



Persistent

Persistent and Nagarro sign Business Combination Agreement to form the Persistent - Nagarro Group, a global leader in AI-led digital engineering

- \\ Persistent announces the intention to launch a voluntary public takeover offer for all outstanding Nagarro shares at EUR 81 per share
- \\ All-cash offer represents a highly attractive premium of ~140% to the undisturbed closing price on June 25, 2026, and ~94% to the three-month volume-weighted average price
- \\ Nagarro's Management and Supervisory Board support the transaction and intend to recommend acceptance of the Offer reflecting their strong shared conviction in the partnership's strategic merits
- \\ Persistent has already secured an approximately 21% stake¹ in Nagarro, with the largest shareholder of Nagarro committing its entire stake under a binding agreement
- \\ In addition, Nagarro Management Board members have declared their intention to accept the Offer and tender their shareholding into the Offer
- \\ Nagarro is a Munich-headquartered leader in digital engineering with ~18,500 employees across 40+ countries, deep roots in industrial, consumer, TMT and BFSI verticals and a total revenue of EUR 1 billion (CY25)
- \\ Persistent and Nagarro are a perfect strategic fit, combining Persistent's AI-led engineering leadership, North American scale and partnership depth with Nagarro's European business, complementary verticals, AI expertise, and ERP and CX delivery, to create a ~USD 2.9 billion AI-led engineering powerhouse with 46,000+ employees across 40+ countries
- \\ Offer is subject to a minimum acceptance threshold of 50% plus one share of all outstanding Nagarro shares; launch of Offer to follow after approval of offer document by BaFin
- \\ Persistent does not intend to enter into a domination and/or profit and loss transfer agreement (DPLTA) for a duration of two years after closing
- \\ In alignment with Nagarro's Management Board, Persistent intends to pursue a delisting of Nagarro shares from the regulated market (Prime Standard) of the Frankfurt Stock Exchange as soon as practicable and legally feasible

1: excluding treasury shares

June 26/27, 2026

Munich, Germany and Pune, India

News Summary

Galaxy Germany Holding SE (the “**Bidder**”), a wholly-owned direct subsidiary of Persistent Systems Limited (together “**Persistent**”), today announced a voluntary public takeover offer for all outstanding shares in Nagarro SE (“**Nagarro**”) (the “**Offer**”) at a cash consideration of EUR 81 per share (the “**Offer Price**”). The Offer follows the signing of a Business Combination Agreement (“**BCA**”) between the Bidder, Persistent and Nagarro. Nagarro’s Management and Supervisory Board support the transaction and intend to recommend acceptance of the Offer to Nagarro shareholders, subject to their review of the offer document.

The Bidder has also entered into a fully binding share purchase agreement with Lantano Beteiligungen GmbH (“**Lantano**”), the investment vehicle of the largest shareholder of Nagarro, under which Lantano has agreed to sell its entire approximately 21% stake in Nagarro (excluding treasury shares) to the Bidder at the Offer Price. The share purchase agreement has been signed on the date hereof and is subject to customary regulatory approvals.

In addition, members of Nagarro’s Management Board have declared their intention to accept the Offer and tender their shareholding into the Offer.

The proposed combination is designed to create a scaled, globally diversified AI-led digital engineering and enterprise modernization powerhouse with at-scale presence in North America and Europe and meaningful Rest of the World exposure. The combined Persistent – Nagarro group would be better positioned to support multi-region enterprise clients requiring integrated AI, engineering, ERP / CX, data and cloud capabilities across local and global delivery models.

Quote from Dr. Anand Deshpande, Founder, Chairman and Managing Director, Persistent Systems

"At Persistent, we have always believed that great companies are built over decades, not quarters. They are built by talented people, a strong engineering culture, a willingness to innovate, and by earning clients' trust every single day. Those principles have guided us since 1990. When we got to know Nagarro, what stood out was not just the quality of their business, but the similarity of their values. We saw the same respect for engineering, the same entrepreneurial spirit, and the same commitment to building lasting client relationships. That shared foundation gives us confidence that together we can create something even stronger. AI is reshaping our industry at an unprecedented pace. Success will belong to companies that combine deep technical capability with global reach, while continuing to attract, develop and inspire exceptional people. Together, Persistent and Nagarro will be better positioned to help our clients navigate this new era, create greater opportunities for our teams, and build an organisation that will endure for many years to come."

