a smart journey

Annual Report 2024

adesso GROUP

COMPANIES OF ADESSO GROUP

adesso SE – Dortmund

adesso's national companies or branch offices

IT-Services

Austria Vienna | 100%
Bulgaria Sofia | 100%
Finland Espoo/Helsinki | 100%
Hungary Budapest | 100%
India Cochin | 100%
Italy Milan | 100%
Netherlands Amsterdam | 100%
Romania Bucharest | 100%
Saudi Arabia Riyadh | 100%
Spain Barcelona | 100%
Sweden Malmo | 100%
Switzerland Zurich | 100%
Turkey Istanbul | 100%
United Kingdom London | 100%

adesso as a service GmbH Dortmund | 100%

adesso business consulting AG Hameln | 100%

adesso ventures GmbH Berlin | 100%

alleato assekuranz-makler GmbH Dortmund | 90%

KIWI Consulting EDV-Beratung GmbH Walldorf | 100%

percision services GmbH Dortmund | 100%

WEPEX GmbH Frankfurt a. M. | 51%

IT-Solutions

Afida GmbH Dortmund | 82%

adesso banking solutions GmbH Frankfurt a. M. | 50%

adesso benefit solutions GmbH Dortmund | 80%

adesso health solutions GmbH Neumünster | 90%

adesso insurance solutions GmbH Dortmund | 100%

adesso manufacturing industry solutions GmbH Dortmund | 100%

adesso mobile solutions GmbH Dortmund | 100%

material.one AG Augsburg | 53%

Reachbird Solutions GmbH Munich | 100%

Building Europe’s Digital Future

We aspire to be the company that uniquely brings together business, people, and technology like no other. Our expertise will form the foundation for Europe’s digital transformation.

We stand for digital excellence, offering services and products that enable our customers to grow reliably and successfully. Our ambition is to deliver technologically leading solutions that meet all requirements and provide our customers with long-term competitive advantages. Their success is the measure of our own.

Despite our passion for technology, we place people's needs and goals at the heart of everything we do. We design systems and applications that serve and empower people.

A smart Journey – adesso SmartShore

With 14% sales growth in 2024, adesso continues to expand. Customers are pursuing digitalisation initiatives, not only in German-speaking countries, but also internationally. The market for IT services is growing globally. With over 10,300 employees in the Group, adesso is increasingly competing with global players in information technology for large-volume projects. The internationalisation of adesso, and in particular the integration and further expansion of our SmartShore potential, is also of great importance in order to be able to continue servicing our internationally positioned customers.

The strategic positioning of our sites that we have built up in recent years and the addition of specialists from India are laying the foundations for further global growth and an even more efficient response to the demand for digitalisation. In the 2024 Annual Report,we will therefore take you on a **‘Smart Journey’** to give you an overview of our current positioning. We inform you about the major opportunities and next steps toward implementing a global delivery model. At the same time, we also want to utilise earnings potential that will benefit our shareholders in particular. Read more from page 18 onwards.

Content

Remuneration Report
In accordance with Section 162 of the German Stock Corporation Act, we published the Remuneration Report for fiscal year 2024 as a separate report. The publication can be accessed at www.adesso-group.de/corporate-governance/ or, from the date the Annual General Meeting is convened, at www.adesso-group.de/hv/.

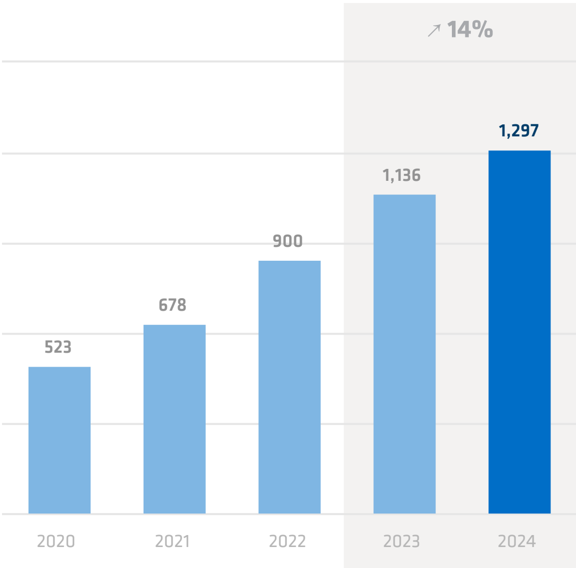
Key Figures

in EUR k	2024	2023	Change	in %
Profit situation				
Sales revenues	1,296,992	1,135,903	161,089	14
domestic	1,073,047	930,561	142,486	15
foreign	223,945	205,342	18,603	9
EBITDA	98,346	80,030	18,316	23
EBITDA margin (in %)	7.6	7.0	0.5	8
Consolidated earnings	10,202	3,410	6,792	199
Balance sheet				
Balance sheet total	802,856	785,985	16,871	2
Equity	193,909	207,777	-13,868	-7
Equity ratio (in %)	24.2	26.4	-2.3	-9
Liquid assets	89,682	100,772	-11,090	-11
Net cash position	-46,556	-48,369	1,813	-4
Employees				
Employees (FTE)	10,320	9,512	808	8
domestic	8,312	7,759	553	7
foreign	2,008	1,753	255	15
Gross profit/Employees	111	109	2	2
Share				
Number	6,522,272	6,520,272	2,000	-
Price at the end of the period (in EUR)	88.00	107.40	-19.40	-18
Market capitalisation at the end of the period (in EUR m)	574.0	700.3	-126.3	-18
Earnings per share (in EUR)	1.25	0.49	0.76	155
Dividend per share (in EUR)*	0.75	0.70	0.05	7
P/E ratio	70	219	-149	-68

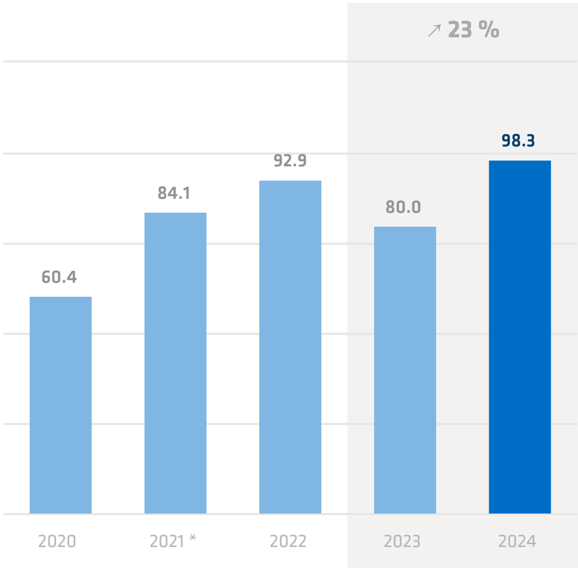
* Subject to the approval of the Annual General Meeting in the year under review.

ISIN DE000A0Z23Q5 | WKN A0Z23Q | ADN1

Growth in Sales
in EUR m

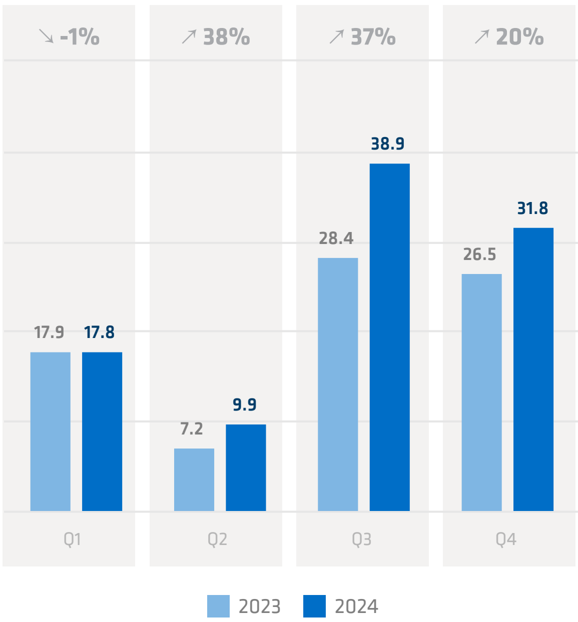


EBITDA Development
in EUR m

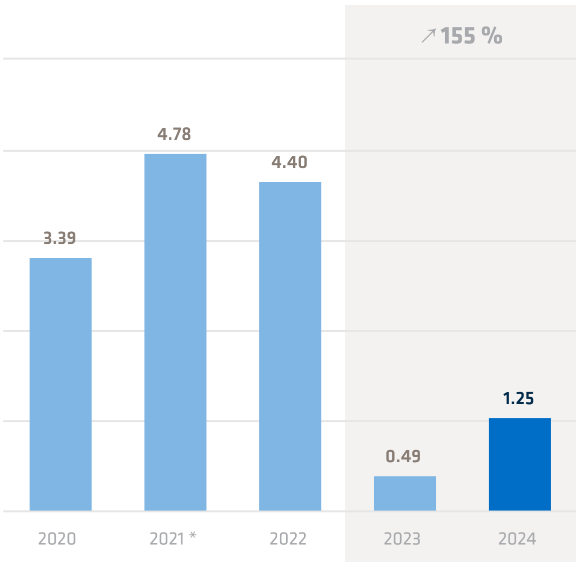


* without one-off effect (reported: 102.0)

EBITDA Development (per Quarter)
in EUR m



Earnings per Share
in EUR



* without one-off effect (reported: 7.59)

FOREWORD BY THE EXECUTIVE BOARD

Dear shareholders, employees and friends of the company,

The 2024 financial year was challenging. But in a difficult market environment, adesso was also able to grow sales revenues again by 14 % to EUR 1.3 billion. Growth was almost exclusively organic. This is remarkable in a second year of recession in the core market of Germany.

The earnings target of the guidance – which was adjusted at the half-year stage – was also achieved with EBITDA of EUR 98 million. Even though this is the highest level of EBITDA in the history of adesso in operational terms, the EBITDA margin of 7.6 % (previous year: 7.0 %) is still below our expectations and our own standards. In the medium term, adesso is maintaining its EBITDA margin target of 11 to 13 %.

However, profitability increased slightly compared to the previous year owing to the disproportionately high growth in results. EPS also increased disproportionately to EUR 1.25 per share (previous year: EUR 0.49 per share), with most of the profit being realised in the second half of the year. The first half of 2024 was characterised by historically low capacity utilisation in the core IT Services segment. In addition, there were ongoing expenses in the IT Solutions segment with licence revenue being too low to compensate. It was not until the second half of the year that capacity utilisation increased significantly and the first licence revenues were generated.

One key measure to increase capacity utilisation was to reduce the number of new hires. However, this also resulted in employee growth of only 8 %. The number of employees rose from around 9,500 full-time equivalents in the previous year to over 10,300 as at the 2024 reporting date. At approximately 8 %, the staff turnover rate remained well below the industry average (15 % to 20 %).

On the other hand, the further improvement in net working capital – which was reduced by a further EUR 13 million – is positive. Net working capital in relation to sales revenues totalled only 12.6 % as at the reporting date. The return on net working capital totalled 18.9 % at the end of the year (previous year: 12.6 %). Net debt was also reduced slightly by just under EUR 2 million.

The slight improvement in profitability and the favourable development of net working capital also led to a significant increase in operating cash flow. In addition, investments in property, plant and equipment (CapEx) were reduced, which contributed to a significant improvement in free cash flow to over EUR 45 million (previous year: EUR 14 million).

Michael Knopp, Andreas Prenneis, Mark Lohweber, Kristina Gerwert, Benedikt Bonnmann, Jörg Schroeder (from left to right)

We consider the intrinsic value of the company to be significantly higher than the current market capitalisation. In October 2024, we therefore decided to launch a share repurchase programme for EUR 10 million. Shares were bought back for over EUR 8 million by the end of the year. Aside from this, we will remain true to our capital allocation strategy of distributing a small dividend and investing the rest of the profits in the further growth of the Group. The Executive Board has therefore decided, with the approval of the Supervisory Board, to propose a dividend increase to EUR 0.75 per share (previous year: EUR 0.70 per share). This would be the twelfth dividend increase in a row.

We see these developments as positive, although profitability must increase significantly to ensure continued business success. To this end, capacity utilisation is to be maintained at a good level, prices in the market increased, licence sales boosted and expenses in the IT Solutions segment reduced.

Nevertheless, the outlook for the 2025 financial year is not as positive. In economic terms, a third year of recession is expected in Germany and Europe. This also has a negative impact on our customers' willingness to invest. We therefore anticipate moderate sales revenues growth of EUR 1.35 billion to EUR 1.45 billion and profitability to continue to improve slightly. For this reason, we expect EBITDA of EUR 105 million to EUR 125 million.

We would like to express our heartfelt thanks to all of our stakeholders, customers, employees and partners, without whom our success story would not be possible. We remain committed to our Equity Story of generating sustainable, profitable growth. Our thanks go out to you, our shareholders, for your continued trust and loyalty.

Dortmund, March 2025

The Executive Board

Mark Lohweber	Benedikt Bonnmann	Kristina Gerwert
Michael Knopp	Andreas Prenneis	Jörg Schroeder

REPORT BY THE SUPERVISORY BOARD

Prof. Dr. Volker Gruhn

ADVISING AND MONITORING OF MANAGEMENT

The Supervisory Board completed the tasks entrusted to it in financial year 2024 with the greatest of care and in accordance with the law and the Articles of Association. It continuously monitored the Executive Board's activities and provided assistance and advice in all important decisions related to the management of the company. In compliance with its duty to provide information in a timely and comprehensive manner, the Executive Board informed the Supervisory Board regularly, in written and oral form, about the situation and the course of business development at the company and its key subsidiaries, and about incidents and measures that were relevant for the company. The Supervisory Board received documents about the asset, financial and earnings situation for this purpose on a quarterly basis. Additionally, it received detailed information from the Executive Board about relevant business transactions.

The Supervisory Board is thoroughly convinced that the operating and financial risks are hedged through organisational and internal approval processes. A sound reporting system and an internal control system exist for the company and the Group, both of which are subject to continued further development. The Supervisory Board was informed at regular intervals about the development of particularly relevant projects and the development of the Group companies.

The members of the Supervisory Board had sufficient opportunity at all times to critically examine the reports and proposals presented by the Executive Board and contribute their own suggestions. In particular, the Supervisory Board discussed in depth all business transactions that were of significance for the company on the basis of written and oral reports by the Executive Board. The Supervisory Board issued its consent to individual business transactions to the extent required by the law, the Articles of Association or the rules of procedure.

The Chairman of the Supervisory Board also met with the members of the Executive Board on a regular basis between meetings. There was a close and regular exchange of information and ideas, and issues regarding the company's strategy, business development, risk situation, risk management and compliance were discussed, ensuring that the Chairman of the Supervisory Board was informed about key developments.

SUPERVISORY BOARD MEETINGS

In financial year 2024, one extraordinary Supervisory Board meeting was held virtually and four regular Supervisory Board meetings were held in person. As described in detail below, some members took part in individual meetings via video conference. All members of the Supervisory Board attended all meetings. The attendance rate at meetings of the Supervisory Board and for the relevant members at committee meetings was 100% for each member. The Supervisory Board consisted of six members throughout 2024.

An essential component of the regular meetings were the Executive Board's reports on the current asset, financial and earnings situation within the context of the business development of the company and its subsidiaries; strategy; risk management and controlling; and personnel development and policies. The members of the Supervisory Board also discussed important individual business transactions and projects. In addition, individual current topics were discussed in regular meetings between the members of the Executive Board and the Chairperson of the Supervisory Board. The Supervisory Board was informed of events of extraordinary significance for the situation and development of the adesso Group without delay. Transactions that required the approval of the Supervisory Board were always discussed before they took place and in good time.

FROM THE MEETINGS

As in previous years, the March meeting focused on the financial statements of the individual companies, the Group and their development. The members met in person.

Benedikt Bonnmann started proceedings by introducing himself as the new designated member of the Executive Board as of 1 April 2024.

The CFO discussed the adesso Group's modified strategic goals and reported on the ongoing audit for the 2019 to 2021 financial years. The CFO then presented the Consolidated Financial Statements and discussed various aspects of development over time, certain items on the Statement of Financial Position, the Statement of Profit or Loss, liquidity and the Statement of Cash Flows. Sales development for key customers and industries, tax effects and the contributions of individual Group companies to the development of results were discussed at the Group level. In addition, the present Risk Report was explained, which goes into financial performance in more detail, but also still rated risk coverage as sufficient in the overall assessment.

As part of its non-financial reporting, the Executive Board reported on environmental, employee and social aspects, the protection of human rights and fighting corruption and bribery. The report presented was prepared in accordance with the German Sustainability Code (DNK) and reviewed by the Supervisory Board. The Supervisory Board determined that a non-financial report had been submitted and that the legally required aspects had been adequately covered; it approved the report for publication.

The Supervisory Board acknowledged and adopted the audit reports by the auditor on the Annual and Consolidated Financial Statements of adesso SE as at 31 December 2023, together with the Consolidated Management Report – which was combined with the company's Management Report – and adopted the Annual Financial Statements and Consolidated Financial Statements for financial year of 2023. The Annual Financial Statements were thereby approved.

The Executive Board proposed a dividend of EUR 0.70 per share for the financial year of 2023, corresponding to a dividend payment of EUR 4,564,190.40. The Supervisory Board agreed with the proposal.

The report by the Supervisory Board for the 2023 financial year was adopted, and the agenda for the 2024 Annual General Meeting resolved. The participants discussed and determined that the Annual General Meeting would be scheduled to be held in person in the financial year of 2024.

The CFO then presented the individual plans of the Group entities and the resulting capital market guidance for the adesso Group. Due to the expected seasonality of net working capital, net debt-to-equity ratio was expected to be slightly above twice EBITDA. After presenting the monthly figures for January 2024, the CFO discussed that the internal monthly reporting had been converted to IFRS. Although EBIT in January was significantly higher than in the previous year, the result fell short of the company's own targets.

In the area of corporate governance, the Supervisory Board approved the competency profile and the rules of procedure for the Supervisory Board, which were extended to include an age limit. In addition, an updated corporate governance declaration including a Corporate Governance Report was submitted. The Executive Board and Supervisory Board adopted these as well as the planning for 2024.

At the meeting on 13 June 2024, the CFO presented the key figures of the Q1/2024 quarterly statement to the Supervisory Board. The chair of the Executive Board and the chief financial officer reported a necessary management realignment and a reorganisation of adesso insurance solutions GmbH to the Supervisory Board. The HR director also discussed the initiative to think and act economically. In addition to existing training programmes for managers, further training courses will be scheduled.

At the Supervisory Board meeting in September, the chair of the Executive Board first presented the financial performance development of adesso SE and the programme implemented in order to improve it. Due to a challenging economic backdrop, changes in employees' working behaviour and delays on the customer side, SE's financial performance has declined. The Supervisory Board discussed countermeasures with the members of the Executive Board.

In October, there was an extraordinary Supervisory Board meeting with exclusively virtual participation. The share repurchase programme was discussed and resolved at this meeting.

At the December meeting, which Michael Zorc attended via video conference, Benedikt Bonnmann reported on the introduction of a further package of measures to increase financial performance. As part of the internal management system, additional key figures will be introduced to measure financial performance. The CEO then explained the planned 'offshore push' with adesso India. The CFO discussed the adesso Group's results after the first nine months of the 2024 financial year. EBITDA increased disproportionately to sales growth. Improvements were also achieved within the Statement of Financial Position, particularly with working capital.

The participants also addressed the current corporate governance situation, which was a further item on the agenda. An updated statement of compliance with the German Corporate Governance Code was adopted, as a previous deviations no longer applied. The Supervisory Board also decided on the details and implementation of a new stock option plan and the maximum number of stock options to be allocated to the company's Executive Board in 2025. The CFO also reported on the conclusion of the audit.

All meetings involved the CFO explaining the business situation and the consolidated financial statements for the respective quarter, providing information on the current capital market outlook and giving updates on investor relations. The CFO also reported on the completion of the audit in November 2024.

COMMITTEES

The Audit Committee of adesso SE met quarterly during the reporting year 2024. In addition, there was an extraordinary meeting of the Audit Committee of adesso SE on 21 May 2024, which focused exclusively on the business situation of adesso insurance solutions GmbH.

EXECUTIVE BOARD

The Supervisory Board of adesso SE appointed Benedikt Bonnmann to the Executive Board of adesso SE with effect from 1 April 2024. His contract was initially concluded until 31 March 2028. He succeeds Torsten Wegener as a member of the Executive Board, whose Executive Board contract expired on 31 March 2024. Torsten Wegener will continue to support the adesso Group in an advisory capacity.

The Supervisory Board would like to take this opportunity to thank Torsten Wegener once again for his valuable work and commitment during his time on the Executive Board. His leadership and expertise have significantly shaped the company. We wish him all the best for the future.

2024 ANNUAL REPORT

BDO AG Wirtschaftsprüfungsgesellschaft, Dortmund, the auditor elected by the Annual Shareholders' Meeting, has audited the annual financial statements and the consolidated management report of adesso SE and the Group for financial year 2024 and has issued an unqualified audit opinion.

As the responsible auditor from BDO AG Wirtschaftsprüfungsgesellschaft, Andreas Dirks explained the key findings of the audit and was available to answer questions from the Supervisory Board. He informed the Supervisory Board about the services performed by the auditing company in addition to the audit. In addition, the auditor has formally audited the remuneration report, found the content to be complete and also prepared a report on it.

The Supervisory Board examined in detail the annual and consolidated financial statements along with the combined management report of adesso SE and the Group as at 31 December 2024 along with the proposal by the Executive Board concerning the appropriation of profits. As part of its examination, the Supervisory Board also reviewed the content of the separate consolidated non-financial report submitted by the Executive Board for adesso SE as required by Section 171 AktG and the Group as required by Sections 289b and 315b HGB. This report was prepared based on the European Sustainability Reporting Standards (ESRS). The Supervisory Board decided that reporting of the non-financial information was legitimate, correct and appropriate.

The Supervisory Board has acknowledged the reports on the audit of the financial statements and has taken into account the Audit Committee's assessment of the quality of the audit. The Supervisory Board has agreed with the findings of the audit of the annual financial statements and the consolidated management report of adesso SE and the Group by the auditor and has approved the annual financial statements and consolidated financial statements for financial year 2024.

The annual financial statements have, therefore, been approved (Section 172 of the German Stock Corporation Act (AktG).

The Supervisory Board concurs with the Executive Board's proposed appropriation of profits.

ACKNOWLEDGEMENTS

On behalf of the Supervisory Board, I would like to sincerely thank all employees, the members of the Executive Board and everyone else involved for their dedicated work and commitment. Your support is of great importance for the success of the company.

Dortmund, 20 March 2025

On behalf of the Supervisory Board

Prof. Dr. Volker Gruhn, Chairperson

Presence of Supervisory Board members in Supervisory Board and committee meetings of adesso SE in 2024

Supervisory Board members	Supervisory Board Meeting attendance	Participation rate of the Supervisory Board	Audit Committee Meeting attendance	Nomination Committee Meeting Attendance
Prof. Dr. Volker Gruhn	5/5	100%		0/0
Stefanie Kemp	5/5	100%		
Hermann Kögler	5/5	100%	5/5	
Rainer Rudolf	5/5	100%	5/5	0/0
Dr. Friedrich Wöbking	5/5	100%		
Michael Zorc	5/5	100%		

HIGHLIGHTS 2024

JANUARY

Artificial Intelligence: adesso and Aleph Alpha Intensify Collaboration

adesso and Aleph Alpha are deepening their collaboration to support German businesses and governments in the use of generative AI. To this end, adesso is further expanding its team with specialized expertise in the AI language model Luminous, supported by over 100 AI specialists from various business areas. adesso is currently implementing 10 Luminous-based projects. The collaboration offers companies and government agencies a secure, data protection-compliant solution for integrating AI into their processes. This strengthened partnership enables AI to be implemented more quickly and effectively in practice.

FEBRUARY

adesso expands smart shoring capacities in Turkey

adesso is acquiring the Turkish SAP consulting firm arteno, thereby expanding its smart shoring capacities and its SAP portfolio in Turkey. The acquisition is intended to drive international expansion, particularly in the area of S/4HANA transformations. arteno brings extensive experience in SAP solutions for financial management and development, while adesso offers its employees access to international markets and resources. The merger strengthens adesso's position in the international market and is intended to further expand its business in Turkey.

APRIL

adesso opens office in the Gulf region

adesso is opening a new subsidiary, adesso Arabia Ltd., in Riyadh, Saudi Arabia, to serve customers in the Gulf region. Starting with the successful award of a project with a Bahraini bank, the new branch will support adesso's international growth in a booming market. The new branch will initially focus on the banking and insurance sectors, developing customized software solutions and implementing implementation projects. The MENA region, particularly Saudi Arabia, offers great potential for adesso due to its economic diversification and digitalization efforts.

MAY

adesso and IONOS partner for GDPR-compliant cloud offering

Through a joint partnership, adesso and IONOS will offer GDPR-compliant cloud services to companies in Germany, Austria, and Switzerland. Customers will gain access to IONOS' cloud infrastructure, which is IT-Grundschutz certified and C5-tested. adesso will provide comprehensive consulting and migration projects, while IONOS can draw on adesso's expertise in software development and cloud migration. The partnership offers a local, secure cloud alternative, especially for customers in the public sector and data-sensitive industries.

JUNE

Schwarz Digits and adesso enter into partnership

Schwarz Digits and adesso have entered into a strategic partnership to develop superior German IT solutions, particularly in the areas of artificial intelligence, cloud, and cybersecurity. Together, they aim to create a high-performance cloud infrastructure and customized AI solutions for companies with high security and compliance requirements, such as those in the public sector. A new location at the Innovation Park Artificial Intelligence in Heilbronn is intended to further strengthen the collaboration.

JULY

Cloud Migration at Thuringian State Lottery

The Thuringian State Lottery, together with adesso, is implementing a new ERP system based on Microsoft Dynamics 365 Business Central to standardize its work processes and increase efficiency. The project is scheduled to run for several years, during which adesso will be primarily responsible for implementation and further development. The goal is to drive future-proof digitalization through innovative cloud technology and integrated processes. adesso will contribute its many years of expertise in the lottery sector and in Microsoft ERP projects.

SEPTEMBER

adesso recognized as "Best in Class" in the PAC INNOVATION RADAR for AI-related services in Germany

adesso was recognized as a leading provider of AI-related services in Germany in the current PAC INNOVATION RADAR, receiving the top rating of "Best in Class," particularly for its reference projects and expertise in generative AI. Furthermore, adesso was recognized for its comprehensive AI expertise and close collaboration with research institutions.

adesso and Tradegate AG establish new trading app

adesso and Tradegate AG have jointly launched the tradegate.direct trading app, which enables private investors to trade fee-free via the Tradegate Exchange. The platform offers a user-friendly app and web interface for trading over 10,000 securities and provides a secure system for account opening and settlement. The technology is based on modern microservices and cloud solutions to ensure scalability and real-time transaction processing. The service is designed to enable investors to build wealth cost-efficiently and adapt to growing transaction volumes using the platform.

OCTOBER

adesso announces: GenAI sales target for 2024 already achieved in August

In August, adesso achieved its revenue target for 2024 in the field of generative artificial intelligence (GenAI) and finalized over 100 projects. Through targeted investments and marketing measures such as the "Hi, GenAI!" campaign, adesso was able to acquire new customers. GenAI offers significant growth potential, successfully establishing adesso as a key player in this promising market.

LVM selects adesso as its digitalization partner

LVM Versicherung has selected adesso as its digitalization partner to build a new, unified data landscape. adesso is supporting the transformation of its existing data and analytics landscape to a Microsoft Azure cloud platform. The goal is to digitize processes and improve internal collaboration. The project encompasses several phases, beginning with the deployment of the platform and the introduction of new ways of working. This strengthens data-driven decision-making and paves the way for greater automation and the use of artificial intelligence.

NOVEMBER

Everything from a single source: adesso consolidates its managed services portfolio

adesso is consolidating its managed services portfolio to better support companies in digitizing and addressing the increasing complexity of their IT. The integrated offering includes application management, cloud platform management, IT service management, and consulting services for security and compliance. Of particular note is adesso's core competency in software development, through which it offers unique models such as "Use it like it's SaaS." We are pursuing a growth-oriented strategy to double revenue from managed services by 2026, as well as a technology-neutral approach with customized solutions for our customers.

DECEMBER

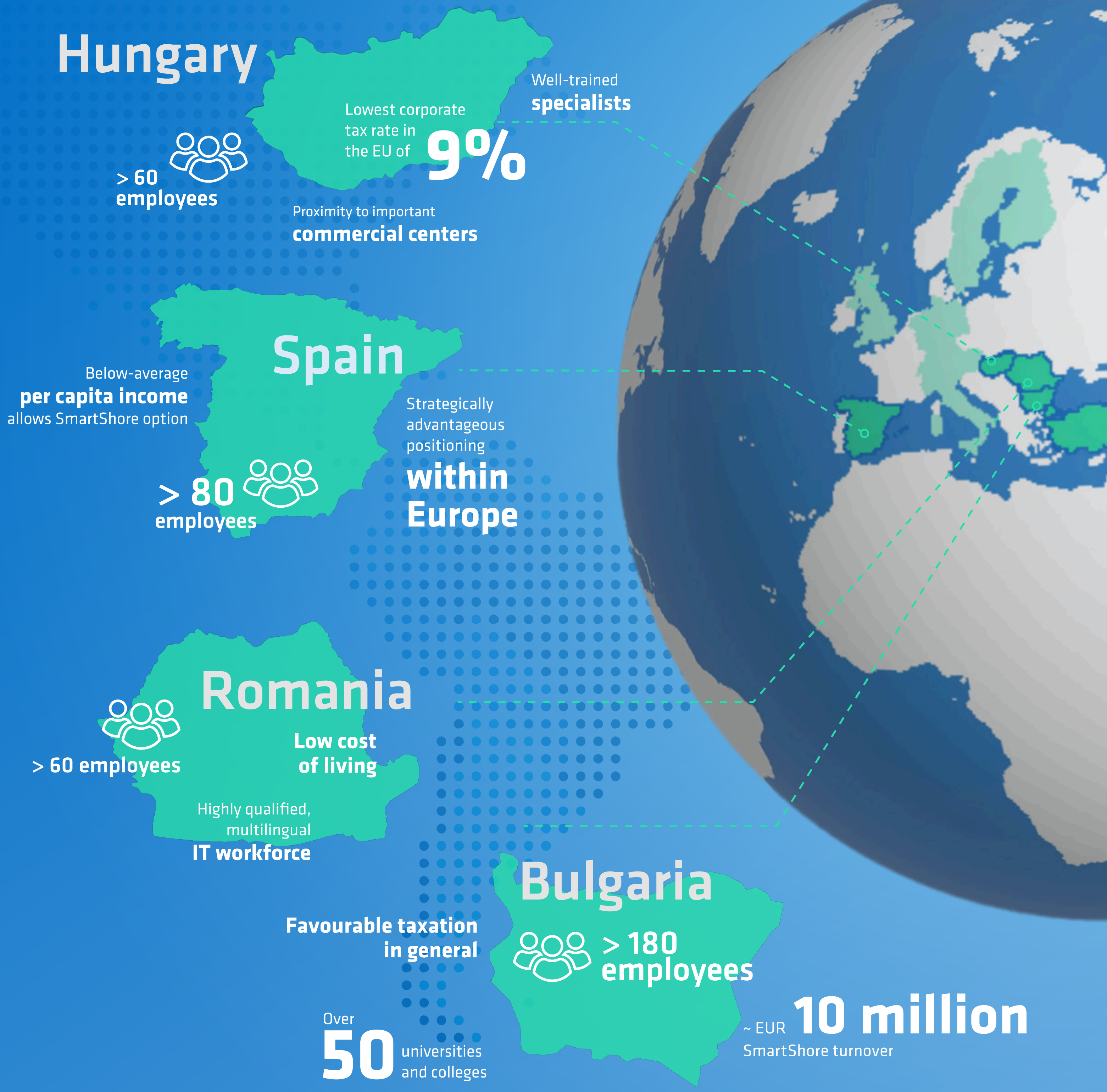
Provinzial relies on in|sure Ecosphere

The Provinzial Group relies on adesso's cloud-based insurance platform in|sure Ecosphere for its andsafe, S-Direkt, and ProTect brands. The unification of IT landscapes enables synergies, improved scalability, and cost reductions. The transformation to the SaaS model is scheduled to be completed by 2026 and will promote greater automation and entry into new business areas.

A smart Journey

Global provision based on local expertise

adesso's IT expert network is becoming increasingly international. Even though more than 80 % of sales are still generated in Germany, adesso has access to other interesting sales markets as well as important delivery capacities with more than 2,000 employees abroad. The adesso Global Delivery Model is taking shape. It will continue to expand, in particular through the further development of our six SmartShore countries. Each of these locations is unique and offers individual advantages, which we want to capitalise on for the benefit of our customers. Join us on our journey and find out more about our SmartShore strategy!



MORE THAN
60
locations
in **16** countries

More than
11,000*
employees worldwide

Up to
2h time difference
(CET+2) for extended
service times

Turkey

~86
million inhabitants,
including more than
8 million students

Technology development zones
with tax exemptions and other
incentives for IT companies

> 620 employees
of which around 50% contribute
to SmartShore

Up to **4.5h time difference**
(CET+4.5) for extended
service times

India

Seventh largest country in the world
approx. 3,287,260 km^2

OFFICIAL LANGUAGES
Hindi
and
English

AI
Above-average AI
penetration in everyday
working life

1.45
billion inhabitants,
of which over 41 million students
of which over 1.3 million study
IT-related subjects

> 130 employees

* corresponds to more than 10,300 full-time equivalents (FTE)

A smart Journey

adesso SmartShore – from Dortmund via Istanbul to the whole world

The digital transformation continues to be omnipresent. For 2025 alone, the renowned market research company Gartner is forecasting growth in global IT expenditure of 9.8 %. Software and IT services will account for more than half of the USD 5.6 trillion market. At the same time, the shortage of skilled labour in the IT sector remains a limiting and defining issue. So, those intending to benefit from the opportunities offered by the growing market need to be able to supply highly qualified specialists at all times to fulfil the diverse tasks set by customers. IT services are in high demand among global companies in particular which put large-volume projects out to tender.

With over 10,300 employees and annual revenue of around EUR 1.30 billion in 2024, adesso is one of Germany's leading IT service providers and is increasingly competing for projects with multinational industry giants such as Accenture, Infosys, Capgemini oder IBM. Despite the shortage of skilled labour, the daily rates offered continue to play a major role in the selection of providers – depending on the task – in particular as customers are often under cost pressures. For some tenders, an offer would be uneconomical simply because it would not be possible to cover costs due to higher personnel and non-wage labour costs in Central Europe.

+9.8%

growth of worldwide
IT spendings in 2025 alone

Making use of growth and margin potential

~ 50 %

of over 600 employees in Turkey work in SmartShore Projects.

The control centre for the SmartShore business is centrally located in the metropolis of Istanbul

To counter these market developments, adesso began investing in a SmartShore model many years ago. As an alternative to pure offshore work, which is often carried out by project teams in India or South America, adesso SmartShore coordinates international project teams, often working across several sites, which are usually connected to customer service via a German-speaking bridgehead. Depending on the client's requirements, blended rates, i.e. daily rates calculated on a mixed basis, can be offered to the client's advantage. While customers continue to work with their usual consultants, they coordinate the teams' tasks and also the delivery to the customers. This enables adesso to offer services for projects that previously would not have been profitable. In doing so, adesso is expanding its own value chain and tapping into additional growth potential. Shoring also offers margin potential for projects beyond this, whenever it makes sense to do so, and counters the shortage of skilled labour with additional international resources. Furthermore, the utilisation of employees can be organised more efficiently via distributed structures in the sense of a global delivery model. Firstly, it is easier to scale in terms of personnel requirements and secondly, the delivery of services is also more flexible thanks to an expansion of service times along international time zones and is extended to include round-the-clock availability (24/7). By further expanding this business model, adesso sees considerable potential for future growth and increased profitability.

Since 2022

Romania has been adesso's new delivery location .

EU software excellence from the Black Sea

In Bulgaria and Romania, the focus is on customised software development with a strong connection to the DACH region. The teams mainly work in an agile manner according to Scrum or SAFe (Scaled Agile Framework) and have established themselves particularly in the development of enterprise software for banks, the public sector and utility companies. The technical expertise here includes Java, .NET, cloud technologies and DevOps.

→ Our locations in Romania and Bulgaria

over 180

employees are deployed in Bulgaria as part of the SmartShore programme.

The strategic importance of cultural diversity

In addition to technological differences, cultural factors also play a significant role in the way development teams work.

In Spain, the working day often starts with a coffee together, which is seen as an important social exchange and strengthens the team dynamic. In India, after-work tea is a traditional break that is not only used for relaxation, but also as a platform for an informal exchange of knowledge. While in Germany there tends to be a separation between work and private life, in countries such as India or Spain social interaction and team cohesion outside of working hours are an important part of the corporate culture. This also has an impact on cooperation: In some regions, meetings are strictly structured, while in other countries there is a more flexible communication culture that leaves more room for spontaneous coordination.

The strategic importance of cultural diversity in SmartShore ensures that these cultural differences are utilised productively. Thanks to uniform quality standards, strong nearshore and offshore management and the targeted use of common tools and methods, our customers benefit from the optimum combination of efficiency, flexibility and technological expertise.

With the right structure, a common set of values and the targeted utilisation of cultural and technological strengths, SmartShore teams work efficiently, innovatively and prodctively – often even more successfully than teams that are exclusively established locally. Cultural diversity at SmartShore is not just an advantage, it is an essential part of the corporate strategy. This enables us to respond flexibly and efficiently to the complex requirements of our international customers.

Our **SmartShore model** has proven itself in practice

adesso can already draw on over 1,000 SmartShore experts, years of experience and a large number of successful references. The model has proven itself impressively. The adesso subsidiary in Turkey – which has been contributing to the adesso Group's business success since 2013 – has played a key role in this success story. A good half of the 620 employees in Turkey today address the local Turkish market and the other half are involved in SmartShore projects. Since 2018, the services have been offered as part of a separate adesso Global Delivery Model (aGDM), which is centrally controlled, managed and expanded from the head office in Istanbul.

SmartShore team already grew to more than

1,000

employees.

#4

of the EU in terms of GDP

Wine, horses, flamenco and… Salesforce!

In Spain, the provision of Salesforce solutions takes centre stage. The development teams specialise in supporting companies in the automotive, insurance, banking and utilities sectors in their digital transformation. Agile development is flexibly adapted to customer requirements, with collaborative platforms ensuring close coordination.

→ **Our locations in Spain**

Our locations in Turkey:
Istanbul, Izmir and Ankara

The experienced manager Burak Bari has always been responsible for the positive development of the subsidiary (also see the interview on page 30). Born in Turkey and fluent in German, he is now responsible for adesso's SmartShore business beyond Turkey's borders in addition to his role as Managing Director of the Turkish subsidiary. In addition to Turkey, this also includes resources at other international sites such as Bulgaria, Romania, Spain, Hungary and India, as well as the development of sales markets specifically suited to SmartShore. Following the success of the adesso SmartShore model in Turkey, the logical next step in 2018 was the addition of an adesso subsidiary in neighbouring Bulgaria. Meanwhile, over 180 employees are now working exclusively for SmartShore in Bulgaria – which is also a member of the EU, which is a prerequisite for some clients. Further EU capacities for SmartShore were added in 2018 in southern Spain and in 2022 with the newly founded adesso subsidiary in Romania. The Hungarian site, which was opened in 2019, is now also being expanded for SmartShore.

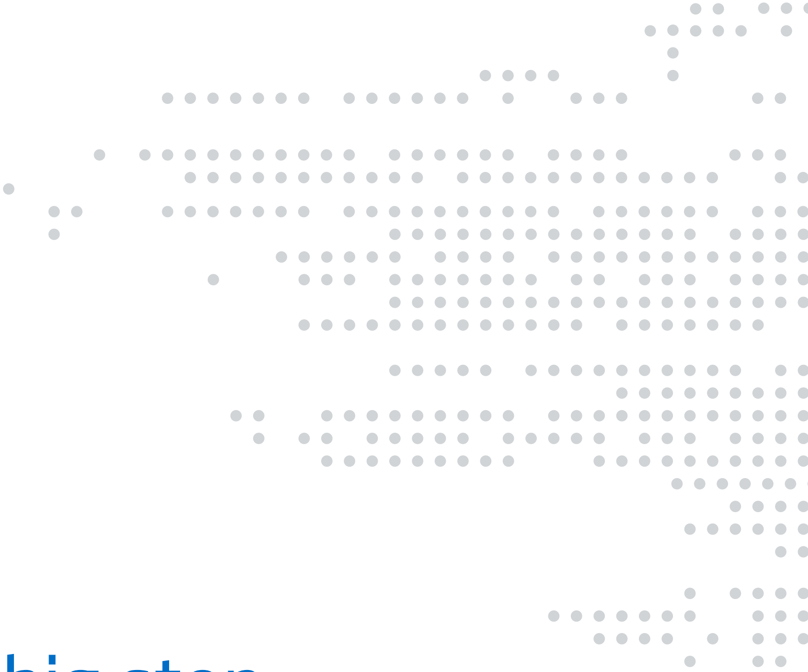
High flexibility in project staffing

With over 620 employees, Turkey is SmartShore's largest site and covers a wide range of technologies. In addition to customised software development, test automation, cloud solutions and enterprise software also play a central role here. The teams work with established agile methods such as Scrum and Kanban, whereby strongly process-orientated approaches are pursued in order to scale projects efficiently. The site is characterised by a high degree of flexibility in project staffing, which is particularly advantageous for major customers with changing resource requirements.

→ **Our locations in Turkey**

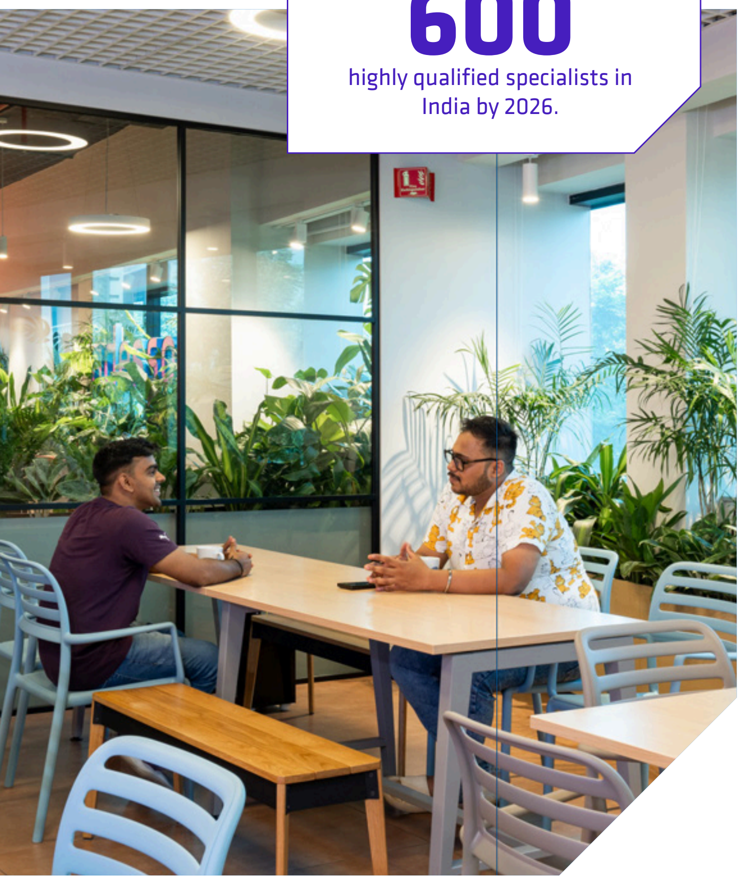
around EUR million 34

sales contribution of the subsidiary



India
as the next big step

Next goal:
600
highly qualified specialists in India by 2026.



Another milestone followed in 2023: Following the acquisition of an Indian software company in the south-west Indian state of Kerala, adesso opened its first delivery centre in India. Only a few months later, adesso expanded its presence in Thiruvananthapuram with an additional site, the current head office of adesso India in Kochi. The steps were prepared and closely accompanied by the current Managing Director Pramod Murali Dharan, who has been working on building up the region for adesso since 2022. Born in India, he has more than two decades of global experience in the IT industry and has worked in India, the U.S. and Europe. Another managing director in India is Shali Hassan from Kerala. Shali Hassan has also been a successful international IT manager for over twenty years. The further expansion of adesso India will significantly strengthen the adesso Group's global delivery capability and increase adesso's attractiveness as an international digitalisation partner. Since entering the Indian market, around 130 highly qualified specialists have already been recruited for adesso. The experience of integration into the SmartShore business has been positive, so adesso will extend the 'workbench' in India. By 2026, more than 600 employees from India will be working for adesso.

