutions B.V., Amsterdam (Netherlands)	Indirectly	60.00%	-149,982		-149,982	-159,982		-159,982				Enterprise IT	
32.	Evora IT Solutions Pvt. Ltd., Bangalore, India	Indirectly	60.00%	350,827,755	INR	3,946,050	73,718,597	INR	815,132				Enterprise IT	
33.	Allgeier Beteiligungen GmbH, Munich	Directly	100.00%	-98,947		-98,947	1,824,899		1,824,899				Enterprise IT	Federal Gazette
34.	Allgeier Dritte Beteiligungs GmbH, Munich	Indirectly	100.00%	-3,956,140		-3,956,140	-193,924		-193,924				Enterprise IT	Federal Gazette
35.	Allgeier Education GmbH, Düsseldorf	Indirectly	100.00%	-2,498,788		-2,498,788	-126,924		-126,924				Enterprise IT	Federal Gazette
36	Allgeier Project MBO GmbH, Munich	Directly	100.00%	23,348		23,348	0		0	(1)	1.		Other	
37.	mgm technology partners GmbH, Munich	Directly	79.20%	17,982,959		17,982,959	0		0	(1)	1.		mgm technology partners	
38.	mgm technology partners eurl, Grenoble, France	Indirectly	79.20%	3,801,974		3,801,974	359,207		359,207				mgm technology partners	
39.	mgm technology partners s.r.o., Prague, Czech Republic	Indirectly	79.20%	70,066,782	CZK	2,783,084	11,876,883	CZK	472,346				mgm technology partners	
40.	mgm technology partners Vietnam Co. Ltd., Đà Nang, Vietnam	Indirectly	79.20%	47,414,888,427	VND	1,790,954	8,959,674,964	VND	330,900				mgm technology partners	
41.	mgm technology partners USA Corp., Arlington, USA	Indirectly	79.20%	329,679	USD	317,389	88,343	USD	81,819				mgm technology partners	
42.	mgm technology partners Portugal, Unipessoal Lda, Porto, Portugal	Indirectly	79.20%	222,738		222,738	116,468		116,468				mgm technology partners	
43.	Quality First Software GmbH, Geretsried	Indirectly	79.20%	670,402		670,402	225,144		225,144				mgm technology partners	Federal Gazette
44.	mgm security partners GmbH, Munich	Indirectly	55.44%	913,189		913,189	471,044		471,044				mgm technology partners	Federal Gazette
45.	MGM Consulting Partners GmbH, Hamburg	Indirectly	67.32%	1,578,772		1,578,772	822,239		822,239			1.	mgm technology partners	
46.	mgm consulting partners austria gmbh, Salzburg, Austria	Indirectly	67.32%	106,997		106,997	146,997		146,997				mgm technology partners	
47.	mgm process partners GmbH, Munich	Indirectly	79.20%	5,990,420		5,990,420	-12,304		-12,304				mgm technology partners	Federal Gazette
48.	mgm integration partners GmbH, Landshut	Indirectly	79.20%	6,969,560		6,969,560	2,698,800		2,698,800				mgm technology partners	Federal Gazette

(1) After profit transfer or loss absorption

Glossary

Ability	Allgeier Inovar GmbH, Bremen, including its subsidiary Allgeier Inovar GmbH, Rankweil (Austria), formerly ABILITY GmbH, Ravensburg, including its subsidiary ABILITY GmbH, Rankweil (Austria)
German Stock Corporation Act	German Stock Corporation Act
Allgeier	Allgeier SE, Munich, including all its subsidiaries
Allgeier Group	Allgeier SE, Munich, including all its subsidiaries
Allgeier SE	Allgeier SE, Munich (individual company)
Allgeier CyRis	Allgeier Inovar GmbH, Bremen
Allgeier inovar	Allgeier Inovar GmbH, Bremen
Allgeier IT Services	Allgeier IT Services GmbH, Bremen
Allgeier Switzerland	Allgeier (Schweiz) AG, Thalwil, Switzerland
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht - German Federal Financial Supervisory Authority
Adjusted EBITDA	EBITDA before effects that are classified as extraordinary or relating to other accounting periods
GDP	Gross domestic product
BITKOM	Bitkom e. V., Berlin
CIO	Chief Information Officer
Cloudical	Cloudical Deutschland GmbH, Berlin
DACH	Germany, Austria and Switzerland
Earn-out	Share of the purchase price paid at a later date depending on performance
EBITDA	Earnings before interest, taxes, depreciation and amortization