Quote from Sandeep Kalra, Executive Director and Chief Executive Officer, Persistent Systems

"The next wave of enterprise transformation will be defined by AI, engineering excellence, and global scale. Bringing Nagarro and Persistent together is a defining milestone in our journey to build a global, engineering-led technology services leader. Nagarro is an exceptional strategic and cultural fit for Persistent, with shared values, complementary capabilities, and a common commitment to customer success. This combination strengthens our position in Europe, expands our scale in North America, and enhances our ability to help clients accelerate their AI and digital transformation journeys. Together, we are creating one of the industry's leading AI-led, engineering-driven digital transformation companies, creating greater opportunities for our clients, our people, and all our stakeholders."

Quote from Manas Human, Co-Founder and CEO, Nagarro

"Both Nagarro and Persistent have grown from humble beginnings into strong technology powerhouses with high-quality people and deep client relationships. Now, with the AI revolution, we are entering an era that will reward companies like ours that already have a digital-, data- and AI-DNA. It's a moment of great opportunity, but it also needs scale and power to make the most of it. With the combined strengths of Persistent and Nagarro, we'll be able to deliver the complex intelligence transformation programs that our clients are increasingly demanding – at scale, across industries, and across the world. I am excited because I believe that joining forces is a compelling step forward– for the clients, shareholders, and colleagues in both companies."

Quote from Christian Bacherl, Chairman of the Supervisory Board, Nagarro

"Nagarro has been built over decades by exceptional people. In Persistent, we found a partner with shared values, convictions and complementary strengths: a business with genuine AI and Engineering capabilities, the scale to accelerate Nagarro's ambitions, and a management culture that earns trust. The offer price represents a significant premium over the current share price adequately reflecting Nagarro's value. The Supervisory Board supports this transaction with full conviction and will recommend acceptance of the offer subject to a review of the offer document."

A compelling offer for all stakeholders

Persistent and Nagarro have the shared conviction that leading the next decade of AI-led digital engineering requires capabilities and local presence of a different order – and this combination accelerates exactly that, bringing together in a single transaction what would otherwise take decades to build organically.

- \\ **Attractive premium.** The offer price of EUR 81 per share represents a very attractive premium of ~140% to the undisturbed closing price on June 25, 2026, and ~94% to the three-month volume-weighted average price. Persistent believes this represents full and fair value for Nagarro shareholders. At the same time, the transaction is expected to be cash EPS accretive for Persistent shareholders in the first year of the transaction.

- **A growth story for employees.** The two businesses are highly complementary, creating a larger, more diversified platform with enhanced growth prospects. Employees on both sides would benefit from broader career opportunities, deeper exposure to state-of-the-art technologies, global clients and participation in scaled transformation programs. Persistent operates on a culture that values its employees. Multiple awards establish its priority of creating a good workplace. The combination is all about growth. Accordingly, the BCA reflects strong commitments to employee matters, operations and management: Persistent does not intend to effect an amendment to, or a termination of, any existing shop agreements, collective bargaining agreements or similar agreements. Persistent also confirms its commitment to preserving leadership and culture of Nagarro.
- **Stronger outcomes for clients.** Persistent's and Nagarro's clients would gain access to the combined strength of AI-led engineering platforms and solutions; broader set of partnerships with Hyperscalers, ISVs and frontier labs, global delivery infrastructure at scale, deep enterprise operations, ERP and CX capabilities, strong North American and European presence and vertical expertise. The combined offering creates a single partner with end-to-end capability from AI ambition to measurable outcomes.

Persistent will fund the transaction with committed financing from Barclays. Upon consummation of the transaction, the leverage is expected to remain within conservative limits to meaningfully reduce over a 2-year period.

A transaction built on strategic logic

Persistent, recognised as the fastest-growing IT services brand globally in 2026, has built its business on deep technical expertise and outcome-driven delivery. With over 27,500 employees across 21 countries and 24 consecutive quarters of sequential revenue growth, Persistent has demonstrated consistent execution and the durability of its client relationships. Revenue in the last fiscal year reached ~USD 1.7 billion, representing 17.4% year-on-year growth. Persistent has been consistently recognized for best-in-class corporate governance, meeting the highest international standards of transparency and accountability.

Nagarro brings deep AI and digital engineering expertise across sectors, with approximately EUR 1 billion in CY2025 revenue. Nagarro also holds strong client relationships across Europe, including four of Europe's top five automotive manufacturers. Its digital, ERP and CX capabilities across some of the continent's most complex enterprise environments, and its local engineering culture embedded across 40 countries, were built through decades of sustained presence and quality.