Our hub for offshore delivery

India offers exceptional scalability, perfectly matched to the requirements of our customers. The teams work in both classic and agile software development models and often combine hybrid approaches that are specially tailored to the needs of our major international customers. In addition to Java, .NET and cloud technologies, the development and maintenance of legacy systems such as mainframe and Cobol also play a decisive role.

Thanks to the time advantage, India enables almost continuous development coverage – ideal for projects that require a managed service around the clock. In addition, adesso India has extensive platform stack expertise in SAP, Salesforce, ServiceNow, Microsoft and other technologies. Complemented by our expertise in UI/UX design, testing and mobile development, we are able to deliver innovative and customised solutions at any time.

1.3 million

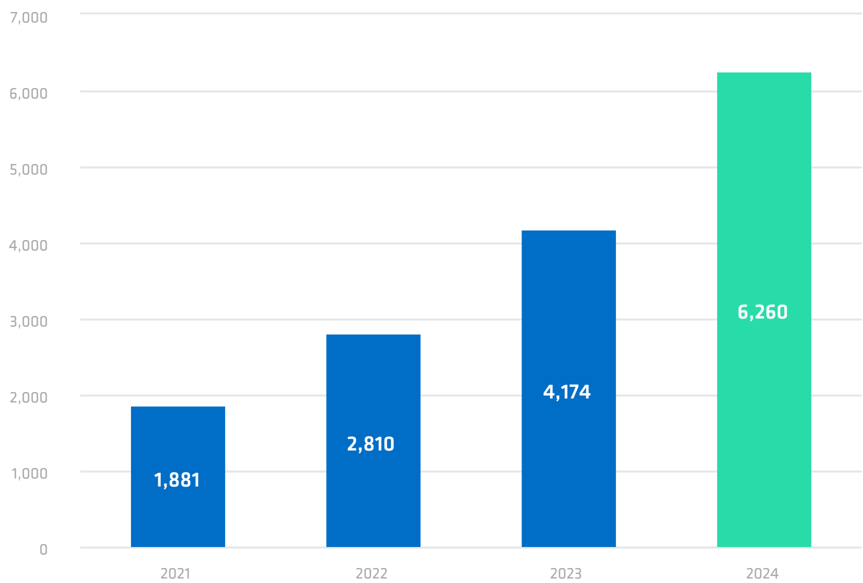
students have enrolled on a computer science degree programme in India in 2021/22.

This is not just about additional capacity, but above all about specialist expertise and performance to ensure efficiency, productivity, speed and quality in delivery (delivery excellence). Although ambitious, the goal is not unrealistic. The personnel market in India and in the other SmartShore countries tapped by adesso offers considerable potential for further scaling in line with the company's continued growth. According to the latest 2024 report published by the All India Survey on Higher Education, over 1.3 million students were already enrolled on a computer science degree programme in 2021/22. The numbers are likely to have increased significantly to date. By way of comparison, the Centre for Higher Education (CHE), based on data from the Federal Statistical Office of Germany, estimates that there will only be around 254 thousand students studying computer science in Germany in 2021/22. In addition, the integration of SmartShore development offers considerable cost advantages for customers and for adesso SE itself. Typically, companies can save over 40% of IT costs through offshore development. The prerequisite for this is consistent quality assurance throughout the entire process, from the recording of requirements through to delivery.

Not only in India will it be possible to observe how the demand for qualified software developers will develop through the use of large language models such as ChatGPT, Copilot, Aleph Alpha or DeepSeek. According to adesso's own studies, efficiency gains of around 15% can already be achieved through the use of AI tools. On the other hand, the demand for IT services will continue to increase in the coming years due to the possibilities offered by artificial intelligence. The excellent training at our SmartShore sites ensures that these challenges can also be met.

1 https://cdnbbsr.s3waas.gov.in/s392049debbe566ca5782a3045cf300a3c/uploads/2024/02/20240719952688509.pdf
2 https://hochschuldaten.che.de/informatik-mehr-studienabschlusse-und-mehr-weibliche-studierende-noetig/?utm_source=chatgpt.com

Invoiced person-months (SmartShore)



The strategic expansion of the SmartShore business has also been increasingly supported by adesso on the sales market side in recent years. In 2023, adesso opened new subsidiaries in the United Kingdom and recently in Saudi Arabia. Cooperation with offshore employees is established and commonplace at both sites. To summarise, adesso's SmartShore commitment can be described as a success story. There are currently more than 100 projects with SmartShore involvement. The increasing penetration in IT projects continues to harbour great potential. SmartShore's share of total sales is currently only over 2%, but is set to increase significantly. We are therefore looking forward to further developments.

more than
100
SmartShore projects ongoing

Not only popular with tourists. Budapest has established itself as a logistics and trade hub for Central Europe and is developing into a high-tech metropolis.

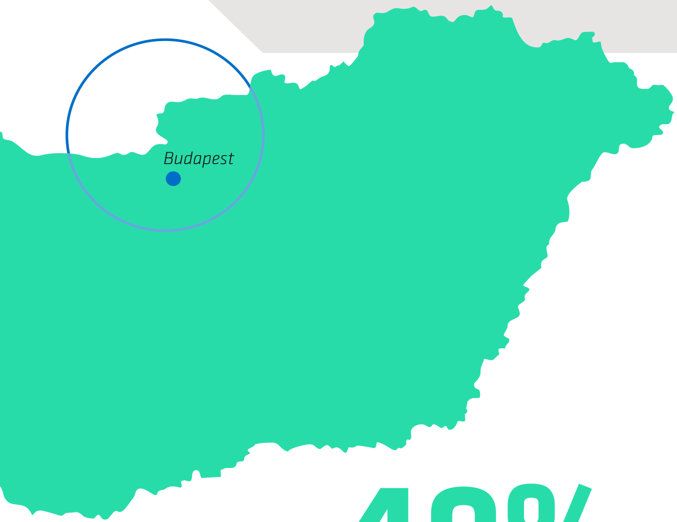
adesso Global Delivery Modell – Our recipe for success for efficient SmartShore projects

The adesso Global Delivery Model is based on the typical agile process models 'Scrum' and 'Kanban', supplemented by the knowledge and experience from our SmartShore projects. The model defines clear roles, deliverables and quality gates and ensures that a team spread across several sites can work together in an agile and high-performance manner.

In addition to the operational processes, the model also includes approaches for team building, team motivation and team collaboration, which play a decisive role in the success of a 'virtual project team' across national borders.

The model is continuously reviewed and further developed – based on our experience from various projects on the one hand and in line with current trends in the Software Development Life Cycle (SDLC) on the other.

We are currently working intensively on the concept of 'AI as a Scrum Team Member' in order to significantly increase productivity and quality with the help of GenAI. In practice, we either use the adesso Global Delivery Model in its entirety – especially when our customers are gaining initial experience with shoring – or we optimise the existing model of customer companies by integrating our proven blueprints.



About 40%

of Hungary's GDP is generated in Budapest: industrial, high-tech and logistics centre.

State-of-the-art software from one of the oldest countries in Europe

adesso Hungary has only recently been added to adesso's SmartShore setup. Specialising in the delivery of SAP solutions, the national company supports customers of adesso SE as well as the local market with customised solutions. In addition, a specialised area has been established in the non-SAP environment that focuses on cloud delivery and operations. This expansion strengthens the SmartShore model and enables customers to offer even more efficient and scalable solutions.

→ **Our locations in Hungary**

Burak Bari,
Managing Director of adesso in Turkey and Head of Global Business Line of adesso Group.

Opportunities

and further development of SmartShore in the adesso portfolio

Interview with Burak Bari, managing director of adesso in Turkey and head of Global Business Line of the adesso Group.

Why do we at adesso actually say SmartShore and not nearshore or offshore? Is there any difference at all?

SmartShore is adesso's service name for our shoring services. We combine both nearshore and offshore processes under this umbrella. The name SmartShore summarises our basic principle: We 'shore' each project individually and put together the optimal distributed team via our delivery sites. We deliberately avoid other terms as they imply boundaries and differences between the sites.

Please briefly explain the special features of the adesso model and why it is so attractive for customers.

Our experts at the customer's site have – without exception – extensive project management and specialist knowledge. They transfer the technical understanding of the project to the SmartShore teams. Depending on the complexity, particularly in technical terms, we make a conscious decision about the optimum distribution. Through the targeted use of the adesso Global Delivery Model, we ensure seamless team collaboration, consistent seniority and efficient project management at an operational level. For our customers, this means above all: successful delivery, significant savings potential and an optimised return on investment (ROI).

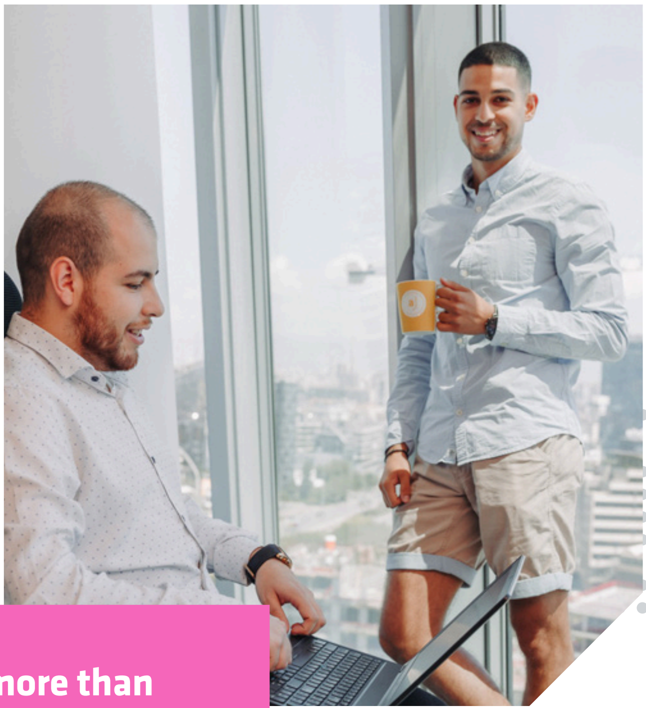
With approximately 1,000 employees, the division has grown considerably over the years, but is still manageable compared to the industry giants. Why do you think now is the right time to push the issue?

The increased demand is the result of a combination of several factors. Two primary reasons that we are observing, particularly in the DACH region, are the shortage of skilled labour in IT and the increasing focus on the profitability of investments. Added to this is the rapid pace of digitalisation, which has been given a further boost by the use of GenAI. In contrast, we can scale well at our delivery sites and retain highly qualified talent within our organisation in the long term. Significant savings can be achieved in projects with the right shoring approach. adesso SmartShore – with several hundred successfully completed projects and an established global delivery model – offers a reliable solution with a high guarantee of success.

Burak Bari was born in Turkey in 1978. After studying computer science at Istanbul Technical University, he worked as a software developer and architect in a project management role. Before joining the adesso Group in 2013, he worked for several years in Germany as a delivery manager for global projects at Capgemini. Under his leadership, the adesso subsidiary in Turkey was established as an IT services partner for the local market and a nearshore delivery concept was developed for the adesso Group in parallel. Bari is a proven expert on the Turkish and German IT landscape as well as key global markets. Bari speaks fluent German, English and Turkish.

Culture Code is elementary

The special adesso corporate culture is a key element at all locations, such as here in Bulgaria. With the lively 'Culture Code', adesso ensures a valuable foundation for daily interaction and cultural identity.



Typically more than

40%

IT cost savings when making use of SmartShore services.

There are numerous studies, some with differing results, on how much can actually be saved by shoring. Why is it not possible to be more precise and what savings does adesso achieve? What does this mean for adesso's customers and margins?

As already mentioned, we attach great importance to customising the distribution of capacities to each individual project across all sites. There is therefore no universal savings formula. The savings largely depend on the seniority levels required within the team. In principle, however, it can be said that nearshore services offer potential savings of up to 40% and offshore services up to 60% compared to the customer's onsite daily rates. By combining on-site capacities with SmartShore, we can usually realise savings of up to 40% across the entire project team. However, it is important to empha-sise that our primary goal is a consistently high-quality promise with successful project completion. Savings are more of a side effect of SmartShore. From adesso's perspective, SmartShore is one of the highest-margin business units. We want to achieve an EBITDA margin of 11-13% across the entire adesso Group in the medium term. Our SmartShore business will contribute to this.

Aren't there also major currency risks hidden in shoring? How does adesso minimise the risks?

Although currency risks exist, they are relatively easy to predict, particularly in the EU, and are therefore comparatively low. This is already taken into account in our offers and has proven to be a tried and tested measure across all delivery sites. In addition, price escalation clauses can be agreed in contracts that are based on financial KPIs. This ensures full transparency and allows us to control the process efficiently.

How do you assess the risk that the need for basic software development activities could decrease in a few years due to ChatGPT and the like? Does it even make sense for adesso to build up capacities in India?

GenAI is already a decisive lever for increasing efficiency in software development – be it through support in coding, quality assurance of deliverables, automated non-regression tests or CI/CD pipelines. This development will become even more important in the coming years. Hardly any role in an agile team can do without the use of GenAI to maximise productivity. This is also changing the skills profile of IT specialists. The ability to use GenAI in a targeted and effective manner – including prompt engineering – is becoming a central component of the skills required. Against this background, top talent becomes even more important: These specialists are characterised by the fact that they quickly familiarise themselves with new technologies, often out of their own curiosity, and actively drive innovation within the company. When recruiting, we therefore take care to bring the right talented team members on board to ensure sustainable growth.

"It is important to emphasise that our primary goal is a consistently high quality promise with successful project completion. Savings are more of a side effect."

The first large-scale offshore projects often failed due to cultural differences or communication problems. What is being done differently today, because you hardly ever read about negative developments?

If sub-teams are not sufficiently integrated and work packages are simply thrown out, negative developments are inevitable. Successful projects, on the other hand, are characterised by well-integrated teams in which mutual respect, support in challenging phases and a common, clearly defined goal take centre stage. The adesso Global Delivery Model was developed with precisely this objective in mind.

How do you assess the spillover effects of the established adesso corporate culture on the SmartShore sites? Can this be used to any advantage at all?

Definitely! adesso's corporate culture is a central component of the entire 'adessi experience' and characterises the employee lifecycle. Particularly in the context of SmartShore, we consistently apply our Culture Code to ensure a uniform cultural identity. Of course, the guidelines are adapted to the local conditions in the respective countries, but the basic values and guidelines of the adesso Group remain the same everywhere. To make cultural diversity tangible and promote a respectful, productive exchange within the teams, we offer culture workshops. These enable employees in distributed teams to develop a basic understanding of cultural differences and similarities across different countries. A strong, shared corporate culture not only strengthens the SmartShore sites, but also offers a clear competitive advantage for adesso.

Consolidated Management Report

GROUP PRINCIPLES

Business model

The adesso Group is a fast-growing IT group which has set its sights on becoming one of the leading consulting and technology groups for industry-specific business processes in Europe. To do this, the establishment of additional subsidiaries in Europe is being accelerated. With a high level of expertise in the areas it caters to, adesso operates at the interface between business processes and IT, implementing software projects at the highest technical level. Market penetration is increased by the development of software solutions created specifically for selected industries. In addition, the company's development is bolstered by an acquisition strategy designed to expand the technology portfolio, the product family and international expansion.

adesso SE[1] is listed among the largest companies in IT consulting and system integration in Germany and generates most of its sales revenue through consulting and software development in Germany. Sales abroad are generated mainly by adesso's foreign subsidiaries in Switzerland, Austria, Turkey and Italy.

adesso has two different segments: IT Services and IT Solutions. While the IT Services segment offers customised, project-oriented services in the areas of consulting and software development, the IT Solutions businesses market their own solutions as home-grown products or standard software products.

The IT Services and IT Solutions divisions work hand in hand on market penetration. Customers mainly include international corporate groups, major companies and important public administration bodies, for which adesso SE is one of the strategic IT partners.

Large-volume projects are also acquired in the face of competition from companies with an international focus. In each of the industries addressed by adesso, the objective is to acquire more than 50 % of the top 25 companies as customers.

[1] Unless otherwise stated, the information on "adesso SE" in this management report refers to the group (adesso Group). Only in the separate section "Supplementary management reporting to the annual financial statements of adesso SE" does the information only refer to the parent company.

Group structure

In addition to adesso SE, the largest operating unit and parent company, the adesso Group also included 46 subsidiaries, four associated companies and five joint ventures as at the reporting date. The parent company adesso SE is listed on the regulated market (Prime Standard segment) of the Frankfurt Stock Exchange as well as on all German stock exchanges (ISIN: DE000A0Z23Q5, WKN [national security identification number]: A0Z23Q).

adesso SE's largest location is in Dortmund, which is also the city where the company was founded and where its corporate headquarters are located. To stay close to its customers and keep travel times and costs as low as possible, adesso maintains more than 30 other offices in all of Germany's major economic regions. This broad local presence is also extremely important in terms of recruitment.

A European Employee Forum (EF) was established at adesso when it converted to become a European Company (SE) in November 2019. The EF consists of employees from the adesso Group and is elected by the employees. The EF meets regularly with the Executive Board and exchanges information on employee-related issues at the adesso Group.

At the end of 2024, the adesso Group employed 10,320 full-time equivalents (FTE) in Germany and other European countries (previous year: 9,512). Of these, 2,008 (previous year: 1,753) are FTEs employed abroad, and 8,312 (previous year: 7,759) are FTEs employed in Germany.

Targets and strategies

adesso's aim is the rapid expansion of the group into one of the leading IT consulting firms for industry-specific business processes in Europe. A further aim is the development of industry-specific products and solutions based on its employees' high level of expertise in the core industries addressed by adesso and its good market penetration.

In conjunction with the focused business model and the high margins aimed for, the growth achieved so far and planned for the future are expected to result in a sustainable increase in the value of the company.

adesso puts significant resources into strategic business development, the expansion of sales capacities, recruiting and marketing, including series of sales-related events. These investments, coupled with extensive industry and consulting expertise, generate growth figures which are well above the industry average.

adesso is a leading corporate group in the field of software development and invests more than average in the training and development of our workforce and in the ongoing development of the adesso model for the software development process.

The Executive Board is committed to a strategy of striving for the right balance of growth, solid finances and profitability. It should always be possible to operate from a position of financial strength while achieving an ongoing return on the capital invested by the shareholders through the payment of a dividend. Being able to increase the dividend on a regular basis is the stated aim.

Management system

As the holding company of the adesso Group, adesso SE defines the strategy and operational targets of all Group companies. It controls the legally independent Group companies by implementing a target system, carrying out an ongoing reporting process and occupying positions in the supervisory bodies and management teams.

Operational control is ensured by a reporting system which has been implemented uniformly across the Group. In the process, each Group company prepares full monthly financial statements based on national legal regulations. Key performance figures for reporting are sales, EBITDA, EBIT, the EBIT-margin, number and proportion of employees not fully utilised, number of employees and net liquidity. The most important performance indicators are subject to regular comparisons with forecast and actual data. The development of the key figures is analysed and compared with internal and external benchmarks. An updated rolling forecast is prepared per Group company for the entire year so that possible planning deviations can be identified in a timely manner. Fixed reporting channels and cycles have been defined, and there is also a fixed appointment schedule for management meetings. There are no fundamental differences between key performance indicators in the reporting systems for each segment.

In addition, the generation of cash flow and the companies' return on capital will be increasingly analysed from 2024 onwards. For the adesso Group, the key figures Free Cash Flow (FCF) or Free Cash Flow per share (FCFPS) and Return on net working capital (RONWC) are used.

Research and development

The bulk of the adesso Group's sales is attributable to IT services. Research costs in the IT Solutions segment are negligible in relation to Group expenses. A small research department at adesso SE coordinates ongoing research projects.

ECONOMIC REPORT

Macroeconomic conditions

As in the previous year, the German economy was characterised by inhibited growth in 2024. Growth was negative in the second and fourth quarter. This is also reflected in the development of the gross domestic product (GDP) for 2024 as a whole, which fell by a further -0.2 % after 2023 (-0.3 %). The macroeconomic situation was strongly influenced by the ongoing loss of purchasing power owing to the energy price crisis as well as increasing structural challenges, geopolitical fragmentation and declining competitiveness. Weak foreign trade and declining capital expenditure in machinery, equipment and buildings also slowed the economy. In contrast, GDP was supported by public and private consumption. In its outlook for the year of February 2024, the German government initially assumed economic growth of 0.2 %, but had to adjust this estimate several times in the current year, particularly owing to structural and economic factors such as weaker domestic and foreign demand.

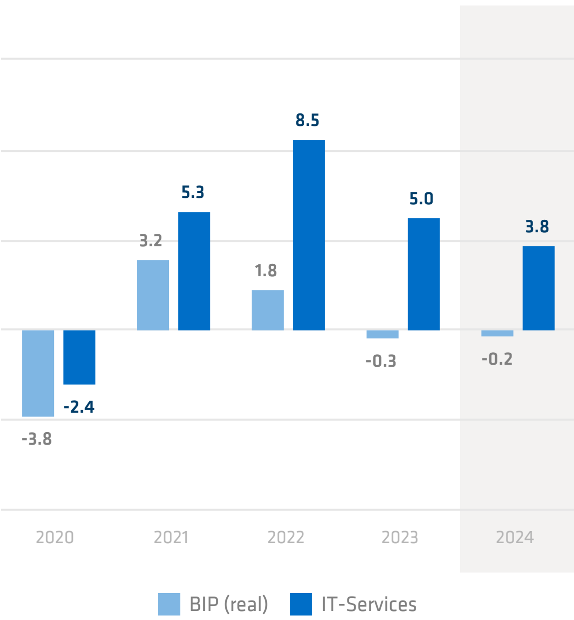
While the German government initially raised the growth in its outlook to 0.3 % in spring 2024 on the back of stabilising inflation rates, it subsequently revised it downwards to a contraction of -0.2 % in its autumn outlook on account of the ongoing geopolitical and monetary crises.

The situation on the German labour market remains tense. The economic downturn increasingly impacted the labour market over the course of the year, causing the unemployment rate to rise steadily. The expansion of the labour market was also less dynamic. The situation is not expected to improve until spring 2025, should the economy pick up again.

The Swiss State Secretariat for Economic Affairs (SECO) assumed subdued economic growth in its own projections and has since revised its own outlooks for June 2024 slightly downwards. While an increase in GDP of 1.2 % was still expected in June, in December 2024 the State Secretariat forecast growth of just 0.9 % for 2024. However, the revision can largely be explained by updated basic data for calculating the national accounts.

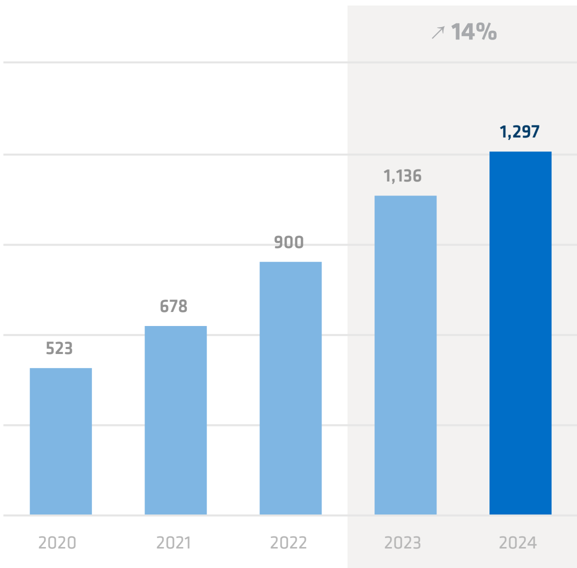
GDP and IT services growth rates (Germany)

in %



Growth in Sales

in EUR m



Below-average but gradually stabilising growth of 1.5 % is currently expected for 2025. The further economy trend will be largely dependent on dampening effects owing to the subdued development in other European countries and a relatively high valuation of the Swiss franc. In particular, the chemical and pharmaceutical industry and private consumption are providing domestic stimulus.

In December 2024, the Austrian Institute of Economic Research (WIFO) and the Austrian Institute for Advanced Studies (IHS) forecast that the economy would contract by 0.9 % in 2024 overall. This means that compared to the forecasts presented in adesso's half-year report in June 2023 (WIFO: 0.0 %; IHS: 0.3 %), expectations have deteriorated significantly for the year as a whole. A significant improvement of 0.6 % (WIFO) to 0.7 % (IHS) is expected for 2025.

The OECD recently forecast full-year growth of 3.5 % for the Turkish economy in 2024, largely confirming the outlook from June (+3.6 %). Economic momentum in Turkey is expected to slow to 2.6 % GDP growth in 2025, as the government is planning macroeconomic stabilisation measures that are likely to have a negative impact on domestic demand. According to OECD estimates, inflation will remain high at just under 60 % in 2024, slightly above the previous year's level (58.5 %).

The macroeconomic conditions in 2024 have deteriorated significantly in the economic areas relevant to adesso since the middle of the year and were even characterised by a decline in some cases. The macroeconomic conditions in the 2024 financial year must therefore once again be considered challenging.

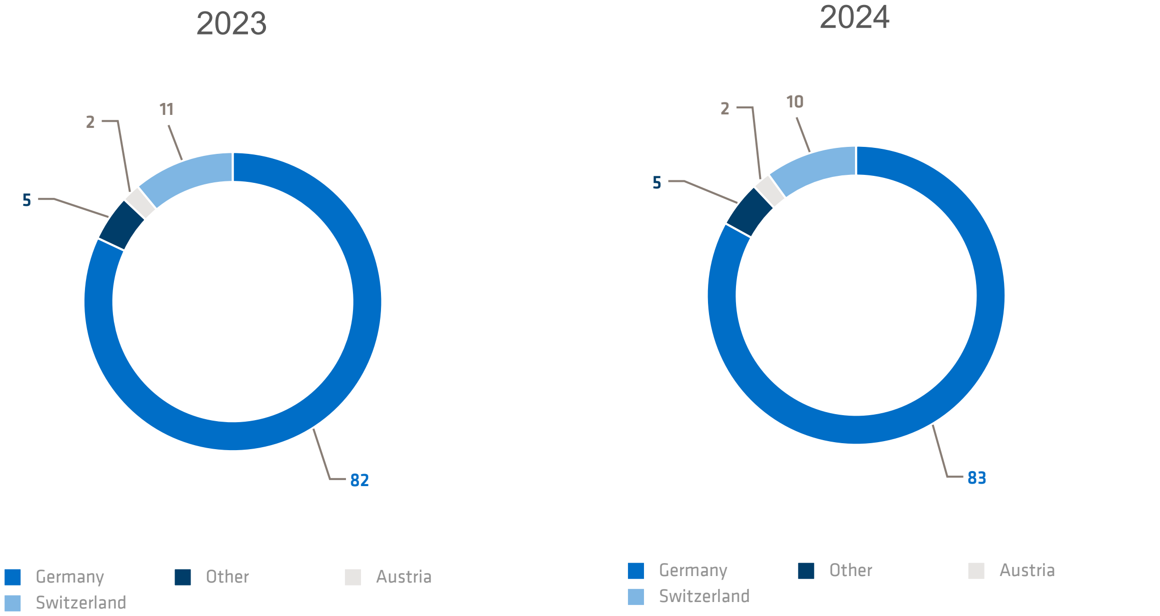
Industry-specific conditions

The German industry association Bitkom last published its market development outlook for the industry in December 2024 It now expects slightly lower growth in the German market for information technology of 3.3 % to EUR 222.6 billion in 2024 compared to the estimates at the end of the first half of the year. Compared to the previous year (2.4 %), growth was nevertheless higher. This was mainly due to growth increases in the IT hardware sector from -6.1 % in the previous year to 0.7 % in 2024. The Software sub-division reduced its growth from 12.1 % in the previous year to a still strong 9.5 % in 2024. adesso's most important segment, IT Services, also recorded a slight decline in the pace of growth from 5.0 % to 3.8 % in 2024. According to Bitkom estimates, the market volume of the software segment in 2024 will now be EUR 46.5 billion (EUR 42.5 billion) and the IT services segment – which is the most important segment for the adesso Group in terms of sales – will be EUR 51.2 billion (EUR 49.3 billion).

Although the industry-specific framework conditions deteriorated over the course of the year, they were still favourable for adesso's business development.

Sales by country

in %



Business performance

Strong growth in sales was again recorded in financial year 2024. Sales volumes increased by 14.2 % to a new record of EUR 1,297.0 million. 14.0 % of this growth (almost all of it) was organic. The operating result (EBITDA) increased at a faster rate than sales by 23 % to EUR 98.3 million (previous year: EUR 80.0 million). Despite continued high levels of capital expenditure in the product area, the EBITDA margin improved slightly to 7.6 % (previous year: 7.0 %).

This was mainly due to the significant reduction in the pace of workforce expansion compared to the previous year, which resulted into higher capacity utilisation. The third and fourth quarters in particular contributed to this development and were able to compensate for the weaker first half of the year.

Sales growth in the German market was 18 % and growth abroad was 9 %. Turkey, Austria and Italy were the main contributors. As in the previous year, 83 % of sales were generated in Germany.

Owing to the weak first half of the year, the outlook for the year for the operating result EBITDA was adjusted from the original EUR 110 to 130 million to EUR 80 to 110 million with the disclosure of the figures for the second quarter. The second half of 2024 will contribute EUR 70.7 million to earnings, significantly more than the first half of the year.

As anticipated, profitability improved in the second half of the year. However, this did not completely balance out the first half. At EUR 98.3 million, EBITDA is slightly above the middle of the adjusted target corridor.

adesso's business model continues to demonstrate its resilience to the risks arising out of geopolitical conflicts, the energy crisis and supply chain issues. Concomitant economic developments in the form of inflation and interest rate hikes are still having a moderate impact on adesso's business activities. Demand for adesso's IT services relating to the development of new software and consultancy on digitalisation projects and transformation processes remains high. In this regard, adesso's customer structure is also proving to be robust

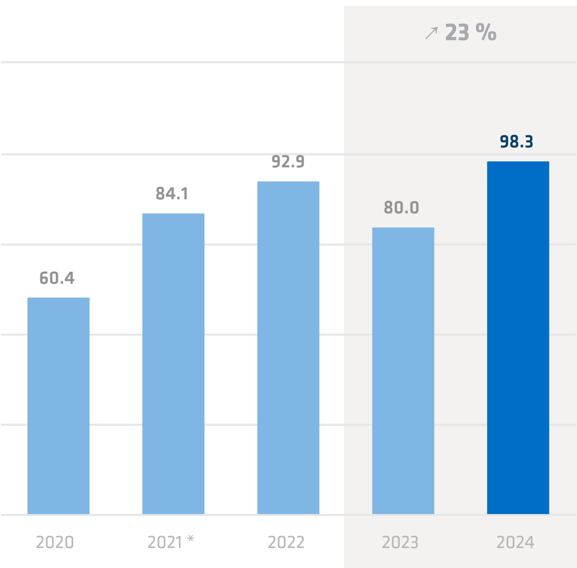
Overall statement on business performance by the management

Business performance in 2024 cannot be considered satisfactory. This is due in particular to the still weak financial performance. Although the countermeasures took effect in the second half of 2024, the original earnings target could no longer be achieved owing to the weak first half of the year.

Sales growth of 14 % to EUR 1,297.0 million – which was almost exclusively generated organically – is further evidence of the high demand for the services adesso provides in the European market.

EBITDA

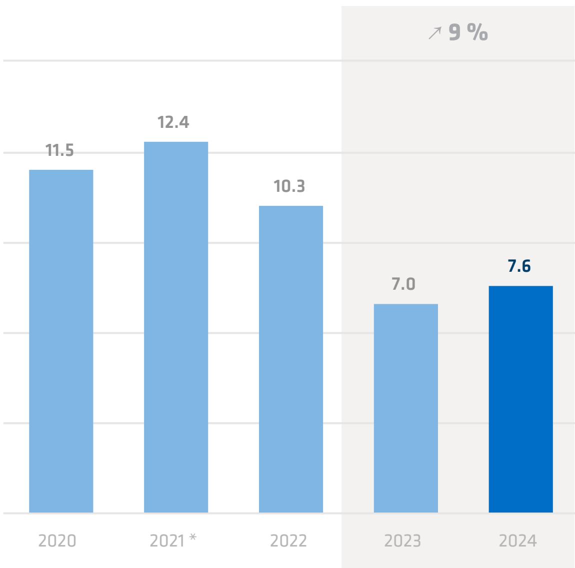
in EUR m



* without one-off effect (reported: 102.0)

EBITDA margin

in %



* without one-off effect (reported: 15.5)

Position

Earnings situation

Growth in sales

The adesso Group successfully increased its sales revenues by 14 % to EUR 1,297.0 million in financial year 2024. Growth was achieved almost entirely organically.

With market growth of 4.4 % weighted for the industry, as in previous years, adesso once again succeeded in outstripping the market in terms of organic growth in 2024.

Sales revenues of EUR 665.9 million were generated in the second half of 2024, which was significantly more than in the first half of the year (EUR 631.1 million). As a rule, the number of working days is higher in the second half of the year owing to how they are distributed throughout the year, meaning that 2024 essentially follows this trend. Overall, 2024 had one more working day than the previous year.

The IT Services segment was able to further expand sales (+14 %). Sales in the IT Solutions segment also increased on the previous year (+11 %). All established product companies, especially adesso insurance solutions and adesso mobile solutions, as well as IT solutions like influencer marketing and the sampling of components, which have not been part of the adesso portfolio for very long, recorded consistently positive growth rates.

In the IT Services segment, the most significant adesso Group subsidiary in terms of size, adesso SE in Germany, was able to significantly expand its sales by 18 %. The second-largest national subsidiary in Switzerland also grew by 8 %. Significant relative sales growth was also achieved at the foreign companies in Austria and Turkey.

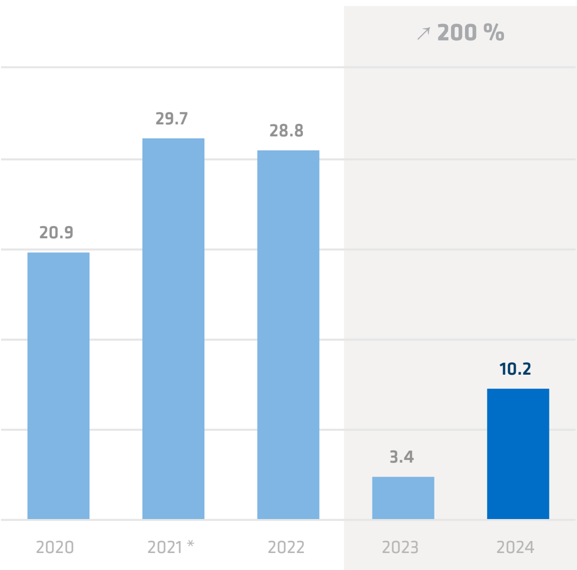
In addition to the two established core sectors of insurance and banks/financial service providers, which are important for adesso in terms of sales and recorded growth rates of 5 % and 6 % respectively, the public administration sector is the strongest in terms of sales, as in the previous year. It too recorded growth of 12 % on the previous year. The healthcare and utilities sectors showed the strongest growth at 44 % and 41 % respectively. In 2024, the public administration sector generated sales in excess of EUR 200 million for the first time, catching up with cross industries. The insurance and banking/ financial services sectors each generated sales in excess of EUR 150 million.

Earnings

In 2024, the operating result EBITDA increased from EUR 80.0 million in the previous year to EUR 98.3 million. This corresponds to a percentage increase of 23 %. After the previous year's result was also burdened by an inflation-related increase in personnel expenses with very strong workforce growth, measures such as more measured recruiting and price adjustments for customers have now taken effect with a corresponding time lag. Personnel expenses rose by 15 %, the same rate as sales (previous year: 32 %).

Consolidated earnings

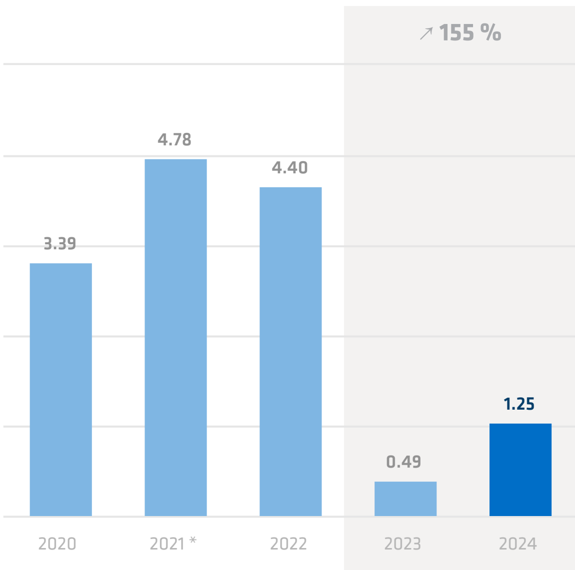
in EUR m



* without one-off effect (reported: 47.6)

Earnings per Share

in EUR



* without one-off effect (reported: 7.59)

Multi-period overview of earnings situation

(EUR k)	2024	2023	2022	2021	2020
Sales revenues	1,296,992	1,136	900,253	678,324	523,375
Other operating income	17,467	12	21,742	29,048	6,652
Changes in inventories	-	-	-	-	702
Own Work capitalised	5,580	4	1,167	27	173
OVERALL PERFORMANCE	**1,320,039**	**1,152**	**923,162**	**707,399**	**530,902**
Cost of materials	-185,343	-163	-134,425	-93,611	-62,622
Personnel costs	-888,934	-773	-587,089	-446,386	-350,069
Other operating expenses	-147,416	-136	-108,740	-65,417	-57,805
EBITDA	98,346	80	92,908	101,985	60,406
Deprecietion end amortisation	-67,503	-58	-44,759	-35,998	-26,179
EBIT	30,843	22	48,149	65,987	34,227
Income from financing and investment activities	-13,814	-10	-6,067	-2,757	-2,588
EBT	17,029	12	42,082	63,230	31,639
Income taxes	-6,827	-9	-13,289	-15,653	-10,692
CONSOLIDATED EARNINGS	**10,202**	**3**	**28,793**	**47,577**	**20,947**
Cross profit	1,111,649	973	765,828	584,713	460,753
Cross income margin in %	86	86	85	86	88
EBITDA-MARGE in %	**7.6**	**7.0**	**10.3**	**15.0**	**11.5**
Growth in Sales in %	14	26	33	30	16
Change in personnel costs in %	15	32	32	27	19
Change in other operating expenses in %	8	25	66	13	-12

Despite the expected recovery in results in the second half of the year, adesso's management no longer considered the operating result in the original outlook for the year to be realistically achievable after the second quarter. As a result, the original range of EUR 110 to 130 million was adjusted to EUR 80 to 110 million in August. With a year-end figure of EUR 98.3 million, this is slightly above the centre of the adjusted target corridor. At 7.6 %, the EBITDA margin is above the previous year's level.

With revenue growth of 14 %, the average number of employees (calculated full-time equivalents/FTE) increased disproportionately by 1,111 to 10,059 employees in 2024 owing to the more moderate recruiting dynamics during the year, at 12 %.

At EUR 17.5 million, other operating income was up significantly on the previous-year level of EUR 11.5 million. The increase is primarily due to the reversal of a warranty provision in the first half of 2024, which proved to be too high.

The cost of materials (mainly due to external services) rose by 14 % to EUR 185.3 million, in line with sales. Gross profit rose in line with sales by 14 % to EUR 1,111.6 million. Theoretically, this results in a slightly lower gross profit per employee of EUR 111 thousand (previous year: EUR 109 thousand). The involvement of external experts serves primarily to compensate for workload peaks and to integrate third parties with specific expertise into in-house projects. From a strategic perspective, the aim is to have a high proportion of sales revenues from in-house employees.

Personnel costs increased by 15 % to EUR 888.9 million, while the average number of employees rose by 12 %. This development is partly due to an inflation-related salary adjustment. As such, the average personnel costs per employee increased slightly to EUR 88 thousand (previous year: EUR 86 thousand).

Other operating expenses increased year on year by 8 % to EUR 145.8 million. The increase is therefore significantly lower than in the previous year and was also disproportionately low compared to sales. Expenses for licences and concessions are a key driver. All other significant expense items such as travel expenses and office space, and motor vehicle expenses increased in line with the growth in the number of employees. Travel expenses are the largest expense item in this context (EUR 24.8 million). They grew by 16 % compared to the previous year, slightly faster than sales. On the other hand, personnel recruitment expenses were reduced owing to the reduced workforce growth.

From an intra-year perspective, the largest contribution to earnings at EBITDA level was achieved in the third quarter with EUR 38.9 million, which, with the highest number of available working days, is primarily due to the reduced momentum in workforce growth and, therefore, a return to a higher capacity utilisation rate.

In the IT Services segment, the parent company adesso SE made the highest contribution to earnings in absolute terms in 2024 due to its size. The subsidiaries in Switzerland, Austria, Italy, Turkey and Bulgaria also generated positive earnings contributions. Other companies in Germany such as adesso business consulting AG (former: adesso orange AG) and KIWI Consulting GmbH make a sustainable contribution to the overall result alongside adesso SE. adesso's foreign subsidiaries in the Netherlands and Spain have not yet been able to make a positive contribution to earnings.

adesso mobile solutions GmbH made the largest contribution to earnings in the IT Solutions segment. The contribution to earnings by adesso health solutions GmbH and material.one AG was negative as a result of capital expenditure in new products. adesso insurance solutions GmbH – the most important company in the IT Solutions segment in terms of sales – was also unable to make a positive contribution to earnings because of insufficient licence placements.

Scheduled depreciation and amortisation increased by 17 % to €67.5 million in the reporting period. The main drivers of this development are the 30 % increase in amortisation of right-of-use assets from leases, which is due, inter alia, to the start of use of the expanded office space at the Dortmund head office in the course of the previous year. As in the previous year, goodwill was also not subject to unscheduled amortisation in 2024.

At EUR -13.8 million, income from financing and investment activities was therefore significantly lower than the previous year's level (previous year: EUR -10.1 million). The main drivers of this development are interest expenses of EUR 4.4 million (previous year: EUR 3.2 million) connected to the representation of leasing relationships and financing costs recorded in the financial year in connection with borrowed capital.

Earnings before taxes (EBT) rose by 40 % overall to EUR 17.0 million, and thus more steeply than the operating result (EBITDA). Income tax expense came to EUR 6.8 million (previous year: EUR 8.8 million). The effective tax rate came in at 40 % (previous year: 72 %). The lower tax rate is primarily due to the fact that relatively more deferred tax assets were recognised on current tax losses in the current financial year and deferred tax assets were recognised for tax losses incurred in previous years. See also note '29. Taxes on income and earnings' in the Consolidated Notes in this regard.

Overall, the consolidated result improved significantly to €10.2 million, compared to €3.4 million in the previous year. Earnings per share increased to EUR 1.25 after EUR 0.49 in the previous year.

Orders

Generally speaking, there is still a significant need for digitalisation in all of the industries served by adesso, We therefore saw a further increase in incoming orders in 2024.

Key employee figures

The leading performance figures for employees developed as follows:

Key employee figures

	2024	2023	2022	2021	2020
Employees at year end	11,082	10,408	8,867	6,444	5,471
Full time equivalents (FTE) at year end	10,320	9,512	8,056	5,814	4,975
Full time equivalents (FTE) average for the year	10,059	8,948	6,854	5,430	4,392
Sales annualised per average FTE" (in EUR k)	129	127	129	125	119
Gross profit annualised per average FTE "(in EUR k)	111	109	110	108	105
Personnel costs annualised per average FTE" (in EUR k)	88	86	84	82	80

Financial position

Financial management principles and objectives

adesso pursues a balanced financial policy. The objective of financial management is to assure liquidity as well as to secure and acquire financial assets to fund medium- and long-term investment projects. In principle, the company does not enter into investment transactions with speculative elements.

Variable interest rates on loans were agreed in connection with the syndicated loan concluded in 2022 and the factoring programme. The company invests existing liquid funds almost exclusively on a daily basis so that it can flexibly take advantage of investment opportunities as they arise.

Central cash management at the level of daily account clearing has not been set up. Bank borrowing has been centralised through the parent company. The account balances and financial situation of all companies form part of the standard monthly reporting system and are known to the Group's Executive Board. All interest- bearing liabilities are denominated in euros, except for the 2015 acquisition in Switzerland, which was denominated in Swiss francs.

The option of selling receivables and obtaining liquidity at short notice (factoring) was established at adesso SE in 2022. The maximum amount that can be sold at any one time is EUR 60 million. In addition, a syndicated loan in the amount of EUR 130 million was concluded in 2022. This originally had a term of five years, which was extended by two years in 2025. With this extension, the maximum loan volume was increased to EUR 170 million. Within the term, adesso can draw down individual amounts with a term of up to six months with an interest rate at the Euribor rate plus a base premium. The basic premium is staggered and depends on adesso SE's leverage ratio and EBITDA. The interest rate is also dependent on future ESG ratings of adesso SE by up to 2.5 basis points (0.025 percentage points). The need for pre-financing of the operating business has therefore fallen by 8 % compared to the previous year despite an increase in sales, which corresponds to a significant reduction in pre-financing requirements.