European Union	**EU**
Evora IT Solutions Group GmbH, Walldorf, including all its subsidiaries, and Evora IT Solutions Pvt. Ltd., Bangalore, India	**Evora**
Evora IT Solutions Group GmbH, Walldorf, including all its subsidiaries, and Evora IT Solutions Pvt. Ltd., Bangalore, India	**Evora Group**
Allgeier Experts Holding GmbH, Munich, including all its subsidiaries	**Experts**
Allgeier Experts Holding GmbH, Munich, including all its subsidiaries	**Experts Group**
Fair value through other comprehensive income	**FVOCI**
Fair value through profit or loss	**FVTPL**
Infrastructure as a Service	**IaaS**
Institute for the World Economy	**IfW**
Internet of Things	**IoT**
German Commercial Code	**HGB**
mgm technology partners segment (mgm technology partners GmbH, Munich, including all its subsidiaries)	**mgm**
MGM Consulting Partners GmbH, Hamburg	**MGM CP**
mgm technology partners GmbH, Munich	**mgm tp**
MySign AG, Olten, Switzerland	**MySign**
Nagarro SE, Munich, including all its subsidiaries	**Nagarro**
Other comprehensive income	**OCI**
Organization for Economic Co-operation and Development	**OECD**
Platform as a Service	**PaaS**
publicplan GmbH, Düsseldorf	**publicplan**
SDX AG, Frankfurt am Main	**SDX**
Speedinvest II EuVECA GmbH & Co. KG, Vienna, Austria	**Speedinvest**
VJii Productions AG, Olten, Switzerland	**VJii**

Responsibility Statement by the Management Board of Allgeier SE

The Management Board of Allgeier SE declares that, to the best of its knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the combined management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Munich, March 31, 2025

Dr. Marcus Goedsche
Member of the
Management Board

Hubert Rohrer
Member of the
Management Board

Moritz Genzel
Member of the
Management Board

Auditor's Report

Independent Auditor's Report

To Allgeier SE, Munich:

Report on the audit of the consolidated financial statements and the combined management report

Audit opinions

We have audited the consolidated financial statements of Allgeier SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1, 2024 to December 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies information. In addition, we have audited the combined management report of Allgeier SE, Munich, for the financial year from January 1, 2024 to December 31, 2024.

In our opinion, based on the findings of our audit:

- the attached consolidated financial statements, in all material respects, comply with the IFRS Accounting Standard published by the International Accounting Standards Board (in the following referred to as "IFRS Accounting Standards"), as adopted by the EU and the additional regulations of German commercial law in accordance with Section 315e para. 1 German Commercial Code, and give a true and fair view of the net assets and financial position of the Group in accordance with these regulations as of December 31, 2024 and its results of operations for the financial year from January 1, 2024 to December 31, 2024 and
- as a whole, the attached combined management report provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements and with German law regulations, and accurately presents the risks and opportunities of future development. Our opinion on the combined management report does not cover the content of the parts of the combined management report which are listed in the "Other information" section of our audit report.

In accordance with Section 322para. 3 sentence 1 German Commercial Code, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements or the combined management report.

Basis for audit opinions

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of German Commercial Code, the EU Audit Regulation (No. 537/2014) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – German Institute of Public Auditors). Our responsibility under these regulations and policies is described further in the section of our audit report entitled "Auditor's responsibility for the audit of the consolidated financial statements and the combined management report". We are independent of the Group companies in accordance with the commercial and professional regulations of European and German law and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not performed any prohibited non-audit services as defined by Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2024 to December 31, 2024. These matters were taken into account in the context of our audit of the consolidated financial statements as a whole and in the formation of our audit opinion; we have not issued a separate opinion on these matters.