The combination would deliver:

- **A global leader in AI-led digital engineering:** ~USD 2.9 billion revenue run-rate, 46,000+ employees across 40+ countries – including 37,000+ in India, 3,500+ in North America, and 3,000+ in Europe

- \\ **Diversified geographic footprint:** USD 1.7 billion+ in North American business complemented by USD 600M+ European business; Persistent's European revenue share (FY26) would increase from 9% to 22% after combination, creating a balanced revenue profile for Persistent – Nagarro Group with North America accounting for 62% and Rest of World increasing from 10% to 16%.
- \\ **End-to-end offering and AI stack:** Nagarro's AI, digital, ERP and CX capabilities complement Persistent's AI capabilities and comprehensive technology platform portfolio
- \\ **New dimension of scale:** Combination significantly enhances the Total Addressable Market (TAM) to over USD 1,400 billion, with at-scale presence (USD 500M+ combined revenue) across each of Banking, Financial Services and Insurance (BFSI), Healthcare and Life Sciences (HLS), and Technology, Media and Telecommunications (TMT), and strong positions across Industrial (USD 400M+) and Consumer (USD 300M+)
- \\ **Deep client franchise:** 350+ marquee client relationships, including 4 of the top 5 European automotive firms, 7 of the top 10 US and Indian banks, and 8 of the top 15 healthcare and life sciences companies
- \\ **Frontier AI capability:** Combination further strengthens the AI Forward Deployed Engineering capabilities, combining both businesses' AI-skilled talent and platforms to accelerate client outcomes in AI-led transformation
- \\ **Preserving the strength of two brands.** Both companies are well-established, leading brands in the industry. Following the closing of the transaction, the Persistent – Nagarro Group will reflect the essence of both, preserving assets and trust in the market.

Offer Conditions and next steps

The Offer will be subject to a minimum acceptance threshold of 50% plus one share of all outstanding Nagarro shares, inclusive of shares acquired under the binding share purchase agreement with Lantano and the intention by members of Nagarro's Management Board to tender into the Offer. Persistent expects to launch the Offer after approval of the offer document by BaFin, with closing anticipated in Q4 CY26 / Q1 CY27, subject to regulatory approvals and other customary conditions.

Persistent does not intend to enter into a domination and/or profit and loss transfer agreement (DPLTA) for a duration of two years after closing.

The Offer forms part of a taking-private strategy. Following completion of the Offer, Persistent intends to pursue a delisting of Nagarro shares from the regulated market (Prime Standard) of the Frankfurt Stock Exchange as soon as practicable and legally feasible in alignment with the Management Board of Nagarro.

The offer document will be prepared and submitted to the German Federal Financial Supervisory Authority ("BaFin") for review.

Barclays is acting as sole financial advisor, Hengeler Mueller and Khaitan are acting as legal advisors to Persistent in connection with the transaction. J.P. Morgan is acting as sole financial advisor, Freshfields is acting as legal advisor to Nagarro in connection with the transaction.

The company will provide more details on the transaction in a webcast. More information on this will be shared shortly.

Disclaimer and forward-looking statements

This press release is neither an offer to purchase nor a solicitation of an offer to sell Nagarro shares. The final terms of the Offer as well as other provisions relating to the Offer will be communicated in the offer document after the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) has permitted the publication of the offer document. Investors and holders of Nagarro shares are strongly advised to read the offer document and all other documents relating to the Offer as soon as they have been made public, as they will contain important information. The offer document for the Offer (in German and a non-binding English translation) with the detailed terms and conditions and other information on the Offer will be published after approval by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) amongst other information on the internet.

The Offer will be implemented exclusively on the basis of the applicable provisions of German law, in particular the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*), and certain securities law provisions of the United States of America relating to cross-border takeover offers. The Offer will not be conducted in accordance with the legal requirements of jurisdictions other than the Federal Republic of Germany or the United States of America (as applicable). Accordingly, no notices, filings, approvals or authorizations for the Offer have been filed, caused to be filed or granted outside the Federal Republic of Germany or the United States of America (as applicable). Investors and holders of Nagarro shares cannot rely on being protected by the investor protection laws of any jurisdiction other than the Federal Republic of Germany or the United States of America (as applicable). Subject to the exceptions described in the offer document and, where applicable, any exemptions to be granted by the respective regulatory authorities, no takeover offer will be made, directly or indirectly, in those jurisdictions in which this would constitute a violation of applicable law. This press release may not be released or otherwise distributed in whole or in part, in any jurisdiction in which the Offer would be prohibited by applicable law.