Capital structure

The financing of accounts receivable and of not-yet-invoiced services in the amount of EUR 249.8 million (previous year: EUR 259.5 million) represents the most significant portion of the financing requirements.

The working capital (trade receivables plus contract assets minus trade payables and minus contractual liabilities) amounted to EUR 162.8 million as at the reporting date (previous year: EUR 176.5 million). The need for pre-financing of the operating business has therefore fallen by 8% compared to the previous year despite an increase in sales, which corresponds to a significant reduction in pre-financing requirements.

At EUR 136.2 million, total interest-bearing financial liabilities were EUR 12.9 million lower than in the previous year due to repayments. The majority of the financing is provided via the variable-interest syndicated loan. All other forms of financing have fixed interest rates over the agreed term. All interest-bearing liabilities are denominated in euros or Swiss francs. Credit balances are available in the short term. Net liquidity after deducting financial liabilities is EUR -46.6 million, compared with EUR -48.4 million in the previous year. Financial liabilities fell slightly more sharply than cash and cash equivalents. With a value of -0.5 (previous year: -0.6), the ratio of net liquidity to EBITDA is clearly above the maximum target of -2.5 that the company set itself.

Equity dropped from EUR 207.8 million to EUR 193.9 million, mainly as a result of the dividend payment, share repurchases and the recognition of liabilities from call/put options in connection with various company acquisitions.

As a result, the equity ratio fell by 2 percentage points from 26 % in the previous year to 24 %.

Investments, acquisitions and divestments

The adesso business model requires relatively low investments in property, plant and equipment. The opening of additional locations as well as further employee growth made a significant contribution to the increase in assets and rights of use from leasing activities. There were no significant subsequent obligations from property, plant and equipment investment projects as at 31 December 2024. There is no investment backlog to report.

adesso acquired shares in Arteno during the financial year. For details, please refer to section '3.5. Company acquisitions' of the Consolidated Notes.

Development of cash and cash equivalents and financial liabilities

in EUR k	Cash and cash equivalents	Change in %	Financial liabilities	Change in %
2020	55,053	+19	60,689	+3
2021	109,922	+100	78,913	+30
2022	90,897	-17	106,495	+34
2023	100,772	+11	149,141	+40
2024	89,682	-11	136,238	-9

Development of liquidity

in EUR k	2024	2023	2022	2021	Change 2024
Liquid assets	89,682	100,772	90,897	109,922	-11,090
(-) Financial liabilities	136,238	149,141	106,495	78,913	-12,903
(=) Net liquidity	-46,556	-48,369	-15,598	31,009	1,813
Net liquidity to EBITDA	-0.5	-0.6	-0.2	0.3	0.1
Liquid assets	89,682	100,772	90,897	109,922	-11,090
(+) Trade accounts receivable and contract assets	249,804	259,495	226,787	162,127	-9,691
(-) Current liabilities	341,199	286,876	214,451	179,320	54,323
(=) Net liquidity 2	-1,713	73,391	103,233	92,729	-75,104

Development of the financial position

in EUR k	2024	2023	2022	2021	2020
Cash and cash equivalents	89,682	100,772	90,897	109,922	55,053
Financial liabilities	136,238	149,141	106,495	78,913	60,689
Net liquidity	-46,556	-48,369	-15,598	31,009	-5,636
Cash flow from operating activities	110,555	76,860	36,072	47,912	64,956
Cash flow from investing activities	-33,671	-50,782	-43,498	-25,503	-28,469
Cash flow from financing activities	-87,622	-15,889	-10,979	32,646	-27,531
Changes in value of the cash fund	-352	-314	-620	-186	-255
Total change in liquid assets	-11,090	9,875	-19,025	54,869	8,701

Liquidity

Cash and cash equivalents totalled EUR 89.7 million as at the reporting date (previous year: EUR 100.8 million). Cash and cash equivalents are offset primarily by financial liabilities which were entered into to finance business combinations and cover working capital requirements during the year totalling EUR 136.2 million (previous year: EUR 149.1 million). Net liquidity after deducting the financial liabilities therefore increased slightly by EUR 1.8 million to EUR 46.6 million. Cash flow from operating activities stood at EUR 110.6 million (previous year: EUR 76.9 million). This change is due, inter alia, to the positive development of net operating assets.

Cash flow from investment activities amounted to EUR -33.6 million, following EUR -50.8 million in the previous year. The main drivers of this development are the EUR 8.5 million (32 %) decrease in capital expenditure in property, plant and equipment to EUR 17.9 million and the EUR 10.2 million (88 %) decrease in payments for company acquisitions.

Cash flow from financing activities stood at EUR -87.7 million, compared to EUR 15.9 million in the previous year. The main drivers here are the repayment of leasing liabilities (EUR 36.3 million) and the (net) repayment of loans (EUR 23.8 million). Dividend payments increased by EUR 0.8 million to EUR 6.1 million (previous year: EUR 5.3 million) compared to the previous year. The share repurchase programme led to cash outflows of EUR 8.2 million as at the reporting date.

Variable salary components will be paid out in the first few months of 2025, as in previous years. As a result, net liquidity is initially expected to develop negatively in the first half of the year 2025, as in previous years. Overall, the liquidity of the adesso Group is adequate to carry on current business operations, for the planned repayment of liabilities and to compensate for ordinary fluctuations in capacity utilisation. Furthermore, adesso has sufficient funds at its disposal to drive future corporate growth and, in particular, to acquire further equity investments. As of the balance sheet date, adesso SE, as the central financing company of the adesso Group, had several available credit lines totalling EUR 189.5 million (previous year: EUR 179.5 million), of which EUR 114.4 million (previous year: EUR 99.7 million) had not been utilised at the end of the financial year.

Net assets

As of the reporting date, the balance sheet total was EUR 802.9 million. It increased by 2 % or EUR 16.9 million compared to the previous year.

On the assets side, the carrying amount of goodwill increased by EUR 2.0 million, mainly due to acquisitions. The increase in other intangible assets and property, plant and equipment by EUR 14.9 million to a total of EUR 278.3 million is attributable to the further growth of the adesso Group. Lease rights of use increased by EUR 48.8 million to EUR 188.1 million due to the increase in the number of employees. Thanks to improved receivables management, trade receivables fell by EUR -1.7 million to EUR 180.2 million and contract assets by EUR -8.0 million to EUR 69.7 million despite higher sales. At EUR 89,7 million, cash and cash equivalents were 11 % lower than in the previous year. Deferred tax assets increased by EUR 8.2 million to EUR 19 million, as more deferred tax assets could be recognized on tax losses from previous years.

On the liabilities side, due to the increase in the number of employees, lease liabilities increased by EUR 16.1 million to a total of EUR 195.0 million in parallel with the rights of use assets from leasing contracts. Pensions and similar obligations increased by EUR 9.3 million to EUR 15.6 million. This increase resulted primarily from the Swiss company. In contrast to the previous year, more financial liabilities were repaid than incurred in 2024. As a result, total financial liabilities now amount to EUR 136.2 million (previous year: EUR 149.1 million). At EUR 149.5 million (previous year: EUR 129.1 million), other liabilities represent the second largest share of liabilities on the liabilities side. The increase is primarily due to an increased number of customers using the credit method and an increase in liabilities to personnel. In addition, adesso is reporting treasury shares (EUR 8,174 thousand) in its balance sheet for the first time, resulting from the share buyback program.

Multi-period overview of assets and liabilities

in EUR k	2024	2023	2022	2021	2020
Balance sheet total	802,856	785,985	655,565	555,703	374,093
Current assets	378,048	389,886	339,666	283,760	183,691
Of which liquid assets	89,682	100,772	90,897	109,922	55,053
Of which trade accounts receivable and contract assets	249,804	259,495	226,787	162,127	121,314
Non-current assets	424,808	396,099	315,899	273,443	190,402
Current liabilities	341,497	286,876	214,451	179,320	143,679
Of which loans and other financial liabilities (including leasing)	86,259	59,231	37,195	43,095	25,912
Of which trade accounts payable and contract obligations	86,993	82,953	60,682	39,725	27,417
Non-current liabilities	267,450	291,332	225,933	192,265	135,497
Of which loans and other financial liabilities (including leasing)	244,932	268,733	206,755	176,221	116,022
Equity	193,909	207,777	215,181	185,618	94,917

Financial performance indicators

	2024 target	2024 actual	Target
Growth in sales (organic)	> EUR 1,25 billion thus > 10 % growth	14,2 % to EUR 1.3 billion, 14 percentage points of which organic	At least double industry growth (industry growth 2024: 4.4 %)
EBITDA	EUR 110 to 130 million (reduced in November to EUR 80 to 100 million)	EUR 98,3 million	Increase on previous year
EBITDA margin (indirect)	10 to 11 %	7.6 %	11 to 13 % (non-current)

Table source: adesso Group figures

General statement

The Executive Board's targets for 2024 were to achieve sales of more than EUR 1.25 billion and EBITDA of between EUR 110 million and EUR 130 million (adjusted to between EUR 80 million and EUR 110 million when the half-year figures were disclosed).

The adesso Group's sales in the reporting period stood at EUR 1,297.0 million, with EBITDA of EUR 98.3 million and an EBITDA margin of 7.6 %. While the sales target was achieved successfully, the originally forecast EBITDA was not achieved owing to various effects that had a negative impact on earnings. In particular, a lower capacity utilisation rate in the first half of the year and the ongoing capital expenditure in the IT Solutions segment meant that the calculated EBITDA margin was below the target corridor. The EBITDA achieved was ultimately slightly above the middle of the target corridor, which was adjusted during the year. The second half of the year was very positive as a result of the countermeasures initiated. But, despite all the efforts made, it was not possible to offset the developments in the first half of the year.

Working capital further improved in 2024, which also led to a positive development of free cash flow overall. The gearing ratio was also reduced.

Financial and non-financial performance indicators

The key financial performance indicators used for internal control of the Group are sales growth, EBITDA and the EBITDA margin. Furthermore, the earnings before taxes and amortisation of goodwill attributable to the business operations of adesso SE are relevant for the individual financial statements. Targets and actual values for the reporting period, as well as for the medium and long-term target corridor for the adesso Group, are provided in the table above.

The adesso Group does not use any Group-wide nonfinancial performance indicators for the internal control of the Group. Given the outstanding importance to the Group of adesso SE, which is responsible for over 50% of adesso Group business, and the otherwise broad range of control-relevant performance indicators within the Group due to the business it conducts, the financial and non-financial performance indicators used for the internal control of adesso SE - unless otherwise stated - are reported on next page.

The development of earnings generated by adesso SE depends on a number of performance indicators. In addition to the growth rate which is achieved, these are, in particular:

Performance indicator Inverse utilisation rate

	2024	2023	2022	Target
Annual average	12.9%	12.7 %	11.8 %	9% to 13%
Maximum	14.9%	14.6 %	13.0 %	15 %
Minimum	11.4%	11.5 %	10.6 %	7 %

Table source: adesso SE

Performance indicator Booking intensity

	2024	2023	2022	Target
Annual average	88.9%	91%	92%	93% to 99%
Maximum	91.5%	94%	95%	103%
Minimum	87.4%	88%	89%	83%

Table source: adesso SE

Performance indicator T&M daily rate

	2024	2023	2022	Target
Annual average	+2.5%	+5%	+4,5 %	min. +2 %

Table source: adesso SE

Performance indicator Fixed-price projects

	2024	2023	2022	Target
Proportion of employees in overspend projects	0.3%	0.4%	0.7%	< 1,5 %
Arithmetical daily rates	+4%	+1%	+3 %	min. +2 %

Table source: adesso SE

Performance indicator Recruitment and turnover

	2024	2023	2022	Target
Development of applications	+25%	+83%	+25%	>= Gross profit increase previous year
New hires (permanent staff)	1,023	1,199	1,580	Increase on previous year
Turnover rate (permanent staff, change and maximum)	+0,2%-P.; <10 %	-0.3 pp; <10 %	+/- 0.0 pp; < 10 %	Improvement; < 10 %

Table source: adesso SE

Performance indicator Software product

	2024	2023	2022	Target
License sales	-61%	-56%	+ 15 %	> 5 %
Maintenance sales	+8%	-3%	+ 25 %	> 5 %

Table source: adesso insurance solutions GmbH

Employee capacity utilisation (proportion of employees working on customer projects)
The proportion of employees working on billable customer projects has a direct influence on earnings. The greatest possible constant and high utilisation is the goal, without severely limiting flexibility in staffing new projects. Since the end and beginning of projects cannot always be optimally scheduled in sequence, some basic non-utilisation of capacity is unavoidable. Utilisation is measured biweekly according to the number of employees in operations and is reported as the proportion of employees that are not assigned to a project (Inverse utilisation rate).

A low capacity utilisation rate was recorded in the first half of 2024. In the second half of the year, the capacity utilisation rate normalised to around the average level of previous years.

Booking intensity (average of billed hours per project day)
The number of billable customer hours as the basis for sales and earnings is subject to fluctuations which do not depend on the order situation, caused by the number of potential working days, holidays taken, sick leave, and capacity utilisation. When these effects are neutralised in the analysis of billable customer hours, it is possible to deduce the average billable customer hours per project day for an employee assigned to a project, provided structures remain unchanged. Changes to structures, such as the management team, career levels, and working models, are also included in the booking intensity. The booking intensity determined this way is therefore an indicator of the development of both the quantitative value added per employee assigned to a project and the structural efficiency.

Since additional or fewer hours worked per project day leave costs virtually unchanged, a change in the booking intensity has a direct impact on earnings. The booking intensity is also influenced by the intensity of pursuing internal projects for company development, business development or pre-sales. It is specified as a percentage of an eight-hour working day.

In 2024, the average booking intensity decreased compared to the previous year. It is therefore still slightly below the target corridor.

Average daily rates achieved
The change in the average daily rates, both in projects billed on a time and materials basis and in fixed-price projects on a calculation basis, is a key earnings driver. In particular compared to the change in labour cost per employee as the leading cost item, it has a significant impact on the operating earnings margin. Accordingly, the daily rates are a fixed internal control element. Their development is tracked on an individual customer basis, and they are purposefully examined for improvement potential. The change in the average daily rate is reported. In 2024, the average daily rate in projects billed on a time and materials (T&M) basis rose by 2.5% and was therefore higher than the target value of 2 %.

Calculated daily rates and budget overruns for fixed-price projects
The number of project days in fixed-price projects that exceed the budget has a direct impact on earnings, since those days are not available for other potential working time. Even if they can only be used in combination with projects completed below budget for an overall view of the impact that fixed-price projects have on earnings, the proportion of employees in overspend projects provides an indicator of progress or setbacks in relation to fixed-price projects. This is a qualitative assessment, as the evaluation is based on days and not on euros. The proportion of employees in overspend projects remained below the target corridor in 2024 and slightly below the previous year's level.

As part of project calculation, an imputed daily rate can be determined using the fixed-price budget and the number of person-days planned or actually expended to carry out the project. The average imputed daily rate determined across all fixed-price projects serves as another indicator of how the fixed-price projects are developing. At 4%, the increase in the imputed daily rate in fiscal year 2024 was above the target value of 2 %.

adesso SE examines employee aspects as non-financial performance indicators. As a fast-growing IT service provider, adesso depends on the ability to attract many of the best graduates and most experienced experts as new employees, extensively pursue their internal further development and retain them for as long as possible. The following described performance indicators are of particular relevance here.

Recruiting performance figures and turnover
Recruiting examines the number of applications received, initial interviews conducted and new hires. The turnover ratio is based on resignations of permanent staff. The number of applications rose significantly by 25%.

The fast organic growth was continued, and thus the number of new positions filled for permanent employees increased by 1,023 compared to previous year. The staff turnover rate has slightly increased and was within the target corridor of up to 10 %.

Management also examines the development of licence/ SaaS and maintenance revenues involving the in|sure Ecosphere product family for insurance companies from the subsidiary adesso insurance solutions GmbH as internal performance indicators because licence revenues have a major direct impact on earnings, when viewed quarterly in the short term and over the financial year, and because maintenance revenues form the basis for increasing the cost base for developing and marketing products. At -61 %, licence revenue in 2024 was well below the previous year's figure and also well below the target value of >5 %. Maintenance revenue increased slightly by 8 %. This means that maintenance revenue is above the target of >5 %.

Forecast, opportunities and risk report

Forecast report

Future macroeconomic situation

After German economic output had already declined in 2023, this trend continued in 2024. Negative economic growth of -0.3 % was followed by a further decline in economic output of -0.2 % in 2024. Gross domestic product therefore shrank for the second year in a row. According to estimates by the Federal Ministry for Economic Affairs and Climate Action (BMWK), this persistently weak growth is the result of a combination of a one-off accumulation of exogenous shocks coupled with long-term structural problems in the German economy. At the turn of 2024/25, the German economy was also still in a difficult position. The tense competitive situation on the international markets was slowing down growth in exports and capital expenditure in particular. Structural factors such as an ageing society combined with a shortage of skilled labour are also weighing on economic growth. The German government therefore initially expects only a modest economic upturn in 2025. According to the BMWK, structural problems in particular are likely to have a long-term impact on the economy. With the presentation of the annual economic report in January 2025, the German government revised its outlook for the year downwards compared to the last outlook of October 2024 to just 0.3 % economic growth in 2025 and 1.1 % for 2026. indicating a much lower pace of forecast growth. Previously, stronger growth of 1.1 % had been forecast for 2025, followed by a further 1.6 % in 2026.

SECO, the Swiss State Secretariat for Economic Affairs, also expects the Swiss economy to recover slowly at just 1.5 % in 2025. This would mean a third consecutive year of below-average growth. According to the experts, this is primarily due to subdued growth in other European countries and the high valuation of the Swiss franc. The State Secretariat expects positive counter-stimuli from growing domestic consumer spending and a stronger-than-expected fall in inflation in 2025. Experts do not expect economic growth to return to a more normal level of 1.7 % until 2026.

The Austrian Federal Ministry of Labour and Economy only expects moderate recovery in economic growth in 2025 based on the outlook of the Austrian Institute of Economic Research (WIFO) and the Institute for Advanced Studies (IHS), which anticipate growth of 0.6 % and 0.7 % respectively. Although economic growth is developing better than in the last two years (2024: -0.9 %; 2023: -1.0 %), it is still well below the figures from 2021 (4.2 %) and 2022 (4.8 %). According to the forecasts, growth is expected to increase slightly more strongly again in 2026 to 1.2 % and 1.3 % respectively.

In Turkey, the OECD expects economic growth to slow to 2.6 % in 2025 and then rise to 4.0 % in 2026. The forecast weaker economic performance in 2025 is mainly due to the necessary macroeconomic stabilisation measures, which, according to the OECD, will slow down domestic demand in particular. Tight fiscal policy and ongoing budget consolidation are also continuing to hamper private consumption. The measures from 2025 are expected to take effect from 2026 and promote stronger GDP growth.

This means that adesso will face a macroeconomic environment characterised by only slight overall growth in 2025, with greater uncertainty on the international markets and the continuation of the reported risk factors. In summary, the outlook has worsened compared to our assessment last autumn. While adesso has no indication of any such development given its current order situation, the weakening state of the economy could also have an indirect, delayed and isolated impact on adesso's projections, especially for individual customers. It is also expected that the early elections will have a delaying effect on new appointments in the public sector owing to an unclear budget situation.

Outlook for the industry

According to the industry association Bitkom, the German market for providers of IT services and products will once again expand more strongly in 2025 following a weaker pace of growth in 2024. Despite the challenging economic situation, the information technology sector continues to prove itself to be a relatively crisis-proof growth market.

Bitkom expects IT market volume to grow by 5.9 % to EUR 158.5 billion in 2025. In the 2024 reporting year, the market recorded an increase of 4.4 %. After the forecasts for 2024 weakened steadily, the industry's momentum should accelerate again noticeably in 2025 according to the latest Bitkom estimates. Market volume in the software and IT services sub-segments – which are particularly relevant to adesso – are set to grow by 5.0 % to EUR 53.8 billion and 9.8 % to EUR 51.1 billion respectively. In terms of growth rate, the Software segment has therefore roughly matched the previous year's level. The IT Services segment accelerated its growth compared to the previous year. In the Software segment, business with platforms for artificial intelligence and security software, as in the previous year, as well as collaboration tools and mobile working are the driving topics. Bitkom also expects the number of people employed in the industry to rise by 1.5 % to 1.4 million. According to the association, the sector is proving to be a ray of hope in the face of the current difficult economic situation in Germany. Digitalisation remains the answer to the current crises and continues to create new jobs, economic growth and competitiveness on the international market. Bitkom also emphasised that a strong focus on Germany's digital policy in particular and the associated increase in innovation and capital expenditure would be fundamental in 2025.

The research institute Gartner expects global IT expenditure to increase by 9.3 % to USD 5.74 trillion in 2025. Generative AI continues to be seen as the next big topic for the future of the IT sector. Although the experts anticipate an increase in capital expenditure in GenAI projects, they do not expect any comprehensive technical breakthroughs in the foreseeable future. Therefore, according to Gartner, most GenAI-related capital expenditure in 2025 is more likely to relate to the preparatory development of technical infrastructure. Capital expenditure tends to be channelled into traditional IT topics. According to Gartner, growth in the IT services industry in particular will be very positive in 2025, expanding by 9.4 % (2024: 5.6 %) to USD 1.7 trillion. The software segment is expected to grow by 14.0 % (2024: 11.7 %) to USD 1.2 trillion in 2022.

Future development of the Group

The Executive Board expects the 2025 financial year to be challenging. Incoming orders are at a very good level overall, however, the organic growth potential is limited owing to the reduced recruitment volume in 2024. The recruitment dynamic has not yet been raised to an earlier level so as not to jeopardise capacity utilisation. However, this is at the expense of growth potential.

Nevertheless, the Management Board expects organic sales growth to exceed the forecast market growth.

Earnings are also expected to improve further and develop disproportionately to sales growth. This will increase profitability again. This is achieved by increasing daily rates, keeping capacity utilisation in the services business as high as possible and reducing expenses in the IT Solutions segment.

We continue to receive a good number of applications. The supply of highly qualified specialists on the market is high, in particular due to the recessive economy. The adesso Group's employee turnover rate remains low. In addition, resources for SmartShore are also being expanded, which will offer additional growth and margin potential.

Internationalisation remains a cornerstone of adesso's growth strategy. Owing to the initial need to increase profitability, M&A activities will be below average in terms of volume in 2025.

Management's focus on generating increased free cash flow and a good return on capital continued in 2024. The main task now is to further strengthen profitability.

The economic situation can be seen as positive in the long term in spite of the recessive market environment. Digitalisation is underway in all industries and is essential for companies and organisations to respond to the current challenges facing them in the 21st century. This megatrend is by no means over.

Anticipated sales and earnings situation

For the 2025 financial year, adesso's management expects further growth and plans as follows:

> Sales: EUR 1.35 to 1.45 billion
> EBITDA: EUR 105 to 125 million

The EBITDA margin is set to increase further and is expected to rise to over 8 %.

Financial outlook

Liquidity during the 2025 financial year is expected to follow the typical pattern, with a high liquidity level at the beginning of the year that decreases over the first two quarters due to bonus payments for the previous year and the dividend, and increases again in the second half of the year. The existing syndicated loan agreement was extended with the 2024 consortium until November 2029 on the same terms, thus ensuring long-term financing security.

Although the majority of the capital allocation for a growth company such as adesso flows into growth initiatives (organic and inorganic), the dividend policy will continue to be pursued by the Executive Board. A balanced weighting between investments in growth, financial stability and shareholder participation in the company's success is envisaged. A steady, slight increase in the dividend is part of the capital market strategy.

The Executive Board's proposal envisages an increase in the dividend to EUR 0.75 per dividend-bearing share for the 2024 financial year (previous year: EUR 0.70 per share). adesso is therefore remaining true to its policy of enabling shareholders to participate in the company's success via a dividend. The dividend will therefore be increased for the twelfth time in succession if the Annual General Meeting passes a corresponding resolution.

Risk report

Changes to risk management system

There were no significant changes to the risk management system in financial year 2024. Rather, the focus was again on stabilising and monitoring the organisational and procedural changes implemented.

Targets and strategies

Risk management is a pivotal component of all decisions and business processes. Within the adesso Group, we understand risks as potential future events or developments that may have negative consequences for adesso. As a result, we see them as the risk of hot achieving financial and operating targets as planned. In the worst case, they could endanger the existence of the company by placing too great a burden on the ability to manage the asset, financial and earnings situation. In order to safeguard the success of the company over the long term, it is therefore essential that adesso identifies and analyses risks efficiently and combats or mitigates them by implementing sufficient control measures. adesso's active risk management therefore also opens up opportunities for the company.

Risk management system

The Executive Board of adesso SE sets the business strategy and company targets in addition to the risk framework defined for this purpose. In order to manage the risks to the company, management has put a risk management system in place that includes, in particular, the functions and processes outlined below. The risk manager is responsible for implementing the strategic risk policy decisions and specifies the guidelines for the operational processes. They are responsible for implementing and coordinating the risk inventory, aggregation, assessment and maintenance of the risk management guidelines on a regular basis. In so doing, they draw on the assistance of the risk officers in particular. These mainly consist of the managers of the operating divisions and the support divisions, as well as the managing directors of the Group companies. The assessment of the risks identified is conducted by estimating their probability of occurrence and potential severity within the scope of a bottom-up risk inventory. The expert interviews conducted are supplemented by a top-down inventory. A risk matrix is used to determine the probability of occurrence and the impact on the business or operation. Both of these parameters are assigned a score. The total score of each risk can be calculated by multiplying the probability of occurrence (1 to 5 points) by the extent of damage (1 to 5 points). The potential severity relates to the impact on earnings before tax. Qualitative risks are assessed using the risk matrix according to the degree of expression and degree of significance parameters. Both gross and net assessment is employed for internal risk management. Net risks are presented in the risk report.

Based on the risk assessment, risks are classified according to their significance, and measures to mitigate risks are defined for each risk. The risk owners defined for each risk are responsible for implementing the measures. The defined measures are reviewed at regular intervals as part of the risk inventory and the preparation of the risk report. The risk report is prepared every six months and basically contains a presentation of the company's risk situation including the key changes that have occurred since the previous period. The risk manual is submitted to the Supervisory Board so that the risk management system can be acknowledged and reviewed. The auditor of the consolidated financial statements also takes note of this in accordance with Section 314 (4) HGB. Moreover, the adesso Group possesses a system of processes and data analysis structures to monitor risks posed to the Group. adesso uses a centralised management reporting system to monitor earnings and track key performance indicators. All planned and actual data from all business areas are stored in a central file for the purposes of reporting. Current figures are recorded directly from the company's financial accounting. Key performance indicators such as sales per employee, available liquidity and resources not fully utilised, as well as incoming orders and the order backlog, are registered. All companies included in the scope of consolidation are part of the reporting system. The degree of inclusion in risk management is carried out on a risk-oriented basis as part of a standardised scoping process.

VERY HIGH > 80%	B-RISK	B-RISK	A-RISK	A-RISK	A-RISK
HIGH > 50 – 80%	C-RISK	B-RISK	B-RISK	A-RISK	A-RISK
MEDIUM > 20 – 50%	C-RISK	B-RISK	B-RISK	B-RISK	A-RISK
LOW > 5 – 20%	D-RISK	C-RISK	B-RISK	B-RISK	B-RISK
VERY LOW < 5%	D-RISK	D-RISK	C-RISK	C-RISK	B-RISK
IN EUR	< 0.1 MILLION INSIGNIFICANT	0.1 – 0.5 MILLION LOW	> 0.5 – 3.0 MILLION MODERATE	> 3.0 – 10.0 MILLION SEVERE	> 10 MILLION SIGNIFICANT

Risks

The A risks are presented in the following. These are the risks that have a scoring value greater than 15. Overall, there were no significant changes compared to the previous year. Moreover, the adesso Group is potentially exposed to further risks which may not be known or be considered as major risks at the current time.

Project risks

In the event of the budgeted time frame and costs being exceeded, fixed-price projects can lead to project-related losses. Budget deviations are identified and analysed constantly during every fixed-price project. There is also an escalation mechanism that extends to the Executive Board. adesso uses an Excel-based project controlling and reporting system, which is based on data from the ERP system. Depending on the project structure, sub-projects are defined and modelled in adesso's project and schedule management system. Expenses are distributed across the sub-projects, and milestones are defined. Over the course of the project, actual time and expenses are compared with planning figures, the expenses are calculated, and compliance with the defined schedule is documented. Additional monthly or weekly assessments of work still to be completed are used to calculate the level of completion of the project under way. By comparing the level of completion and the remaining expenses, any potential budget deviations can be identified at an early stage. Projects that are likely to significantly exceed the budget are given "overspend" status and are then added to the agenda of subsequent Executive Board meetings. Aside from acknowledging the risk, the Executive Board meeting also discusses potential strategies to improve the situation by analysing the reasons for the overspending and discusses possible impairment needs. However, the share of hours worked on projects with fixed budgets in the form of service contracts in terms of overall adesso sales is low, at under 20 %. adesso SE has established a Project Management Office (PMO) where experts supervise particularly large-scale or challenging projects using standardised tools and mechanisms alongside the regular project management team. These tools and processes are routinely used. The estimations of remaining costs are determined, and cost development is displayed as a graph in order to counteract the tendency that project inconsistencies are identified too late. Similar or identical procedures are used in various adesso Group companies.

Risks from a shortfall in planned earnings and planned sales

In the event of a high gross margin and a large proportion of fixed costs, low sales or rising costs can be directly reflected in adesso's earnings. However, a decline in order intake or the termination of important ongoing customer orders could result in idle periods with corresponding implications for the profit and financial situation within a short period of time. Given that the IT Services business area in particular generates business over specific periods of time, such idle periods are difficult to compensate for.

Given the high general relevance of this risk factor, adesso monitors the following values in the IT Services segment on a monthly and sometimes biweekly basis in order to identify trends at an early stage and take corresponding action: order intake, number of hours invoiced and capacity utilisation rates, and the number of employees not working at full capacity.

The IT Solutions segment pursues a product strategy. In this segment, even standard solutions developed by adesso are sold and implemented through licensing with maintenance contracts or provided with software as a service (SaaS). While the established base of maintenance contracts represents a relatively stable basis for sales, the achievement of targets and the results of product companies are reliant on order intake and are much more volatile than the service business, given the low number of new licences sold. Sales revenues from maintenance activities do not cover total ongoing costs at any of the adesso Group companies. As a result, the product companies' licence sales or new SaaS contracts and related sales pipelines are monitored in detail in terms of structure and development over time.

As part of monthly reporting, the actual figures are compared with both the planning and the previous year, and a revised forecast is prepared on a cyclical basis. This enables emerging shortfalls in planned sales to be highlighted at an early stage; they then form the basis for the monthly discussions on business development and prospects. This applies to all major Group companies.

Financial risks

General liquidity risks: The adesso Group's liquidity situation undergoes annual fluctuations that are typical for the business. For example, higher payments are made in the first half of the year due to the payment of variable salary components for the previous year, the adjustment of advance tax payments due to increasing company results and the dividend payment. The first half of the year also regularly contains fewer working days compared to the second half, which is directly reflected in the sales in the IT Services segment. These effects depress the net cash position of the adesso Group within the first half of the year, which is gradually then built up over the course of the second half of the year. Another seasonal effect is that fixed-price projects tend to be accepted and invoiced more in the second half of the year.

All account balances, credit lines, loans and available cash are reported monthly for the purpose of monitoring liquidity. This makes the change in financial resources over time visible. The net cash position of each significant Group company is calculated and reported monthly. The incoming payments of adesso SE are monitored on a daily basis. Firmly committed bank credit lines are freely available in sufficient amounts to compensate for liquidity bottlenecks and unfavourable or unexpected developments.

Liquidity risks from major projects: Liquidity risks can arise from the payment terms of service agreements for completed projects with significant volumes. In addition to prepayments and instalments, payments are often linked to the completion of the project. In the case of delayed completion, significant liquidity shortfalls can arise. The CFO includes major receivables on the part of adesso SE in the agenda of Executive Board meetings, where individual strategies for collection are determined. Due to the growth of past years, however, the dependence on individual projects has decreased.

Default risks: The open items from trade receivables are a significant asset item in the balance sheet and represent the majority of tied-up capital. A payment default leads directly to corresponding negative effects on results and liquidity. Receivables management at adesso is handled individually at the level of the individual companies. adesso SE continuously monitors the development of receivables and incoming payments. There are also escalation mechanisms that extend to the Executive Board.

Currency risks: The adesso companies are exposed to risks in connection with changes in exchange rates when they enter into transactions that will result in future cash flows in foreign currencies. The foreign currency risk is partly offset by the fact that incoming and outgoing payments are made in the same foreign currency. Currency risks remain low. Only a small proportion of sales are conducted in a currency other than the euro. This mainly affects the business of adesso's national companies in Switzerland and Turkey, which settle the majority of their transaction in Swiss francs and Turkish lira respectively. No currency hedging transactions were carried out.

There were no notable risks from financial instruments.

Personnel risks

adesso is an IT company without any notable fixed assets. The company's most important assets are its employees. The search for suitable, experienced employees remains characterised by a demand surplus from companies. As in the past, the resulting entrylevel salary expectations expressed by new recruits, as well as existing employees' expectations regarding pay rises, cannot always be compensated through a corresponding adjustment of market prices, meaning that the operating margin can be negatively impacted as a result. A small number of employees are responsible for adesso's outstanding position in its core industries. The simultaneous departure of more than one of these employees would expose the company to medium-term risks in terms of its further development.

As a result, adesso continuously monitors and analyses a number of key performance indicators such as headcount, number of unproductive employees, number of employees on sick leave, annual leave, costs / sales per employee and capacity utilisation. The top-level management is always informed about every dismissal and new recruit. The Executive Board analyses trends and discussed measures in its meetings every three months. This allows any potential loss of knowledge and expertise to be identified promptly. In the product segments, essential knowledge is concentrated around a small group of key developers. These developers are a particular focus of human resources activities.

adesso maintains its position as a leading IT service provider thanks to its exceptionally talented employees, who have a vast amount of experience in their respective fields. In this area in particular, competition for staff is extremely fierce – not only among IT service providers, but also between user companies and the IT industry. Such risks are combated through active recruiting, strategies to intensify employee loyalty and excellent career prospects at a prospering company.

Risks from the development of new products and solutions

In 2012, the adesso Group began to significantly increase its investment in the development of new products and solutions and therefore gradually shift the risk profile of its heavily service-oriented business model towards its product business. Extensive development projects are under way for this purpose, and the systems already available are being marketed more widely. All these products involve increasing risk from service and maintenance obligations.

In the development phase, there is also increased risk from the higher- than-planned development costs, for which adesso is partially responsible. However, these risks are offset by income from licences and maintenance

Risks from technical infrastructure

As an IT company, adesso SE has extensive technical expertise and resources in the area of internal IT infrastructure. Since a large part of customer-relevant added value is created on the basis of IT infrastructure, the availability of the latter is of considerable significance. Disruption can be caused by technical malfunctions, natural hazards or cyberattacks, among other things. System failure therefore entails a significant financial risk. The internal IT operations department is equipped with full-time administrators who are supported by several trainees, students and other employees from operational areas. Disciplinary and organisational responsibility are addressed in a separate management position. There is also the position of Chief Information Security Officer (CISO). Data on the productive servers is backed up incrementally on a daily basis onto suitable media outside the data centres at a third location.

The production systems available on the Internet are protected against unauthorised access via a multilevel firewall system. adesso operates a virtual private network (VPN) to protect communication between the branches and subsidiaries. All systems have virus scanners from various product manufacturers whose virus signatures are automatically updated to comply with the latest standards.

At its main office in Dortmund, adesso has a data centre with safety procedures such as electronic access control, temperature-controlled server racks, fire extinguishing systems, uninterrupted power supply and flood protection. All external data connections are secured in compliance with the relevant technical standards and are redundantly structured. Some of the holding companies have their own IT systems and departments. Their risk statuses are not reported to adesso SE in any regular form. adesso is working towards an increasingly interconnected collaboration between the IT departments at adesso and the holdings. adesso has been certified to ISO / IEC 27001, ISO 9001 and ISO 14001. The processes that have been documented and more strictly defined have maintained a constant risk position in terms of technical infrastructure in spite of increasing complexity.

Other risks

The risk inventory has identified further risks that are classified as B risks.

- Risks from internationalisation
- Declining or insufficiently increasing daily rates
- Risks resulting from pandemics (e. g. COVID-19)
- Risks from falling order backlog
- Risks from insufficient sales pipeline
- Risks from change to market and competition structure
- Risks resulting from using the wrong products or a lack of know-how
- Risks from falling market volume
- Risks from acquisitions and post-merger integration
- Risks from the organisational structure
- Risks from the customer structure and counterparty default risks
- Compliance risks
- Risks from lack of insurance cover
- Inflation risks

Overall statement concerning the Group's risk situation

None of the in total identified risks can be considered at the current point in time as risks that endanger the existence of the company as a going concern. However, the risks detailed above could have a negative impact on the asset, financial and earnings situation. The Executive Board of adesso SE assumes that the risks identified are limited and manageable. No individual or aggregated risks have been identified that could jeopardise the continued existence of the Group.

Opportunities report

In addition to identifying and managing risks, identifying and developing opportunities for the development of the adesso Group is also an important area of management attention. Various formats and working groups exist for the systematic development of new business opportunities, consisting of the Executive Board, Business Development, management of Group companies and business area managers. These formats are used to develop new ideas and business models for existing or new industries, solutions and regions.

Recent developments regarding growth opportunities are particularly characterized by numerous SAP S/4HANA projects. The Utilities sector in particular has benefited from this, but SAP projects are also being implemented in other sectors.

Furthermore, the development of the sales market in the Middle East is a region with many opportunities for digitalization initiatives, as well as the corresponding demand and budget to implement such projects.

In order to operate more profitably in the future, shoring activities are being intensified. In addition to the nearshore locations in Turkey, Bulgaria, Romania, and Hungary, there is now also a shoring center in India, which is to be significantly expanded with an "India Push" in 2025. This is expected to generate additional margin potential in the medium term.

Due to the growth of the adesso Group, the number of employees now stands at over 11,000 and sales at just under €1.3 billion. Due to the generally sustained market demand for digitalization initiatives, adesso sees further opportunities for disproportionate growth, also in the medium and long term.

Technological developments will go beyond platform implementations and increasingly involve AI applications. adesso sees the opportunities presented by AI as significantly greater than the risks. On the one hand, there are market opportunities, as all industries and customers are testing their business processes for AI suitability and want to further automate them. On the other hand, there are also efficiency potentials in the core business process of software engineering, estimated at 10% to 20%, which should benefit the company's success.

TAKEOVER-RELEVANT INFORMATION

adesso SE reports in accordance with Section 315a (1) HGB and Section 289a (1) HGB with the aim of providing potential takeover bidders with a complete overview of adesso as well as any potential takeover hurdles before they submit an offer.

There is only one type of share. Each common share grants one vote. adesso shares do not have restricted transferability. The Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital until 4 June 2028 in the amount of up to EUR 1,302,454 by issuing 1,302,454 new bearer shares on one or more occasions in exchange for cash contributions and/or contributions in kind. Shareholders' subscription rights can be excluded for contributions in kind in the form of companies, parts of companies and investments in companies, licence rights or receivables, as well as capital increases for cash which are smaller than 10 % of the share capital.

The Executive Board is authorised to acquire own shares of up to 10 % of the share capital with the consent of the Supervisory Board until 2 June 2025. This authorisation for the acquisition and utilisation of own shares can be exercised one or more times, at once or in several partial amounts, or for one or more purposes. When own shares are acquired through the stock exchange, the consideration paid per share is permitted neither to exceed the opening price on the acquisition date by more than 10 % nor to fall below it by more than 20 %. In case of acquisition through a public offer to buy, the offered purchase price or the limits of the purchase price range offered per share – subject to adjustment during the offer period – may not be more than 20 % higher or lower than the average values of the closing auction prices in Xetra trading (or a comparable successor system) during the last three trading days in Frankfurt am Main prior to the day the offer is publicly announced. The Executive Board may use the treasury shares in the context of stock option plans, which are sold to third parties for cash with the consent of the Supervisory Board, offered for non-cash consideration, in particular in the event of a merger with or acquisition of companies, and used with the consent of the Supervisory Board to service convertible bonds or bonds with warrants, profit participation rights or profit participating bonds (or a combination of these instruments), in each case with conversion or option rights or conversion obligations, and which are either offered to employees and executives for purchase, handed over free of charge, or retired as a remuneration component.

The Executive Board made use of the authorisation to acquire treasury shares with the approval of the Supervisory Board in the 2024 financial year. adesso SE carried out a share buyback programme in the period from 17 October 2024 to 10 January 2025. The total volume of shares repurchased by adesso SE during this period amounts to 121,091 shares. This corresponds to 1.9 % of the share capital, which has since been held by adesso SE. These shares do not carry voting or dividend rights. No decision has yet been made on the utilisation of treasury shares. As of the balance sheet date, 100,299 shares (1.5 % of the share capital) were to be taken into account.

In addition, the company is not aware of any other restrictions with regard to voting rights. In principle, there are no restrictions in respect of the transfer of adesso shares. We are not aware of any further restrictions that could arise from agreements between shareholders.

Further information on equity and the company's capital measures can be found in the equity section of the notes.

The founding shareholder and chair of the Supervisory Board Prof. Dr Volker Gruhn held a 26.5 % stake in the share capital via a company controlled by him as at 31 December 2024. Owing to a pooling agreement concluded in February 2025 and the resulting reciprocal attribution of voting rights, his share has increased to 27.4 % from the voting rights of MIH Hochgürtel GmbH & Co. KG of Michael Hochgürtel resp. makeideashappen GmbH. Together with his RDF Familienstiftung, founding shareholder and Supervisory Board member Rainer Rudolf held 16.2 % of shares as at the reporting date. Please refer to the notes to the consolidated financial statements for more information on the company's ownership structure.

We are not aware of any other direct or indirect share capital participations which exceed 10 % of voting rights. As the shares in the company are bearer shares, the company is in principle only notified of changes to share ownership insofar as the changes of ownership are subject to notification obligations and the respective parties fulfil these obligations. The company is only made aware of transactions that are completed within minimum and maximum notification thresholds in exceptional cases. Voting rights announcements and the shareholder structure derived as a result are always kept up to date and can be accessed via the Investor Relations section of the website at www.adesso-group.de.

The Articles of Association do not permit any adesso shareholder to appoint members of the Supervisory Board. No shareholder possesses any other special rights that confer them powers of control. There are no restrictions to the voting rights of the adesso shares held by our employees.

Members of the Executive Board are appointed or dismissed in accordance with Sections 84 and 85 AktG. The Executive Board consists of at least one person in accordance with Article 7 of the Articles of Association. The Supervisory Board determines the number of Executive Board members, as well as the appointment and dismissal of members and the appointment of a member of the Executive Board as CEO. Changes to the Articles of Association are carried out in accordance with Sections 133 and 179 AktG by means of a resolution by the General Meeting passed with a majority of at least three-quarters of the share capital represented at said meeting. The Articles of Association do not contain any derogative provision. The Supervisory Board is entitled to resolve changes to the wording of the Articles of Association (Article 11 (7) of the Articles of Association).

The resolutions of the General Meeting are decided on the basis of a simple majority of submitted votes, unless a different voting system is stipulated by law (Article 16 (3) of the Articles of Association).

The company is not part of any material agreement containing special provisions in the event of a change of control or acquisition of control, such as in the event of a takeover bid. Our Articles of Association do not contain any provisions which grant the Executive Board special powers in the event of a takeover bid. Agreements concerning the phantom share plan stipulate a shorter waiting period of phantom shareholders in the event of a change of control. Moreover, there are no agreements with members of the Executive Board or the Supervisory Board or any employees concerning compensation in the event of a change of control.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM IN TERMS OF THE CONSOLIDATED ACCOUNTING PROCESS

General

The consolidated accounting process comprises all activities that involve accounting and the preparation of financial statements in accordance with IFRS. The objective of the consolidated accounting process is to comply with the statutory requirements for the disclosure of the consolidated financial statements in accordance with statutory requirements and IFRS requirements.