The issues that we consider to be key audit matters are described below:

Revenue recognition

Reasons for identification as a key audit matter

Allgeier predominantly generates revenue from providing IT services, from IT project contracts, from the sale of software products and from granting licenses to software products. Revenue from the sale of products is recognized when the significant risks and rewards of ownership of the products sold have passed to the buyer, usually on delivery of the product. This usually occurs upon delivery of the product. Revenue from services is recognized in accordance with the contractual agreements and taking the services rendered into account. This is typically done on the basis of days and hours worked. For fixed price contracts, revenue from services is recognized in line with the percentage of completion and taking partial performance rendered into account. Furthermore, licensing revenue is recognized in the applicable period according to contract provisions.

In revenue recognition, there is a risk of inaccuracies and incidents of non-compliance in connection with the achievement of performance targets and forecasts, which could serve as an incentive for revenue to be recognized before the respective risks and rewards have been transferred to the buyer on the one hand and, on the other, for fictitious revenue to be recognized. In some cases, Allgeier SE has entered into extensive agreements with its customers. The accounting for and recognition of these agreements and the related transactions, e.g. for fixed-price projects, requires an estimate of the total cost of the contract and an assessment of whether and when the risks and rewards have been substantially transferred to the buyer.

Given the high sales volumes and the materiality of revenue to the consolidated financial statements, and in connection with the fact that revenue is a performance indicator for corporate management and forecasts for Allgeier, we have identified revenue recognition as a key audit matter.

Our audit approach

In the context of our audit, we reviewed the methods, processes and internal control mechanisms used in the company in the offer and processing phase of the sales process. In doing so, we assessed the design and effectiveness of the accounting-related internal controls by verifying transactions from their occurrence to their presentation in the consolidated financial statements and by testing controls. In relation to the measurement of revenue including revenue reductions and the correct accrual basis, as part of the audit we relied on control-based audit procedures and dealt with the underlying company processes and controls. Our audit procedures also covered the review of underlying business documents, e.g. outgoing invoices, performance documentation, material contracts, customer confirmations in the form of acceptance documentation and the review of developments after the end of the reporting period (e.g. incoming payments, credit notes issued, complaints). In addition, we implemented data analyses of transactions within the year for any abnormalities.

With regard to the application of IFRS 15, we examined the processes set up by Allgeier to implement this standard. In particular, we have examined the proper identification of the estimate of total costs of the contract and the transfer of significant risks and rewards to the buyer.

In addition, we have assessed the information provided by Allgeier on revenue recognition in the notes to the consolidated financial statements.

Our conclusions

Our audit procedures did not give rise to any objections regarding revenue recognition. Allgeier has implemented appropriate regulations for the recognition of revenue and has taken them into account in preparing the consolidated financial statements. We verified the appropriateness of the processes and controls for revenue recognition established throughout the Group.

Reference to related information

The company's disclosures on the principles of revenue recognition can be found, in particular, in section A.VIII. "Balance sheet" under the disclosures on contract assets and liabilities and on trade receivables, in section A.IX. "Statement of comprehensive income" and in the disclosures on revenue under note C.26 to the consolidated financial statements. "Revenue" in the notes to the consolidated financial statements.

Goodwill impairment

Reasons for identification as a key audit matter

The consolidated financial statements of Allgeier SE as of December 31, 2024 report goodwill of EUR 250,108 thousand. Goodwill accounts for a significant share of total assets at 53.1%. The measurement of goodwill is a material risk to the consolidated financial statements.

In accordance with IAS 36, Allgeier SE tests goodwill for impairment once per year to determine any impairment requirements. The Company also tests for impairment on an ad hoc basis if there are discernible internal or external indications of potential impairment. Goodwill is impaired if its recoverable amount is less than its carrying amount. The recoverable amount is the higher of the fair value less the costs to sell and the value in use. Generally, Allgeier SE determines the recoverable amount of the respective cash-generating unit to which the goodwill is assigned using itsvalue in use. This is measured based on the cash flows of the respective cash-generating units derived from the three-year planning (detailed planning period). For the years following the third plan year, the cash flows of the third year are extrapolated for all other future years, taking into account the growth rate. Cash flows are discounted using the weighted average cost of capital of the respective cash-generating unit.