The Bidder reserves the right, to the extent permitted by law, to directly or indirectly acquire additional Nagarro shares outside the Offer on or off the stock exchange, provided that such acquisitions or arrangements to acquire are not made in the United States, will comply with the applicable German statutory provisions, in particular the WpÜG, and the Offer Price is increased in accordance with the WpÜG, to match any consideration paid outside of the Offer if higher than the Offer Price. If such acquisitions take place, information on such acquisitions, including the

number of Nagarro shares acquired or to be acquired and the consideration paid or agreed, will be published without undue delay if and to the extent required under the laws of the Federal Republic of Germany, the United States or any other relevant jurisdiction. The Offer will relate to shares in a German company admitted to trading, inter alia, on the Frankfurt Stock Exchange and will be subject to the disclosure requirements, rules and practices applicable to companies listed in the Federal Republic of Germany, which differ from those of the United States and other jurisdictions in certain material respects. The financial information relating to the Bidder and Nagarro included elsewhere, including in the offer document, will be prepared in accordance with provisions applicable in the Federal Republic of Germany and will not be prepared in accordance with generally accepted accounting principles in the United States; therefore, it may not be comparable to financial information relating to United States companies or companies from other jurisdictions outside the Federal Republic of Germany. The Offer will be made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the Exchange Act, and on the basis of the so-called Tier II exemption from certain requirements of the Exchange Act, which exemption allows a bidder to comply with certain substantive and procedural rules of the Exchange Act for takeover bids by complying with the law or practice of the domestic legal system and exempts the bidder from complying with certain other rules of the Exchange Act, and otherwise in accordance with the requirements of the laws of the Federal Republic of Germany. Shareholders from the United States should note that Nagarro is not listed on a United States securities exchange, is not subject to the periodic requirements of the Exchange Act and is not required to, and does not, file any reports with the United States Securities and Exchange Commission.

Any contract entered into with the Bidder as a result of the acceptance of the planned Offer will be governed exclusively by and construed in accordance with the laws of the Federal Republic of Germany. It may be difficult for shareholders from the United States (or from elsewhere outside of Germany) to enforce certain rights and claims arising in connection with the Offer under United States federal securities laws (or other laws they are acquainted with) since the Bidder and Nagarro are located outside the United States (or the jurisdiction where the shareholder resides), and their respective officers and directors reside outside the United States (or the jurisdiction where the shareholder resides). It may not be possible to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. It also may not be possible to compel a non-United States company or its subsidiaries to submit themselves to a United States court's judgment.

To the extent that this document contains forward-looking statements, they are not statements of fact and are identified by the words "intend", "will" and similar expressions. These statements express the intentions, beliefs or current expectations and assumptions of the Bidder and the persons acting jointly with it. Such forward-looking statements are based on current plans, estimates and projections made by the Bidder and the persons acting jointly with it to the best of their knowledge, but are not guarantees of future accuracy (this applies in particular to circumstances beyond the control of the Bidder or the persons acting jointly with it). Forward-looking statements are subject to risks and uncertainties, most of which are difficult to predict and are usually beyond the Bidder's control or the control of the persons acting jointly with it. It should

be taken into account that actual results or consequences in the future may differ materially from those indicated or contained in the forward-looking statements. It cannot be ruled out that the Bidder and the persons acting jointly with it will change their intentions and estimates stated in documents or notifications or in the offer document yet to be published after publication of the documents, notifications or the offer document.

About Persistent

Persistent Systems (BSE: 533179 and NSE: PERSISTENT) is a global services and solutions company delivering AI-led, platform-driven Digital Engineering and Enterprise Modernization to businesses across industries. With over 27,500 employees located in 21 countries, the Company is committed to innovation and client success. Persistent offers a comprehensive suite of services, including software engineering, product development, data and analytics, CX transformation, cloud computing, and intelligent automation. The Company is part of the MSCI India Index and is included in key indices of the National Stock Exchange of India, including the Nifty Midcap 50, Nifty IT, and Nifty MidCap Liquid 15, as well as several on the BSE such as the S&P BSE 100 and S&P BSE SENSEX Next 50. Persistent is also a constituent of the Dow Jones Best-in-Class World Index. The Company has achieved carbon neutrality, reinforcing its commitment to sustainability and responsible business practices. Persistent has also been named one of America's Greatest Workplaces for Inclusion & Diversity 2025 by Newsweek and Plant A Insights Group. As a participant of the United Nations Global Compact, the Company is committed to aligning strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, as well as take actions that advance societal goals. With 468% growth in brand value since 2020, Persistent is the fastest-growing IT services brand in 'Brand Finance India 100' 2025 Report.

www.persistent.com

About Nagarro

Nagarro, a global AI transformation and engineering leader, helps clients become fluidic, innovative, AI-first companies and thus win in their markets. The company is distinguished by its entrepreneurial, agile, and global character, its CARING mindset, and its Fluidic Intelligence vision. Nagarro employs around 18,500 people in 40 countries. For more information, please visit www.nagarro.com.

Forward-looking and Cautionary Statements

For risks and uncertainties relating to forward-looking statements, please visit persistent.com/FLCS

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