Risk appraisal

In the accounting process, there is a risk that the financial reports based on the accounts could contain misrepresentations of facts that could have a significant influence on decisions made by the intended recipients of the reports. These can include the misallocation of resources and non-performance of certain measures by the Executive Board in terms of the internal operational management of the Group, as well as misinterpretation on the part of report recipients, particularly existing and potential shareholders. The processes and systems established at adesso are geared towards identifying potential sources of errors in the accounting process and thus limiting the resulting risks. They are intended to ensure that the annual report and consolidated financial statements are prepared in accordance with legal requirements. The report follows a standardised form for the consolidated management report of both adesso SE and the adesso Group.

Control environment

The structure of the internal control mechanisms and risk management system is primarily the result of how the accounting and reporting processes are organised. In terms of organisational structure, accounting is typically handled locally by each of the Group's subsidiaries. As the parent company, adesso SE performs accounting services for some adesso Group companies together with centralised administrative processes such as payroll accounting. These companies' accounts are primarily kept on a common accounting system as clients.

The fact that the same people are responsible for this process throughout the Group and that the adesso SE CFO has ongoing, direct access provides a good basis for the standardised, correct representation of facts. In addition, the subsidiaries' financial statements are prepared by the individual companies and in accordance with local accounting standards. The reconciliation of values to IFRS values and the preparation of a uniform reporting package is subsequently carried out by the subsidiaries in accordance with a uniform Group accounts chart. All individual financial statements are submitted on a quarterly basis to a centralised consolidation system in adesso SE's Finance department and consolidated into the consolidated financial statement. Standard consolidation software is used to prepare the consolidated financial statements. The software is used to import the individual reporting packages, execute the required consolidation steps and compile the consolidated financial statements. The software solution specially procured for this purpose was audited and certified in accordance with the "Erteilung und Verwendung von Softwarebescheinigungen" auditing standards ("Issuance and Use of Software Certificates") published by the Institut der Wirtschaftprufer in Deutschland e. V. (IDW PS 880). All IFRS reconciliation and consolidation entries are documented transparently and comprehensibly.

Control measures

A uniform Group accounts chart has been implemented, to which the local charts of accounts are reconciled in the context of Group reporting, so that deviations from the intended presentation can be transparently traced and minimised. The detailed coverage of Group accounts means that it is simple to coordinate internal Group performance processes. The respective management teams are responsible for individual annual financial statements. Each annual financial statement that forms part of the consolidated financial statements is, depending on the materiality, reviewed by the Group auditor in terms of its plausibility and compliance with Group standards, irrespective of any audits performed by the local auditor or tax consultant. For this purpose, the auditor of the consolidated financial statements also exchanges information with the respective local auditor and inspects the documentation of key Group companies.

The core elements of the control and risk management system when it comes to accounting is the monthly reporting of full monthly financial statements, the comparison of actual data with plan data and the repeated updating to the full-year forecast. A member of the adesso SE Executive Board is directly responsible for every company in the adesso Group. These Executive Board members discuss monthly financial statements with the respective company management and are thereby able to identify abnormal developments and discrepancies in a timely manner. The monthly financial statements of all companies are analysed on a monthly basis by the adesso SE Executive Board. For the quarterly financial statements, each company must prepare an extensive IFRS package containing information for consolidation and details of the notes. This allows the Finance department of adesso SE to carry out a further audit of all information intended for external reporting during the financial year. For selected individual topics, the auditor of the consolidated financial statements is involved in accordance with Section 317 (4) HGB.

Information and communication

Information and communication ensure an adequate flow of information among the stakeholders in the internal control system. This requires the necessary information to be obtained in a suitable and timely manner and forwarded to the relevant departments within the company. Process specifications and organisational manuals have been prepared in the form of checklists to ensure that stakeholders are kept informed. These outline and document the individual steps, measures and responsibilities.

For further information on the internal control system and risk management system, please refer to the Declaration of Conformity.

DECLARATION OF CONFORMITY (SECTIONS 289F, 315D HGB) AND STATEMENT OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE (SECTION 161 AKTG) AND SEPARATE NON-FINANCIAL REPORT (SECTIONS 289B, 315B HGB)

In accordance with principle 23 of the German Corporate Governance Code, the Supervisory Board and Executive Board of adesso SE report on an annual basis regarding the corporate governance of the company in the Declaration of Conformity in accordance with Section 289f and Section 315d HGB. In addition, as the parent company of the adesso Group, adesso SE issues a special, non-financial report pursuant to Section 289b (3) and Section 315b (3) HGB with exempting effect for Group companies subject to reporting. The reports and the declaration, including the Declaration of Conformity, have been made permanently available on the Internet at www.adesso-group.de/corporate-governance/.

SUPPLEMENTARY MANAGEMENT REPORT TO THE FINANCIAL STATEMENTS OF ADESSO SE

Business activity

As the largest operating company, adesso SE occupies the central position in the adesso Group and is allocated to the IT Services segment.

The IT Services segment focuses on industry-specific, individual IT consulting as well as software development. Consulting develops concepts for the optimum and efficient support of business processes through IT systems. Software development mainly develops IT systems within the context of individual projects, either on its own account or in cooperation with customer teams.

In addition, as the lead company of the adesso Group, adesso SE directly or indirectly holds the shares in the companies belonging to the adesso Group.

Employees

As at 31 December 2024, adesso SE employed a total workforce of 6,758 (including trainees), compared to 6,502 at the same time in the previous year. The number of employees therefore increased by 256, or 4 % (previous year: growth of 718, or 12 %).

The average number of employees converted to full-time equivalents (FTEs) was 6,154 (previous year: 5,573). This corresponds to an increase of 10 %. Of this total, 10 % are allocated to administration (excluding sales) (previous year: 10 %).

The number of employees both in Dortmund and at most sites in Germany was increased in line with the strategy of strengthening the locations outside the Dortmund head office. adesso SE is a leading IT services company that still pursues an ambitious recruitment and personnel development policy. adesso has been named several times as one of the top 100 employers in Germany and Europe in the nationwide company competition of the renowned Great Place to Work® Institute Germany. In 2024, adesso was also audited by the Top Employers Institute and was recognised as a Top Employer 2025. Recruitment, employee development and retention are of great importance to adesso.

Business situation

Profitability

In 2024, sales came in at EUR 1,011.6 million, 18 % above the previous year's level. Sales with customers outside the Group rose by EUR 142.5 million (17 %), while sales with affiliated companies rose by EUR 12.8 million (35 %). The increase in sales was again above market growth in the market segments relevant to adesso. The foundations for the strong growth had been laid in previous years with the significant increase in the number of employees. In 2025, the recruitment momentum was significantly reduced in favour of successively higher capacity utilisation over the course of the year. The average number of employees, converted to FTEs, increased by 581, or 13 %, to 6,154 in the reporting year (previous year: increase of 1,114, or 25 %). Sales growth was achieved organically through the expansion of customer relationships, the expansion of the product portfolio and targeted improvements in daily rates. In addition, pursuing the strategy of accelerated, decentralised growth led to additional growth impulses and a deepening of regional customer relationships.

The total operating revenue relevant for assessing the economic business activities of the reporting period, including the change in the portfolio of projects in progress, increased by 17 % to EUR 1,003 million.

Other operating income stood at EUR 9.5 million, compared to EUR 2.8 million in the previous year. The largest part of the change is due to the release of the previously overstated warranty provision (EUR 4.3 million) and the release of provisions for customer bonuses (EUR 2.2 million). Please see the information in the notes for a detailed breakdown of other operating income.

The cost of materials, totalling EUR 291.7 million (previous year: EUR 212.4 million), were mainly attributable to services purchased externally or from affiliated companies as part of customer projects. Only EUR 5.5 million (previous year: EUR 2.4 million) is attributable to merchandise, primarily software licences. The merchandise was procured for adesso customer projects. At 29 %, the share of material costs in total operating revenue was 4 % points higher than in the previous year.

In contrast, the share of personnel expenses in total operating revenue is 3 percentage points lower than in the previous year at 53 %. Personnel costs rose by a total of 12 % to EUR 535 million, due mainly to further organic growth in the number of employees. Gross profit per FTE remained constant at EUR 116 thousand. Personnel costs per FTE increased by EUR 1 thousand to EUR 87 thousand. Gross profit totalled EUR 712 million, which is equivalent to an increase of 10 % compared to the same period in the previous year. The share of gross profit in total operating revenue fell by 4 % points to 71 %.

Other operating expenses increased by 11 % to EUR 141.5 million in 2024 due to business growth and price increases on the supplier side. However, the share of this expense item in total operating revenue fell by 1 % point to 14 %.

The operating result (EBITDA = earnings before interest, taxes, depreciation and amortisation) increased by EUR 3.6 million to EUR 44.5 million. This development is due in particular to the further growth in business volume and the improvement in capacity utilisation in the operating area as a result of the reduced recruitment dynamic. EBITadj (EBIT adjusted = EBIT excluding goodwill amortisation, purchase price allocation effects, intragroup IT costs, profit and loss transfers), used internally as a management indicator, was EUR 31.4 million, 27% below the target for 2024 (EUR 43.0 million). The target for 2025 is EUR 43.7 million. This figure is realistically achievable, assuming the continued positive impact of reduced hiring dynamics and the associated increase in the utilisation of operational employees.

Depreciation and amortisation increased by 13 % in the reporting period to EUR 21.6 million. Regular depreciation and amortisation of property, plant and equipment and intangible assets, such as IT equipment and software licences used as well as depreciation and amortisation of low-value assets, increased to a total of 15.6 million (previous year: EUR 13.0 million). Amortisation of goodwill remained constant with a total of 3.8 million. Depreciation and amortisation in connection with purchase price allocations resulting from mergers and company acquisitions decreased by EUR 195 million in the reporting year.

Income from investment activities, which includes income from investments, write-ups and write-downs on financial assets and income from profit transfers, in particular income from the profit transfer agreement with adesso mobile solutions GmbH, amounted to EUR 10.3 million (previous year: EUR 5.5 million). The increase in income from investment activities is due to higher income from dividends compared to the previous year. Due to the increase in the factoring limit at the end of 2023 and the improved utilisation of this financing framework, the income from financing activities totalled EUR -3.6 million compared to EUR -3.1 million in the previous year.

All in all, this led to higher pre-tax profit of EUR 29.7 million compared to EUR 24.2 million in the previous year, and net income for the year of EUR 20.2 million compared to EUR 15.1 million in the previous year.

Assets and liabilities

As at the reporting date, the balance sheet total increased by 4 % to EUR 568.9 million as a result of further growth. On the assets side, fixed assets in particular increased by EUR 40 million, or 17 %, while current assets also saw an increase of EUR 21.8 million, or 7 %. This decline is primarily due to lower inventories as at the reporting date, reflecting the accelerated invoicing processes.

The financing of accounts receivable from customers outside the Group and work in progress totalling EUR 162.5 million (previous year: EUR 182.3 million) represents the most significant portion of the financing requirements. Against this backdrop, a factoring agreement was concluded, on the basis of which trade receivables of up to a volume of EUR 60 million may be sold. As at the balance sheet date, trade receivables in the amount of EUR 60 million (previous year: EUR 55 million) had been sold, of which EUR 57 million had been paid out. This led to a corresponding reduction in this balance sheet item. As at the balance sheet date, the amount of advance payments received showed a year-on-year decrease as an operational source of finance from EUR 35.8 million to EUR 30.8 million. As the difference between trade receivables and inventories, and advance payments received and payments made on account, working capital increased by 2 % to EUR 192.5 million due to the reduction in inventories.

At EUR 107.5 million (previous year: EUR 87.7 million), shares in affiliated companies represent the largest financing requirement of fixed assets. The increase is mainly due to the acquisition of the remaining 30 % of the shares in KIWI Consulting EDV-Beratung GmbH and the purchase of Arteno Bilgi Teknolojileri ve Danismanlik Hizmetleri A.S., which was subsequently merged into adesso Turkey Bilgi Teknolojileri Ltd. Sti.

Investment analysis

The adesso business model requires relatively low investments in property, plant and equipment for ongoing operations. Investment largely consists of hardware such as laptops and servers, development systems including software, the ERP system and the furniture in the branch offices. The additions to operating and office equipment, including advance payments made, amounted to EUR 13.8 million, compared to EUR 23.6 million in the previous year. The lower additions are in line with the reduced recruitment policy and lower capital expenditure in the interior expansion of existing sites. No new sites were opened in 2024.

The company acquisitions carried out in 2024 led to the addition of shares in affiliated companies, participations and corresponding advance payments totalling EUR 21.6 million. There were also additions to loans to affiliated companies and participations totalling EUR 19 million, which mainly relate to loans granted to the Group's domestic companies.

Financial position

Equity capital totals EUR 227.8 million and increased by EUR 7.6 million, or 3 %, year on year. This development is mainly due to the share repurchases (EUR -8.2 million) and, in particular, the net profit for the year of EUR 20.2 million. Further details on the share buyback program can be found in the notes to the financial statements of adesso SE in Chapter 3.4 Equity. In June 2024, a dividend of EUR 0.70 per share (previous year: EUR 0.65) was distributed, resulting in a corresponding reduction in equity of EUR 4.6 million (previous year: EUR 4.2 million). The equity ratio remains unchanged at 40 %. The subscribed capital amounted to EUR 6,522,272 (previous year: EUR 6,520,272) and therefore remained almost constant.

Liquidity and financing analysis

Cash and cash equivalents totalled EUR 48.1 million on the reporting date (previous year: EUR 64.6 million). Cash and cash equivalents are offset by interest-bearing liabilities, mainly from several acquisition loans, totalling EUR 93 million (previous year: EUR 106.4 million). In November 2022, an ESG-linked syndicated loan agreement was concluded with a consortium of banks led by LBBW Landesbank Baden-Württemberg. The agreement comprises a total committed volume of EUR 130 million with an option to increase by up to EUR 40 million. The original term was five years, which was extended twice by one year each time. In 2024, adesso was able to extend the contract with the existing consortium until 2029 at the original terms.

With this move, adesso optimised its financing flexibility and enhanced its planning security. Especially in an environment characterised by rising interest rates, adesso secured an attractive interest rate for debt financing in the long term. The funds that can be drawn down will be used for general corporate financing and to support the company's further M&A strategy. By integrating an ESG component that influences conditions, adesso underscores its commitment to the corporate goals defined in its sustainability strategy.

Cash and cash equivalents typically include larger items that will be disbursed in the first months of 2025. The largest items are the variable salary components to be paid out in the first quarter of 2025, as well as profit-sharing for employees and the Executive Board for 2024. Overall, the liquidity is adequate to carry on current business operations, for the planned redemption of liabilities and to compensate for ordinary fluctuations in capacity utilisation. The performance-related fluctuation range of the variable salary components forms an additional buffer to cushion against possible declines in earnings and the corresponding liquidity outflows.

Overall statement on business performance by the management

Business performance in 2024 can not be considered as satisfactory overall. While revenue growth of 17% is within expectations, profitability is below the company's target.

This was primarily due to adesso SE's poor capacity utilisation in the first half of 2024, which could only be improved through countermeasures starting in summer 2024.

Outlook

The report on risks and opportunities is a pivotal part of management's considerations of the further development of adesso SE and of the forecast report.

adesso SE aims to achieve continued growth above the industry average in 2025. Due to the slower hiring dynamics, growth is expected to be lower than in previous years.

Profitability, however, should continue to improve through initiatives to increase capacity utilization and measures to increase prices in the operational organizational units.

With regard to the non-financial performance indicators, a fluctuation of <10 % is planned for 2025, as well as an increase in daily rates of at least 2 %.

Consolidated Financial Statement

Consolidated Balance Sheet

of adesso Group as of 31 December according to IFRS

Assets

in EUR k	Appendix	31.12.2024	31.12.2023
Non-current assets			
Goodwill	4.	100,133	98,098
Intangible assets	4.	38,416	39,589
Property, plant and equipment	5.	51,812	50,509
Right-of-use from leasing	31.	188,073	173,274
Shareholdings recognized under the equity method	7.	4,054	2,224
Financial assets	6.	22,352	20,748
Other non-current assets	13.	948	854
Deferred tax assets	8.	19,020	10,803
		424,808	396,099
Current assets			
Cash and cash equivalents	9.	89,682	100,772
Trade accounts receivable	10.	180,168	181,893
Contract assets	11.	69,636	77,602
Receivables from income taxes	8.	10,429	6,781
Financial assets	12.	5,768	2,284
Other assets	13.	22,365	20,554
		378,048	389,886
TOTAL ASSETS		**802,856**	**785,985**

Equity and liabilities

in EUR k	Appendix	31.12.2024	31.12.2023
Equity	14.		
Subscribed capital		6,522	6,520
Capital reserve		41,895	45,989
Other retained earnings		149,473	152,107
Treasury shares		-8,174	-
Accumulated other comprehensive income		249	-1,616
Equity attributable to adesso SE stockholders		189,965	203,000
Non-controlling interests		3,944	4,777
		193,909	207,777
Non-current liabilities			
Financial liabilities*	16.	86,972	120,941
Pensions and similar liabilities	20.	15,595	6,348
Provisions	18.	2,453	5,128
Leasing liabilities	16. / 31.	157,960	147,792
Deferred tax liabilities	8.	4,470	11,123
		267,450	291,332
Current liabilities			
Financial liabilities*	16.	49,266	28,200
Trade accounts payable	17.	52,153	46,335
Contract liabilities	21.	34,840	36,618
Leasing liabilities	16. / 31.	36,993	31,031
Liabilities from income taxes	8.	9,904	6,002
Provisions	18.	8,877	9,573
Other liabilities	19.	149,464	129,117
		341,497	286,876
TOTAL EQUITY AND LIABILITIES		**802,856**	**785,985**

* See explanation in the notes section "1.1 Mandatory first-time application of accounting standards".

Consolidated Income Statement

of adesso Group for the period from 1 January to 31 December according to IFRS

in EUR k	Appendix	2024	2023
Sales revenues	21.	1,296,992	1,135,903
Other operating income	22.	17,467	11,534
Own work capitalised	23.	5,580	4,275
Costs of material	24.	-185,343	-162,636
Personnel costs	25.	-888,934	-773,159
Result from the derecognition of financial assets	33.	-838	-72
Result from the change in impairment on financial assets measured at amortised cost	33.	-813	-519
Other operating expenses	26.	-145,765	-135,296
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)		**98,346**	**80,030**
Depreciation on property, plant and equipment	27.	-67,503	-57,723
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**30,843**	**22,307**
Earnings from shares recognized under the equity method	28.	-1,909	-1,238
Interest income and similar income	28.	3,087	2,398
Interest expenses and similar expenses	28.	-14,992	-11,274
EARNINGS BEFORE TAXES (EBT)		**17,029**	**12,193**
Income taxes	29.	-6,827	-8,783
CONSOLIDATED EARNINGS		**10,202**	**3,410**
of which attributable to shareholders of adesso SE	30.	8,123	3,205
of which attributable to non-controlling interests	30.	2,079	205
Number of shares at the end of the period*	14.	6,522,272	6,520,272
UNDILUTED EARNINGS PER SHARE (IN EUR)	**30.**	**1.25**	**0.49**
DILUTED EARNINGS PER SHARE (IN EUR)	**30.**	**1.25**	**0.49**

Consolidated Statement of Comprehensive Income

of adesso Group for the period from 1 January to 31 December according to IFRS

in EUR k	Appendix	2024	2023
CONSOLIDATED EARNINGS		**10,202**	**3,410**
Other comprehensive income, not subsequently transferred to the income statement			
Actuarial gains (+) and losses (-)	20.	-7,761	-3,098
Deferred taxes on actuarial gains and losses		1,568	619
Gains (+) and losses (-) from financial assets at fair value through other comprehensive income	6.	943	-203
Deferred tax on gains and losses from financial assets at fair value through other comprehensive income		-14	10
Other comprehensive income, subsequently transferred to the income statement			
Currency translation differences		898	568
OTHER COMPREHENSIVE INCOME		**-4,366**	**-2,104**
TOTAL INCOME		**5,836**	**1,306**
of which attributable to shareholders of adesso SE		3,795	1,069
of which attributable to non-controlling interests		2,041	237

* The number of shares outstanding was reduced to 6,421,73 as a result of the share buy-back programme carried out in the period from 17.10.2024 to 31.12.2024.

Consolidated Cash Flow Statement

of adesso Group for the period from 1 January to 31 December according to IFRS*

in EUR k	2024	2023
EARNINGS BEFORE TAX	**17,029**	**12,193**
Income from financing activities	11,905	8,876
Scheduled depreciation and amortization on property, plant and equipment and intangible assets	67,503	57,723
Result from shares recognized under the equity method	1,909	1,238
Non-cash income (-) / expenses (+)	4,463	3,584
Change in pension provisions	1,348	-622
Change in other provisions	-3,331	2,679
Tax payments	-20,117	-19,784
Losses (+) / Gains (-) from the disposal of property, plant and equipment	-44	6
Change of net operating assets	29,890	10,967
CASH FLOW FROM OPERATING ACTIVITIES	**110,555**	**76,860**
Divestments of property, plant and equipment	160	127
Divestments of financial assets	2,378	4,842
Divestments of shares recognised at equity	-	108
Investments in shares recognised at equity	-3,019	-1,145
Investments in property, plant and equipment	-17,660	-26,376
Investments in intangible assets	-11,476	-7,969
Investments in financial assets	-4,062	-9,389
Acquisition/disposal of subsidiaries (less cash and cash equivalents acquired)	-1,447	-11,633
Dividends received	-	-
Interest received	1,455	653
CASH FLOW FROM INVESTMENT ACTIVITIES	**-33,671**	**-50,782**
Dividend payments	-6,109	-5,283
Share Buyback	-8,180	-
Capital increase	100	417
New liabilities to banks	75,000	77,192
Repayment of financial liabilities	-98,801	-50,266
Repayment of leasing liabilities	-36,287	-28,290
Interest paid	-13,345	-9,659
CASH FLOW FROM FINANCING ACTIVITIES	**-87,622**	**-15,889**
Changes in value or currency difference-related changes in cash and cash equivalents	-353	-314
CHANGE IN CASH AND CASH EQUIVALENTS	**-11,090**	**9,875**
Cash and cash equivalents at the beginning of the period	100,772	90,897
Cash and cash equivalents at the end of the period	89,682	100,772

* See notes section "V. Information on the Consolidated Cash Flow Statement".

Consolidated Shareholders Equity Statement*

of adesso Group for the period from 1 January to 31 December according to IFRS

in EUR k	Share capital	Capital reserves
01.01.2023	6,512	49,867
Share-based compensation	-	1,434
Effects from change in options on the purchase of additional shares in subsidiaries	-	-5,721
Effects from the purchase of subsidiaries	-	-
Effects from the purchase of additional shares in subsidiaries	-	-
Payments from non-controlling interests	-	-
Increase in share capital by exercises of stock options	8	409
Other results at the end of the financial year	-	-
Consolidated result	-	-
Total	-	-
Dividends	-	-
31.12.2023	6,520	45,989
01.01.2024	6,520	45,989
Share-based compensation	-	1,641
Effects from change in options on the purchase of additional shares in subsidiaries	-	-5,379
Share Buyback	-	-6
Effects from the purchase of additional shares in subsidiaries	-	-372
Sale of shares in subsidiaries without a status change	-	-76
Increase in share capital by exercises of stock options	2	98
Other Comprehensive Income	-	-
Profit or Loss	-	-
Comprehensive Income	-	-
Dividends**	-	-
31.12.2024	6,522	41,895

* See notes section "14. Equity"
** Dividend payment of EUR 4,564 thousand corresponds to EUR 0.70 per share.

Other reserves	Accumulated other comprehensive income	Treasury shares	Equity of adesso SE shareholders	Non-controlling shares	Total Equity
155,614	-1,959	-	210,034	5,147	215,181
-	-	-	1,434	-	1,434
-	-	-	-5,721	-124	-5,845
-	-	-	-	567	567
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	417	-	417
-2,479	343	-	-2,136	32	-2,104
3,205	-	-	3,205	205	3,410
726	343	-	1,069	237	1,306
-4,233	-	-	-4,233	-1,050	-5,283
152,107	-1,616	-	203,000	4,777	207,777
152,107	-1,616	-	203,000	4,777	207,777
-	-	-	1,641	-	1,641
-	-	-	-5,379	-917	-6,296
-	-	-8,174	-8,180	-	-8,180
-	-	-	-372	-528	-900
-	-	-	-76	116	40
-	-	-	100	-	100
-6,193	1,865	-	-4,328	-38	-4,366
8,123	-	-	8,123	2,079	10,202
1,930	1,865	-	3,795	2,041	5,836
-4,564	-	-	-4,564	-1,545	-6,109
149,473	249	-8,174	189,965	3,944	193,909

CONSOLIDATED NOTES

OF ADESSO GROUP FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 DECEMBER 2024 ACCORDING TO IFRS

I. GENERAL INFORMATION

The adesso Group (hereinafter referred to as adesso) is an IT service provider independent of manufacturers. It focuses on consulting and software development. adesso uses information technology to provide optimised core business process design and support to its customers.

adesso SE is a public company (Societas Europaea) under European law. Its registered office is in Dortmund, Germany. The address is: adesso SE, Adessoplatz 1, 44269 Dortmund. The commercial register court is likewise located in Dortmund (HRB 20663).

The declaration on the German Corporate Governance Code required pursuant to Section 161 of the German Stock Corporation Act (AktG) has been issued and was made permanently available to the shareholders at www.adesso-group.de/corporate-governance/.

The consolidated financial statements and the consolidated management report for adesso SE were approved by the Supervisory Board on 20 March 2025 and released for publication by the Executive Board.

II. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements were prepared by adesso SE in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), applicable as of 31 December 2024 and adopted by the EU, as well as the supplementary regulations according to Section 315e (1) of the German Commercial Code (HGB).

The consolidated financial statements for the year ended 31 December 2024 have been prepared in euros. The financial statements have been prepared on the cost basis except for where IFRS requires the use of different valuation principles. Uniform accounting methods based on IFRS were applied to the assets and liabilities of the companies included in the consolidated financial statements. The individual financial statements of the companies included in the consolidated financial statements are issued for the reporting date of the consolidated financial statements.

Assets and liabilities are classified in the consolidated balance sheet as current or non-current items according to their maturities. In principle, assets and liabilities are classified as current insofar as they are realised or mature within the normal business cycle or within twelve months after the end of the reporting period. The consolidated income statement has been prepared using the nature of expense method. Unless otherwise stated, the accounting policies have been consistently applied to all periods presented.

Unless otherwise stated, all amounts are given in thousands of euros (EUR thousand). As a result of rounding, some amounts may not add up to the disclosed sums.

1. Accounting standards applied for the first time

1.1. Accounting standards to be applied mandatory for the first time

> In September 2022, the IASB adopted amendments to IFRS 16 (Leases). The amendments prescribe how a seller-lessee should perform the subsequent measurement of sale and leaseback transactions recognised as a sale under IFRS 15. The amendments are applicable to annual reporting periods beginning on or after 1 January 2024. Recognition by the EU was granted on 20 November 2023. The amendments do not affect adesso's financial statements.

> In May 2023, the IASB issued amendments to IAS 7 (Statement of Cash Flows) and IFRS 7 (Financial Instruments: Disclosures). These relate to disclosure requirements in connection with supplier finance arrangements – also known as supply chain financing, financing of trade payables or reverse factoring arrangements. The new disclosure requirements will ensure that companies are aware of such arrangements and their associated risks in future. The amendments are applicable to annual reporting periods beginning on or after 1 January 2024. Recognition by the EU was granted on 15 May 2024. The amendments do not affect adesso's financial statements.

> In October 2022, the IASB adopted amendments to IAS 1 (Presentation of Financial Statements). The amendments contain clarifications as to when there is a right to extend a liability for a period of at least twelve months after the reporting date if loan agreements (covenants) exist on the reporting date. If the terms of the loan agreements must be fulfilled during or at the end of the year, they have an impact on the assessment of the right as at the reporting date. If the conditions are met, the right exists. If the terms of the loan agreements only have to be fulfilled at a later date, they have no effect on the assessment of the right as at the balance sheet date. In this case, additional disclosures are required in the Notes to help addressees of the financial statements understand the risk that the liability may have to be repaid within the next twelve months. The new requirements have been applied retrospectively. The new rules were applied retrospectively for the first time. The amendments are applicable to financial years beginning on or after 1 January 2024 and were recognised by the EU on 19 December 2023. This provision was voluntarily applied early for the 2023 financial year. In the Consolidated Financial Statements for the 2023 financial year, financial liabilities from the syndicated loan in the amount of EUR 44,845 thousand were reported as non-current for 2022 in accordance with this provision. Accordingly, financial liabilities of EUR 79,845 thousand for 2023 and EUR 75,000 thousand for 2024 were reported as non-current.

2. Regulations that have been issued, but not yet adopted

The IASB has issued standards, amendments to standards and interpretations that are to be applied to financial years beginning on or after 1 January 2024. Application of the following regulations is not yet mandatory, and adesso has not yet adopted them. adesso does not intend early application.

2.1. Endorsed by the EU

> In August 2023, the IASB adopted amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates) with regard to the lack of exchangeability of currencies. The amendments provide standardised guidance on determining exchangeability and on how to proceed if there is a lack thereof. In this case, additional information must be provided. The amendments are applicable to annual reporting periods beginning on or after 1 January 2025. Recognition by the EU was granted on 12 November 2024. The amendments will not have any effect on adesso's financial statements.

2.2. Provisions not yet endorsed by the EU

> In April 2024, the IASB adopted IFRS 18 (Presentation and Disclosure in Financial Statements). IFRS 18 requires certain defined subtotals for the Statement of Profit or Loss as well as disclosures on key performance indicators used by the company (management-defined performance measures). IFRS 18 also implements numerous consequential amendments to other standards. IFRS 18 is applicable to annual reporting periods beginning on or after 1 January 2027. Recognition by the EU is pending. adesso is currently analysing what effects the first-time application of IFRS 18 will have on adesso's financial statements.

> In May 2024, the IASB adopted IFRS 19 (Subsidiaries without Public Accountability: Disclosures). IFRS 19 introduces numerous simplifications for subsidiaries that are not subject to public accountability. The standard is applicable to annual reporting periods beginning on or after 1 January 2027. The amendments have yet to be endorsed by the EU. The standard is not expected to have any impact on adesso's financial statements.

3. Financial reporting

3.1. Geopolitical and macroeconomic environment

Presenting facts and circumstances in accounting often requires estimates and assumptions about future events and developments. This is naturally linked to uncertainty. This uncertainty has to be taken into account in order to understand the figures reported in the financial statements.

The general uncertainty surrounding geopolitical and economic developments will remain high in the 2024 financial year. For adesso, this includes not only the economic conditions at the German and especially at the European level, but also the development of inflation rates, as well as interest rate developments and the conflicts in Ukraine and the Middle East.

adesso's management is monitoring the effect of uncertainty on the economy and analysing what effects this has, or could have, on adesso. It is also analysing what operational measures need to be taken to combat this uncertainty.

The latest developments may have a variety of impacts on adesso's financial statements. In addition to the amortisation of receivables and contract assets, above all the recognition of provisions for contingent losses and the amortisation of goodwill, deferred tax assets on tax loss carryforwards and intangible assets must be examined. Moreover, adesso must ensure that adesso is able to meet its payment obligations now and at any time in the future.

Management's analysis has shown that, as at 31 December 2024, the aforementioned geopolitical developments will continue to have no material impact on adesso's consolidated financial statements. Current macroeconomic developments are having a more direct impact on adesso's business model. Declining inflation leads to stable expenditure on the use of resources, which, at adesso, primarily includes employees. Lower interest rates lead to lower variable financing expenses on the one hand and to a reduction in the risk of goodwill amortisation on the other. Despite stagnating profitability losses, there are no concrete signs that adesso's liquidity is at risk. adesso will continue to continuously analyse these effects, including with regard to changes in uncertainties.

For details on the impact on the asset, financial and earnings situation for financial year 2024, the countermeasures taken, and a general assessment of current external social, political and economic factors, please see the economic report, as well as the forecast, opportunities and risk report in the consolidated management report. With regard to environmental factors such as climate protection and climate change, there are currently no recognisable direct material effects on adesso's business model. Further details can be found in adesso's non-financial report.

3.2. Subsidiaries

Subsidiaries are companies that are directly or indirectly controlled by adesso. A company is deemed to be controlled by adesso insofar as adesso has decision-making powers over this associated company, adesso is exposed and/or entitled to variable returns (usually dividends) and it can use its decision-making power to influence the variable returns. adesso has decision-making powers over a company as far existing rights mean that adesso has the ability to direct the relevant activities of the company. Relevant activities are activities that significantly affect the respective company's variable returns. Potential voting rights e. g. from options or convertible bonds need to be taken into account in addition to current voting rights, irrespective of whether these are held by adesso SE itself or one of its subsidiaries.

Subsidiaries are fully consolidated from the date on which adesso obtains control. This means that assets, liabilities, income, expenses and cash flows are recognised in the consolidated financial statements from that date.

Pursuant to IFRS 3, mergers are reported using the acquisition method. The consideration for the shares acquired comprises the assets accrued, the liabilities incurred or assumed, equity instruments issued and any agreed contingent consideration, each measured at fair value.

Assets and liabilities from contingent consideration must subsequently be measured at fair value in accordance with IFRS 9, with income and expenses recognized in the consolidated income statement. If the contingent consideration is to be classified as equity, current changes in value are not to be recorded and differences when the contingent consideration is paid are to be recorded in equity. Shares previously held in a subsidiary (gradual acquisition of investments) must be valued at fair value immediately before the business combination. As in the case of an assumed sale of the corresponding shares, a resulting contribution to earnings must be recognized either in the consolidated income statement or in other profit or loss for the period. The incidental acquisition costs of a business combination must be recorded directly in the consolidated income statement. Pre-corporate relationships existing at the time control is achieved must be eliminated before consolidation. The resulting profit contributions must be recorded in the consolidated income statement.

In general, all acquired assets and liabilities must be recognised in a business combination. This applies irrespective of the likelihood of future cash inflows or outflows. However, contingent assets are not recognised. In general, the acquired assets and liabilities are recognised at fair value. Non-controlling interests can be valued according to the pro-rata net assets measured pursuant to IFRS 3 or at fair value. The last option in principle includes the recognition of goodwill for the shares of non-controlling shareholders as well. adesso measures the shares of non-controlling shareholders with the proportionate net assets determined according to IFRS 3.

In a number of cases, put/call options were agreed regarding non-controlling shares. This means that, in future, adesso will have the opportunity to acquire non-controlling shares while the holder of the non-controlling shares simultaneously has the option of offering these shares to adesso. A liability resulting from the put options must be recognised in the financial statements as adesso has no means of avoiding this obligation. The recognition of the liability depends on a number of assumptions and estimates. With regard to non-controlling interests, an analysis must be performed to determine whether adesso is the beneficial owner of the shares. This is the case, for example, if adesso possesses a right to variable returns realised by the non-controlling shares until the exercise of the options, as a rule, if dividends are not paid out to the holder of the non-controlling shares. Provided that adesso is the beneficial owner of the non-controlling shares, the business combination will be presented in the financial statements as though adesso had already acquired the shares underlying the options and the liability will be recognised at the time of the business combination. Changes in the value of this liability will be recognised in the consolidated income statement in future.

Provided that adesso cannot be regarded as the beneficial owner of the non-controlling interests, the presentation initially depends on whether the liability should be presented in accordance with IAS 32 or IFRS 10. adesso is of the opinion that presentation in accordance with IFRS 10 takes precedence. The financial statements are presented as if adesso had acquired the non-controlling shares at the end of the respective financial year. As a result, annual profit is allocated to the non-controlling interests, and the liability from the put option is reported in the consolidated balance sheet rather than the non-controlling interests. Any difference between the liability and the non-controlling interests is recognised in equity in the capital reserve. From the beginning of the respective following financial year, non-controlling interests are considered outstanding until the end of the relevant accounting period or until the options are exercised. Where a combination of put and call options exists, these are generally analysed as described.

The goodwill attributable to the shareholders of the parent company is generally equal to the difference between the value of the consideration paid plus the fair value of the shares held in the subsidiary prior to the business combination and the proportionate share of net assets of the acquired company measured in accordance with IFRS 3.

If the identification and/or measurement of the acquired assets and liabilities and/or the determination of the consideration given is not completed on the balance sheet date following the business combination, the business combination must be provisionally recognised in the consolidated financial statements. Reporting for the business combination has to be completed within twelve months of the business combination date (measurement period).

Intra-group relationships between the consolidated companies are eliminated. As part of the consolidation of capital, participations in subsidiaries are offset against the acquired pro-rata equity of the respective subsidiary allocated to adesso. Obligations between the companies included in the consolidated financial statements are eliminated in the course of debt consolidation. The intercompany profits and losses (difference between the carrying amount in the separate financial statements and the carrying amount in the consolidated financial statements) from intercompany transactions included in the assets and liabilities are eliminated as part of the elimination of intercompany profits and losses, while expenses and income from intercompany transactions are eliminated as part of the consolidation of income and expenses.

Changes in the participating interest in a subsidiary that does not result in a loss of control are recognised as equity transactions. Differences between the fair value of the consideration given and/or received and the carrying amount of the pro-rata equity (of the non-controlling interests) are recorded in capital reserves.

A company is deconsolidated as of the date on which adesso no longer controls it. From this date onwards, the assets and liabilities, as well as income and expenses, are no longer attributed to adesso. Any share in the former subsidiary remaining with adesso is measured at fair value. The difference between the net assets attributable to the remaining shares at the date of deconsolidation and the fair value of the shares is reported in the consolidated income statement. A reserve from currency translation differences recognised in equity in connection with the deconsolidated subsidiary must be recognised in the consolidated income statement as of the date of deconsolidation.

adesso holds the majority of the voting rights in all subsidiaries directly or indirectly. This enables adesso to direct the relevant activities of the subsidiaries.

There are no significant non-controlling interests in the adesso consolidated financial statements.

In respect of the list of companies included in the consolidated financial statements we refer to the list of shareholdings in accordance with Section 313 (2) HGB under “43. Subsidiaries” or “44. Associates and joint ventures”.

3.3. Joint arrangements and associates

Pursuant to IFRS 11, joint arrangements are classified as joint operations or joint ventures. Joint operations are joint arrangements where the joint operators have rights to the assets and liabilities relating to the joint arrangements. In the case of joint ventures, the partner companies have rights to the net assets included in the arrangement. In the case of joint operations, the joint operator accounts for the assets and liabilities, including its share of those held jointly, its income and its share of the joint income of the arrangement, as well as its expenses, including its share of any expenses incurred jointly. Pursuant to IFRS 11, interests in joint ventures are consolidated using the equity method described in IAS 28.

A company is considered to be an associate of adesso if adesso has significant influence over the company, but does neither control the company nor control the company together with another. Where adesso holds 20 % to 50 % of the shares in a company, it is assumed under IAS 28 that adesso can exert a significant influence on the company. Like joint ventures, associates are consolidated using the equity method.

According to the equity method, the interests are recognised at cost when they are recognised for the first time. If, at the time that the company is consolidated using the equity method for the first time, the cost exceeds the pro-rata fair value of the net assets of the company, the equity-value must include goodwill. An amount equal to the difference is to be recognised if the reverse is true. As a result, the results of joint ventures and associated companies are recognised pro rata in adesso's financial statements, while any hidden reserves and encumbrances discovered upon acquisition are carried forward.

The profits or losses of the joint venture and associated companies are recognised pro rata in the consolidated income statement, while other comprehensive income of the joint venture and associated companies is to be recognised pro rata in other comprehensive income; in both cases, an adjustment is to be made to the carrying amount of the shares. Dividend distributions from joint ventures and associates reduce the carrying amount of the interests through profit or loss. If losses recognised on a pro rata basis are greater than the net investment in the joint venture or associate (shares plus, e.g. loans for which repayment is neither planned nor expected within the foreseeable future), the losses in excess of the net investment are not recognised. The negative equity value is amortised by means of a separate calculation, and included in the consolidated balance sheet once it is positive again.

If an associate becomes a joint venture as a result of a change in the amount of the investment, or a change in contractual arrangements, or if a joint venture becomes an associate as a result of a change in contractual arrangements, the equity amount will only be adjusted for any shares acquired or disposed of. Shares are not revalued. If shares in associates or joint ventures are sold and they continue to be consolidated using the equity method, the amounts recognised in other comprehensive income are reported pro rata in the consolidated income statement, provided that this would also be the case with the disposal of the corresponding assets and/or liabilities.

adesso conducts a check on each balance sheet date to determine whether there is any objective evidence that the carrying amount of the net investments is impaired. The impairment test is conducted in accordance with IAS 36. An impairment loss is to be recognised in the amount of the difference between the recoverable amount of the net investment in the joint venture or associated company and the carrying amount of the net investment. As the impairment relates to the entire carrying amount and not the carrying amount of the individual assets included in the carrying amount, a reversal of impairment losses pursuant to IAS 36 may have to be recognised in the future.

Intercompany profits and losses from upstream and downstream transactions with associates and joint ventures are eliminated on a pro rata basis.

adesso does not hold any significant interests in associates and joint ventures. Information about these companies is published under "44. Associates and joint ventures".

3.4. Currency translation

Each of the companies included in the consolidated financial statements prepares its own separate financial statements in its respective functional currency. The functional currency of a company corresponds to the currency of the primary economic environment in which the company operates. This functional currency for the companies included in the adesso consolidated financial statements corresponds to the respective currency of the country where the company has its registered office.

Transactions conducted in a currency other than the functional currency are translated into the functional currency using the spot and/or respective exchange rate. The expenses and income resulting from this and from the settlement of such transactions are recognised in the consolidated income statement, provided that the amounts are not recognised as respective profit amounts in other comprehensive income.

Financial statements prepared in functional currencies other than the euro are translated using the modified closing rate method. The equity of the companies with functional currencies other than the euro included in the consolidated financial statements is translated using historical exchange rates. All assets and liabilities are translated using the spot rate. The income and expenses, as well as the annual profit, recognised in the consolidated income statement are generally translated at the transaction rate; for reasons of simplification, where permissible, at the average rate. The translation differences arising in the current year are recognised correspondingly in other comprehensive income. The amounts below are stated at standard indirect quotations.

On 31 December 2024, for example, the following applied: EUR 1 equated to CHF 0.94.

Foreign currency at EUR 1	Closing rate		Average rate	
	2024	2023	2024	2023
Swiss franc (CHF)	0.94	0.93	0.95	0.97
British pound (GBP)	0.83	0.87	0.85	0.87
US dollar (USD)	1.04	1.11	1.08	1.08
Turkish lira (TRY)*	36.74	32.65	-	-
Bulgarian lev (BGN)	1.96	1.96	1.96	1.96
Danish krone (DKK)	7.46	7.45	7.46	7.45
Romanian leu (RON)	4.97	4.98	4.97	4.95
Swedish krone (SEK)	11.46	11.10	11.43	11.47
Hungarian forint (HUF)	411.35	382.80	395.42	381.76
Indian Rupee (INR)	88.93	91.90	90.53	89.68
Saudi riyal (SAR)	3.90	-	4.06	-
UAE-dirham (AED)	3.82	-	3.85	-

* Due to IAS 29 (Financial Reporting in Hyperinflationary Economics) Balance Sheet and Consolidated Statement of Comprehensive Income are trasnslated using the closing rate.

The financial statements of adesso Turkey – which are included in the consolidated financial statements – will be indexed for the first time in accordance with the provisions of IAS 29 (Financial Reporting in Hyperinflationary Economies) owing to the sharp decline in the purchasing power of the Turkish lira. This indexation takes place in the financial statements prepared in Turkish lira. Non-monetary assets, liabilities and equity are indexed on the basis of the Turkish Domestic Producer Price Index (D PPI). As a result, non-monetary assets and liabilities are recognised on the basis of current purchasing power. Income and expenses must also be indexed. Monetary positions are not to be indexed because they are measured on the basis of the current value of the Turkish lira. The impacts of indexing are recognised against an item in the Statement of Profit or Loss. This shows either what is known as a debtor loss or a debtor gain, which indicates the loss or gain in purchasing power associated with the monetary items. The D PPI stood at 2,915 as at 31 December 2023 and 3,746 as at 31 December 2024.

The financial statements indexed in this way and prepared in Turkish lira are fully translated into euros using the spot rate, in deviation from translation using the modified spot rate method. This applies not only to assets and liabilities, but also to the income and expenses recognised in the consolidated statement of comprehensive income.

3.5. Disclosures on company acquisitions and increases in shares in subsidiaries

Acquisitions in the current year

Arteno

adesso acquired all of the shares in Arteno Bilgi Teknolojileri ve Danismanlik Hizmetleri A.S. with effect from 2 May 2024. (Istanbul/Turkey). Arteno is one of the leading SAP consulting service providers in Turkey. The acquisition allows adesso to supplement its technological portfolio in Turkey with the addition of highly sought-after SAP services while also expanding SmartShore capacities for international customers. The company was merged with the adesso national subsidiary in Turkey immediately after the takeover.