Allgeier SE did not identify any impairment requirements as a result of impairment testing. Given the discretion involved in the underlying assumptions that are an inherent component of impairment testing, there is a risk for the consolidated financial statements that impairment that existed at the end of the reporting period was not recognized.

Our audit approach

In the context of our audit, we reviewed the methods and procedures used for impairment testing. We obtained an understanding of the process implemented by Allgeier SE to perform impairment testing on the basis of the comments on corporate governance and an assessment of the relevant planning calculations. We verified both the methodology and the arithmetic of the underlying measurement models used to calculate the value in use of goodwill of the respective cash-generating units. We also examined whether the planning calculations reflect general market expectations and those specific to the sector. A variance analysis of past planning data and the actual results was performed on a test basis to assess the accuracy of planning. To assess the parameters used to determine the discount rate, we compared the underlying assumptions and data, in particular the risk-free interest rate, the market risk premium and the beta factor, against publicly available data.

In addition, we have assessed the information provided by Allgeier SE on the recoverability of the goodwill of the respective cash-generating units in the notes to the consolidated financial statements.

Our conclusions

Allgeier SE has used balanced assumptions. Our audit procedures did not give rise to any objections regarding the assessment of the recoverability of the goodwill of the respective cash-generating units.

Reference to related information

The Company's disclosures on the impairment testing of the goodwill of the respective cash-generating units can be found in the general disclosures in section A.VIII. "Balance sheet" and in the notes on the balance sheet in section B.1. "Intangible assets" in the notes to the consolidated financial statements.

Other information

The company's management and its Supervisory Board are responsible for the other information. The other information published in the combined management report, in the annual report and on the company's website includes, in particular

- the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) (reference in the combined management report to the corporate governance statement contained in the corporate governance report);
- the corporate governance report in accordance with the German Corporate Governance Code;
- the separate non-financial reporting in accordance with Section 315b German Commercial Code;
- the remuneration report in accordance with Section 162 German Stock Corporation Act;
- the statement in accordance with Section 297 para. 2 sentence 4 German Commercial Code on the consolidated financial statements and the statement in accordance with Section 315 para. 1 sentence 5 German Commercial Code on the combined management report;
- but not the consolidated financial statements, the audited content of the combined management report and our auditor's report thereon.

The other information also includes the other parts of the annual report – without further cross-references or external information – with the exception of the audited consolidated financial statements, the audited combined management report and our audit opinion.

The Supervisory Board is responsible for the report of the Supervisory Board. The company's management and the Supervisory Board are responsible for the declaration on the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act. In other respects, the company's management is responsible for the other information.

Our audit opinions on the consolidated financial statements and the combined management report do not extend to the other information, and accordingly we do not offer any audit opinion or any other form of audit conclusion on it.

In connection with our audit of the consolidated financial statements, we have the responsibility to read the above other information and to assess whether the other information:

- contains material inconsistencies with the consolidated financial statements, the disclosures contained in the combined management report or our findings from the audit; or
- is otherwise materially misrepresented.

If, on the basis of our work, we come to the conclusion that this other information contains a material misstatement, we are required to report this fact. We have nothing to report in this context.

Responsibilities of management and the Supervisory Board for the consolidated financial statements and the combined management report

Management is responsible for the preparation of the consolidated financial statements that, in all material respects, comply with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law in accordance with Section 315e para. 1 German Commercial Code, and that the consolidated financial statements drawn up in accordance with such regulations give a true and fair view of the net assets, financial position and results of operations of the Group. In addition, management is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. the manipulation of financial reporting or financial losses) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. The management also has the responsibility for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for the accounting on the basis of the going concern principle, unless there is the intention to liquidate or discontinue the Group, or there is no realistic alternative.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal regulations, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German statutory regulations, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the combined management report.