The consideration for the shares acquired is EUR 2,921 thousand. A fixed purchase price of EUR 1,803 thousand was agreed. In addition, a further payment is due at the beginning of 2025, which is dependent on sales revenues and consultant days invoiced in the 2024 financial year. The range of potential payment is between EUR 0 and EUR 1,160 thousand. adesso expects to pay the maximum amount. This amount is recognised at fair value (EUR 1,118 thousand) when determining the consideration. The liability is measured at EUR 1,160 thousand as at the reporting date.

In addition, a maximum amount of EUR 576 thousand is to be paid at a future date. This payment is dependent on the seller’s future performance and is therefore accumulated on a pro rata basis as personnel costs in profit or loss.

The fair value of the acquired trade receivables is EUR 90 thousand. This corresponds to the contractual cash flows from receivables. The purchase price of EUR 1,713 thousand paid by the reporting date is offset by acquired cash and cash equivalents of EUR 266 thousand, meaning that the cash and cash equivalents decreased by EUR 1,447 thousand as a result of the business combination.

The business operations acquired are assigned to the IT Services segment.

The goodwill resulting from the business combination mainly represents the workforce of the company, expected synergy effects and future economic benefits, all of which cannot be capitalised according to IFRS. The goodwill is not tax-deductible.

The following table contains the assets and liabilities of Arteno recognised at the acquisition date and measured in accordance with IFRS 3:

Arteno	in EUR k
ASSETS	**3,658**
Non-current assets	2,968
Goodwill	2,237
Non current intangible assets	543
of which customer contracts	145
of which order backlog	398
Right of use assets from leases	139
Property, plant and equipment	11
Deferred tax assets	38
Current assets	690
Contract assets	189
Trade receivables	90
Current Financial Assets	135
Other current assets	10
Cash and cash equivalents	266
LIABILITIES	**737**
Non-current liabilities	198
Non-current lease liabilities	62
Deferred tax liabilities	136
Current liabilities	539
Current financial liabilities	162
Current lease liabilities	77
Trade payables	55
Current income tax liability	143
Other current liabilities	102

The sales revenues included in the Consolidated Statement of Profit or Loss and the contribution to earnings by the acquired company cannot be calculated separately owing to the merger with adesso Turkey.

If the Arteno had already been included in the Consolidated Financial Statements as of 1 January 2024, consolidated sales revenues would have amounted to EUR 1,297,280 thousand and consolidated earnings to EUR 9,847 thousand.

KIWI Consulting EDV-Beratung GmbH

adesso acquired the remaining non-controlling interests in Kiwi Consulting EDV-Beratung GmbH as at 31 December 2024. The purchase price for the additional 30 % of the shares in KIWI amounts to EUR 10.5 million. The purchase price was paid at the beginning of 2025. This reduced non-controlling interests by EUR 1,653 thousand and the capital reserve by EUR 8,682 thousand.

orange Hungary Kft.

adesso acquired the remaining 30% of the shares in orange Hungary Kft. on 9 December 2024 for a purchase price of EUR 900 thousand. This reduced non-controlling interests by EUR 528 thousand and the capital reserve by EUR 372 thousand.

Acquisitions in the previous year

WebScience S.r.l (now: adesso Italy)

adesso acquired all shares in WebScience S.r.l., Milan, Italy, as at 1 January 2023. adesso strengthens its position in the fields of creating bespoke digital solutions, application modernisation and cloud migration, on which WebScience S.r.l. is specialised. With the acquisition of the shares, 100 % of the shares in WebScience Bulgaria (Sofia, Bulgaria) were also acquired. The business operations acquired are assigned to the IT Services segment.

The consideration for the shares acquired amounts to EUR 15,144 thousand. Of this amount, EUR 12,010 thousand is considered a fixed purchase price, which was paid in full. It was also agreed that a further payment that depends on the sales revenues and EBITDA for financial years 2023 and 2024 will fall due.The range of payment was between EUR 0 and EUR 3,134 thousand. adesso expects to pay the maximum amount. EUR 1,567 thousand was paid in 2024. The remaining liability to be repaid in 2025 is measured at the maximum amount of EUR 1,567 thousand as at 31 December 2024. The purchase price payment of EUR 12,010 thousand is offset by acquired cash and cash equivalents of EUR 1,661 thousand, meaning that cash and cash equivalents decreased by EUR 10,349 thousand as a result of the merger.

In addition, an amount of EUR 1,567 thousand is expected to be paid in the future. Since the payment depends on future sales revenues and future EBITDA, as well as on the performance of the seller, this amount will be accumulated as personnel costs in profit or loss on a pro rata basis.

The fair value of the acquired trade receivables amounted to EUR 2,976 thousand. This corresponds to the contractual cash flows from receivables.

The ancillary acquisition costs amounted to EUR 760 thousand. These are recognised under 'Other operating expenses' in the Consolidated Statement of Profit or Loss.

Goodwill resulting from the business combination mainly represents the workforce of the company, expected synergy effects and future economic benefits, all of which cannot be capitalised under IFRS. The goodwill is not tax-deductible.

The consolidated income statement in 2023 contained sales revenues from the acquired company amounting to EUR 11,621 thousand as well as earnings of EUR -836 thousand.

Urban Energy

On 22 March 2023, adesso increased its stake in Urban Energy GmbH, Berlin, by 25 percentage points to 50 % of the shares plus one vote. Urban Energy GmbH develops an innovative IoT platform for the smart cities of tomorrow. Urban Energy's innovative platform tackles one of the main challenges of electromobility: the rising number of electric vehicles, and related charging stations, will lead to higher peak demand for electricity and overloaded power grids. To address that problem, Urban Energy has developed software that uses artificial intelligence to synchronise energy generation with consumption. The business operations acquired are assigned to the IT Solutions segment.

A combined call/put option that is exercisable in 2026 at the earliest, and in 2029 at the latest, was agreed for the remaining shares (50 % less one vote). As a result, the remaining shares in Urban Energy are also attributable to adesso (present ownership) and Urban Energy is fully consolidated.

The consideration for the shares totalled EUR 1,716 thousand. including a payment of EUR 10 thousand. The remaining amount corresponds to the fair value of the liability from the call/put option. The purchase price for the remaining shares is capped at EUR 4 million and must be no less than EUR 1,250 thousand. The liability from the call/put option was measured at EUR 1,081 thousand as at the acquisition date. As at 31 December 2024, the liability was measured at EUR 1,163 thousand.

At the time of the merger, the carrying amount of the shares in urban energy recognised under the equity method amounted to EUR 170 thousand. The fair value of the shares held in Urban Energy prior to the merger amounted to EUR 625 thousand, meaning that income of EUR 455 thousand was recognised from the measurement at fair value. This is recognised under "Other operating income" in the consolidated income statement 2023. The fair value of the old shares is not part of the "consideration given", according to the IFRS.

The payment of EUR 10 thousand was offset by acquired cash and cash equivalents of EUR 83 thousand, meaning that cash and cash equivalents increased by EUR 73 thousand as a result of the merger.

The fair value of the acquired trade receivables amounted to EUR 11 thousand. This corresponds to the contractual cash flows from receivables.

The incidental acquisition costs totalled EUR 5 thousand. These are reported under 'Other operating expenses' in the 2023 Consolidated Statement of Profit or Loss.

Goodwill resulting from the business combination mainly represents the workforce of the company, expected synergy effects and future economic benefits, all of which are not eligible for capitalisation according to IFRS. The goodwill is not tax-deductible.

The consolidated income statement 2023 contained sales revenues from the acquired company amounting to EUR 433 thousand as well as earnings of EUR -222 thousand.

Trieste Digital Solutions

On 24 March 2023, adesso acquired all shares in Trieste Digital Solutions Private Limited, Kerala, India. The company was subsequently renamed adesso India Limited. It acts as a SmartShore delivery centre for adesso and already locally supports customers from various industries in India. The business operations acquired are assigned to the IT Services segment.

The consideration for the shares acquired totalled EUR 80 thousand and was paid in full. The payment was offset by acquired cash and cash equivalents of EUR 74 thousand, meaning that cash and cash equivalents decreased by EUR 6 thousand as a result of the merger.

The incidental acquisition costs totalled EUR 23 thousand. These are reported under 'Other operating expenses' in the 2023 Consolidated Statement of Profit or Loss.

The Consolidated Statement of Profit or Loss of 2023 contains sales revenues from the acquired company amounting to EUR 456 thousand as well as earnings of EUR 18 thousand.

Wepex

On 20 April 2023, adesso acquired 51 % of the shares in Wepex GmbH, Frankfurt am Main, Germany. Wepex is a management consultancy specialising in the capital markets and securities business. The business operations acquired are assigned to the IT Services segment.

The consideration amounts to EUR 2,160 thousand, which includes a payment of EUR 1,785 thousand. adesso is required to pay a further amount depending on the EBITDA in the period 2023 to 2027. The liability resulting from the agreement was measured at EUR 375 thousand. As at 31 December 2024, adesso estimated the range of possible payments at EUR 1,231 thousand to EUR 1,665 thousand. The liability is measured at EUR 1,448 thousand as at 31 December 2024. The payment of EUR 1,785 thousand is offset by acquired cash and cash equivalents of EUR 483 thousand, meaning that cash and cash equivalents decreased by EUR 1,302 thousand as a result of the merger.

A combined call/put option was agreed for the remaining 49 % of the shares. adesso is permitted to exercise the call option between 2030 and 2034, whereas the sellers may exercise the put option between 2028 and 2032. In each case, the option price is dependent on future EBITDA. Since the structure of the combined call/put option does not mean adesso is to be regarded as the economic owner of the 49 % stake, the combined call/put option was not taken into account in the reporting of the company acquisition. As at 31 December 2024, however, the financial statements were presented as if adesso had acquired the shares at this time. As a result, other financial liabilities of EUR 2,516 thousand (previous year: EUR 1,777) are recognised, while the non-controlling interests are reduced by EUR 122 thousand (previous year: EUR 201 thousand) and and the capital reserve by EUR 2,394 thousand (previous year: EUR 1,576 thousand) respectively.

The fair value of the acquired trade receivables was EUR 416 thousand. This corresponds to the contractual cash flows from receivables.

The ancillary acquisition costs totalled EUR 52 thousand. These were reported under “Other operating expenses” in the consolidated income statement.

Goodwill resulting from the business combination mainly represents the workforce of the company, expected synergy effects and future economic benefits, all of which are not eligible for capitalisation according to IFRS. The goodwill is not tax-deductible.

The consolidated income statement 2023 included sales of the acquired company totalling EUR 3,332 thousand and a result of EUR -748 thousand.

Palmer

On 16 August 2023, adesso acquired all shares in Palmer AG, Würzburg, Germany, thereby expanded its growth in the SAP business. Palmer AG specialises in SAP implementation, IT consulting and process optimisation in the energy and housing industries. The company was merged with adesso orange AG, Hameln, in the third quarter of 2023.

The consideration for the acquired shares amounted to EUR 1,150 thousand. Of this fixed purchase price, EUR 1,100 was paid in cash. The remaining portion was paid in the first quarter of 2024. The purchase price payment of EUR 1,100 thousand is offset by acquired cash and cash equivalents in 2023 of EUR 1,052 thousand, meaning that cash and cash equivalents decreased by EUR 48 thousand in 2023 as a result of the merger. As the acquired net assets measured in accordance with IFRS 3 were greater than the consideration, income of EUR 359 thousand was recognised in connection with this company acquisition, which was reported under ‘Other operating income’.

The fair value of the acquired trade receivables amounted to EUR 751 thousand. This corresponds to the contractual cash flows from receivables.

The ancillary acquisition costs totalled EUR 25 thousand. These are reported under ‘Other operating expenses’ in the Consolidated Statement of Profit or Loss.

The sales revenues included in the Consolidated Statement of Profit or Loss and the contribution to earnings in 2023 by the acquired company cannot be calculated separately owing to the merger with adesso orange AG.

in EUR k	WebScience	Urban Energy	Trieste
ASSETS	**21,611**	**2,958**	**125**
Non-current assets	15,084	2,833	20
Goodwill	8,279	1,691	-
Non-current intangible assets	5,319	984	-
of which customer contracts	2,198	-	-
of which order backlog	974	-	-
of which software	2,118	984	-
of which other	29	-	-
Right-of-use assets from leases	624	-	-
Property, plant and equipment	312	2	16
Non-current financial assets	437	-	-
Other non-current assets	113	-	-
Deferred tax assets	-	156	4
Current assets	6,527	125	105
Contract assets	1,029	-	-
Trade receivables	2,976	11	-
Current financial assets	674	-	-
Current tax receivables	137	31	8
Other current assets	50	-	23
Cash and cash equivalents	1,661	83	74
LIABILITIES	**6,467**	**1,242**	**45**
Non-current liabilities	3,511	297	11
Non-current financial liabilities	560	-	-
Non-current leasing liabilities	799	-	-
Non-current provisions	100	-	11
Other non-current liabilities	298	-	-
Non-current income tax liabilities	263	-	-
Deferred tax liabilities	1,491	297	-
Current liabilities	2,956	945	34
Current financial liabilities	10	800	-
Current leasing liabilities	64	-	-
Trade payables	1,365	19	2
Current contract liabilities	314	60	25
Current income tax liability	3	-	-
Current provisions	7	-	-
Other current liabilities	1,193	66	7

in EUR k	Wepex	Palmer
ASSETS	**4,356**	**2,685**
Non-current assets	2,980	830
Goodwill	1,569	–
Non-current intangible assets	1,140	410
of which customer contracts	745	187
of which order backlog	395	223
of which software	-	-
of which other	-	-
Right-of-use assets from leases	228	402
Property, plant and equipment	23	18
Non-current financial assets	20	-
Other non-current assets	-	-
Deferred tax assets	-	-
Current assets	1,376	1,855
Contract assets	-	70
Trade receivables	751	433
Current financial assets	69	-
Current tax receivables	-	-
Other current assets	73	300
Cash and cash equivalents	483	1,052
LIABILITIES	**1,629**	**1,176**
Non-current liabilities	1,059	478
Non-current financial liabilities	500	-
Non-current leasing liabilities	193	349
Pensions and similar liabilities to employees	-	-
Non-current provisions	-	-
Other non-current liabilities	2	-
Deferred tax liabilities	364	129
Current liabilities	570	698
Current financial liabilities	-	-
Current leasing liabilities	35	53
Trade payables	149	21
Current contract liabilities	-	93
Current income tax liability	135	61
Current provisions	137	190
Other current liabilities	114	280

If the companies acquired in 2023 had already been included in the consolidated financial statements as at 1 January 2023, consolidated sales revenues would have amounted to EUR 1,139,915 thousand and consolidated earnings to EUR 3,556 thousand.

3.6. Sales revenue

Sales revenue is recognised pursuant to the provisions of IFRS 15. Prerequisites for revenue recognition are as follows: A valid contract, identifiable contract performance obligations, clear terms of payment, the contract must have economic substance and it must be likely that the agreed consideration will be received. Where different contracts with customers that have been agreed at the same time or in a timely manner are not independent of each other, they shall be analysed as one contract. Subsequently, revenue is recognised as soon as a performance obligation has been fulfilled. Under IFRS 15, revenue is recognised at one point in time. Deviating from this, revenue is recorded over a period of time where the customer directly consumes the benefits, or adesso creates or improves an asset that is controlled by the customer, or adesso creates an asset without an alternative use for a customer and adesso acquires a claim to remuneration for the respective services rendered, as is common with a contract for work and services. On this basis, revenue from performance obligations is recognised as follows:

> Licence sale, no further obligation on the part of adesso: At the time the licence key has been delivered and the customer can access the licence. This applies irrespective of whether the right of use transferred to the customer is limited in time. As far as adesso acts as an intermediary or agent in the sale of a licence, adesso only recognises a commission from the sale of the licence. Invoices are always issued after delivery of the licence. The payment terms are typically not longer than 30 days.

> The right of the customer to access software that is regularly updated by adesso: For the term of the contract. Payments are generally made on a monthly basis.

> Consulting projects:

- Where consulting projects are agreed as time & material projects (actual number of hours worked and the resources deployed are billed), revenue is recognised based on billable hours and expenses incurred. Invoices are issued monthly and the payment terms are typically no longer than 30 days.
- Where consulting projects are agreed as fixed-price projects, revenue is generally recognised over a time period on the basis of the progress made in terms of the percentage of completion or the expected duration of the project. The percentage of completion generally corresponds to the costs incurred as at the reporting date as a proportion of the expected total costs for the project. Revenue cannot be recognised using the percentage- of-completion method if the expected total costs and/or the expected total income cannot be reliably estimated. In this case, revenue is recognised in an amount not exceeding the amount of expenses incurred. If the expected total expenses of a fixed-price project exceed the expected total revenue, meaning that there is a risk that the project will incur losses, the loss has to be recognised directly and in full in other operating expenses irrespective of the percentage of completion by recognising a provision for contingent losses from pending transactions. The resulting expense is recorded under other operating expenses. If a licence is sold together with the consulting project, the revenue for the licence is recognised at the time of delivery of the licence. Deviating from this, the revenue for the licence is recognised as part of consulting project revenue (a performance obligation), provided that the source code of the software is not materially adjusted as part of the consulting project. For some fixed-price contracts, progress payments are contractually agreed. The final invoice will be issued after acceptance with typical payment terms of no longer than 30 days.

> Maintenance and hosting services are generally time-based: Revenue is recognised over the corresponding period. Payments are usually made quarterly in advance.

In determining the amount to be recognised as revenue for performance obligations, variable components of the agreed consideration are taken into account. These include, for example, discounts, performance incentives, bonuses or penalties. Revenue from variable components may only be recognised to the extent that it is highly probable that they will not be withdrawn in the future. If several performance obligations are agreed in one contract, the agreed consideration is to be allocated to the individual performance obligations for the purpose of revenue recognition on the basis of the relative individual selling prices. adesso typically negotiates the individual performance-based components separately. The negotiations usually cover prices, which are in the same league as the retail price.

Under IFRS 15, the transaction price attributable to unfulfilled performance obligations, which will be recognised as revenue in the future, must be disclosed. Here, adesso uses the simplified approach to indicate this for contracts which have an original term of more than one year. Under the simplified approach, the transaction price of time & material projects is also not taken into account in this specification

3.7. Borrowing costs

Borrowing costs are generally included as an expense in the consolidated income statement. Under IAS 23, the borrowing costs of qualifying assets make up part of the cost of acquisition or production. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. adesso did not identify any qualifying assets in the reporting period for which significant borrowing costs had to be capitalised.

3.8. Goodwill

In case of a business combination, goodwill is the positive difference between the consideration rendered in the business combination plus the fair value of the shares previously held as well as the non-controlling interests measured as pro-rata net assets and the pro-rata equity of the acquired company at the time of the business combination measured according to IFRS 3. For impairment testing purposes, goodwill is not amortised, but instead assigned to the (groups of) cash-generating units that benefit from the business combination. According to IAS 36.80, the highest allocation level in the company is the level on which goodwill is observed by management, and no higher than the level of operating segments pursuant to IFRS 8 before they are combined into reportable segments. For details of the impairment test, see “3.11. Impairment of non-financial assets”.

3.9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognised at cost of acquisition or production, when recognised for the first time. Where applicable, they are stated at amortised cost if they have a limited useful life. Assets are depreciated or amortised on a straight-line basis over their expected useful life. Residual values – where available – are taken into account in determining depreciation on property, plant and equipment. For intangible assets, residual values are only taken into account insofar as a third party is obligated to assume the intangible asset at the end of its useful life. Furthermore, residual values are taken into account when there is an active market for the intangible asset, the residual value can be established in reference to said market and the active market is expected to exist at the end of the useful life of the intangible asset.

Whenever possible, the recognition of non-current intangible assets is broken down into a research and a development phase. Expenditure in the research phase may not be capitalised according to IAS 38. Expenditure in the development phase is to be capitalised from the date on which the following can be satisfied:

> The technical feasibility of completing the intangible asset so that it is available for use or sale;
> The intention to complete the intangible asset and use or sell it;
> The ability to use or sell the intangible asset;
> How the intangible asset will generate future economic benefits;
> adesso has sufficient resources to complete the intangible asset; and
> The cost of the intangible asset can be measured reliably.

Intangible assets are typically amortised on a straight-line basis over three to six years. The carrying amount of the order backlog is written off as soon as the revenue on the respective order is realised. Customer relationships have a useful life of five to six years.

The total development expense recognised in the financial year is the amortisation of internally generated intangible assets. This amounts to EUR 1,066 thousand (previous year: EUR 3,273 thousand).

Property, plant and equipment is classified as technical equipment and machinery, which is generally depreciated over three years, as well as office and other equipment, which is depreciated on a straight-line basis over five to 20 years.

See the following chapter on impairment of non-current intangible assets and property, plant and equipment.

3.10. Impairment of non-financial assets

Under IAS 36, goodwill, non-current intangible assets and property, plant and equipment must be subjected to an impairment test. A review must be performed to determine at the balance sheet date if there are indications of an impairment. An impairment test is to be performed where such indications exist. In derogation of this, impairment tests are performed at least once a year for goodwill, intangible assets with an indefinite useful life and intangible assets not yet available for use. The date on which the mandatory impairment tests are performed can be selected at will and must be applied consistently. For all assets within the scope of IAS 36, an impairment test should also be performed if there are indications of impairment.

In principle, an individual asset is tested for impairment. If this is not possible under IAS 36 because, for example, cash flows cannot be allocated to the asset, the impairment test must be carried out at the level of a cash-generating unit. Such a unit is the smallest group of assets that comprise the asset to be tested and for which cash flows that are largely independent from other assets can be identified. Goodwill is always to be tested for impairment on the basis of a single cash-generating unit or a group of cash-generating units.

When testing for impairment, the carrying amount of an asset and/or a cash-generating unit including, where appropriate, the carrying amount of goodwill is compared to the recoverable amount of the cash-generating unit. The recoverable amount is the higher of the value in use and the fair value less disposal costs.

An impairment loss is to be recognised should the carrying amount be higher than the recoverable value. The carrying amount of an asset is to be reduced if an individual asset is tested for impairment. If an impairment loss is recognised in a cash-generating unit, the carrying amount of the goodwill may have to be reduced to EUR 0. If an additional impairment loss has to be recorded, the carrying amounts of the assets of the cash-generating units covered by IAS 36 have to be reduced on a pro rata basis according to the total carrying amounts. This may not be lower than the recoverable amount of the respective asset. If the fair value rises again after an impairment loss has been recognised, the assets will be written up. A write-up of goodwill is not permitted.

3.11. Costs of obtaining a contract

Costs of obtaining a contract (commissions) are capitalised in accordance with IFRS 15 to the extent that they are directly attributable to the conclusion of a contract with a customer. adesso uses the simplified approach to capitalise and amortise the costs of obtaining a contract only for those contracts for which the amortisation period is longer than one year. Costs of obtaining a contract are recognised under intangible assets. adesso generally amortises costs of obtaining a contract on a straight-line basis over the term of the underlying contract. If, as a result, the expected term of the contract deviates significantly from the originally estimated term of the contract, the residual carrying amount of the costs of obtaining a contract is amortised over the newly estimated residual term. When calculating impending losses from a contract, the carrying amount of the costs of obtaining a contract will be recognised as contract costs. The carrying amount of the costs of obtaining a contract are EUR 2,249 thousand (previous year: EUR 1,132 thousand). The amortisation for the financial year amounted to EUR 2,122 thousand (previous year: EUR 1,198 thousand).

3.12. Leasing

IFRS 16 is generally applicable to all leasing contracts. However, the lessee's rights of use under a licence agreement must be accounted for in accordance with IAS 38. In the case of lease transactions, a distinction must be made between the lessee's and the lessor's recognition of lease agreements.

The lessee capitalises a right-of-use (RoU) asset for the right to use the leased asset in the future and a lease liability for the obligation to make lease payments in the future. Exceptions to the recognition principle apply to so-called low-value and short-term leases. A lease is deemed low value if the new value of the leased asset is no more than EUR 5 thousand. A short-term lease transaction is deemed to exist insofar as the lease term does not exceed twelve months. In the case of low-value and short-term leases, the lease payments are generally recognised as an expense on a straight-line basis over the lease term.

An RoU asset is initially recognised at cost. Among other things, the cost of acquisition includes the initial carrying amount of the corresponding lease liability, lease payments made prior to provisioning less lease incentives received, the initial costs incurred by the lessee, and any future restoration or reclamation expenditures associated with the leased asset recognised as a provision. The initial carrying amount of the lease liability is the present value of the future lease payments calculated at the lease's internal rate of return or, if this cannot be readily determined, at the marginal lending rate of the lessee. Lease payments include fixed and variable lease payments, expected payments from residual value guarantees and sufficiently secure payments from agreed purchase options. In measuring the lease liability, the effects of extension and termination options must be taken into account, insofar as there is sufficient certainty that they will be exercised. In this context, the management of adesso SE is of the opinion that a rent extension option that can be exercised in more than ten years is generally not exercised with a sufficient level of certainty. Therefore, periods based on the exercise of corresponding options, are generally not taken into account.

After initial recognition, the RoU asset must be depreciated over the expected lease term and, if necessary, written down. After initial recognition, the lease liability must be increased by the interest expense to be recognised and reduced by redemption repayments. If the lease liability has to be revalued due to a reassessment of the lease liability or a modification of the lease, the carrying amount of the RoU asset must in essence be adjusted. If the scope is reduced due to a modification of the lease, the pro-rata RoU asset and the pro-rata leasing liability must be derecognised. If the scope of the lease is reduced when it is modified, the RoU asset and the lease liability must be reduced accordingly. The difference between the two amounts is recognised in the consolidated income statement.

In the case of sale and leaseback transactions, an analysis must be made as to whether a sale has taken place in accordance with the provisions of IFRS 15. If this is the case, the lessee must measure the RoU asset pro rata based on the carrying amount for the retained right of use. A loss or gain is recognised from the transaction for the right of use transferred to the lessor. If a sale and leaseback transaction does not qualify as a sale under IFRS 15, the lessee must measure the right of use at the carrying amount of the underlying asset and recognise a financial liability measured in accordance with IFRS 9 in the amount of benefit received.

For the lessor, leasing transactions are classified as finance leases or operating leases based on the economic nature of the transaction. The transaction is classified as a finance lease insofar as all material risks and opportunities are transferred to the lessee, and otherwise as an operating lease.

If a lease is classified as a finance lease, the leased asset is derecognised and a receivable is recognised. The carrying amount of the receivable is increased by interest income to be recognised and reduced by repayments.

When a lease transaction is classified as an operating lease, the lease payments are recorded over the lease term on a straight-line basis. The benefits of agreed rent-free periods are allocated over the term of the rent period.

There are no hidden lease transactions

3.13. Financial assets

Financial assets include debt instruments (e.g. loans and receivables), equity instruments and cash and cash equivalents (e.g. shares). They are recognised as soon as adesso becomes a contractual partner for a corresponding financial instrument.

3.14. Debt instruments, classification

Debt instruments are allocated to one of the following categories depending on the classification of the cash flows they generate and the business model applicable to them:

> Measured at amortised cost (AC)
> Measured at fair value through other comprehensive income (FVOCI)
> Measured at fair value through profit or loss (FVPL).

Debt instruments are classified in the AC and FVOCI measurement categories if the cash flows arising from the debt instrument qualify as principal and interest payments. Where future cash flows contain speculative components in addition to principal and interest payments, the IASB is of the opinion that this is not consistent with a "basic lending arrangement" and the debt instrument should, therefore, be classified in the FVPL category. This category is assigned to a convertible loan issued to an associated company or two shareholdings (EUR 3,717 thousand; previous year: EUR 1,900 thousand). An embedded derivative is not recognised separately. An embedded derivative does not have to be recognised separately under IFRS. As in the previous year, adesso did not hold cash equivalents (see Note "3.17. Cash and cash equivalents").

Where the cash flows arising from the debt instrument are classified as payments of principal and interest, further classification will depend on the specific business model. IFRS 9 identifies the following types of business model:

> "Hold to collect": The objective is to collect contractual cash flows (interest and repayment). Typically classified under the AC category

> "Hold and sell": The objective is to collect contractual cash flows (interest and repayment) and to sell debt instruments. Typically classified under the FVOCI category. The mere option of selling receivables in the event of financial bottlenecks does not adequately justify allocation to this business model.

> "Other": Collecting interest and principal is not an objective pursued by this business model. The aim is rather to sell debt instruments. Classified under the FVPL category.

An entity may use different business models to pursue different objectives for different debt instruments.

If financial assets are allocated to the AC or FVOCI categories, it is possible to allocate the financial assets to the FVPL measurement category on the basis of the fair value option, provided that this eliminates or at least significantly reduces an accounting mismatch. adesso did not apply this option.

Initial and subsequent measurement

Debt instruments are initially recognised at fair value (typically the transaction price) plus transaction costs. Only with respect to debt instruments classified under the FVPL category are transaction costs recognised directly as expenses.

Where financial assets instruments have been classified under the AC or FVOCI category, interest, impairments and foreign currency translation differences recognised on the basis of the effective interest method must be recognised in the consolidated income statement. Therefore, the earnings and expenses recognised in the consolidated income statement are identical for these categories. In the case of debt instruments classified under FVOCI, changes in value that go beyond the above changes are recognised in other comprehensive income (OCI). The debt instrument amounts recognised in OCI classified as FVOCI must be recognised in the consolidated income statement upon derecognition of the debt instrument (so-called recycling). By using of the effective interest method, interest is recorded on the basis of the so-called effective interest rate. This reflects the interest rate at which the present value of the future expected contractual cash flows corresponds to the initial carrying amount of the debt instrument upon recognition.

If debt instruments belonging to the FVPL category were assigned, these must be recognised as profit or loss at the fair value on each reporting date.

Impairment losses and recognition of interest

Impairment losses are recognised based on a three-stage impairment model. They correspond to the probability-weighted cash value of future payment defaults or delays in payment. On initial recognition, debt instruments are assigned to Stage 1 of the impairment model. In Stage 1, interest is calculated on the gross carrying amount (before impairment). The impairment is recognised on the basis of the probability-weighted future payment defaults or delays in payment, which result from loss events that may occur within 12 months.

If the default risk of a debt instrument has increased significantly compared to the default risk on initial recognition, the debt instrument is allocated to Stage 2 of the impairment model. Interest revenue is calculated on the mgross carrying amount as in Stage 1, but impairment is determined by reference to any loss event that may occur throughout the life of the debt instrument and its related probability.

If there is also objective evidence of impairment (the debt instruments have an impaired credit rating), the debt instrument is allocated to Stage 3 of the impairment model. Objective indications are or can be, for example, the opening of insolvency proceedings, a significant deterioration in creditworthiness or rating, trading in the debtor's securities far below the nominal amount or other financial difficulties of the debtor. The amount of the impairment is determined as in Stage 2, but interest is recognised on the basis of the net carrying amount, i.e. after taking the impairment into account. The change in the classification of debt instruments between stages is symmetrical. This means that a change to a higher stage is just as possible as a change to a lower stage if the conditions are met.

A provision to aid simplification exists for certain trade receivables as well as contract assets. Accordingly, trade receivables and contract assets are allocated to Stage 2 of the impairment model upon initial recognition. The term of these financial assets is usually a maximum of one year, so that the determination of the impairment in Stages 1 and 2 would be largely identical. As a result, there is no need to monitor for significant increases in default risk.

If there is objective evidence of impairment for debt instruments at the time they are acquired or issued, the impairment is immediately classified as Stage 3 of the impairment model. These debt instruments may not be subsequently reclassified to Stage 1 or 2. adesso does not hold any debt instruments which were already impaired upon issuance or acquisition.

A loss event occurs when a company is no longer able to meet its payment obligations or has filed for insolvency. In addition, there is a rebuttable presumption that a loss event has occurred if a financial asset is more than 90 days past due. The carrying amounts and impairments from debt instruments which are assigned to Stage 1 of the impairment model are not considered to be material. As a result, adesso does not have a differentiated system for assessing whether the credit risk has increased significantly. adesso takes into account publicly available information about debtors, industry- related and macroeconomic information, and, where available, internal information about debtors. adesso does not have any information that would indicate that the credit risk of one of these debt instruments has increased significantly. This type of financial asset has not defaulted in the past. For the calculation of the impairment, adesso applies the impairment rate determined for trade receivables and contract assets.

The impairment of trade receivables and contract assets is measured on the basis of past defaults and forward-looking industry-related, macroeconomic and country-specific information. At adesso SE level, they are also measured on the basis of a rating of the receivables portfolio.

Equity instruments

Under IFRS, equity instruments are measured at fair value: If the equity instruments are held for trading purposes, they are to be allocated to the FVPL category. If they are not held for trading, there is a freely exercisable option to allocate them to the FVPL category or the FVOCI category. adesso allocates the equity instruments to the FVOCI category. In contrast to debt instruments, amounts recognised in other comprehensive income may not be reclassified to the consolidated income statement for equity instruments.

Derecognition/write-offs

Financial assets are to be derecognised if the right to future cash flows no longer exists. Furthermore, financial assets are to be derecognised if a) the rights to receive cash flows from the asset have been transferred to a third party or an obligation has been entered into to pass on the cash flows in a timely manner, in which case adesso is simultaneously prohibited from selling or pledging the asset, and b) essentially all risks and opportunities associated with the financial asset have been transferred.

If adesso has essentially retained all the risks and rewards associated with the financial asset, the financial asset shall continue to be recognised.

If adesso has neither essentially retained nor transferred all the risks and rewards associated with the financial asset, the financial asset is to be derecognised insofar as adesso no longer has any power of disposal over the financial asset. adesso has no power of disposal over the financial asset insofar as the other party is entitled and in a position to sell the financial asset to a third party. If adesso has retained control of the financial asset, it is to be recognised on the basis of continuing involvement. In this context, an asset and a liability is recognised in the amount of adesso's maximum utilisation with no effect on profit or loss. In addition, an expense and a liability is recognised in the amount of the expected future default.

A debt instrument is written off and derecognised on a pro rata basis if adesso has no reasonable expectations of recovering the debt instrument in its entirety or a portion thereof. In this case, the gross carrying amount is reduced rather than recognising an impairment in the amount of the virtually certain default. Where legal steps are taken to recover cash flows on a debt instrument, the instrument will not be derecognised.

Factoring

adesso has concluded a contract under which trade receivables with a volume of up to EUR 60,000 thousand can be sold. On the reporting date, trade receivables in the amount of EUR 60,000 thousand (thereof EUR 57,035 thousand paid out) (previous year: EUR 54,959 thousand) had been sold. These were derecognised. The receivables recognised on 31 December that are potentially sold under the factoring agreement are assigned to the FVOCI measurement category. This does not present a deviation from the balance sheet in the current financial year, according to the AC measurement category.

3.15. Other assets and other liabilities

The accruals and other receivables and liabilities reported under this item are generally measured at nominal value.

3.16. Contract assets/contract liabilities

Under IFRS 15, claims against customers that are not recognised as receivables are reported as contract assets. Receivables are recognised insofar as the right to payment is merely dependent on the passage of time. adesso mainly recognises contract assets for fixed-price projects in which revenue is recognised based on the progress made. Payments from customers (or due payments) are deducted when determining the amount of contract assets. If these payments received from customers exceed the underlying claim, they will be recognised as a contract liability.

The contract assets also include all finished time & material services that have not yet been invoiced to the customer as of the balance sheet date. In addition to prepayments for fixed-price projects, contract liabilities result out of payments that will lead to revenue from maintenance or hosting only in subsequent periods.

3.17. Cash and cash equivalents

This item includes cash on hand and demand deposits (e.g. bank balances), as well as short-term, highly liquid assets with a residual term of no more than three months at the acquisition date. A further prerequisite for allocation to cash equivalents is that these assets can be converted into a specific amount of cash at any time and are subject to immaterial valuation risk only. Assets categorised as cash equivalents are measured at fair value through profit or loss (FVPL).

3.18. Treasury shares

If adesso SE acquires treasury shares, these are not recognised as assets in the Statement of Financial Position, but equity is reduced by the acquisition costs of the treasury shares. The acquisition costs of treasury shares are recognised in a separate item in equity. Under IFRS, the amount of the incidental acquisition costs of such a capital transaction, including the related tax benefit, is not to be recognised in the Consolidated Statement of Profit or Loss but directly in equity. The after-tax effect of incidental acquisition costs is recognised in the capital reserve at adesso. If treasury shares are sold or otherwise issued, the reserve for treasury shares is increased by the acquisition cost of the corresponding treasury shares. The difference to the issuance amount is not recognised in the Consolidated Statement of Profit or Loss, but in the capital reserve.

3.19. Financial liabilities

Financial liabilities are recognised as soon as the adesso Group becomes a contractual partner for a corresponding financial instrument. Current liabilities are measured at amortised cost, which largely corresponds to the repayment amount. Non-current liabilities are recognised at the fair value of the consideration received on the transaction date. Transaction costs are included in the carrying amount of liabilities when they are recognised. Non-current liabilities are generally valued at amortised cost using the effective interest method. Some financial liabilities are measured at fair value. This primarily includes liabilities from put/call options relating to non-controlling shares. As a rule, the value depends on specific future earnings figures. The value of the liability is determined on the basis of the expected future values of these parameters. If economic ownership of the non-controlling shares can be assigned to adesso, changes in value are recognised in the consolidated income statement. The fair value of the liability is determined depending on the expected future development of these variables. If economic ownership of the non-controlling shares can be assigned to adesso, changes in the value of the liability are recognised in the consolidated income statement. If economic ownership of the non-controlling interests cannot be assigned to adesso, the liability is recognised at fair value at the end of each year and the difference between the fair value of the liability and the non-controlling shares is recognised in the capital reserve. See also “3.3. Subsidiaries” and “3.27. Estimates and assumptions”.

A financial liability is to be derecognised when the contractual obligation ends, is met or is lifted.

The company did not make use of the option under IFRS 9 to classify financial liabilities as measured at fair value through profit or loss.

3.20. Provisions

Provisions are recognised for actual, legal or factual obligations arising from past events which are likely to result in an outflow of economic resources and the amount of which can be estimated reliably. For similar obligations, such as product guarantees, the probability of utilisation is considered on the basis of the overall group of obligations. Provisions for pending losses from pending transactions are valued on the basis of the excess obligation. In this context, direct costs and appropriate indirect costs attributable to the contract are taken into account. If the compensation or fines resulting from non-fulfilment are less than the excess obligation, the provision is to be valued on the basis of the compensation or fine.

Provisions may be discounted when the discount amount is material. The interest rate to be applied is an interest rate before taxes, which reflects current market expectations with regard to the interest effect and the risks pertaining to the debt. Provisions are generally valued at the cash value of future expected cash flows required to settle the obligation. The determination of future cash flows must take into account cost increases.

When the amount of a provision is expected to be reimbursed, for example based on insurance coverage, a reimbursement is only recognised as a separate asset if it is as good as certain. The income of reimbursement is not offset against expenses.

3.21. Benefits after termination of employment

Post-employment benefits are divided into defined contribution plans and defined benefit plans. In the case of defined contribution plans, adesso pays certain specified amounts to state or private pension insurance providers and subsequently has no further obligation to pay further amounts. All pension plans not classified as defined contribution plans are to be classified as defined benefit plans. The liability for defined benefit plans is measured according to the so-called actuarial projected unit credit method. Future salary and pension increases are to be taken into account when measuring the liability. The interest rate to be applied when calculating the present value corresponds to the interest rate in the respective currency area for corporate bonds with the best credit rating and a term corresponding to the obligation for pensions. In Germany, the calculations are based on the biometric parameters of the Heubeck 2018 G mortality tables, and in Switzerland on the BVG 2020 generation tables and in Italy on the "ISTAT tables of the resident population" (M2019 and F2019).

Partly those plans are partly financed through reinsurance pledges or contractual trust arrangements (CTAs). Such plan assets are to be measured at fair value and offset against the corresponding liability. If a net asset position remains after offsetting, an asset may only be recognised to the extent that it can be realised in the future through premium reductions or premium refunds. Income from plan assets and interest expenses from the accrual of interest on the obligation are reported in the financial result; the service cost is recognised as an operating expense as part of personnel expenses. The expense to be recognised from defined benefit obligations and the income from plan assets are generally determined at the beginning of the year.

Any changes in plan assets or liabilities that deviate from this, such as changes in actuarial assumptions, are recognised directly in other comprehensive income. Where a defined benefit commitment for past periods is changed, the resulting past service cost is to be recognised directly through the consolidated income statement. The expense to be recognised corresponds to the change in the benefit obligation at the time of the change in the commitment.

3.22. Share-based payment transactions

In the past, adesso has issued employee options to buy shares in adesso SE ("equity-settled share-based payment transactions"). The vesting period of the options issued in accordance with IFRS 2 is four years. Total personnel costs to be recognised are determined by multiplying the fair value of the option on the grant date by the number of options expected to be exercisable after the end of the vesting period. The personnel costs to be recognised in a period are determined using the cumulative method. The total costs to be recognised at the end of the period is determined on the basis of current estimates using the straight-line method. The personnel costs to be recognised are calculated by deducting the personnel costs recognised in the past from the value determined in this way. Personnel costs are recognised against the capital reserve. The number of options expected to be exercised after the end of the vesting period has to be adjusted to current estimates on each reporting date.

Debt from share-based payment issued in payment instruments is to be measured at the present value on each reporting date. Changes in the value of this liability are recognised in the consolidated income statement. In this context, adesso has in the past issued virtual stock options and so-called phantom shares to employees and members of the Executive Board.

3.23. Government grants

According to IAS 20, government grants have to be classified as investment grants or grants for expenses. Grants are only recognised according to IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) when there is sufficient certainty that the related conditions will be met and the grants issued. They are allocated through profit or loss in the periods in which the expenses compensated by the grants are incurred. Investment grants are deducted from the acquired assets. Grants for expenses are recorded through profit or loss in the period in which the corresponding expenses are recognised.

3.24. Dividends

Dividends are recognised as receivables or liabilities as soon as a binding dividend proposal has been resolved. Dividends received are generally recognised as income. If the dividend payment is close in time to the purchase of the shares and the payment is to be interpreted as a repayment of capital, the dividend payment is recognised against the carrying amount of the shares acquired.

3.25. Income tax

Income tax includes both actual income taxes and deferred taxes. The actual tax liabilities and tax receivables encompass all obligations and claims for domestic and foreign income tax. They are calculated based on the tax laws applicable in each case. Current income taxes are generally recognised in the Consolidated Statement of Profit or Loss. Current tax income attributable to expenses from capital transactions that are recognised directly in equity under IFRS must also be recognised directly in equity.

Deferred taxes are recognised on deductible or taxable temporary differences. These are positive or negative differences between the carrying amount according to the IFRS and the tax value of an asset or liability with a future impact on taxable income. Deferred taxes are measured at the future tax rate expected to be applicable on the date when the difference reverses. Furthermore, deferred tax assets have to be recognised for the benefit associated with a tax loss carryforward. Deferred tax assets on deductible temporary differences are recognised at least in the amount applicable to taxable temporary differences with the same tax authority and that reverse in the same period as the deductible temporary differences. Furthermore, deferred tax assets are recognised in the amount of the corresponding future economic benefit that is expected to be realised. The benefit of tax loss carryforwards eligible for capitalisation is determined by adesso over a maximum period of five years.

The change in deferred tax assets and liabilities must generally be recognised in the Consolidated Statement of Profit or Loss. If the change in deferred tax arises from a change in a temporary difference recognised in other net income, this change in deferred tax must be recognised in other net income.

With the German Minimum Tax Act [Mindeststeuergesetz, MinStG], which came into force on 28 December 2023, the regulations on global minimum taxation (Pillar Two) were implemented in Germany. The law applies for the first time to financial years beginning after 30 December 2023. The corresponding regulations are also implemented in other countries in which adesso operates. adesso has to pay a so-called primary supplementary tax if the effective tax rate in a jurisdiction is lower than 15% and no transitional regulation or exemption applies.

Deferred taxes on so-called Pillar 2 income taxes are not recognised.

3.26. Fair values

Numerous IASB regulations demand that financial and non-financial assets and liabilities be recognised at fair value or be included in the notes. According to IFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Determining fair values of financial assets and liabilities is based on observable parameters wherever possible. If none are available, non-observable parameters are to be applied. IFRS 13 defines a measurement hierarchy for determining fair value, which comprises three levels. Allocation to level depends on the measurement parameters.

The parameters are allocated to the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities which the company can access at the measurement date.
- Level 2: Input parameters other than the quoted prices on Level 1 which are either directly or indirectly observable for the asset or liability.
- Level 3: Non-observable input parameters for the asset or liability.

If parameters of different levels are used for measurement, the fair value is to be assigned to the same level as the input parameter of the lowest level used for measurement.

Fair values are predominantly determined by adesso. The fair values for plan assets and reimbursement claims required in connection with post-employment benefits were determined by actuaries.

The significant liabilities to be measured at fair value as at the reporting date are the liability from the put/call options in connection with the acquisition of the shares in adesso orange AG and KIWI Consulting EDV-Beratung GmbH. See the disclosures on estimates and assumptions below, in addition to the information on financial liabilities. adesso holds a number of shares in companies that are to be measured at fair value. Overall, these do not qualify as material. See “6. Non-current other financial assets”.

3.27. Estimates and assumptions

The application of accounting regulations requires numerous assumptions and estimates, which have an impact on the presentation of the net assets, financial position and results of operations. Actual amounts, results etc. may naturally deviate from the assumed or estimated amounts, results and so on. Understanding the effects of these assumptions and estimates is important for interpreting the information reported in these consolidated financial statements. Significant estimates and assumptions are outlined below:

- Business combinations: In general, the identifiable assets and liabilities acquired in a business combination are measured at fair value. Since there is no active market for many assets and liabilities, the fair values have to be determined on the basis of recognised measurement methods. These include, for example, the relief from royalty method and the multi-period excess earnings method. Significant valuation parameters that have to be estimated for these methods are the future cash flows resulting from the assets and liabilities as well as the applicable discount rates. For the measurement of contingent payment obligations related to business combinations, assumptions have to be made regarding the values of parameters underlying the measurement.

- Non-current assets with limited useful lives: The useful life of non-current assets subject to depreciation and amortisation has to be estimated. An estimate of the residual value, which has to be taken into account in calculating depreciation and amortisation, is also required.

- Costs of obtaining a contract: adesso capitalises the cost of obtaining contracts with customers with an original term of more than one year. The sales commissions are not always directly attributable to individual customer contracts. adesso allocates the sales commissions which are not individually attributable based on commissioned revenue from a customer contract divided by the total commissioned revenue of an employee multiplied by the employee’s total commission. The management of adesso SE is of the opinion that the costs of obtaining a contract are appropriately assessed on this basis.

> Leasing: In order to preset future payments from rental and lease agreements in accordance with IFRS 16 and to disclose other financial obligations, it is necessary to estimate whether and to what extent future rental extension options and termination options will be used. It is only permissible to take the period after the option into account if it is reasonable to assume that the corresponding option will be exercised. The same applies to open-ended leases. The management of adesso SE is of the opinion that a period that is dependent on an option being exercised in more than ten years is not sufficiently likely to be utilised and that the period therefore does not count towards the lease term.

> Impairment test: According to IAS 36, numerous assumptions and estimates have to be made or carried out regarding certain parameters for the impairment test as part of the review of the recoverability of adesso's assets. These primarily include assumptions and estimates concerning future cash flows and growth rates as well as the interest rate applicable for the future cash flows. Here, risks are primarily associated with goodwill. Financing payments should not be taken into account when calculating the cash flows on which the value in use is based. At the same time, expenses necessary for generating future cash inflows must be taken into account. Payments for right-of-use assets must be allocated to financing (interest payments and repayment of the lease liability). They are, however, also necessary to maintain the substance of the cash-generating unit and to generate future cash flows. Until clarification by the IASB, the estimated payments from future leases for which no right-of-use assethas yet been recognised are taken into account when determining the value in use. Information on the impairment tests includes "4. Goodwill and intangible assets".

> Receivables: Assessment of the recoverability of trade receivables and contract assets. This requires an estimate of the extent to which adesso customers meet their payment obligations. Moreover, adesso must determine which business model defined in accordance with IFRS 9 the receivables are allocated to.

> Fctoring: The presentation of the sale of receivables depends on the extent to which the company has transferred the risks and opportunities associated with the ownership and, if applicable, whether it has retained control of a sold asset. Both require estimates by the management.

> Provisions and contingent liabilities: Recognising provisions often requires an assessment of whether the grounds for recognising a provision are met. For example, this applies to possible provisions for contingent losses on orders, warranty provisions, provisions for removal, shut-down or similar obligations, as well as provisions for legal risks and other provisions. The measurement of provisions requires an estimate and assumptions regarding the future amount required to redeem or settle the debt. This also applies to employee benefits after the end of the employment relationship. If a reliable estimate for the amount of an obligation cannot be made, it needs to be disclosed in the notes as a contingent liability. Discount rates must also be estimated in connection with provisions.

> When measuring assets and liabilities, the risks resulting from climate change are taken into account. These risks include physical risks (occurrence of actual damage, e.g. from storms, heavy rainfall and high temperatures) and transitory risks (those resulting from the transition to a more environmentally friendly economy). adesso considers the risks arising from climate change to be low when measuring assets and liabilities.

> The liability based on a put/call option agreed in 2022 for shares in Afida GmbH amounting to EUR 2,951 thousand (previous year: EUR 2,064 thousand) is measured on the basis of the company's future EBITDA and revenue. In this context, assumptions must be made about the company's future EBITDA and sales revenues. If the basis for the measurement of the liability were 10 % higher, the fair value of the liability would amount to EUR 3,246 thousand. If the basis for the measurement were 10 % lower, the fair value of the liability would amount to EUR 2,656 thousand. The changes in the value of this liability are ultimately recognised against the capital reserve and the non-controlling interests (see 3.2. 'Subsidiaries' und 3.19. 'Financial liabilities'). The options can be exercised in 2032 at the earliest.

> The liability based on a put/call option agreed in 2022 for shares in Wepex GmbH amounting to EUR 2,516 thousand (previous year: EUR 1,777 thousand) is measured on the basis of the company's future EBITDA. In this context, assumptions must be made about the company's future EBITDA. If the basis for the measurement of the liability were 10 % higher, the fair value of the liability would amount to EUR 2,768 thousand. If the basis for the measurement were 10 % lower, the fair value of the liability would amount to EUR 2,264 thousand. The changes in the value of this liability are ultimately recognised against the capital reserve and the non-controlling interests (see 3.2. 'Subsidiaries' and 3.19. 'Financial liabilities'). The options can be exercised in 2028 at the earliest.

> Provisions for pensions and the related income/expenses are determined on the basis of actuarial calculations. The calculation of provisions for pensions (EUR 15,595 thousand; previous year: EUR 6,348 thousand) is based on actuarial assumptions (probability of death and disability, interest rate and other biometric assumptions).

> Income tax: The calculation of current taxes requires estimates and assumptions about how the respective tax authorities assess certain circumstances. Any changes in current taxes for previous periods resulting from these assumptions and estimates are recognised as soon as sufficient evidence of such a change is available.

> Deferred taxes: The measurement and realisation of deferred tax assets on loss carryforwards requires a management estimate of the extent to which the benefit associated with the tax loss carryforward can be realised. The benefit of the tax loss carryforwards can only be realised to the extent these are approved by the fiscal authorities. To benefit from tax loss carryforwards in the future, a deferred tax asset is recognised in the consolidated financial statements for the tax loss carryforwards to be offset within a maximum of five years. Further benefits are not capitalised.

> Revenue: adesso provides services to its customers. The resulting revenue is recognised based on the progress made. This means that revenue is realised according to the percentage of completion. Estimating the percentage of completion is of particular importance with this method. Furthermore, the total contract costs incurred until completion, the total contract revenue as well as the risks associated with the contract and other significant variables must be estimated. adesso must disclose when revenue from performance obligations from active contracts must be recognised in future. Estimates are required with regard to some contracts. adesso is also required to make assumptions, particularly relating to the sale of licences, as to whether adesso is acting as principal and recognises gross revenue and expenses for the purchase of licences, or whether adesso is acting as agent and only recognises a net agency commission in revenue.

> Share-based payment expenses: To recognise personnel costs from share-based payments, the management has to estimate how many rights are expected to be vested and thus exercisable after the end of the vesting period. In determining the fair value of options at the vesting date, adesso has to make assumptions about future fluctuation rates and future exercise behaviour.

> adesso aggregates the operating segments into reportable segments for segment reporting purposes. Such aggregation requires an assessment as to whether the individually identified operating segments have similar economic characteristics and whether they also qualify as similar in terms of products or services and types of customer.

III. NOTES TO ITEMS IN THE CONSOLIDATED BALANCE SHEET

4. Goodwill and intangible assets

Goodwill and intangible assets developed as follows:

2024 in EUR k	Goodwill	Customer contracts	Order backlog	Internally generated intangible assets	Other intangible assets	Total
Gross value 1 January	100,493	31,626	7,779	22,937	29,742	192,577
Accumulated amortisation 1 January	2,395	17,384	7,448	9,149	18,514	54,890
CARRYING AMOUNT 1 January	**98,098**	**14,242**	**331**	**13,793**	**11,223**	**137,687**
Currency differences	-203	-23	20	-	13	-193
Company acquisitions	2,238	146	398	-	-	2,782
Additions	-	-	-	2,764	8,711	11,475
Amortisation	-	5,065	449	1,066	6,620	13,200
Disposals	-	-	-	-	-2	-2
Gross value	102,528	31,749	8,197	25,701	38,464	206,639
Accumulated amortisation 31 December	2,395	22,449	7,897	10,215	25,134	68,090
CARRYING AMOUNT 31 December	**100,133**	**9,300**	**300**	**15,486**	**13,330**	**138,549**

2023 in EUR k	Goodwill	Customer contracts	Order backlog	Internally generated intangible assets	Other intangible assets	Total
Gross value 1 January	88,209	28,294	6,184	19,702	22,497	164,886
Accumulated amortisation 1 January	2,395	12,074	5,241	6,057	14,428	40,195
CARRYING AMOUNT 1 January	**85,814**	**16,220**	**943**	**13,645**	**8,069**	**124,692**
Currency differences	744	13	1	-	5	763
Company acquisitions	11,539	3,130	1,592	-	3,131	19,392
Additions	-	-	-	4,645	3,324	7,969
Amortisation	-	5,120	2,204	3,273	4,428	15,026
Disposals	-	-	-	-	-103	-103
Gross value 31 December	100,493	31,626	7,779	22,937	29,742	192,577
Accumulated amortisation 31 December	2,395	17,384	7,448	9,149	18,514	54,890
CARRYING AMOUNT 31 December	**98,098**	**14,242**	**331**	**13,793**	**11,223**	**137,687**

Intangible assets mainly comprise in particular a platform developed in-house that is used in the automotive and manufacturing industry that digitalises the sampling of components along the entire supply chain (EUR 7,760 thousand; previous year: EUR 5,603 thousand), a contract management software developed in-house that is used in the insurance sector (EUR 5,662 thousand; previous year EUR 2,737 thousand) and customer relations acquired through business combinations (EUR 9,300 thousand, previous year: EUR 14,242 thousand).

For impairment testing purposes pursuant to IAS 36, goodwill has to be assigned to the (groups of) cash-generating units that benefit from the merger. Under IAS 36.80, the highest allocation level in the company is the level on which goodwill is observed by management, and no higher than the level of operating segments before they are combined into reportable segments. For the purpose of impairment testing, adesso allocates goodwill to the operating segments according to IFRS 8. The following table provides an overview of goodwill for the operating segments at the end of the reporting period:

in EUR k	2024			2023		
IT-SERVICES SEGMENT	**Carrying amount**	**Interest before taxes in %**	**Gross margin in %**	Carrying amount	Interest before taxes in %	Gross margin in %
adesso SE	40,199	11.35	7,7 bis 8,5	40,199	12.39	5.30
adesso Schweiz	11,892	9.40	8,2 bis 8,5	12,087	8.00	11.20
adesso orange	10,949	11.79	9,8 bis 9,9	10,949	13.41	12.30
KIWI	8,281	11.94	70,0 bis 72,2	8,281	13.23	63.00
adesso Italy	8,279	13.28	14,2 bis 14,3	8,279	15.16	5.86 to 12.82
adesso Austria	3,552	11.90	11,4 bis 11,7	3,552	13.07	12.10
Other	7,764	-	-	5,536	-	-
Total IT Services segment	**90,916**	-	-	88,883	-	-
IT SOLUTIONS SEGMENT	**Carrying amount**	**Interest before taxes in %**	**Gross margin in %**	Carrying amount	Interest before taxes in %	Gross margin in %
adesso insurance solutions	3,034	11.78	1,2 bis 8,2	3,034	12.28	3.38
Other	6,183	-	-	6,183	-	-
Total IT Solutions segment	9,217	-	-	9,215	-	-
TOTAL AMOUNT	**100,133**	**-**	**-**	**98,098**	**-**	**-**

The changes in the carrying amounts of the goodwill of adesso Switzerland result from changes in foreign exchange rates.

Impairment testing of goodwill must be performed on this basis at least once a year and whenever there are indications of impairment. The annual goodwill impairment test is performed by adesso as at 30 June of the financial year. The impairment test for goodwill was performed on 30 June for the companies acquired during the first half of the financial year.

The table shows the carrying amounts for all significant goodwill in relation to total goodwill, the interest before taxes as a measure of risk for the corresponding cash-generating unit and the gross margin on which the respective planning is based.

The realisable value of the operating segments is the value in use determined using the discounted cash flow method. This is determined based on cash flows after taxes and interest after taxes. The management of adesso believes that the value in use of the cash-generating units mainly responds to changes in the estimated sales revenues growth, the estimated gross margin and the discount rate.

Estimating the value in use, and therefore also estimating cash flow, is based on management's most recent operational planning. The planning period covers five years. Revenue growth is calculated individually for each operating segment. The underlying average sales growth per segment is between 6 % and 23 % (previous year: 0% and 15 %). Only in the material.one segment is an average revenue growth of 53 % assumed. Future sales revenues growth estimates are based on past sales revenues development, expected sales revenues growth in the operating segments and the future development of the market and the overall economy. As in the previous year, adesso expects cash flows to grow by 1 % p.a. in the long term. Only adesso Italy is based on long-term growth of 2 %. These growth rates do not exceed the long-term expected growth rate for adesso's markets. The company bases its estimates for future cash flows, where possible, on estimates by external analysts. The gross margin (EBT/sales revenue less cost of materials – above all procured services) results from the planning for the individual segments. In addition to sales revenues, they also result from the expected expenses incurred by the segments. These are determined individually on the basis of historical performance and expected future developments. At Urban Energy, the impairment test is carried out on the basis of planned EBT, as detailed planning is not available.

adesso conducts its impairment test based on an after tax assessment. The interest rate before taxes is then calculated as required by IFRS. This is the interest where the cash value of cash flows before taxes corresponds to the amount calculated according to an after tax assessment. This interest rate after taxes corresponds to the weighted average cost of capital determined using the capital asset pricing model. Key parameters for this calculation are the risk-free interest rate (2.50 %, previous year: 2.5 %), a beta factor derived separately for the IT Services and IT Solutions segments from a representative peer group (constituting systematic risk), a market risk premium (6.75 %, previous year: 6.5 to 7%; as the difference between the expected yield of a reference market and the risk-free interest rate), the tax rate and the borrowing cost rate. The parameters underlying the calculation of the weighted average cost of capital are based on sources external to the company.

adesso carried out a sensitivity analysis of all parts of goodwill allocated to the operating segments to determine whether impairment would have to be recognised if any changes were deemed possible in key parameters of the goodwill impairment test. An increase in the weighted average cost of capital after taxes by 1 percentage point, 10 % lower cash flows and a 1 percentage point lower gross margin (EBT/(sales less cost of materials)) were assumed as potential changes. This analysis showed that no impairment would have to be recognised in any of the assumed cases.

As at 31 December 2024, there were no indicators for an impairment of goodwill.

5. Property, plant and equipment

Property, plant and equipment developed as follows:

in EUR k	2024	2023
Gross value 1 January	94,240	66,920
Accumulated amortisation 1 January	43,731	29,612
Carrying amount 1 January	**50,509**	37,308
Currency differences	316	163
Additions	17,659	26,375
Company acquisitions	11	371
Disposals	-114	-47
Amortisation	16,569	13,659
Gross value 31 December	112,112	94,240
Accumulated amortisation 31 December	60,300	43,731
Carrying amount 31 December	**51,812**	50,509

Property, plant and equipment mainly comprises operating and office equipment as well as IT hardware, leasehold improvements and other properties.

6. Non-current other financial assets

Non-current other financial assets consist of the following items:

in EUR k	2024	2023
Company shares	12,798	11,350
Deposits	1,531	1,557
Convertible loans	3,717	1,900
Loans	3,952	5,386
Other	354	555
Carrying amount	**22,352**	20,748

The increase in all company shares allocated to the “Measured at fair value with change in value in other comprehensive income (FVOCI)” category is primarily due to additions amounting to EUR 923 EUR (previous year: EUR 7,221 thousand).

The convertible loans are assigned to the “Measured at fair value with change in value in the consolidated income statement (FVPL)” category. Additions of EUR 1,855 thousand (previous year: EUR 1,950 thousand) are offset by a decrease of EUR 559 thousand from the repayment of such a loan (previous year: EUR 550 thousand from the conversion of such a loan).

7. Shareholdings recognised at equity

adesso does not hold any shares in significant joint ventures or associates. The carrying amount as well as the comprehensive income for the period were comprised as follows:

in EUR k	2024		2023	
	Joint ventures	Associates	Joint ventures	Associates
Carrying amount 31 December	3,765	289	8	2,216
Share in profit or loss for the period	-1,830	-79	-4	-1,234
Share in the other comprehensive income for the period	-	-	-	-
Share in comprehensive income	-1,830	-79	-4	-1,234

Owing to additional shares acquired and in accordance with contractual regulations, the shares in Staige One AG are no longer classified as investments in associates but as investments in joint ventures.

8. Receivables and liabilities from income taxes as well as deferred taxes

Deferred tax assets and liabilities were comprised as follows (next page) as at the balance sheet date.

Deferred taxes are measured on the basis of the future tax rates applicable to the respective companies. The applicable overall tax rate is 32.27 % (previous year: 32.19 %). It is comprised of the corporate tax rate of 15.0 % (previous year: 15.0%), the solidarity surcharge of 5.5 % (previous year: 5.5 %) and the average trade income tax rate of 16.44 % (previous year: 16.37 %). Deferred tax assets and liabilities are offset in accordance with IAS 12.74.

Deferred tax assets on tax loss carryforwards are capitalised on the basis of detailed five-year plans. The plans are verified using suitable documents such as order backlogs and sales pipelines. adesso Group The recognition of deferred tax assets on tax loss carryforwards at adesso insurance solutions GmbH (EUR 4,387 thousand, previous year: EUR 3.326 thousand), adesso health solutions (EUR 3,103 thousand; previous year: EUR 2,834 thousand) and material.one (EUR 2,902 thousand; previous year: EUR 2,301 thousand) and Afida (EUR 978 thousand; previous year: EUR 0 thousand) is based on the respective detailed tax planning of the companies.

No deferred taxes were recognised for corporate tax loss carryforwards for companies domiciled in Germany of EUR 6.452 thousand (previous year: EUR 4.471 thousand), trade tax loss carryforwards for companies domiciled in Germany amounting to EUR 6,356 thousand (previous year: EUR 7,617 thousand) and on tax loss carryforwards of companies domiciled outside Germany amounting to EUR 10,694 thousand (previous year: EUR 11,926 thousand). The tax loss carryforwards can be carried forward perpetually. Tax loss carryforwards at adesso Spain (EUR 7.7 million; previous year: EUR 6.9 million) can be carried forward over 15 years, tax loss carryforwards in Finland (EUR 2.1 million; previous year: EUR 1.7 million) generally over ten years.

in EUR k	2024	2023
DEFERRED TAX ASSETS		
Intangible assets and property, plant and equipment	11,329	4,525
Financial assets	4	20
Receivables and other assets	1,246	74
Provisions for pensions	2,869	1,020
Other provisions	537	1,763
Lease liabilities	61,458	56,312
Other debts	1,913	157
Loss carryforwards	13,566	8,747
Subtotal (of which non-current: EUR 79,458 thousand; previous year: EUR 59,003 thousand)	**92,921**	72,618
Offsetting	-73,901	-61,815
Carrying amount	**19,020**	10,803
DEFERRED TAX LIABILITIES		
Intangible assets and property, plant and equipment	14,285	14,790
Goodwill	812	687
Rights of use assets	59,256	54,552
Financial assets	194	280
Contract assets	3,245	2,240
Provisions	145	337
Other	434	51
Subtotal (of which non-current: EUR 61,093 thousand; previous year: EUR 57,026 thousand)	**78,371**	72,938
Offsetting	-73,901	-61,815
Carrying amount	**4,470**	11,123

The deferred tax assets on loss carryforwards changed as follows:

in EUR k	2024	2023
01.01.	8,747	4,222
Additions arising from business combinations	38	-
Use	-53	-71
Addition for current tax losses	3,395	4,685
Recognition of deferred tax assets not recognized in the previous year	1,459	-
Impairment	-21	-89
31.12.	**13,566**	8,747

On 31 December 2024, a deferred tax liability of EUR 909 thousand was recognised in accordance with IAS 12.39 (previous year: EUR 787 thousand) for temporary differences of EUR 40,329 thousand (previous year: EUR 36,429 thousand) in connection with shares in subsidiaries (outside basis differences), because the management of adesso SE can control their dissolution and they will not be dissolved in the foreseeable future. In the case of these temporary differences, only positive differences between the carrying amount of the assets and liabilities of the corresponding subsidiary in the consolidated financial statements and the tax base of the shares in the subsidiary are recognised. Negative differences are not tax-deductible. For example, they have no effect on taxation in the event of a sale and are therefore do not have to be taken into account in this context.

The receivables from income taxes (EUR 10,429 thousand; previous year: EUR 6,781 thousand) and liabilities from income taxes (EUR 9,904 thousand; previous year: EUR 6,002 thousand) are due in full within twelve months.

adesso has not recognised any tax expense arising from the German Minimum Tax Act for the 2024 financial year.

9. Cash and cash equivalents

Cash in hand and at bank amounts to EUR 89,682 thousand (previous year: EUR 100,772 thousand). As in the previous year, there are no cash equivalents.

10. Trade receivables

Trade receivables in the amount of EUR 180,168 thousand (previous year: EUR 181,893 thousand) are all due within one year. Information regarding impairment losses on trade receivables and other financial assets is contained in '33. Financial instrument disclosures'.

11. Contract assets

Contract assets amounted to EUR 69,636 thousand (previous year: EUR 77,602 thousand). An improved order-to-cash process made the largest contribution to the reduction in contract assets. The disclosures on impairments for trade receivables and other financial assets can be found in '33. Financial instrument disclosures'.

12. Current financial assets

Current financial assets include:

in EUR k	2024	2023
Deposits	46	47
Factoring - continous involvement	1,113	1,259
Other	4,609	978
Carrying amount	**5,768**	2,284

The "Factoring – continuing involvement" item shows the maximum amount payable in respect of the receivables sold, which is equivalent to interest. This item is offset by a financial liability in the same amount. The "Other" item primarily includes a receivable from the factor totalling EUR 2,965 thousand.

13. Other current and non-current assets

Other current assets and non-current assets comprise:

in EUR k	2024	2023
Accruals	13,073	12,043
Receivables from input tax surpluses	2,122	2,263
Payments made on account	2,645	2,965
Receivables from personnel	130	294
Other	4,379	2,989
Carrying amount	22,350	20,554

Accruals include payments for software licences that can only be used for a limited period of time and are not eligible for capitalisation as intangible assets, which are to only be recognised as expenses following the reporting date.

14. Equity

14.1. Subscribed capital

The subscribed capital of adesso SE, Dortmund, Germany, amounted to EUR 6,522,272 (previous year: EUR 6,520,272). It is divided into 6,522,272 (previous year: 6,520,272) ordinary bearer shares (no-par shares). The nominal value per share is EUR 1.

The increase in subscribed capital by EUR 2,000 is due to the conversion of 2,000 (previous year: 8,000) stock options from the employee option programme. The shares issued from the option conversion are fully paid-in.

14.2. Treasury Shares

The Executive Board is authorised to acquire treasury shares of up to a total of 10 % of the current share capital with the consent of the Supervisory Board until 2 June 2025. Together with any treasury shares acquired for other reasons, which are held by the company or attributable to it pursuant to Sections 71a et seqq. German Stock Corporation Act [Aktiengesetz, AktG], the shares acquired on the basis of this authorisation may at no time exceed 10 % of the company’s share capital.

This authorisation for the acquisition and utilisation of own shares can be exercised one or more times, at once or in several partial amounts, or for one or more purposes within the scope of the aforementioned restriction. The shares will be acquired through the stock exchange by means of a public offer to buy that is addressed to all shareholders of the company.

adesso SE held 100,299 treasury shares as at the balance sheet date.

adesso SE carried out a share repurchase programme in the period from 17 October 2024 to 10 January 2025. The total volume of shares repurchased by adesso SE during this period amounts to 121,091 shares. The 100,299 shares mentioned above were acquired as at the reporting date. A total amount of EUR 8,174 thousand was spent on these treasury shares, excluding incidental acquisition costs. On 11 October 2024, the Executive Board of adesso SE resolved to make use of the authorisation granted by the Annual General Meeting on 3 June 2020 to acquire treasury shares in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act. The Supervisory Board has given its approval for this. The share repurchase will be carried out under the mandate of a bank, which will make its decisions on the timing of the acquisition of the shares independently and uninfluenced by adesso SE. The shares were acquired via the stock exchange. The shares can be used for all purposes specified in the authorisation granted by the Annual General Meeting on 3 June 2020. The start of the programme and its details were announced on 16 October 2024.

14.3. Authorised capital

The authorised capital 2023 totals EUR 1,302,454 as at 31 December 2024 (previous year: EUR 1,302,454).

Per resolution of the Annual Shareholders' Meeting of 1 June 2023, the Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital up to the amount of EUR 1,302,454 by issuing 1,302,454 new no-par bearer shares, on one or more occasions, in exchange for cash contributions and/or contributions in kind (authorised capital 2023) by 31 May 2028. Shareholders are generally entitled to subscription rights. The new shares may be assumed by one or more banks with the obligation to offer subscription rights to the shareholders.

The Executive Board also has the right to establish additional details of the capital increase and its realisation with the consent of the Supervisory Board. The Supervisory Board is authorised to amend Article 3 of the Articles of Association after the increase in share capital is realised in full or in part according to the respective utilisation of the authorised capital and, if the authorised capital is not utilised in whole or in part by 31 May 2028, after the end of the authorisation period.

14.4. Conditional capital

As at 31 December 2024, conditional capital was recognised in the amount of EUR 1,013,500 (Conditional Capital 2015, 2020, and 2024). Conditional Capital 2015 was reduced from EUR 500,000 to EUR 50,000 at the Annual General Meeting of 3 June 2020, in accordance with the remaining subscription rights. As at the reporting date, EUR 13,500 of this amount remained as conditional capital. At the same time, a resolution was passed to create Conditional Capital 2020 in the amount of EUR 500,000, which will be used to redeem subscription rights granted to employees, managers, and members of the Executive Board of adesso SE, as well as employees and members of the management of affiliated companies under a 2020 Stock Option Plan. The last date for granting stock options under the 2020 Stock Option Plan is 15 December 2024. In order to further grant subscription rights to employees, managers, and members of the Executive Board of adesso SE, as well as employees and members of the management of affiliated companies, the Annual General Meeting resolved to pass Conditional Capital 2024 in the amount of EUR 500,000 on 4 June 2024.

In the reporting year, 2,000 (previous year: 8,000) options were exercised from the conditional capital 2015.

A detailed overview of the composition and development of equity in the consolidated financial statements is provided in the consolidated statement of changes in equity.

14.5. Other reserves

The capital reserves primarily include all premiums received from the issue of shares. The differences between the price for shares and the proportional net assets when acquiring non-controlling interests or disposing of shares in subsidiaries, if adesso SE does not lose the controlling position with this subsidiary as a result of such a transaction, are also recognised. Lastly, proceeds from the issue of options, including expenses from the option programme, are also recognised against the capital reserves.

The retained annual results as well as post-tax effects from the remeasurement of defined benefit retirement plans are recorded in other reserves. The other reserves reported in the consolidated financial statements in accordance with IFRS only provide a limited indication of the possibility of future distributions. For information on the possibility of a future distribution as well as any existing restrictions on distribution, please refer to the financial statements of adesso SE.

Accumulated other comprehensive income for the financial period includes differences from currency translation arising from the translation into euros of financial statements prepared by subsidiaries whose functional currency is not the same as the functional currency of adesso SE. In addition, accumulated other comprehensive income for the financial period also includes the changes in value of equity instruments. Non-controlling interests include the shares of the adesso Group's net assets attributable to the non-controlling shareholders.

15. Share-based payment

Equity-settled share-based payment – Share option plans

A total of 91,364 options were issued from Conditional Capital 2020 during the financial year (previous year: 74,565). The average fair value of the options issued at the time of granting was EUR 26.18 (previous year: EUR 30.24). A total of 189,958 options (previous year: 281,322 options) can still be issued from Conditional Capital 2020 in the future.

During the financial year, 2,000 options were converted from Conditional Capital 2015 (previous year: 8,000 options). The average fair value of the exercised options at the time of granting was EUR 8.69 (previous year: EUR 9.76). No further options may be issued from Conditional Capital 2015 in the future.

The vesting period of the options issued as at the reporting date is 48 months. The maximum total term is 84 months. The options can be exercised if the beneficiary has worked for adesso for 48 months and if adesso SE's share price is 10 % above the exercise price at the time the option is exercised. The exercise price corresponds to the average price of the adesso share in the ten trading days prior to the commitment of the option.

	Conditional capital 2016	Conditional capital 2021	Total
Outstanding options	7,948 (previous year: 9,948)	280,327 (previous year: 206,000)	288,275 (previous year: 215,948)
Issue prices in EUR	50.26 bis 52.41 (previous year: 49.91 to 52.41)	72.95 bis 191.88 (previous year: 96.46 to 191.88)	50.26 bis 191.88 (previous year: 49.91 to 191.88)
Average remaining contractual term of the options in years	1.6 (previous Year: 2.6)	5.4 (previous year: 5.8)	5.3 (previous year: 5.6)

The number of outstanding options developed as follows:

	2024		2023	
	Number	Average exercise price per option in EUR	Number	Average exercise price per option in EUR
As at 1 January	**215,948**	**129.05**	157,886	133.34
Granted	91,364	89.59	74,565	114.60
Exercised	2,000	49.91	8,000	52.08
Expired	17,037	132.42	8,503	154.37
As at 31 December	**288,275**	**116.90**	215,948	129.05
Vested and exercisable on 31 December	**7,948**	**52.39**	9,948	51.11

The above options have expired as employees have left the company.

The options issued in 2024 were valued using the trinominal model. The valuation was based on the following factors:

	2024	2023
Average share price (in EUR)	91.58	112.72
Average base price (in EUR)	89.59	114.60
Average expected volatility (in %)	42.90	40.27
Maximum term of the options (in years)	7	7
Expected dividend yields (in %)	0.73	0.59
Average risk-free interest rate over the contractual option term (in %)	2.26	2.47

The expected volatility corresponds to the “long run forecast” based on the GARCH model (generalised autoregressive conditional heteroscedasticity). The valuation assumes that the options are exercised as soon as the market price of the shares is 10 % above the base price, or the options are “in the money” at the end of the term.

An expense of EUR 1,641 thousand for the share option programme was recognised in the reporting year (previous year: EUR 1,434 thousand). The weighted average market price of the adesso share was EUR 82.70 when the options were exercised (previous year: EUR 113.80).

Cash-settled share-based payment – phantom shares programme

The measurement of liabilities from the phantom shares programme resolved in 2009 is based on the market value of adesso SE shares as at 31 December 2024. The remaining phantom shares are valued taking into account price increases above EUR 50 at 25 % and a price decrease below EUR 40 also at 25 %.

The return or redemption of the phantom shares in exchange for payment from the company is normally possible between five and eight years (vesting period) after the start of the commitment, whereby the holder of the phantom shares may also return or redeem them at a later date. adesso SE has the right to pay the due amount in three annual tranches. The amount expected to be paid is accumulated during this period in profit or loss over the vesting period. The phantom shares are used to make payments, which are consistent with the approved dividends per share, to the holders of the phantom shares to secure their value. During the financial year, 16,778 phantom shares were returned against payment of EUR 342 thousand. No phantom shares were returned in the previous year. In 2024, 1,830 (previous year: 5,751) new phantom shares were issued. In the reporting year, income from the phantom share programme in the amount of EUR 63 thousand (previous year: expense of EUR 42 thousand) was recognised in the item ‘Personnel costs’. Provisions totalling EUR 2,101 thousand (previous year: EUR 2,544 thousand) were recognised for 39,131 (previous year: 54,079) phantom shares. Vested rights amounting to EUR 1,886 thousand are reported (previous year: EUR 1,848 thousand).

Payments under the phantom share programme are due as follows:

	2024				2023			
in EUR k	Carrying amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term > 5 years	Carrying amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term > 5 years
Provision for phantom shares	2,101	1,582	495	24	2,544	1,485	833	226

Whether a payment is due depends on whether the holder of the phantom shares returns them to the company or redeems them.

Summary notes on share-based payment

In the reporting year, the total expenses arising from share-based payments amounted to EUR 1,578 thousand (previous year: EUR 1,450 thousand).

16. Financial liabilities

Financial liabilities include the following items with the indicated maturities:

	2024				2023			
in EUR k	Carrying amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term > 5 years	Carrying amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term > 5 years
Loans	93,233	15,573	77,660	-	106,700	8,367	98,333	-
Lease liabilities	194,953	36,993	100,692	57,268	178,822	31,031	87,488	60,303
Other financial liabilities	43,004	33,692	6,361	2,951	42,442	19,834	20,544	2,064
TOTAL	**331,190**	**86,258**	**184,713**	**60,219**	**327,964**	**59,232**	**206,365**	**62,367**

The effective interest rate depends on the type of agreement as well as the term, and ranges between 0.7 % and 3.85 % (previous year: 0.7 % and 5.55 %). In the reporting year, EUR 88,454 thousand (previous year: EUR 46,858 thousand) in loans were repaid as scheduled. For further details on financial liabilities please see Note “33. Financial instrument disclosures”.

Liabilities from financing activities can be reconciled as follows:

in EUR k	Loans	Leasing	Other	Total
1 January 2023	82,162	137,455	24,333	**243,950**
Repayment	-46,858	-28,290	-3,406	-78,554
Borrowings	71,965	-	61	72,026
Additions from leases	-	71,550	-	71,550
From business combinations	11	1,254	5,494	6,759
Other additions	-	-	12,273	12,273
Other disposals	-	-3,329	-2	-3,331
Change recognised in profit or loss	-	-	3,695	3,695
Currency differences	-580	182	-6	-404
31 December 2023	106,700	178,822	42,442	**327,964**
Repayment	-88,454	-36,287	-10,362	-135,103
Borrowings	75,000	-	-	75,000
Additions from leases	-	55,017	-	55,017
From business combinations	-	139	1,370	1,509
Other additions	-	-	7,778	7,778
Other disposals	-	-2,675	-	-2,675
Change recognised in profit or loss	-	-	1,914	1,914
Currency differences	-13	-63	-138	-214
31 December 2024	93,233	194,953	43,004	**331,190**

Both the repayments and borrowings are cash-effective. In the current year, other additions primarily include the change in the liability from the put/call option for the acquisition of non-controlling interests (EUR 7,195 thousand; previous year: EUR 5,848). This amount includes the addition of a liability totalling EUR 900 thousand (previous year: EUR 1,777 thousand). These changes in liabilities are recognised directly against the capital reserve. In the previous year, other additions also included the recognition of a liability from overpayments by the factor in the amount of EUR 4,990 thousand ( ). This liability was repaid in the current year.

The other disposals of leasing liabilities are the result of leasing contracts terminated before the end of the originally estimated leasing term. The changes recognised in profit or loss are primarily the result of the addition to liabilities to be accrued in instalments and dependent on the work performance of the beneficiaries (EUR 1,060 thousand; previous year: EUR 3,120 thousand).

17. Trade payables

Trade payables are all due within twelve months.

18. Provisions

Provisions developed as follows:

in EUR k	1 January 2024	Addition	Company acquisitions	Utilisation	Re-classification	Currency difference	Reversal	31 December 2024
Warranty	2,471	234	-	-777	788	-	-1,494	1,220
Other provisions	7,103	4,748	-	-3,626	625	-1	-1,191	7,657
Carrying amount of current provisions	9,573	4,981	-	-4,403	1,413	-1	-2,686	8,877
Warranty	3,787	1,083	-	-	-788	-	-2,417	1,665
Other provisions	1,341	125	-	-	-625	1	-54	788
Carrying amount of non-current	5,128	1,208	-	-	-1,413	1	-2,471	2,453

Other current provisions primarily include provisions from the phantom share programme (EUR 1.582 thousand; previous year: EUR 1.485 thousand) and provisions for contingent losses (EUR 1.324 thousand; previous year: EUR 1.286 thousand). The remaining provisions primarily comprise outstanding obligations such as the compensatory levy for the non-employment of severely disabled persons of EUR 933 thousand (previous year: EUR 889 thousand), Employer's Liability Insurance Association premiums of EUR 210 thousand (previous year: EUR 371 thousand) and ancillary building costs (EUR 300 thousand; previous year: EUR 554 thousand).

Other non-current provisions include provisions for the phantom share programme (EUR 519 thousand; previous year: EUR 1,059 thousand). The amount ultimately payable, and hence the change in provisions for the phantom share programme, is closely related to the change in the price of adesso SE shares. For future payment dates, see Note "15. Share-based payment". The warranty provisions have a maximum term of two years. No significant effect was recorded from the amendment of the applicable discount rates.

19. Other liabilities

Other current liabilities are due within twelve months. They mainly comprise liabilities to personnel (from agreements on variable salary components, bonuses and obligations arising from vacation not taken) amounting to EUR 83,228 thousand (previous year: EUR 73,606 thousand), liabilities from value added taxes amounting to EUR 21,010 thousand (previous year: EUR 23,678 thousand), liabilities from payroll taxes amounting to EUR 11,354 thousand (previous year: EUR 10,896 thousand) and accrued liabilities for bonuses amounting to EUR 9,356 thousand (previous year: EUR 9,356 thousand).

20. Pensions and similar liabilities

As at 31 December 2024, adesso has provisions for pensions for 674 active employees (previous year: 638) and 20 (previous year: 18) employees who are no longer active. 499 (previous year: 499) of the active employees work at adesso Switzerland. The Swiss pension plan is the only significant pension plan. The benefits covered include pensions and disability pensions, old-age pensions and disability benefits for children of disabled persons, life partner's pensions, orphans' pensions and lump-sum death benefits. Future medical care is not covered. adesso bears 50 % to 60 % of the contributions, while the remaining amounts are paid by the employees.

The defined benefit obligation (DBO) is measured using the projected unit credit method. Plan assets are measured at fair value. In the balance sheet, the DBO are offset against the plan assets. If the fair value of the plan assets is lower than the DBO, there is a shortfall, while in the opposite case, there is a surplus. In the event of a surplus, an asset is to be valued at the present value of future premium reimbursements or premium reductions (asset value limitation). Provisions for pensions as at 31 December are shown as follows.

The effect of the asset ceiling has developed as follows:

in EUR k	2024	2023
Effect of asset ceiling at the start	105	27
Change in scope of consolidation	-	-
Interest expenses	€ -	1
Change in effect of asset ceiling excluding interest expenses (recognised in other comprehensive income)	-54	77
Effect of asset ceiling at the end	51	105

The measurement of the defined benefit obligation is based on certain assumptions. These include, for example, the actuarial interest rate, salary progression rate and pension progression rate. In Germany the calculation of the pension provision is based on the Heubeck 2018 G mortality tables, and in Switzerland on the BVG 2020 generation tables.:

in EUR k	2024	2023
Present value of the obligation that is fully or partially financed via a plan asset	102,058	83,450
of which in Switzerland	101,733	83,153
Plan assets	88,047	78,592
of which in Switzerland	87,693	78,190
Surplus or shortage	14,011	4,858
Present value of the obligation that is not fully or partially financed via a plan asset	1,532	1,385
Adjustment due to asset ceiling (IAS 19.64)	51	105
Provisions for pensions (carrying amount)	**15,594**	6,348
of which in Switzerland	**14,040**	4,962

in EUR k	2024	2023
Provisions for pensions at start of period	**6,348**	2,816
of which in Switzerland	**4,962**	2,592
Current service cost	4,303	3,792
Past service cost	1,120	-668
Net interest income	136	18
Effects of revaluation (recognised in other comprehensive income)	7,762	3,069
Employer contributions to plan assets	-3,995	-3,714
Benefits paid by employer	-107	-33
Effect of changes in exchange rates	27	268
Change in scope of consolidation	-	799
Provisions for pensions at end of period	**15,594**	6,348
of which in Switzerland	**14,040**	4,962

The following table contains the main actuarial assumptions underlying the calculation, weighted on the basis of the defined benefit obligation:

in %		2024	2023
Actuarial interest rate	Switzerland	1.0	1.9
	Rest of Europe	3.4	3.3
Rate of pension progression	Switzerland	-	-
	Rest of Europe	1.0	2.0
Rate of salary progression	Switzerland	1.0	1.5
	Rest of Europe	2.0	0.6
Adjustment of the AHV pension	Switzerland	1.0	1.5
Long-term interest on retirement assets	Switzerland	1.7	1.3

The defined benefit obligation developed as follows:

in EUR k	2024	2023
DBO at start of period	**84,835**	69,604
of which in Switzerland	**83,153**	69,111
Company acquisition	-	799
Current service cost	4,303	3,792
Interest expense	1,647	1,615
Revaluations of the net defined benefit liability (recognised in other comprehensive income)	11,147	3,497
A Actuarial gains and losses, demographic assumptions	-3,108	-
B Actuarial gains and losses, demographic assumptions	9,896	3,550
C Actuarial gains and losses, experience adjustments	4,360	-53
Past service cost	1,120	-668
Employee contributions to pension plan	3,637	3,911
Payments made	-1,992	-646
Changes due to staff turnover	-	-1,905
Effect of changes in exchange rates	-1,106	4,835
DBO at end of period	**103,590**	84,835
of which in Switzerland	**101,733**	83,153

The following table shows the duration of pension obligations in years:

Shown in years	2024		2023	
	Switzerland	Rest of Europe	Switzerland	Rest of Europe
Duration of pension obligations	10.9	11.6	9.8	11.5

The present value of pension obligations depends on the parameters underlying the calculation. The following sensitivity analysis shows how the DBO is affected by single parameter changes. The calculation method is the same as the one used for calculating the carrying amount of provisions for pensions. It should be noted that if the stated change factor of a parameter doubles in size, for example, the stated effect on the carrying amount of the provisions for pensions does not necessarily double as well. If several parameters change, the actual change in provisions for pensions does not necessarily correspond to the total of the changes stated.

in EUR k		2024		2023	
		Rest of Europe	Switzerland	Rest of Europe	Switzerland
Actuarial interest rate	+ 0,5 % points	-79	-5,542	-72	-3,819
	– 0,5 % points	86	6,225	78	4,217
Increase in wages	+ 0,5 % points	17	1,665	12	703
	– 0,5 % points	-16	-1,696	-11	-744
Rate of pension progression	+ 0,5 % points	5	1,374	5	1,119
	– 0,5 % points	-5	-	-5	-
Life expectancy	+ 1 year	43	971	42	598
	– 1 year	-44	-968	-43	-609

The plan assets developed as follows:

in EUR k	2024	2023
Plan assets at start of period	78,592	66,815
of which in Switzerland	78,190	66,520
Company acquisition	-	-
Interest income	1,510	1,598
Employer contributions to pension plan	3,995	3,714
Employee contributions to pension plan	3,637	3,911
Effect of revaluation (recognised in other comprehensive income)	3,331	506
Payments made from the plan	-1,884	-613
Changes due to staff turnover	-	-1,905
Effect of changes in exchange rates	-1,134	4,567
Plan assets at end of period	88,047	78,592
of which in Switzerland	87,693	78,190

Plan assets are as follows:

in EUR k	2024	2023
Shares	27,588	25,326
Bonds	21,985	21,385
Property*	19,099	19,125
Mortgages	3,122	7,154
Investment funds	162	129
Reinsurance policy*	193	272
Other	11,435	1,923
Liquid assets*	4,464	3,276
TOTAL	**88,047**	**78,592**
of which in Switzerland	**88,047**	**78,190**

*) Not traded on an active market.