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Combined Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error and whether the combined management report as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, audit findings and German statutory regulations, and accurately presents the risks and opportunities of future development, and to issue an audit report containing our audit opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high degree of assurance, but not a guarantee that an audit performed in accordance with Section 317 German Commercial Code, the EU Audit Regulation and the German generally accepted standards for the audit of financial statements promulgated by the IDW will always reveal a material misstatement. Misstatements can result from fraud or errors, and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions that users make on the basis of these consolidated financial statements and the combined management report.

We exercise due discretion and maintain a critical approach. We also:

- Identify and assess the risks of material misstatements in the consolidated financial statements and the combined management report due to fraud or errors, we plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our audit opinions. The risk that material misstatements as a result of fraud are not detected is greater than the risk that material misstatements due to error are not detected, because fraud can include collusion, falsification, intentional omissions, misrepresentation or the invalidation of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may result in the Group being unable to continue its business activities.
- Evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional regulations of German commercial law pursuant to Section 315e para. 1 German Commercial Code.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for designing, monitoring and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, conformity with the law, and the view of the Group's position it provides.
- Carry out auditing measures regarding the prospective information presented by the management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

Among other things, we discuss with those responsible for overseeing the audit the planned scope and scheduling of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the procedures or safeguards implemented to remove risks to independence.

Of the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our audit report, unless the public disclosure of such issues is prevented by law or other legal provisions.

Other statutory and legal requirements

Report on audit in accordance with Section 317 para. 3a German Commercial Code on the electronic renderings of the consolidated financial statements and the combined management report prepared for publication purposes

Audit opinion

We have performed an audit in accordance with Section 317 para. 3a German Commercial Code to obtain reasonable assurance about whether the reproductions of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the file "allgeier-2024-12-31.zip" and prepared for publication purposes comply in all material respects with the requirements of Section 328 para. 1 German Commercial Code for the electronic reporting format (ESEF format). In accordance with German law regulations, this audit only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above electronic file.

In our opinion, the reproductions of the consolidated financial statements and the combined management report contained in the electronic file provided and prepared for publication purposes complies in all material respects with the requirements of Section 328 para. 1 German Commercial Code for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above file beyond this audit opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1, 2024 to December 31, 2024 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above.

Basis for the opinion

We conducted our audit of the renderings of the consolidated financial statements and the combined management report contained in the electronic file provided in accordance with Section 317 para. 3a German Commercial Code and the IDW Auditing Standard: Audit in accordance with Section 317 para. 3a German Commercial Code on the electronic rendering of financial statements and management reports prepared for publication purposes (IDW PS 410 (06.2022)). Our responsibilities under those requirements are further described in the section "Auditor's responsibilities for the audit of the ESEF documents". Our auditing practice has applied the requirements of the quality management system of the IDW quality management standard: Requirements for quality management in auditing practice (IDW QMS 1 (09.2022)).

Responsibilities of management and the Supervisory Board for the audit of the ESEF documents

The company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 para. 1 sentence 4 item 1 German Commercial Code and for tagging the consolidated financial statements in accordance with Section 328 para. 1 sentence 4 item 2 German Commercial Code.

In addition, the company's management is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional incidents of non-compliance with the requirements of Section 328 para. 1 German Commercial Code for the electronic reporting format.

The Supervisory Board is responsible for monitoring the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional incidents of non-compliance with the requirements of Section 328 para. 1 German Commercial Code. We exercise due discretion and maintain a critical approach. We also:

- Identify and assess the risks of material intentional or unintentional incidents of non-compliance with the requirements of Section 328 para. 1 German Commercial Code, design and perform assurance procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to the assessment of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file provided containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an identical XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815 as applicable at the end of the reporting period enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Other disclosures in accordance with Article 10 of the EU Audit Regulation

We were elected as the auditor of the consolidated financial statements by the Annual General Meeting on June 25, 2024. We were commissioned by the Supervisory Board on November 14, 2024. We have served as the auditor of the consolidated financial statements of Allgeier SE , Munich, without interruption since the financial year 2024.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Audit Committee in accordance with Article 11 of the EU Audit Regulation (audit report).