If a reinsurance policy is pledged to the beneficiary, it is to be qualified as a plan asset and offset against the pension provision. A reinsurance policy not pledged to the beneficiary was taken out for the payments for a pension provision in Germany. Under IAS 19, this is to be qualified as a so-called claim for reimbursement, which is carried forward and valued like plan assets; however, it is not offset against the provision, but reported as an asset. The claim for reimbursement has developed as follows:

in EUR k	2024	2023
Carrying amount at start of period	**103**	101
Company acquisition	-	-
Interest income	4	4
Effect of revaluation (recognised in other comprehensive income)	-2	5
Payments made from insurance	-6	-6
Carrying amount at end of period	**99**	103

The following amounts were recognised in the consolidated income statement. The effects of the claim for reimbursement are shown separately. The past service cost results from a change of pension fund at adesso Switzerland and a resulting increase in the obligation.

in EUR thousand (expense = +)	2024	2023
Current service cost	4,303	3,792
Past service cost	1,120	-668
Interest expense on the defined benefit obligation	1,647	1,615
Interest income from plan assets calculated using the actuarial interest rate	-1,510	-1,598
Interest expense on effect of asset ceiling	-	1
TOTAL	**5,559**	**3,143**
of which in Switzerland	**5,297**	**2,934**
Interest income from the claim for reimbursement calculated using the actuarial interest rate	-4	-4

The following amounts were recognised in other comprehensive income. The effects of the claim for reimbursement are shown separately.

in EUR thousand (expense = +)	2024	2023
Revaluation of defined benefit obligation	11,147	3,497
Revaluation of plan assets	-3,331	-506
Effect from revaluation of asset ceiling	-54	77
TOTAL	**7,762**	**3,069**
of which in Switzerland	**7,726**	**2,864**
Revaluation of claim for reimbursement	2	-5

The following table shows expected future payments from the defined benefit obligation for each of the next five years::

	2024		2023	
	Rest of Europe	Switzerland	Rest of Europe	Switzerland
2024	-	-	206	628
2025	196	849	211	636
2026	184	1,453	178	644
2027	246	1,474	184	652
2028	208	1,046	188	660
2029	218	3,223	-	-

In 2025, contributions of EUR 3,968 thousand (previous year: EUR 3,950 thousand) are expected to be paid into the plan assets, of which EUR 3,949 thousand (previous year: EUR 3,930 thousand) in Switzerland.

For amounts recognised from statutory pension schemes under defined contribution plans, see Note “25. Personnel costs”.

IV. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement has been prepared using the nature of expense method. An overview of the earnings structures by segment is provided in segment reporting.

21. Sales revenue

Sales revenue comprises service revenues and licence sales.

in EUR k	2024	2023
Services	1,244,179	1,082,071
Licence sales	5,324	9,286
Maintenance	43,322	41,757
Hosting	3,189	2,205
SAAS/subscription	979	583
TOTAL	**1,296,992**	**1,135,903**

For a geographical breakdown of sales, see "VI. Information on segment reporting".

Sales revenues recognised in 2024 include amounts totalling EUR 36,618 thousand (previous year: EUR 18,349 thousand), which were included in contract liabilities at the end of the previous year.

The following table shows the transaction price (order backlog) attributable to unfulfilled performance obligations as at 31 December and indicates when this is expected to be recognised as revenue. In accordance with the simplified approach set out in IFRS 15, contracts with an original term of up to one year and time & material projects billable monthly are not included:

in EUR k	2024	2023
Order backlog as at 31 December from contracts with an original term of more than one year	84,639	75,163
Expected to be recognised in the following year	50,640	42,127
Expected to be recognised in the second subsequent year	12,765	12,308
Expected to be recognised after the second subsequent	21,234	20,728

22. Other operating income

Other operating income is as follows:

in EUR k	2024	2023
Income from the reversal of provisions	5,157	895
Income attributable to other periods	1,800	1,725
Income from currency differences	1,693	3,330
Expense subsidies	1,424	808
Other	7,394	4,776
TOTAL	**17,467**	**11,534**

The increase is mainly due to the reversal of a warranty provision in the first half of the year, which proved to be too high.

23. Changes in inventories and own work capitalised

Own work capitalised includes the cost of self-produced software (EUR 5,580 thousand: previous year: EUR 4,275 thousand). As in the previous year, changes in inventories amount to zero.

24. Cost of materials

in EUR k	2024	2023
Cost of purchased merchandise	1,835	893
Cost of purchased services	183,508	161,743
TOTAL	**185,343**	**162,636**

25. Personnel costs

Personnel costs are as follows:

in EUR k	2024	2023
Wages and salaries	751,206	653,407
Social security contributions	137,728	119,752
of which pension insurance or pension scheme (defined contribution)	58,392	53,919
TOTAL	**888,934**	**773,159**

On average, the adesso Group had 10,883 employees in 2024 (previous year: 9,868), of which 9,618 were salaried employees (previous year: 8,547 salaried employees).

26. Other operating expenses

An overview of the other operating expenses is provided in the following table:

in EUR k	2024	2023
Travel expenses	24,790	21,435
Expenses for licences and concessions	19,143	15,370
Expenses for vehicles	12,889	10,740
Business premises expenses	12,796	10,102
Marketing	12,617	10,039
Personnel recruitment	12,466	16,306
Legal, consulting and audit costs	7,864	7,043
Further training	5,914	6,280
Duties, fees and contributions	4,950	3,621
IT equipment and maintenance	3,454	5,293
Telephone/Internet costs	3,318	3,165
Insurance policies	2,306	1,158
Other	23,258	24,744
TOTAL	**145,765**	**135,296**

The expenses listed in the table under “Other” include various expenses. Expenses from currency differences amounting to EUR 2,398 thousand (previous year: EUR 3,233 thousand) are also included in these expenses.

Other operating expenses reported include expenses for short-term leases amounting to EUR 148 thousand (previous year: EUR 123 thousand) as well as expenses amounting to EUR 1 thousand (previous year: EUR 1 thousand) for leasing contracts for low-value assets.

27. Depreciation and amortisation

In the reporting year, depreciation and amortisation of non-current assets amounted to EUR 67,503 thousand (previous year: EUR 57,723 thousand). Of the scheduled depreciation and amortisation, EUR 7,621 thousand (previous year: EUR 9,465 thousand) are attributable to the amortisation of intangible assets capitalised in the course of business combinations. Amortisation of right-of-use assets amounted to EUR 37,734 thousand (previous year: EUR 29,038 thousand).

28. Result from investments measured using the equity method and financial result

Income from investments includes pro-rata profits from shares recognised using the equity method (see Note ‘7 Shareholdings recognised at equity’). Of the interest income of EUR 3,087 thousand (previous year: EUR 2,398 thousand), EUR 1,455 thousand (previous year: EUR 652 thousand) was cash-effective in the reporting year. Of the total interest expenses of EUR 14,992 thousand (previous year: EUR 11,274 thousand), EUR 13,345 thousand (previous year: EUR 9,659 thousand) was cash-effective. These amounts include interest expenses for lease liabilities of EUR 4,438 thousand (previous year: EUR 3,194 thousand). The remaining interest expenses are almost exclusively attributable to financial liabilities recognised according to the effective interest method.

29. Income taxes

Income taxes are as follows:

in EUR k	2024	2023
Current tax expense	20,263	16,637
Deferred tax income	-13,436	-7,854
TOTAL	**6,827**	**8,783**

Current taxes include tax expenses from adjustments in previous years of EUR 391 thousand (previous year: EUR 660 thousand). The benefit from utilising the tax loss carryforwards, for which no deferred taxes were recognised at the end of the previous financial year, is EUR 0 thousand (previous year: EUR 88 thousand). The deferred tax income from the change in the temporary difference amounts to EUR 8.655 thousand (previous year: EUR 2.871 thousand).

The table below shows the reconciliation of the theoretically expected tax expense to actual reported income tax expense pursuant to IAS 12.81 (c):

in EUR k	2024	2023
Consolidated earnings before income taxes	17,029	12,193
Expected tax expense based on adesso SE's tax rate of 32.19 % (previous year: 32.19 %)	**5,495**	3,925
Effect of different tax rates	-647	-498
Effect of changes in tax rates	-334	290
Non-deductible tax expenses	4,352	3,990
Expenses only recognised for tax purposes and tax-free income	-2,538	-1,782
Capitalisation of deferred taxes not recognised in previous years	-1,459	-
Utilisation of loss carryforwards for which no deferred taxes were recognised in the previous year	-	-88
Non-capitalised deferred taxes on tax losses in the reporting year	1,119	2,314
Valuation allowance on deferred tax assets on loss carryforwards	179	89
Taxes for previous years	391	660
Other	267	-116
Tax expense reported	**6,827**	8,783

Total deferred tax income of EUR 1,554 thousand were included in other comprehensive income in the financial year (previous year: tax expense of EUR 629 thousand).

30. Earnings per share

	2024	2023
Proportion of consolidated earnings allocated to adesso SE shareholders (in EUR k)	8,123	3,205
Average number of shares outstanding in the reporting year	6,510,822	6,515,102
Effect of dilutive options	6,616	6,546
Average number of shares outstanding, including the effect of dilutive options	6,517,437	6,521,648
Undiluted earnings per share (in EUR k)	1.25	0.49
Diluted earnings per share (in EUR k)	1.25	0.49

281,689 options were not included in the calculation of diluted earnings per share. These options would counteract the dilution, as the base price to be taken into account was higher than the average market price of the adesso share in the financial year.

V. INFORMATION ON THE CONSOLIDATED CASH FLOW STATEMENT

In accordance with IAS 7, the cash flow statement shows the change in cash and cash equivalents of the Group during the reporting year as a result of inflows and outflows. Cash and cash equivalents comprise cash in hand and cash at bank. adesso does not hold cash equivalents. Cash and cash equivalents are consistent with those reported in the balance sheet.

According to IAS 7 (Statement of Cash Flows), the cash flows are classified into operating, investment and financing activities.

Income tax payments are generally allocated to operating activities. To the extent that they can be clearly attributed to an item that is to be allocated to investment or financing activities, they are allocated to the cash flow from the corresponding business activity. Payments for equity made available to adesso and borrowed capital (dividends and interest paid) are always allocated to cash flow from financing activities. Both interest and dividends received are generally allocated to cash flow from investment activities. If the underlying circumstances are of an operational rather than an investment nature, these cash flows are allocated to cash flow from operating activities.

The change in cash flow from operating activities (increase of EUR 33,695 thousand) in financial year 2024 is mainly due to the fact that net operating assets fell by EUR 29,890 thousand (previous year: decrease of EUR 10,967 thousand) with higher sales revenue. Tax payments were EUR 333 thousand higher in 2024 than in the previous year (EUR 20,117 thousand; previous year: EUR 19,784 thousand).

The EUR 17,111 thousand increase in cash flow from investment activities is due primarily to higher payments for investments in property, plant and equipment, intangible assets and financial assets (EUR 33,198 thousand; previous year: EUR 43,734 thousand). In addition, the proceeds from the divestment of financial assets (EUR 2,378 thousand; previous year: EUR 4,842 thousand) and the payments for the acquisition of subsidiaries (EUR 1,447 thousand; previous year: EUR 11,633 thousand) decreased.

In 2024, cash and cash equivalents decreased by EUR 23,801 thousand on balance due to the assumption and repayment of financial liabilities (previous year increase of EUR 26,926 thousand). This increase in cash flow from financing activities compared to the previous year is offset by higher repayments of leasing liabilities (EUR 36,287 thousand; previous year: EUR 28,290 thousand) and higher interest paid (EUR 13,345 thousand; previous year: EUR 9,659 thousand).

Significant non-cash transactions in 2024 included the conclusion of new lease agreements (see Note “31 Information on leasing contracts”). Further significant non-cash transactions include the acquisition of the remaining shares in subsidiaries and the addition to profit or loss for liabilities to be amalgamated on a pro rata basis and conditional upon the beneficiaries’ future performance in connection with business combinations (see Note“3.5. Acquisitions” and for the corresponding liabilities Note “33. Financial instrument disclosures”).

VI. INFORMATION ON SEGMENT REPORTING

adesso's consolidated balance sheet and consolidated income statement present data in aggregate form. In order to better identify the risks and opportunities of the adesso business activities, information on the basis of reportable segments are disclosed in segment reporting. The first step is to determine the operating segments. According to IFRS 8, a business area is an operating segment if it is engaged in business activities that generate income and expenses, if the earnings are monitored regularly by a person in charge and decisions are made on investment on the basis of this monitoring and if separate financial information is available.

These criteria are met by adesso SE and its subsidiaries. For the purposes of segment reporting and in accordance with IFRS 8, operating segments of a similar nature are then combined into two reporting segments, IT Services and IT Solutions. Segments are considered similar insofar as adesso assumes that the segments have similar economic characteristics (e.g. similar gross margins over the long term) and the performed services, the customers and the type of service provision are also similar. adesso ventures GmbH, which supports start-ups operating in adesso's core industries, and adesso partner trust, a contractual trust arrangement (CTA), are non-separate, non-reportable operating segments.

The IT Services segment focuses on industry-specific, individual IT consulting as well as software development. Consulting develops concepts for the optimum and efficient support of business processes through IT systems.

The IT Solutions segment distributes standard software products and industry-specific or industry-neutral solutions.

IFRS 8 requires that companies implement a "management approach" to segment reporting, which means that the same information reported for internal purposes is disclosed externally. Until 31 December 2023, figures were submitted in internal reporting on the basis of the respective local accounting standards. Figures calculated in accordance with International Financial Reporting Standards (IFRS) have been reported since 1 January 2024. Some adjustments will be made to internal reporting. This is how, for example, the expense from intra-group allocations was eliminated (2024: EUR 9,984 thousand). Income and expenses attributable to adjustments in connection with business combinations are also eliminated. This primarily includes the amortisation of hidden reserves disclosed in business combinations (2024: EUR 7,630 thousand).

In addition to sales revenue, the key performance indicator for internal reporting is earnings before interest and taxes (EBIT). Earnings before taxes (EBT) at Group level are calculated as the difference between EBIT at Group level less the income from financing activities totalling EUR -13,814 thousand. EBT therefore totalled EUR 17,029 thousand.

Transactions between the operating segments are settled at market prices.

2024 (in EUR k)	IT Services	IT Solutions	Reconciliation	Consolidation	Group
Revenues with external customers	1,197,708	99,254	30	-	1,296,992
Revenues with other operating segments	280,805	36,756	12,443	-330,004	-
TOTAL REVENUES	1,478,513	136,010	12,473	-330,004	1,296,992
Depreciation and amortisation	-56,538	-4,212	-7,630	877	-67,503
EBIT	69,834	-10,718	-12,254	-16,019	30,843
FTE at the end of the period	9,192	1,129	-	-	10,320

The previous year's figures were not adjusted in accordance with IFRS 8.

2023 (in EUR k)	IT Services	IT Solutions	Reconciliation local laws/IFRS	Consolidation/ other	Group
Revenues with external customers					
Services	1,052,114	78,063	-3,672	111	1,126,617
Licences	6,809	8,056	-5,579	-	9,286
Revenues with other operating segments	199,390	29,038	2	-228,430	-
TOTAL REVENUES	**1,258,313**	**115,157**	**-9,249**	**-228,319**	**1,135,903**
Change in inventory	-2,307	3,222	-916	-	-
Own work capitalised	304	2,128	-	1,842	4,275
Other operating income	24,109	3,661	-191	-16,043	11,535
Cost of materials	-362,606	-29,910	5,208	224,671	-162,636
Personnel costs	-679,611	-86,941	-7,052	445	-773,159
Other operating expenses	-166,064	-16,998	30,497	16,679	-135,887
EBITDA	**72,138**	**-9,681**	**18,297**	**-725**	**80,030**
Depreciation and amortisation	-19,000	-2,077	-35,962	-684	-57,723
Amortisation of goodwill	-5,230	-323	5,553	-	-
EBIT	**47,908**	**-12,081**	**-12,112**	**-1,409**	**22,307**
Impairment of goodwill	5,230	323	-5,553	-	-
EBIT before amortisation of goodwill	**53,138**	**-11,758**	**-17,665**	**-1,409**	**22,307**

The following table shows the breakdown of external revenues by domicile of the customer and non-current assets by domicile of the assets by geographical segments as required by IFRS 8.

	External sales by customer domicile		Non-current assets	
	2024	2023	2024	2023
Germany	1,073,047	930,561	325,181	310,946
of which goodwill			67,434	67,434
Austria	30,843	25,790	8,041	8,385
of which goodwill			6,332	6,332
Switzerland	127,511	122,546	17,352	18,999
of which goodwill			11,892	12,087
Other	65,592	57,006	27,861	23,140
of which goodwill			14,475	12,245
TOTAL	**1,296,992**	**1,135,903**	**378,435**	**361,471**

More than 10 % of revenues generated by adesso were not applicable to any one customer in the financial years 2024 and 2023.

VII. SUPPLEMENTARY INFORMATION

31. Information on leasing contracts

Significant rental and leasing agreements exist at adesso for business premises and motor vehicles. The Remaining terms of the contracts for business premises are up to 15 years, and up to 4 years for company vehicles. Leasing agreements for business premises can have extension and termination options, the use of which is assessed on a case-by-case basis.

The following table gives an overview of the recognised rights of use:

in EUR k	Land and buildings	Company vehicles	Other operating and office equipment	Total
Carrying amount 31 December 2024	152,435	32,209	3,430	188,073
Additions 2024	27,561	25,148	3,275	55,984
Depreciation 2024	23,823	10,993	2,918	37,734
Carrying amount 31 December 2023	150,708	19,243	3,323	173,274
Additions 2023	51,028	19,216	3,164	73,408
Depreciation 2023	20,484	6,926	1,629	29,038

Disposals of RoU assets amounting to EUR 3,084 thousand were recognised in 2024 (previous year: EUR 3,227 thousand). Expenses for variable lease payments not included in the measurement of the lease liability amounted to EUR 1,338 thousand (previous year: EUR 433 thousand). Income of EUR 345 thousand was generated from subleases of rights of use assets to third parties (previous year: EUR 108 thousand). The total cash outflow for leases stood at EUR 40,801 thousand (previous year: EUR 31,638 thousand). Potential payments from extension options not taken into account came to EUR 125,759 thousand (previous year: EUR 113,586 thousand).

Further information on leasing is provided in Note “26. Other operating expenses”, “28. Results from investments measured using the equity method and financial result” and “33. Financial instrument disclosures”. The expected payments from leasing agreements already concluded are shown in the following note “32. Other financial obligations”.

32. Other financial obligations

Other financial obligations are as follows:

2024 in EUR k	Total amount	of which due in year 1	in year 2 to 5	after 5 years
Business premises and equipment rental	674	96	396	182
Other leasing contracts	5,071	1,062	3,996	13
Other long-term contracts	44,068	9,452	22,955	11,661
Insurance policies	2,877	2,633	244	-
TOTAL	**52,690**	**13,243**	**27,591**	**11,856**

2023 in EUR k	Total amount	of which due in year 1	in year 2 to 5	after 5 years
Business premises and equipment rental	9,070	926	3,702	4,443
Other leasing contracts	5,779	2,533	3,246	-
Other long-term contracts	50,369	10,258	24,846	15,264
Insurance policies	1,173	1,173	-	-
TOTAL	**66,391**	**14,890**	**31,794**	**19,707**

The liabilities from rents for premises and equipment and other lease transactions include liabilities from leasing contracts that begin after 31 December 2024 and will then lead to an addition to assets and liabilities in the balance sheet. There are no significant further financial liabilities as at the balance sheet date.

33. Financial instrument disclosures

33.1. Carrying amounts, fair values and effect on profit or loss

In accordance with IFRS 7.25, the following table below shows the carrying amounts and fair values of the financial assets and liabilities. As the carrying amounts of cash and cash equivalents, trade receivables and trade payables essentially correspond to the fair values, the fair values are not disclosed separately under IFRS 7.29. The fair value of the loan, which differs from the carrying amount, is calculated by discounting future cash flows from the loans by adesso’s current borrowing rate.

in EUR k	Evaluation	2024 Carrying amount	2024 Fair value	2024 Fair value level*	2023 Carrying amount	2023 Fair value	2023 Fair value level*
ASSETS							
Cash and cash equivalents		89,682			100,772		
of which cash in hand and demand deposits	AC	89,682			100,772		
of which cash equivalents	FVPL	-			-		
Trade receivables		180,168			181,893		
of which measured at amortised cost	AC	86,763			97,700		
of which measured at fair value through other comprehensive income	FVOCI	93,405			84,193		
Financial assets		28,120	28,120		23,032	23,032	
of which measured at amortised cost	AC	11,401	11,401		9,087	9,087	
of which measured at fair value through OCI	FVOCI	12,798	12,798	3	11,350	11,350	3
of which measured at fair value through profit or loss	FVPL	3,921	3,921	3	2,595	2,595	3
LIABILITIES							
Trade payables	AC	52,153			46,335		
Loans	AC	93,233	93,067	3	106,700	105,662	3
Other financial liabilities		43,004			42,442	-	
of which measured at fair value	FV	39,943	39,943	3	34,544	34,544	3
of which other	AC	3,061			7,898	-	

* See information in “3.26 Fair values”.
AC: Measured at amortised cost
FV: Liabilities measured at fair value
FVPL: Measured at fair value through profit and loss
FVOCI: Measured at fair value through other comprehensive income.

Depending on the categorisation under IFRS 9, financial assets are to be measured either at amortised cost or at fair value. Changes in the value of shares in companies are recognised in other comprehensive income for the period (fair value through other comprehensive income; FVOCI) and reported there separately. Valuation of shares in companies is carried out by adesso and is based on the discounted future earnings of the company that are attributable to adesso.

The change of value of convertible loans measured at fair value is recognised in the consolidated income statement (fair value through profit or loss; FVPL). The value of the convertible bonds is the higher of the value of the payment claim (future cash flows discounted at a risk-adjusted rate) and the value of the shares adesso would receive in the event of conversion.

Shares in companies are measured at fair value through other comprehensive income (EUR 12,798 thousand; previous year: EUR 11,350 thousand). Financial assets measured at fair value through profit or loss (EUR 3,921 thousand; previous year: EUR 2,595 thousand) primarily comprise convertible bonds.

Financial assets measured at fair value developed as follows:

in EUR k	2024		2023	
	FVOCI	FVPL	FVOCI	FVPL
01.01.	11,350	2,595	5,010	3,486
Addition	1,285	1,885	7,221	2,472
Addition arising from company acquisition	-	-	-	-
Change from valuation recognised in profit or loss	-	-10	-	-
Change recognised in other comprehensive income	943	-	-200	-
Conversion of a convertible loan	-	-	-	-
Disposals	-780	-549	-681	-3,363
31.12.	12,798	3,921	11,350	2,595

Financial liabilities are generally measured at amortised cost. This excludes liabilities from combined call/put options concerning the sale or purchase of non-controlling interests amounting to EUR 34,309 thousand (previous year: EUR 28,263 thousand), conditional purchase price obligations amounting to EUR 4.175 thousand (previous year: EUR 3.873 thousand) and liabilities to be accrued pro rata from business combinations amounting to EUR 1.459 thousand (previous year: EUR 2.407 thousand), which are measured at fair value.

The carrying amount of liabilities from put/call options on non-controlling shares, whereby adesso is not the beneficial owner of the non-controlling shares and the change in value of the shares is therefore reported in the capital reserve, is EUR 33,094 thousand (previous year: EUR 26,799 thousand). The carrying amount of liabilities from put/call options on non-controlling shares, whereby adesso is the beneficial owner of the non-controlling shares and the change in value of the shares is therefore reported in the consolidated income statement, is EUR 1.215 thousand (previous year: EUR 1.464 thousand).

Other financial liabilities measured at fair value developed as follows:

in EUR k	2024	2023
01.01.	34,545	22,906
Addition from business combination	1,118	4,590
Repayment	-3,823	-2,535
Changes recognised in profit or loss	1,802	3,741
Changes recognised in the capital reserve	6,295	5,848
Currency translation	8	-5
31.12.	39,943	34,545

The changes recognised in the capital reserve in the current year primarily include the changes in the liability from the put/call option on the acquisition of the non-controlling interests in adesso orange (EUR 2,781 thousand; previous year: EUR 2,924 thousand) and KIWI (EUR 1,888 thousand; previous year: EUR 1,229 thousand). The changes in the previous year also includes the addition of the liability from the put/call option relating to the acquisition of WEPEX in the amount of EUR 1,777 thousand, which was also recognised against the capital reserve. The changes recognised in profit or loss are primarily the result of the addition recognised in profit or loss for liabilities to be accrued pro rata and dependent on the future work performance of the beneficiaries relating to company mergers (EUR 1,060 thousand; previous year: EUR 3,120 thousand).

The net results are as follows:

2024 in EUR k	From interest	Value adjustment/ reversal of value adjustment	Derecognition	**Total**
Financial assets measured at amortised cost	3,087	-812	-838	**1,436**
Financial liabilities measured at amortised cost	-14,401	-	-	**-14,401**

2023 in EUR k	From interest	Value adjustment/ reversal of value adjustment	Derecognition	**Total**
Financial assets measured at amortised cost	2,398	-520	-72	**1,806**
Financial liabilities measured at amortised cost	-11,123	-	-	**-11,123**

The net result of the category “Financial assets measured at amortised cost” is based on compounding of non-current financial assets, from the interest-bearing investment of financial assets, from the change in value adjustments recognised in profit or loss and the derecognition of defaulted financial assets. The last two contributions to earnings are almost exclusively the result of contract assets and receivables from contracts with customers. The net result of the category “Financial liabilities measured at amortised cost” is based on interest expenses.

The net result before taxes from equity instruments measured at fair value reported in other comprehensive income was EUR 943 thousand (previous year: EUR -200 thousand).

The Group is exposed to a variety of risks due to its business activities. These include default risk, liquidity risk and market risk.

33.2. Default risks/impairments

The Group is exposed to default risks mainly due to trade receivables, contract assets and other financial assets (deposits, loans and employee loans). Existing and major customers continued to dominate the customer portfolio in the reporting year.

The following table shows the change in impairment of debt instruments. Deposits, loans and other financial assets reported in other financial assets are allocated to stage 1. Stage 2 contains only trade receivables and contract assets, which were directly assigned to this stage using the simplified approach in accordance with IFRS 9. Stage 3 includes trade receivables where there is an objective evidence of an impairment.

in EUR k	Impairment based on 12 months (stage 1)	Impairment based on total duration (stage 2)	Credit impairment (stage 3)	**Total**
As at 1 January 2024	56	2,353	1,013	**3,422**
Changes from recognised or derecognised receivables	17	1,180	-532	**665**
Reclassification		-1,251	1,251	**-**
Currency differences		-13	2	**-11**
As at 31 December 2024	73	2,269	1,734	**4,076**

in EUR k	Impairment based on 12 months (stage 1)	Impairment based on total duration (stage 2)	Credit impairment (stage 3)	**Total**
As at 1 January 2023	54	2,062	2,308	**4,424**
Changes from recognised or derecognised receivables	2	579	-1,537	**-956**
Reclassification	-	-289	289	**-**
Currency differences	-	1	-47	**-46**
As at 31 December 2023	56	2,353	1,013	**3,422**

The following tables show the development of the gross carrying amounts (without value adjustment) of the financial assets and the maturity structure of the gross carrying amounts of financial assets.

Other financial assets do not include equity instruments, as the equity instruments have no due dates. adesso has not identified any noteworthy concentrations of risk associated with its financial assets.

Figures in EUR k	Gross amount (stage 1)	Gross amount (stage 2)	Gross amount (stage 3)	Total
As at 1 January 2024	8,534	262,340	4,182	**275,055**
Changes from recognised or derecognised receivables/ contractual assets	2,496	-6,752	-3,504	**-7,760**
Reclassification		-1,580	1,580	**-**
Changes due to derecognition of financial assets through profit or loss		-838		**-838**
Other amendments		-1,590	-29	**-1,619**
from business combination		90		**90**
Currency differences		-1,680	-29	**-1,709**
As at 31 December 2024	**11,030**	**251,580**	**2,229**	**264,839**

Figures in EUR k	Gross amount (stage 1)	Gross amount (stage 2)	Gross amount (stage 3)	Total
As at 1 January 2023	8,213	225,306	5,850	**239,369**
Changes from recognised or derecognised receivables/ contractual assets	321	33,724	-1,996	**32,049**
Reclassification	-	-470	470	**-**
Changes due to derecognition of financial assets through profit or loss	-	-72	-	**-72**
Other amendments	-	3,852	-142	**3,710**
from business combination	-	4,241	-	**4,241**
Currency differences	-	-389	-142	**-531**
As at 31 December 2023	8,534	262,340	4,182	275,055

2024 in EUR k	Total amount	Not overdue	Not more than 3 months	More than 3 months and not more than 6 months	More than 6 months and not more than 1 year	More than 1 year
Trade receivables	180,168	158,512	18,955	1,456	375	869
Contract assets	69,636	69,636	-	-	-	-
Other financial assets	15,322	15,322	-	-	-	-
TOTAL	**265,126**	**243,470**	**18,955**	**1,456**	**375**	**869**

2023 in EUR k	Total amount	Not overdue	Not more than 3 months	More than 3 months and not more than 6 months	More than 6 months and not more than 1 year	More than 1 year
Trade receivables	181,893	149,656	24,155	1,084	3,963	3,035
Contract assets	77,602	77,602	-	-	-	-
Other financial assets	11,682	11,682	-	-	-	-
TOTAL	**271,177**	**238,940**	**24,155**	**1,084**	**3,963**	**3,035**

33.3. Liquidity risks

adesso is exposed to liquidity risk due to the possibility that future financial obligations may not be met. Medium and long-term liquidity management is centralised in Dortmund, Germany, under the responsibility of the CFO. All Group companies independently plan and monitor their liquidity. Central cash management has not been implemented. Liquidity is mainly assured by cash flow from operating activities, a high level of cash and cash equivalents as well as via open credit lines. The Group companies periodically report their short, medium and long-term liquidity to adesso SE based on various time horizons.

The tables below show the carrying amounts and cash flows (interest and repayments) of the financial liabilities. The difference between the carrying amount and the total of future cash flows corresponds to the future interest due. The tranches utilised from the syndicated loan (EUR 75,000 thousand; previous year: EUR 79,845 thousand) have a contractual term of up to six months. The syndicated loan has a term until 9 November 2029. The following table assumes that adesso extends the loan in the current amount until the end of the term of the syndicated loan. The actual payments may therefore be higher or lower.

2024 in EUR k	Carrying amount	Maturity up to 1 year	> 1 and < 5 years	> 5 years
Trade payables	52,153	52,153	-	-
Loans	93,233	18,739	88,801	-
interest thereon		3,166	11,141	-
Lease liabilities	194,953	41,326	109,837	61,394
interest thereon		4,333	9,145	4,126
Other financial liabilities	43,004	33,692	6,361	2,951
TOTAL	**383,343**	**145,910**	**204,999**	**64,345**

2023 in EUR k	Carrying amount	Maturity up to 1 year	> 1 and < 5 years	> 5 years
Trade payables	46,335	46,335	-	-
Loans	106,700	13,068	111,019	-
interest thereon		4,701	12,686	-
Lease liabilities	178,822	34,236	96,006	64,362
interest thereon		3,205	8,518	4,059
Other financial liabilities	42,442	19,834	20,544	2,064
TOTAL	**374,299**	**113,473**	**227,569**	**66,426**

33.4. Market risk

Revenues are largely realised in the national currencies of the respective companies. The exchange rate risk can therefore continue to be considered low. From a syndicated loan adesso has the option of taking out loans with a maximum term of six months each. The respective loans are subject to interest at the EURIBOR rate corresponding to the term, plus a current margin of 1.05 percentage points (previous year: 1.45 percentage points). In future, the margin will depend primarily on adesso SE's net debt and EBITDA, and up to 2.5 basis points p.a. on future ESG ratings. As at 31 December 2024, the liability from this loan amounted to EUR 75,000 thousand (previous year: EUR 79,845 thousand). The maximum loan volume is EUR 170 million. Taking into account the syndicated loan, adesso SE had open credit lines totalling EUR 114.4 million as at the end of 2024 (previous year: EUR 99.7 million).

33.5. Information about capital management

Active capital management is not performed. The Executive Board manages the company using earnings, yield and liquidity indicators. No capital measures other than the authorised and conditional capital disclosed in Section "14. Equity" have currently been approved.

34. Executive Board

34.1. Composition of the Executive Board

The following persons were members of the Executive Board of adesso SE in the reporting year:

> Dipl.-Jur. Mark Lohweber, banker, Leverkusen, chair of the Executive Board
  (Divisions: Banking, Insurance, International Business including Smartshoring, Corporate Account Management and Marketing)

> Dipl.-Wirtschaftsinf., MBA Benedikt Bonnmann, Bensheim, member of the Executive Board (since 1 April 2024)
  (Divisions: Automotive, Manufacturing Industry, Retail and Life Science as well as the Data, Analytics & AI, Digital Experience, Microsoft and Salesforce technology divisions)

> Dipl.-Kffr. Kristina Gerwert, Dortmund, Germany, member of the Executive Board
  (Divisions Human Resources, Compliance, Corporate Administration, Corporate Buildings and Procurement)

> Dipl.-Stat. Andreas Prenneis, Dortmund, Germany, member of the Executive Board
  (Divisions: Cross Industries, Public, Health, Utilities, Lottery and Sports as well as ITMC, Legal and Group IT)

> Dipl.-Wirtschaftsinf., LL.M., Executive MBA Jörg Schroeder, Münster, Germany, member of the Executive Board
  (Divisions: Finance, Investor Relations and Mergers & Acquisitions)

> Torsten Wegener, information scientist, Hamburg, Germany, member of the Executive Board
  (retired as of 31 March 2024)

All Executive Board members are authorised to represent the company alone. They are exempt from the restrictions of Article 181 of the German Civil Code (BGB).

34.2. Remuneration of members of the Executive Board

The remuneration of members of the Executive Board comprises a fixed basic salary and short-term (STI) and long-term (LTI) variable remuneration aligned with recognised market standards and, above all, the success of the company. Remuneration is based on the remuneration system for the Executive Board approved by the annual shareholders' meeting and the terms agreed contractually with the Supervisory Board. adesso grants further benefits to all members of the Executive Board under their respective contracts, some of which are regarded as non-cash benefits and taxed accordingly. These primarily include the provision of a company car and payments to social insurance.

Executive Board remuneration is presented in detail in the Remuneration Report pursuant to Section 162 AktG.

Total remuneration pursuant to Section 314 (1) No. 6a HGB amounted to EUR 2,477 thousand (previous year: EUR 2,803 thousand). Besides short-term and other long-term remuneration, total remuneration also included share-based payments with a fair value of EUR 280 thousand (previous year: EUR 336 thousand) at the point of granting.

The total remuneration of members of the Executive Board reported pursuant to IAS 24 amounted to EUR 2,477 thousand (previous year: EUR 2,803 thousand) in the reporting year, as detailed below:

in EUR k	2024	2023
Current remuneration	1,998	2,091
Other long-term remuneration	479	712
TOTAL	**2,477**	**2,803**

Liabilities to members of the Supervisory Board on the reporting date were EUR 834 thousand (previous year: EUR 752 thousand) which were paid out in the following year.

The Executive Board members received EUR 2 thousand (previous year: EUR 13 thousand) in dividends from the shares held in adesso SE.

Former members of the Executive Board do not receive any remuneration and were not granted any pension commitments. A former member of the Executive Board continues to work in the company holding a different position and receives market pay rates. No loans or advances were granted to members of the Executive Board.

The members of the adesso SE Executive Board also hold the following positions on supervisory boards and other governing bodies within the meaning of Article 125 (1) clause 5 AktG:

> Dipl.-Kffr. Kristina Gerwert, Dortmund, Germany
Advisory Board of the Dortmunder Forums Frau und Wirtschaft (dffw), Dortmund, Germany

> Andreas Prenneis, Dortmund, Germany
Chairman of the Supervisory Board of adesso orange AG, Hamelin, Germany

> Jörg Schroeder, Münster, Germany
Member of the Supervisory Board of Fabri AG, Nuremberg, Germany

> Torsten Wegener, Hamburg, Germany
Member of the Supervisory Board of Exasol AG, Nuremberg, Germany

35. Supervisory Board

35.1. Composition of the Supervisory Board

The following persons were members of the Supervisory Board in 2024:

> Prof. Dr Volker Gruhn, Dortmund, Germany, Chairman of the Supervisory Board
Head of the Software Engineering Department at University of Duisburg-Essen

> Dr Friedrich Wöbking, Pullach, Germany, deputy chair of the Supervisory Board
Self-employed management consultant, FW Advisory Management Consulting

> Stefanie Kemp, Düsseldorf
Member of the Executive Board of Sana Kliniken AG (Chief Transformation Officer/CTO)

> Hermann Kögler, Dipl.-Kfm., Bonn, Germany
Self-employed management consultant

> Rainer Rudolf, Dipl.-Inform., Dortmund, Germany
Self-employed consultant for corporate strategy and organisation

> Michael Zorc, Dortmund, Germany
Private citizen, sports official

The members of the adesso SE Supervisory Board also hold the following positions on supervisory boards and other governing bodies within the meaning of Article 125 (1) sentence 5 AktG:

> Prof. Dr. Volker Gruhn, Dortmund, Germany
  Chairman of the Supervisory Board of Staige One AG, Essen, Germany
  Member of the Business Council of Borussia Dortmund, Dortmund
  Member of the University Council of the University of Leipzig, Leipzig, Germany

> Stefanie Kemp, Düsseldorf
  Member of the Executive Board of Sana Kliniken AG, Ismaning, Germany

> Hermann Kögler, Dipl.-Kfm., Bonn, Germany
  Member of the Supervisory Board of Carl Remigius Fresenius Education AG, Hamburg, Germany

> Michael Zorc, Dortmund, Germany
  Member of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, Dortmund, Germany

35.2. Remuneration of members of the Supervisory Board

Total remuneration in financial year 2024 for all members of the adesso SE Supervisory Board appointed in this period was EUR 205 thousand (previous year: EUR 205 thousand). The remuneration is exclusively short-term in nature.

Supervisory Board remuneration is presented in detail in the Remuneration Report pursuant to Section 162 AktG.

All transactions with related parties are concluded at market terms and conditions. Liabilities to members of the Supervisory Board on the reporting date were EUR 17 thousand (previous year: 58). Liabilities for Supervisory Board remuneration of EUR 205 thousand were created in the reporting year (previous year: EUR 205 thousand). Expenses of EUR 384 thousand (previous year: EUR 376 thousand) were recognised for commissions, fees and expense allowances.

adesso has neither granted loans to members of the Supervisory Board nor issued bonds or guarantees on their behalf. There are no service agreements between the Supervisory Board members and adesso or its subsidiaries that call for remuneration upon termination. Former members of the Supervisory Board do not receive any remuneration, nor were any pension commitments made to them.

The Supervisory Board members (excluding Setanta GmbH) received dividends of EUR 754 thousand (previous year: EUR 694 thousand).

36. Information on related parties

Related parties are legal or natural persons that can exert influence on the adesso Group or who are under the control or joint management of the adesso Group or subject to a significant level of influence by the adesso Group. Related parties are predominantly joint ventures and associates, but also include members of the Executive Board and of the Supervisory Board.

In addition to the members of the Executive Board and Supervisory Board, the following companies are considered to be related parties:

Joint ventures/associates:
> adesso banking solutions GmbH, Frankfurt, Germany
> Funds On Chain GmbH, Saarbrücken, Germany
> Staige One AG, Essen, Germany
> ROGON Technologies GmbH, Frankenthal, Germany
> p2a GmbH, Frankfurt, Germany
> iSecNG GmbH, Dortmund, Germany
> Keyla GmbH, Berlin, Germany
> ARGE CRM Suite bluplanet adesso OHG, Dortmund, Germany

Other:
> Interaction Room GmbH, Essen, Germany
> it factum GmbH, Munich, Germany
> Ottanta GbR, Dortmund, Germany
> Setanta GmbH, Dortmund, Germany (wholly owned by Prof. Volker Gruhn)
> Softwareforen Leipzig GmbH, Leipzig, Germany
> Tamed AI GmbH, Essen, Germany
> CampusLab GmbH, Eberswalde, Germany

Receivables from and liabilities to related parties were as follows as at 31 December: As in the previous year, no significant value adjustments were recorded on receivables from related parties. We held no security for receivables or liabilities in the previous year.

in EUR k	2024		2023	
	Receivables	Liabilities	Receivables	Liabilities
Joint ventures	1,278	-	150	-
Associates	4,773	-	5,022	-
Other	10	31	-	-
TOTAL	**6,061**	**31**	**5,172**	**-**

The following income (primarily from service agreements) and expenses with related parties were recognised in the reporting year:

in EUR k	2024		2023	
	Income	Expenses	Income	Expenses
Joint ventures	1,568	1	12	-
Associates	683	124	2,282	-
Other	68	489	-	112
TOTAL	**2,319**	**614**	**2,294**	**112**

For transactions with members of the Executive Board and Supervisory Board, see Note “34 Executive Board” and Note “35 Supervisory Board”. Dividend payments from companies accounted for using the equity method were not received in the financial year (previous year: none). Setanta GmbH received dividends from adesso SE of EUR 1,208 thousand (previous year: EUR 1,121 thousand), which were paid in full. No other transactions took place with Setanta GmbH in the reporting year, as was the case the previous year.

37. Contingent liabilities

adesso Orange AG has provided a directly enforceable guarantee to Ditten in the amount of EUR 1.5 million.

adesso has provided a directly enforceable guarantee for the joint venture Staige One AG up to an amount of EUR 3.5 million (previous year: EUR 3.4 million).

adesso does not currently expect any payments from this guarantee.

38. Auditor’s fee

Under German law, the auditors are elected by the Annual General Meeting on the proposal of the Supervisory Board. Once the auditor has been chosen, the Supervisory Board issues the mandate, approves the conditions and scope of the audit, as well as all audit fees, under its own responsibility, and monitors the independence of the auditor.

The Annual General Meeting chose the company BDO AG Wirtschaftsprüfungsgesellschaft, Dortmund, nominated by the Supervisory Board, as the auditor for 2024.

The activities of BDO AG Wirtschaftsprüfungsgesellschaft, Dortmund, are subject to reporting and are disclosed in the table below.

in EUR k	2024	2023
Audit of the financial statements	245	230
Other assurance services	3	41
Other services	80	4
TOTAL	**328**	**275**

EUR 11 thousand of the expenses for audit services in 2024 relate to services from the previous year (previous year: EUR 30 thousand). In addition to auditing the financial statements, BDO AG Wirtschaftsprüfungsgesellschaft was also commissioned by adesso SE to provide other services in connection with the implementation of the sustainability report.

39. Events occurring after the balance sheet date

39.1. Acquisition of additional shares in subsidiaries

With effect from 1 January 2025, adesso SE will acquire the remaining 28 % of the shares in adesso orange AG, Hamelin, Germany, and consequently own 100 % of the outstanding shares in the company. 1 % of the shares in adesso orange AG remain with adesso orange AG as treasury shares. The purchase price amounts to EUR 16,842 thousand. The company was renamed adesso business consulting AG in February 2025.

39.2. Executive Board

The Supervisory Board of adesso SE appointed Michael Karl Peter Knopp, Ratingen, Germany, to the Executive Board of adesso SE on 15 January 2025. His contract runs until January 2028. Michael Knopp will gradually take over the responsibilities of Jörg Schroeder, who will leave the Executive Board on 30 April 2025. As a member of the Executive Board of adesso SE, Knopp will be responsible for the central areas of Finance, Investor Relations and Mergers & Acquisitions. He will also be responsible for the adesso Ventures GmbH investment.

39.3. Treasury Shares

From 1 January 2025 to 10 January 2025, adesso SE acquired a further 20,792 treasury shares, for which it paid around EUR 1.8 million. In total, adesso SE acquired 121,091 treasury shares.

40. Appropriation of net income

On 4 June 2024, the Annual General Meeting of adesso SE resolved to pay a dividend for the financial year 2023 of EUR 0.70 per share, totalling EUR 4,564 thousand, from the unappropriated surplus for the financial year 2023 of EUR 117,620 thousand and to carry forward the remaining amount to new account.

For financial year 2024, the Executive Board and Supervisory Board will propose to the Annual General Meeting of adesso SE a dividend payment of EUR 0.75 per dividend-bearing share, totalling EUR 4,801 thousand. The distribution of dividends has no income tax consequences for adesso.

41. Statement of compliance with the German Corporate Governance Code in accordance with Article 161 AktG

Pursuant to Section 161 AktG, the Executive Board and Supervisory Board of adesso SE hereby declare that it is compliant with the recommendations of the “Government Commission on the German Corporate Governance Code” in the current version published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger). Possible deviations from the recommendations are listed and commented on in the compliance statement.

The Executive Board and Supervisory Board of adesso SE report on corporate governance for the company annually, and publish this information as part of the management report. The report and statement, including the declaration of conformity, have been made available online at www.adesso-group.de/corporate-governance/ for an unlimited period.