In addition to the audit of the financial statements, we have performed the following permitted non-audit services that are not disclosed in the consolidated financial statements or the combined management report to the Group companies:

- Other assurance services, which include the confirmation of the recoverability of a contribution in kind as part of an intragroup contribution between two Group companies and the audit of the remuneration report.

Other issue – Use of the audit report

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted into ESEF format – including the versions to be published in the German Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our opinion contained in it is only usable in conjunction with the audited ESEF documents provided in electronic form.

Responsible auditor

The auditor responsible for the audit is Niyazi Kanbur.

Düsseldorf, April 14, 2025

ARGENKO plus GmbH
Wirtschaftsprüfungsgesellschaft

Niyazi Kanbur Auditor	Tharshan Rasathurai Auditor

Report of the Supervisory Board of Allgeier SE for the financial year 2024

The Supervisory Board submits the following report on its activities in the financial year 2024:

The Supervisory Board comprehensively performed all the duties incumbent on it in accordance with the law and the company's Articles of Association, and regularly monitored and advised the Management Board in its management of the company. In addition to the issues dealt with on an ongoing basis, such as current business developments, the financial and liquidity situation, the acquisition pipeline, risk management and compliance, the Supervisory Board principally focused on the following areas in 2024:

- Strategic orientation of the Allgeier Group
- Discussion and review of various acquisition projects; realisation of an acquisition to strengthen the Enterprise IT segment: ABILITY GmbH, Ravensburg, as a supplement to Allgeier Inovar GmbH, Bremen; sale of the personnel services business bundled under Allgeier Experts Holding GmbH, Munich
- Financial and liquidity position of the Group

The Supervisory Board held eight meetings in the financial year 2024. The meetings took place as virtual meetings and in-person meetings. All members of the Supervisory Board were regularly present at these meetings. Outside its meetings, the Supervisory Board made decisions by way of circulation. Furthermore, there were several other discussions held and votes cast by way of conference calls and video conferencing. The members of the Management Board attended all the meetings of the Supervisory Board. Between the meetings, the Management Board kept the Supervisory Board or its Chairman regularly informed of all major developments and coordinated key decisions with the Supervisory Board, in particular with its Chairman, in advance.

In the opinion of the Supervisory Board, the Management Board therefore comprehensively complied with its duties to report and provide information to the Supervisory Board in the past financial year, and kept the Supervisory Board comprehensively informed about business performance, the position of the company and the Group companies and their major transactions on an ongoing basis, both at the meetings of the Supervisory Board and outside the meetings of the Supervisory Board. An Audit Committee, chaired by Prof. Dr. Jörg-Andreas Lohr (graduate in business administration), is in place since the Supervisory Board meeting on June 25, 2024. The Audit Committee met regularly in conjunction with the meetings of the Supervisory Board. The Audit Committee held a total of five meetings in the 2024 financial year.

In particular, the material topics that the Supervisory Board dealt with in its work in conjunctionwith the Management Board, both in and outside meetings, included in particular:

- the current business and performance of the Group as compared to the approved Group planning and the strategic planning of the development of the business
- the ongoing financial and liquidity position of the Group and the profitability of the Group, in particular the return on equity
- the financing and capital structure of the Group
- various acquisition projects;
- strategic issues and structuring of the Group, governance of the business segments;
- approval of the Group budget;
- corporate governance and integration within the Group;
- risk management, compliance and internal audit;
- the preparation of the remuneration report together with the Management Board;
- issues in connection with the audit and non-audit services as well as the selection of a new auditing firm for the 2024 audit and the first-time application of a combined management report of Allgeier SE and the Group

In the discussions between the Management Board and the Supervisory Board, and on the basis of the information provided by the Management Board on an ongoing basis, the Supervisory Board satisfied itself that the Management Board managed the business of the company properly and in compliance with the law in the financial year 2024. In addition to the dominant work issues such as, in particular, acquisitions, the Management Board also continued the organizational development of the Allgeier Group in the past financial year. The Supervisory Board discussed the risk management system used by the company with the Management Board and the auditors and found it to be in order.

Insofar as the approval of the Supervisory Board was required for individual management measures, such measures were examined by the Supervisory Board after receiving information and a corresponding submission from the Management Board in good time, and the necessary approval was issued. The Supervisory Board can therefore confirm that the Management Board enabled it to fully monitor the work of the Management Board on an ongoing basis. In doing so, the Supervisory Board satisfied itself that the management of the company by the Management Board complied with the statutory requirements in all regards and did not give rise to any complaints on the part of the Supervisory Board. As every year, the Supervisory Board also reviewed the effectiveness of its own work and that of the Audit Committee.

Audit Committee issues were addressed at the meetings of the Supervisory Board, including in particular:

- the independence of the auditor
- the review and assessment of the Company's internal control system, the risk management system as well as the governance system
- status of the audit of the financial statements in consultation with the auditor, in particular in terms of key audit matters, any potential audit problems, scheduling and compliance
- additional services by the auditors
- audit of the separate and consolidated financial statements of Allgeier SE and the related combined management report
- discussion of these reports with the auditor in attendance

At the beginning of 2024, the Supervisory Board consisted of three members. On June 25, 2024, Prof. Dr. Jörg-Andreas Lohr (graduate in business administration, auditor/tax consultant) was appointed to the Supervisory Board by resolution of the Annual General Meeting. The Supervisory Board has again had four members again since that date.

ARGENKO plus GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, audited the annual financial statements prepared by the Management Board and the consolidated financial statements as of December 31, 2024 as well as the combined management report of Allgeier SE and issued an unqualified audit opinion in each case. These documents, the separate consolidated non-financial Group statement in accordance with Section 315b German Commercial Code and the audit reports of ARGENKO plus GmbH Wirtschaftsprüfungsgesellschaft were made available to the Supervisory Board for inspection. The Supervisory Board examined and verified all the above mentioned documents and the auditors' report in preparation for its meeting on April 14, 2025. The proposal of the Management Board regarding the appropriation of the retained earnings as well as the non-financial Group statement has each been checked by the Supervisory Board. It discussed the annual financial statements, consolidated financial statements and the audit reports in detail in the presence of the auditors at its meeting on April 14, 2025. The auditor reported on the key findings of the audit at this meeting. The Supervisory Board therefore comes to the conclusion that the annual financial statements, the consolidated financial statements and the combined management report were properly prepared in compliance with the applicable rules in place for the respective statements, and that they give a true and fair view of the assets, financial position and results of operations of Allgeier SE and the Group. The review of the audit reports and the discussion with the auditors did not lead to any complaints or objections on the part of the Supervisory Board. At its meeting on April 14, 2025, the Supervisory Board concurred with the findings of the auditors and approves the annual financial statements and consolidated financial statements for financial year 2024 as prepared by the Management Board. The annual financial statements have thus been adopted.

The Supervisory Board would like to thank the management and all the employees of the Allgeier Group for their hard work in the financial year 2024.

Munich, April 14, 2025
The Supervisory Board of Allgeier SE

Carl Georg Dürschmidt
Chairman of the Supervisory Board

Financial Calendar 2025

Important dates and events	
Publication of Consolidated/Annual financial Statements 2024	April 30, 2025
Publication of voluntary interim information as of March 31, 2025	May 15, 2025
Annual General Meeting in Munich	June 27, 2025
Publication of 2025 half-yearly financial report	August 15, 2025
Publication of voluntary interim information as of September 30, 2025	November 14, 2025

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Allgeier's financial reports can be found online in German and English at www.allgeier.com/en > Investor Relations > Financial Reports & Publications or requested using the contact details provided.

Current financial information can be found on Allgeier's website under Investor Relations at: www.allgeier.com/en/investor-relations

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Annual Report
2024