42. Shareholder structure

The following shareholder structure applied as at the balance sheet date:

Shareholder	Threshold value above or below	Share in %
Prof. Volker Gruhn (Setanta GmbH)	13/8/2007	26.5
Rainer Rudolf / RDF Familienstiftung	10/5/2022	16.2
Ludwig Fresenius	18/4/2017	6.7

In addition, adesso SE acquired 1.5% of its own shares in the 2024 financial year, as described in section "14. Equity" According to the free float definition of the "DAX Equity Index Methodology Guide" from STOXX Ltd, the free float is therefore 49.1 %.

The disclosures are based on the information received by adesso SE as part of statutory reporting obligations or voluntary notifications submitted to the company.

In the 2024 financial year, adesso SE received a notification in accordance with Sections 33 and 34 German Securities Trading Act [Wertpapierhandelsgesetz, WpHG]: FIL Limited, Hamilton, Bermuda, notified us on 8 October 2024 that its share of voting rights in adesso SE, Dortmund, Germany, exceeded the threshold of 3 % of the voting rights on 7 October 2024 and amounted to 3.06 % on this date. adesso SE informed the company about this in accordance with Section 40 WpHG on 9 October 2024 via the prescribed reporting channel.

The voting rights shown are based on the administrative practice of the German Federal Financial Supervisory Authority (BaFin) regarding notification obligations with regard to significant voting rights. Treasury shares held by the issuer must therefore be included in the total number of voting rights issued. The total number of voting rights is only reduced if treasury shares are cancelled and the capital is reduced. As no voting rights may be exercised from treasury shares in accordance with Section 71b AktG, the proportion of voting rights is in fact higher in relation to the lower number of outstanding shares or shares with voting rights.

43. Scope of consolidation

The following table contains information pursuant to Section 313 (2) German Commercial Code (HGB):

Company name	Registered office	Equity [2)]	Annual profit [2)]	Share-holding
adesso Arabia LLC	Riyadh, Saudi Arabia	-	-	100%
adesso as a service GmbH	Dortmund, Germany	5,774 T€	-14 T€	100%
adesso Austria GmbH	Vienna, Austria	2,364 T€	2,128 T€	100%
adesso benefit solutions GmbH	Dortmund, Germany	-614 T€	-233 T€	80%
adesso Blue Consulting B.V. (formerly: Software Consulting B.V.)	Amsterdam, Netherlands	-1,299 T€	-809 T€	99%
adesso Bulgaria EOOD	Sofia, Bulgaria	3,566 T BGN	1,301 T BGN	100%
adesso business consulting AG (formerly: adesso orange AG)	Hameln, Germany	17,721 T€	8,595 T€	71%
adesso business consulting Austria GmbH (formerly: adesso orange Austria GmbH[)]	Vienna, Austria	2,139 T€	463 T€	100%
adesso business consulting Kft. (formerly: adesso orange Kft.)	Győr, Hungary	732,185 M HUF	- 74,152 M HUF	100%
adesso Data & Analytics B.V.	Amsterdam, Netherlands	-188 T€	-66 T€	63%
adesso Denmark	Copenhagen, Denmark	80 T DKK	-2,097 T DKK	100%
adesso Finnland Oy (formerly: adesso Nordics Oy)	Helsinki, Finnland	-2,049 T€	-342 T€	100%
adesso health solutions GmbH	Neumünster, Germany	-8,873 T€	-1,226 T€	90%
adesso Hungary Software Kft. 4)	Budapest, Hungary	12 M HUF	-57 M HUF	100%
adesso India Private Limited	Kerala, India	7,377 T INR	-893 T INR	100%
adesso insurance solutions GmbH	Dortmund, Germany	-5,217 T€	-2,405 T€	100%
adesso insurance solutions Schweiz	Basle, Switzerland	-851 T CHF	-548 T CHF	100%
adesso Italy (formerly: Webscience S.r.l.)	Milan, Italy	4,753 T€	1,165 T€	100%
adesso Lakes GmbH	Dortmund, Germany	-173 T€	-33 T€	75%
adesso manufacturing industry solutions GmbH	Dortmund, Germany	-203 T€	-279 T€	100%
adesso mobile solutions GmbH [1)]	Dortmund, Germany	343 T€	0 T€	100%
adesso Netherlands B.V.	Amsterdam, Netherlands	-4,035 T€	-1,242 T€	100%
adesso partner trust GmbH	Dortmund, Germany	-276 T€	-157 T€	100%
adesso retail solutions GmbH	Dortmund, Germany	45 T€	-2 T€	100%
adesso Romania IT Services & Consulting	Bucharest, Romania	-837 T RON	501 T RON	100%
adesso Schweiz AG	Zurich, Switzerland	18,787 T CHF	5,758 T CHF	100%
adesso Spain Consultoria y Soluciones Tecnologicas S. L.	Barcelona, Spain	-764 T€	-731 T€	100%
adesso Sweden AB [3)]	Malmö, Sweden	70 T SEK	-24 M SEK	100%
adesso Turkey Bilgi Teknolojileri Ltd. Şti.	Istanbul, Turkey	632 M TRY	169 M TRY	100%
adesso Information Technology LLC	Dubai, United Arab Emirates	-	-	100%
adesso U.K. Limited	Birmingham, United Kingdom	-487 T GBP	-299 T GBP	100%
adesso ventures GmbH	Berlin, Germany	-1,342 T€	-1,519 T€	100%
Afida GmbH	Dortmund, Germany	-2,919 T€	-1,625 T€	82%

alleato assekuranzmakler GmbH	Dortmund, Germany	908 T€	331 T€	90%
Blue4IT Professionals B.V	Hendrik Ido Ambracht, Netherlands	1,250 T€	60 T€	100%
Bluefront B.V.	Schiedam, Netherlands	340 T€	82 T€	100%
Codesquad B.V.	Nieuwegein, Netherlands	1,419 T€	227 T€	100%
Key Asset GmbH	Weinsberg, Germany	478 T€	-3 T€	100%
KIWI Consulting EDV-Beratung GmbH	Walldorf, Germany	4,020 T€	2,880 T€	100%
material.one AG	Augsburg, Germany	6,371 T€	197 T€	53%
medgineering GmbH	Dortmund, Germany	-92 T€	-299 T€	100%
percision services GmbH	Dortmund, Germany	5,410 T€	2,637 T€	100%
Reachbird solutions GmbH	Munich, Germany	931 T€	343 T€	100%
Urban Energy GmbH	Berlin, Germany	-1,759 T€	-400 T€	50%
Webscience Bulgaria Srlu. Eood	Sofia, Bulgaria	198 T BGN	81 T BGN	100%
WEPEX GmbH	Frankfurt am Main, Germany	875 T€	658 T€	51%

1) Annual profit is EUR 0 thousand due to a profit and loss transfer agreement with adesso SE.
2) Equity and the annual profit are stated in accordance with the respective national laws.
3) Purple Friends and Purple Scout AB were merged into adesso Sweden in the financial year.
4) LeanNetworking Kft. was merged with adesso Hungary Software Kft. in the financial year.

44. Associates and joint ventures

The following table contains information pursuant to Section 313 (2) German Commercial Code (HGB):

Company name	Registered office	AC/JV	Pro-rata equity	Pro-rata annual profit	Shareholding
adesso banking solutions GmbH	Frankfurt am Main, Germany	Joint venture	EUR -41 k	EUR -15 k	50.0 %
Funds On Chain GmbH	Saarbrücken, Germany	Associated company	EUR 36 k	EUR -16 k	27.3 %
iSecNG GmbH	Dortmund, Germany	Associated company	EUR - 148 k	EUR - 211 k	33.3 %
p2a GmbH	Frankfurt, Germany	Joint venture	EUR -18 k	EUR -25 k	50.1 %
ROGON Technologies GmbH	Frankenthal, Germany	Associated company	EUR 2,749 k	EUR -2,296 k	18.5 %
Staige One AG[1]	Essen, Germany	Joint venture	EUR 1,658 k	EUR -1,341 k	43.7 %
Kevla GmbH	Berlin, Germany	Joint venture	EUR 817 k	EUR - 277 k	39.4 %
ARGE CRM Suite bluplanet adesso OHG	Dortmund, Germany	Joint venture	EUR 5 k	EUR 0 k	50.0 %

HEALAY - digital health solutions GmbH was sold in the fiscal year 2024.

1) The information provided by Staige One AG is based on the consolidated financial statements as at 31 December 2023.

45. Use of exemption provisions

adesso mobile solutions GmbH in the legal form of a joint-stock company satisfied the necessary conditions to make use of the exemption provisions pursuant to Article 264 (3) HGB and will therefore not be preparing a management report and notes to the financial statements, nor will the annual financial statements be audited by an auditor or be disclosed for the financial year 2024.

STATEMENT OF THE LEGAL REPRESENTATIVES

We confirm that the consolidated financial statements, in accordance with the applicable accounting principles and to the best of our knowledge, present a true and fair view of the group's net assets, financial position and results of operations, and that the combined management report presents a true and fair view of the group's results of operations and position in addition to describing the material opportunities and risks for the expected development of the group.

Dortmund, Germany, 20. March 2025

adesso SE, the Executive Board

Mark Lohweber	Benedikt Bonnmann	Kristina Gerwert
Michael Knopp	Andreas Prenneis	Jörg Schroeder

INDEPENDENT AUDITOR'S REPORT

To adesso SE, Dortmund

Note on the audit of the consolidated financial statements and the consolidated management report

Audit opinions

We have audited the consolidated financial statements of adesso SE, Dortmund adesso SE, Dortmund, and its subsidiaries (the Group) – consisting of the consolidated balance sheet as of 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year from 1 January 2024 to 31 December 2024, as well as the consolidated notes including significant information on accounting methods.

In addition, we have audited the consolidated management report (report on the position of the company and the Group) of adesso SE, for the financial year from 1 January 2024 to 31 December 2024. In accordance with German legal requirements, we have not audited the content of the parts of the consolidated management report set out under "Other information.

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

> the consolidated financial statements attached comply in all material respects with the Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards", applicable in the EU and the supplementary applicable German regulations according to Section 315e (1) HGB and give a true and fair view of the asset and financial situation of the Group as of 31 December 2024, as well as its results for the financial year from 1 January 2024 to 31 December 2024, in accordance with these regulations, and

> the consolidated management report attached imparts an overall accurate impression of the Group's position. In all material respects, this consolidated management report agrees with the consolidated financial statements, complies with the German legal requirements, and gives a true and fair view of the opportunities and risks associated with future developments. Our audit opinion on the consolidated management report does not extend to the content of the parts of the consolidated management report set out under "Other information".

In accordance with Section 322 (3) clause 1 HGB, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements and the consolidated management report.

Basis of the audit opinions

We have carried out our audit of the consolidated financial statements and consolidated management report in accordance with Section 317 HGB and Regulation (EU) No. 537/2014 (hereinafter referred to as “EU Audit Regulation”) in accordance with the generally accepted German standards for the audit of financial statements determined by Institut der Wirtschaftsprüfer (IDW). Our responsibilities under these regulations and principles are further described in the section of our auditor’s report entitled ‘Responsibility of the auditor for the audit of the consolidated financial statements and the consolidated management report’. We are independent of the Group companies in accordance with the European and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 (1) of the EU Audit Regulation.

In our opinion, 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 consolidated management report.

Particularly important audit matters in the audit of the consolidated financial statements

Particularly important audit matters are those matters that, in our best judgement, were most significant in our audit of the consolidated financial statements for the financial year from 1 January 2024 to 31 December 2024. These matters have been taken into account in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion; we do not deliver a separate opinion on these matters.

We have identified the following as the key audit matters to be reported in our audit opinion:

1. Impairment of goodwill
2. Recognition of sales revenue

Impairment of goodwill

Matter

In the consolidated financial statements, adesso reports goodwill of EUR 100.1 million (12% of total assets or 52% of equity).

Goodwill is subjected to an impairment test by the company at least once a year or more frequently if there are indications of impairment (impairment test in accordance with IAS 36). At adesso, the annual impairment test is generally performed on 30 June of each financial year at the level of the cash-generating units to which the respective goodwill was allocated. The recoverable amount is the higher of the value in use and the fair value less disposal costs. The values in use are determined using the discounted cash flow method. The basis of the assessment is the present value of future cash flows of the respective cash-generating unit after taxes and interest. The starting point of the detailed planning period is the expected cash surpluses for the following year. If the carrying amount of a cash-generating unit exceeds the recoverable amount, the difference is recognised as an impairment loss.

The information provided by the company on the impairment test as well as on goodwill is contained in Section II, 3.8 and in Section III, 4 of the consolidated notes, and the information on the discretionary decisions by the Executive Board and predictive uncertainties in the impairment test are included in Section II, 3.27 of the consolidated notes.

Audit response and findings
During our audit, we have gained an understanding of the process used to perform the impairment test, assessed its appropriateness in determining the need for impairment and understood the methodology applied in performing the test. In this context, we have assessed the systematic approach to the planning and the preparation process. In so doing, we have also dealt with the individual planning and how it is derived from the Group planning. In addition, we have discussed Group planning and assumed long-term growth rates with the legal representatives, reviewed them

with the assistance of a valuation expert and compared them to general and industry-related market expectations. We have reviewed planning loyalty by analysing past differences between planned and actual figures.

Furthermore, we critically reviewed the discount rates used against the average cost of capital of a peer group. We have also conducted our own sensitivity analyses of the effects of potential changes in the cost of capital and the assumed growth rates in order to test the sensitivity analyses conducted by adesso.

All in all, we were able to ascertain that the assumptions made by the legal representatives when performing the impairment test and the valuation parameters applied are comprehensible and fall within an appropriate range.

Recognition of sales revenue

Matter
In adesso’s consolidated financial statements, sales revenues are mainly generated from services (EUR 1,244 million, 96 % of sales revenue). These services comprise almost exclusively consulting services in conjunction with the installation of software within the scope of projects, some of which run for longer periods of time. Sales revenue from service contracts, maintenance and hosting are recognised on a period-related basis, while sales revenue from the sale of licences are recognised on a period-related basis if the licence constitutes a separate performance obligation. Otherwise, the licence is recognised as part of the sales revenue generated from the consulting project.

Recognition of sales revenue from service contracts in the fixed-price model (so-called fixed-price projects) is based on the progress made or level of completion of the project over its estimated duration. The level of completion is determined on the basis of the costs incurred up to the balance sheet date as a proportion of the expected total costs for the project. Performance progress for longer-term consulting projects under the fixed-price model requires a great deal of discretion. The discretionary decisions may have a material impact on the consolidated financial statements because of the scope of individual contracts.

Given the major significance of sales revenue in the assessment of the Group’s earnings situation and the complexity involved in recognising sales revenue as well as the degree of discretion involved, this is a particularly important audit matter.

The information on the company’s sales revenue is contained in Section II, 3.6 and 3.11 and in Section IV, 21 of the consolidated notes.

Audit response and findings
We have read adesso’s uniform Group accounting policy on the recognition of sales revenue and acknowledged the compliance of the requirements with IFRS 15, Revenue from Contracts with Customers.

During the further course of the audit, we gained an understanding of the processes and controls for recognising and accruing sales revenue and estimating total project hours and acknowledged their adequacy. With the assistance of our IT experts, we also evaluated the relevant systems used to recognise sales revenue. In particular, we tested the functioning of the related process-based controls in connection with the proper identification of individual performance obligations, the timing of the recognition of sales revenue and the recognition of costs according to their origin in connection with estimating the progress made in projects. We ascertained the effectiveness of the controls within the scope of the functional tests.

In order to assess whether the criteria set out in IFRS 15 for the recognition of sales revenue had been met, we performed spot checks on the underlying contractual agreements in random customer contracts and examined whether the recognition and accounting of sales revenue with corresponding contract assets and contract liabilities had been performed correctly. To this end, we inspected, among other things, the contract documents as well as the communications with the customer, project calculations and timesheets, and held discussions with the project management organisation. In addition, we reconciled the realised sales revenue with the invoice, contract and other billing bases and proof of performance for these samples. We have calculated our expected sales revenue for the current year on the basis of industry and market-related data.

We reviewed the progress made in projects in the fixed-price model based on the project budgets, the costs incurred and the project documents, assessed the assumptions applied when estimating the costs as yet to be incurred and verified that they were included in the client's calculations. Moreover, we have performed spot checks to compare historical estimates of project expenditure with the values actually incurred. We subsequently performed spot checks on the actual costs included in the calculation of the progress made and reviewed the mathematical accuracy of the calculations.

Our audit procedures enabled us to understand the assumptions and discretionary decisions made by the legal representatives on which the recognition of revenue is based.

Other information

The legal representatives and Supervisory Board are responsible for the other information, which includes:

> the combined separate non-financial report within the meaning of Sections 289b (3) and 315b HGB, which is expected to be made available to us after the date of this auditor's report and published on the parent company's website and to which reference is made in the section Declaration of Conformity (Sections 289f and 315d HGB) and the Statement of Compliance with the German Corporate Governance Code (Section 161 AktG) as well as the separate non-financial report (Sections 289b and 315b HGB) forming part of the combined management report

> the separately published Declaration of Conformity pursuant to Sections 289f and 315d HGB, which is referred to in the section of the combined management report entitled "Declaration of Conformity (Sections 289f, 315d HGB) and Statement of Compliance with the German Corporate Governance Code (Section 161 AktG) and Separate Non-financial Report (Sections 289b, 315b HGB)"

> the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report as well as our auditor's report.

Our audit opinions on the consolidated financial statements and consolidated management report do not extend to the other information. Accordingly, we do not issue an audit opinion or any other form of conclusion regarding audit findings on the matter.

In connection with our audit of the consolidated financial statements, we are responsible for reading the other information and for acknowledging whether the other information

> contains material inconsistencies with the consolidated financial statements, consolidated management report or our findings gathered during the audit, or

> otherwise appears materially misstated.

We are obliged to report whether we discover any material misstatements of this other information on the basis of the work performed by us. We have nothing to report in this context.

Responsibility of the legal representatives and the supervisory board for the consolidated financial statements and the consolidated management report

The legal representatives are responsible for the preparation of the consolidated financial statements in compliance,in all material respects, with the IFRS Accounting Standards applicable in the EU and the supplementary applicable German regulations according to Section 315a (1) HGB and for ensuring that the consolidated financial statements give a true and fair view of the asset, financial and earnings situation of the Group in accordance with these regulations. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraudulent acts (i.e. manipulation of the accounting system or misstatement of assets) or error.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group’s ability to continue as a going concern. They also have responsibility to disclose matters relating to continuation as a going concern, if relevant. In addition, they are responsible for accounting for continuation as a going concern on the basis of the accounting principle, unless there is an intention to liquidate the Group or discontinue business operations, or if there is no realistic alternative.

In addition, the legal representatives are responsible for the preparation of the joint management report, which imparts an overall accurate impression of the Group’s position, is in all material respects consistent with the consolidated financial statements, complies with German legal requirements and accurately reflects the opportunities and risks associated with future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a consolidated management report in accordance with the applicable German legal requirements and for being able to provide sufficient suitable evidence for the statements in the consolidated management report.

The Supervisory Board is responsible for overseeing the Group’s accounting process for preparing the consolidated financial statements and the consolidated management report.

Responsibility of the auditor for the audit of the consolidated financial statements and the consolidated management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraudulent acts or errors, and whether the consolidated management report imparts an overall accurate impression of the Group’s position and corresponds to the consolidated financial statements and the findings of the audit in all material respects, that it complies with German legal requirements and accurately reflects the opportunities and risks associated with future development, and to issue an audit report that includes our audit opinions on the consolidated financial statements and the consolidated management report.

Reasonable assurance refers to a high degree of security, but no guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation in accordance with the generally accepted German standards for the audit of financial statements determined by Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements can result from fraudulent acts or errors and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these consolidated financial statements and this consolidated management report.

During the audit, we exercise due discretion and maintain a critical attitude. Moreover

> we identify and assess the risks of material misstatement based on fraudulent acts or errors in the consolidated financial statements and the consolidated management report, plan and execute audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to form the basis of our audit opinion. The risk that a material misstatement may not be detected is higher for a fraudulent act than for errors, as fraudulent acts may include collusion, falsification, intentional incompleteness, misrepresentations or the discontinuation of internal controls;

> we get an understanding of the internal controls relevant to the audit of the consolidated financial statements and of the precautions and measures relevant to the audit of the consolidated management report in order to design audit procedures that are appropriate in these circumstances, but not with the aim of expressing an opinion on the effectiveness of the Group's internal controls and these precautions and measures;

> we assess the appropriateness of the accounting methods used by the legal representatives and the reasonableness of the estimates and related information provided by the legal representatives;

> we draw conclusions about the appropriateness of the accounting principle used by the legal representatives in continuation as a going concern and, on the basis of the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that could pose significant doubts about the Group’s ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in the auditor’s report to the related information in the consolidated financial statements and the consolidated management report or, if this information is inadequate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor’s report. However, future events or circumstances may lead to the Group being unable to continue as a going concern;

> we assess the overall presentation, structure and content of the consolidated financial statements including the information provided and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements are prepared in compliance with the IFRS Accounting Standards applicable in the EU and the supplementary applicable German regulations according to Section 315e (1) HGB and give a true and fair view of the asset, financial and earnings situation of the Group;

> we plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions;

> we assess the consistency of the consolidated management report with the consolidated financial statements, its compliance with the law and the impression it imparts of the Group’s position;

> we conduct audits of the forward-looking statements presented by the legal representatives in the consolidated management report. On the basis of sufficient suitable audit evidence, we, in particular, reproduce the significant assumptions on which the forward-looking statements are based, and assess the proper derivation of the forwardlooking statements from these assumptions. We do not issue an independent opinion on the forward-looking statements and the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with the supervisors the planned scope and timing of the audit, as well as significant audit findings that we identify during our audit, including any deficiencies in the internal controls.

We provide a statement to the supervisors that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be expected to affect our independence and, where relevant, the actions taken or safeguards implemented to eliminate risks to independence. Of the matters we discussed with the supervisors, we determine those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the most important audit matters. We describe these matters in the audit report, unless laws or other legal provisions exclude public disclosure of the matter.

Statutory and other legal requirements

Note on the audit of the electronic reproduction of the consolidated financial statements and the consolidated management report, which were prepared for disclosure purposes, in accordance with Section 317 (3a) HGB

Audit opinions

In accordance with Section 317 (3a) HGB, we have performed an audit with adequate certainty as to whether the reproductions of the consolidated financial statements and the consolidated management report (hereinafter also referred to as the “ESEF documents”), which are contained in the attached file “adessose-2024-12-31-de.zip” and were created for disclosure purposes, meet the requirements of Section 328 (1) HGB for the electronic reporting format (“ESEF format”) in all material respects. In accordance with the German legal requirements, this audit extends only to the transfer of information from the consolidated financial statements and the consolidated management report in the ESEF format and, therefore, does not extend to the information contained in these reproductions or in the aforementioned file.

We believe the reproductions of the consolidated financial statement and the consolidated management report, which are contained in the aforementioned file and were created for disclosure purposes, meet the requirements of Section 328 (1) HGB for the electronic reporting format in all material respects. We issue no auditor’s opinion on the information contained in these reproductions, or on the other information contained in the aforementioned file, beyond this auditor’s opinion and the auditor’s opinion on the attached consolidated financial statements and the attached consolidated management report for the financial year from 1 January 2024 to 31 December 2024, which is contained in the preceding “Note on auditing the consolidated financial statements and the consolidated management report”.

Basis of the audit opinion

We have performed our audit of the reproductions of the consolidated financial statements and the consolidated management report contained in the aforementioned file in accordance with Section 317 (3a) HGB and in compliance with the IDW auditing standard: Auditing electronic reproductions of financial statements and management reports in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in this respect is described further in the section “Responsibility of the auditor of the consolidated financial statements for auditing the ESEF documents”. Our auditing practice has applied the requirements of the IDW quality assurance standards, which transpose the IAASB’s International Standards on Quality Management.

Responsibility of the legal representatives and Supervisory Board for the ESEF documents

The company’s legal representatives are responsible for preparing the ESEF documents with the electronic reproductions of the consolidated financial statements and the consolidated management report in accordance with Section 328 (1) clause 4 no. 1 HGB and for marking up the consolidated financial statements in accordance with Section 328 (1) clause 4 no. 2 HGB.

Furthermore, the company’s legal representatives are responsible for the internal controls they deem necessary for creating ESEF documents that are free from material infringements (whether intentional or unintentional) of the requirements set out in Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for monitoring the process of preparing the ESEF documents as a part of the accounting process.

Responsibility of the auditor of the consolidated financial statements for auditing the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material infringements (whether intentional or unintentional) of the requirements set out in Section 328 (1) HGB. During the audit, we exercise due discretion and maintain a critical attitude. Moreover,

> we identify and assess the risks of material infringements (whether intentional or unintentional) of the requirements set out in Section 328 (1) HGB, design and execute audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion;

> we gain an understanding of the internal control systems relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the given circumstances, but not with the aim of expressing an opinion on the effectiveness of these systems;

> we evaluate the technical validity of the ESEF documents, meaning whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version applicable on the balance sheet date, on technical specifications for this file;

> we evaluate whether the ESEF documents enable an XHTML reproduction, with the same content, of the audited consolidated financial statements and the audited consolidated management report;

> we evaluate whether the marking up of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as applicable on the reporting date, enables an adequate and complete machinereadable XBRL copy of the XHTML reproduction.

Other information pursuant to article 10 of the EU audit regulation

We were elected as auditors of the annual financial statements by the Annual Shareholders' Meeting on 4 June 2024. We were commissioned by the Supervisory Board on 25 September 2024. We have acted as the auditors of adesso SE's consolidated financial statements without interruption since financial year 2022.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Other matters – use of the auditor's report

Our auditor's report should always be read in conjunction with the audited consolidated financial statements, the audited consolidated management report, and the audited ESEF documents. The consolidated financial statements and the consolidated management report converted into the ESEF format – including the versions to be published in the Federal Gazette (Bundesanzeiger) – are merely electronic reproductions of the audited consolidated financial statements and the audited joint management report, and do not replace them. In particular, the ESEF note and our audit opinion contained therein may only be used in conjunction with the audited ESEF documents provided in electronic form.

Responsible auditor

The auditor responsible for the audit is Andreas Dirks.

Dortmund, 20 March 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr. Falk	Dirks
Wirtschaftsprüfer [German public auditor]	Wirtschaftsprüfer [German public auditor]

INVESTOR RELATIONS

The share

THE TRADING YEAR 2024 – GENERAL CONDITIONS

After a strong increase of 20 % in the previous year, the German benchmark index DAX again performed strongly in 2024, growing by a further 19 %. It closed the year at 19,909 points, having reached a new all-time high of 20,426 points a few days earlier on 12 December 2024. Similar to the previous year, a year-end spurt was recognisable, which drove the DAX to new heights. From August onwards, the index recorded a sustained upward trend in view of recovery trends in the German economy and positive financial results. Despite the continued mixed economic outlook in Germany, the positive sentiment on the stock exchanges was fuelled by the turnaround in interest rates, global economic impetus and improved geopolitical stability. This is particularly true of the DAX, as many of the companies listed there generate their sales and profits abroad. At the beginning of 2024, however, the hopes of an interest rate cut which were driving the market initially faltered, especially as many capital market participants now considered this to be priced in and the weak economic outlook was acting as a burden. In anticipation of falling inflation data, the DAX nevertheless recorded an upward trend in the first quarter, with a respectable increase of 10 % compared to the end of the previous year. Despite a brief consolidation phase in April, a renewed breakout at the beginning of May helped to maintain the 10 % level in the subsequent sideways movement until the end of July. In the first week of August, renewed fears of a global recession caused prices to fall sharply by 6 percentage points. However, investors soon found renewed confidence, especially as the global markets recovered quickly and the economic data in Germany also proved more positive than expected. Furthermore, the easing of monetary policy created a favourable market environment and ensured the described upward trend until the end of the year. Additional impetus came from the U.S. following the presidential elections in November.

However, the TecDAX was unable to follow this fundamentally positive trend. While the TecDAX was still able to record an increase of 4 % after the first quarter, the technology index fell significantly in April to a minus of 5 % and was only able to offset its losses since the start of the year in the subsequent recovery. The technology index also failed to find a clear direction in the third and fourth quarters and largely moved sideways. Until the penultimate week of November, it was still recording a zero in the books. New impetus for the technology sector then came once again from the U.S. following announcements by market heavyweights on chip and AI innovations. The TecDAX initially benefited from this in the year-end rally and reached its high for the year of 3,552 points, up 6 %. At the end of the year, however, it was only able to maintain growth of 2 % and closed at 3,417 points. The MDAX and SDAX increasingly decoupled from the DAX's performance over the course of the year and showed even greater weakness. The MDAX fell by 6 % and the SDAX by 2 % compared to the end of the previous year. As a result, the DAX once again clearly outperformed all of the small cap indices.

DEVELOPMENT OF THE ADESSO SHARE

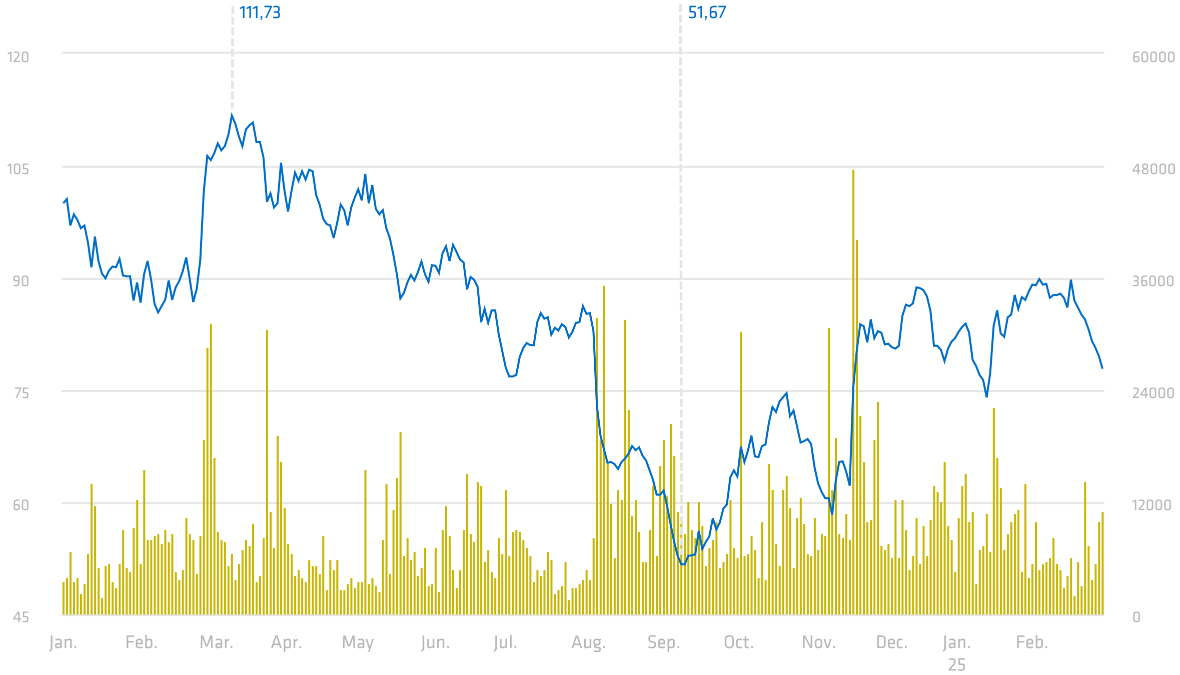
The adesso share price closed 2024 at EUR 88.00 and a book loss of 18 % compared to the previous year's closing price. Despite the comparatively weak performance of the TecDAX, it was outperformed by the benchmark index. The adesso share price was volatile throughout the year. After a weak start to the year and a fall in the share price to EUR 91.70 on 7 February 2024, the preliminary full-year figures disclosed on 23 February 2024 – which were largely in line with market expectations – initially provided relief. As if unleashed, the share price rose by 20 % to EUR 114.20 on 27 February 2024 within three trading days. All in all, adesso shares closed the gap to the selection indices with a gain of 6 % compared to the year-end price. This significant countermovement continued until 7 March 2024 and drove the share price to its high for the year to date of EUR 120.00, a book gain of 12 % compared to the previous year's closing price. Subsequent profit-taking led the share price onto a volatile path. By the end of March, the interim outperformance had fallen back to the level of the selection indices below the DAX. While a 2 % gain was maintained at the end of the quarter, a mixed economic outlook and, in particular, the weak earnings margin disclosed with the quarterly figures in May led to a more significant fall in the share price. The share price fell below the EUR 100 mark again, only briefly regaining it at the beginning of June before falling below the EUR 90 mark by the end of June. The revised outlook disclosed in an ad-hoc announcement at the beginning of August owing to an unexpectedly weak second quarter surprised investors, despite the positive outlook for the second half of the year.

Development of the adesso Share Compared to the Indices

indexed

Development of the adesso Share and Trading Volumes (Xetra)

in EUR / trading volumes in shares



The share price fell by 12 % within one trading day and did not find a bottom in the following days either. On 6 September 2024 and 9 September 2024, the annual low was reached on a closing-price basis at EUR 55.50. Given the fundamentally positive outlook for the second half of the year and the continued recognisable growth path, the devaluation appeared exaggerated to initial investors. As a result, demand for adesso shares stabilised and the share price received a fresh boost. Within just three trading weeks, the value has risen by EUR 18.50, or 33 %, to EUR 74.00 on 4 October 2024. The decision announced in an ad hoc announcement on 11 October 2024 to carry out a share repurchase programme via the stock exchange provided additional impetus. Further confidence was provided by the impressive figures for the third quarter of 2024 disclosed on 14 November 2024, which confirmed the improvement in earnings announced for the second half of the year. Within one trading day, the share price rose by over 21 % to EUR 80.90 with high trading volumes. A further 11 % was made up in the two following days, with the share price reaching EUR 90.00 again on 18 November 2024. Owing to the strong growth of 62% from the low for the year, the share price initially consolidated slightly, but was ultimately able to capitalise on the momentum of the year-end rally and the impetus in the tech sector. After reaching EUR 95.30 on 10 December 2024, the share still stood strong at EUR 88.00 at the end of the year. This corresponded to a fall in the share price of 18 % compared to the previous year's closing price. Although the share was able to close the performance gap to the benchmark index that had developed since May 2024 by the end of the year, the TecDAX performed 20 percentage points better over the year as a whole. adesso's market capitalisation therefore decreased in 2024 by 18 % to EUR 574.0 million from EUR 700.3 million at the end of 2023.

TRADING VOLUME

Following a sharp decline in the sale of shares in general in the previous year, the volume in 2024 increased only slightly year-on-year by 2 %. Overall trading volumes of all shares on the Xetra and the Frankfurt stock exchange spot markets[1] therefore increased to EUR 1.1 trillion in the reporting year. Investors continued to primarily invest in the top-ranking securities. As in the previous year, approximately 76% of the total volume was attributable to DAX stocks; MDAX and SDAX-traded shares accounted for 14 % (previous year: 16 %). Trading volumes of stocks listed on the SDAX fell by 13 % to EUR 28.2 billion from EUR 32.2 billion in the previous year. The share of total volume fell by 0.5 percentage points. The trading volume of adesso shares increased significantly by 47 % in 2024 following the decline in the previous year. Trading of EUR 269.5 million was recorded, compared to EUR 183.4 million in the previous year. February was the best trading month at EUR 33.2 million. In March and November, more than EUR 30 million was also traded in adesso shares. In contrast, a trading volume of only EUR 13.4 million was recorded in July. An average of 12,082 shares changed ownership per trading day in 2024. On average, 255,727 adesso shares were traded monthly. Of these, around 77 % of trading took place on the Xetra trading platform. This is 1 percentage point less than in the previous year.

YEAR TO DATE DEVELOPMENT 2025

Even though the year-end rally initially stalled in the final trading days of 2024 and the indices consolidated somewhat, the upward trend on the stock markets continued at the start of 2025. By 18 February 2025, the DAX had climbed a further 15 % from the previous year's closing price to a new all-time high of 22,845. The German benchmark index had already surpassed the 22,000 point mark for the first time on 11 February 2025 and maintained this level at the close of trading. Above all, the expectation of a further fall in interest rates in the U.S. and the Eurozone boosted investor sentiment. Even the escalating tariff policy between the U.S. and its trading partners was noted calmly. Unlike some major tech companies in the U.S., the DAX and TecDAX were unimpressed by the 'DeepSeek' shock triggered by the progress made by the Chinese AI start-up of the same name. Positive impetus came from the hope of a ceasefire in the Ukraine war. The new elections in Germany also raised hopes of a more economy-friendly policy, although the election results and the resulting difficulties in forming a government subsequently dampened expectations. By the end of February, the DAX had gained 13 % compared to the end of the previous year and closed at 22,551 points on 28 February 2025. The TecDAX largely followed this trend and closed at 3,777 points at the end of February, up 11%. While the indices recorded a sustained upward trend until the end of the first two months of the year, adesso shares lost considerable value in the meantime following slight gains in the first week of trading. Starting at EUR 90.10 on 6 January 2025, the share price fell to EUR 79.50 on 14 January 2025 within six trading days. Just three trading days later, it was back at EUR 92.00 and had closed the gap to the benchmark index. From then on, it largely followed the performance of the market and indices on a somewhat more volatile path. Starting from its high for the year to date of EUR 96.50, the share price came under increasing pressure, as did the small cap indices. The preliminary full-year results disclosed on 21 February 2025 – with a thoroughly respectable fourth quarter of 2024 – did not provide any relief in the slightly gloomier stock market sentiment. The share price fell from EUR 96.40 on 17 February 2025 to EUR 83.60 at the end of the month. This means that the adesso share price has lost 5 % in value since the start of the year compared to the end of the previous year and has also lost 16 percentage points compared to the benchmark index.

1 Due to adjustments to Tradegate Exchange's ownership structure, their trading volumes are no longer included in the cash market statistics of Deutsche Börse Group.

The following table shows the most important share data for 2024 per quarter:

Share Data

	Q1	Q2	Q3	Q4	2024
Price at the end of the period	109.20	83.80	68.10	88.00	88.00
Development (in %)	2	-22	-37	-18	-18
Development of TecDAX (in %)	4	0	2	2	2
Highest price in EUR	120.00	112.20	92.60	95.30	120.00
Lowest price in EUR	91.70	83.80	55.50	62.60	55.50
Volatility (90 days at the end of the quarter in %)	45.1	39.7	45.7	59.1	59.1
Trading volumes in shares per trading day	12,132	8,902	12,292	15,037	12,082
Trading volumes in EUR per trading day	1,286,272	890,078	875,649	1,202,630	1,060,890
Number of shares	6,520,272	6,520,272	6,522,272	6,522,272	6,522,272
Market capitalisation (in EUR million)	712.0	546.4	444.2	574.0	574.0

Basic share data

ISIN Code	DE000A0Z23Q5
WKN (national security identification number)	A0Z23Q
Symbol / Code	ADN1
Reuters Instrument Code	ADNGk.DE
Bloomberg Symbol	ADN1:GR
First day of trading	21 June 2000
Trading platforms	Xetra
Exchange segment	Prime Standard
Number of shares	6,522,272
Treasury Shares	121,091
Currency	EUR
Nominal value	No-par value shares: EUR 1.00 (mathematically)
Share capital	EUR 6,522,272
Voting rights per voting share	1
Paying agent	DZ BANK AG, Frankfurt am Main
Indices	SDAX, CDAX, DAXplus Family, DAXsector All Software, DAXsector Software, DAXsubsector All IT-Services, DAXsubsector IT Services, Prime All Share, Technology All Share, STOXX Europe ex UK Total
Reporting standard	IFRS
End of financial year	31 / 12

	2024	2023
Number of shares at the end of the year	6,522,272	6,520,272
Xetra closing price at the end of the year (EUR)	88.00	107.40
Market capitalisation at the end of the year (EUR million)	574.0	700.3
Earnings per share (EUR)	1.25	0.49
Cash flow per share (EUR)	16.95	11.79
P/E Ratio	70.4	219.2
Price-To-Cash-Flow Ratio	5.2	9.1
Dividend per share (in EUR)*	0.75	0.70
Return on dividend	0.9 %	0.7 %

* Subject to the approval of the Annual General Meeting for the year under review.

CAPITAL MEASURES

In the reporting period, share capital increased from EUR 6,520,272 to EUR 6,522,272 after stock options from the company's stock options programme were exercised. The increase was made in July by EUR 2,000. The number of shares outstanding was reduced to 6,401,181 as a result of the share repurchase programme carried out in the period from 17 October 2024 to 10 January 2025. The company currently holds 121,091 treasury shares which carry neither voting nor dividend rights. As at 31 December 2024, 100,299 of these had to be taken into account. A total amount of approximately EUR 10.0 million was spent on the total number of treasury shares, excluding incidental acquisition costs. The repurchase programme was resolved by the Executive Board of adesso SE on 11 October 2024 on the basis of the authorisation granted by the Annual General Meeting on 3 June 2020 in accordance with Section 71 (1) No. 8 German Stock Corporation Act [Aktiengesetz, AktG]. The start of the programme and its details were disclosed on 16 October 2024.

DIVIDENDS

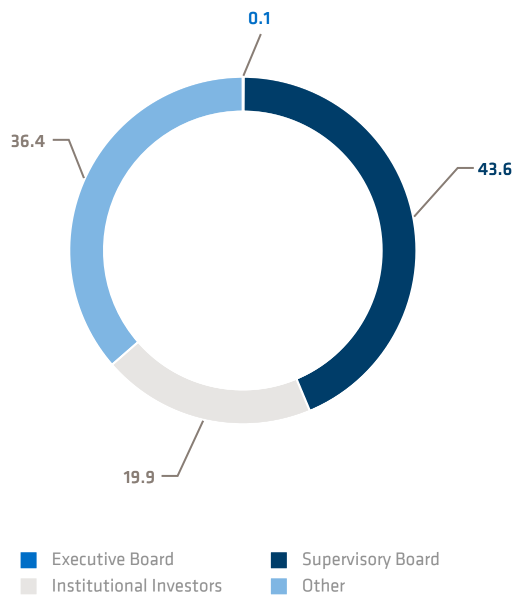
The Annual General Meeting on 04 June 2024 approved the proposal of the Executive Board and Supervisory Board regarding the appropriation of net income and resolved to increase the dividend by 8 % to EUR 0.70 per share. The dividend was paid to the eligible shareholders from 7 June 2024 onwards.

SHAREHOLDER STRUCTURE

The largest shareholder of adesso SE, with 27.4% of the voting rights[2], is Prof. Dr Volker Gruhn, who holds his shares indirectly via the Group company Setanta GmbH, to which voting rights of MIH GmbH have been allocated since February 2025 as part of a pooling agreement. Prof. Dr Volker Gruhn is the Chairman of the Supervisory Board of adesso SE and its co-founder. At 16.2%, Rainer Rudolf – co-founder, former Executive Board member and a member of the Supervisory Board since 2013 – commands the second-largest share of voting rights, which are predominantly held by the RDF Familienstiftung. adesso SE's Supervisory Board holds 43.6 % of the company's share capital. The majority of the assigned voting rights, 59.3 %, continue to be held by private investors. The share of institutional investors stood at 19.9% at the end of the year. The remaining 18.9% of the company's shares cannot be clearly assigned to a specific class of investor. The company holds 121,091 treasury shares. According to the free float definition of the "DAX Equity Index Methodology Guide" from STOXX Ltd, the free float is 47.8% (49.1% as of 31 December 2024). It has decreased by 4.1 percentage points compared to the value stated in the 2023 annual report. Despite the exercise of options from the company's stock option program, this results in particular from the reduction of treasury shares, which are not part of the free float, as well as a higher fixed ownership ratio.

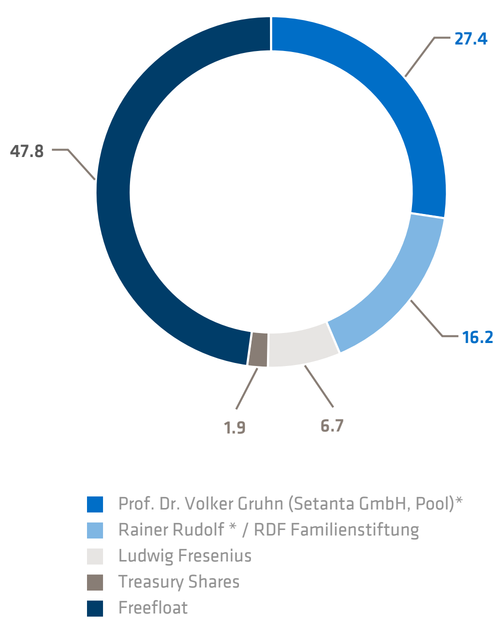
Shareholder Structure

in %



Shareholders

in %



*Supervisory Board

INVESTOR RELATIONS ACTIVITIES

Our investor relations activities are dedicated to active communication and ensure that our business activities are transparent. We not only strive to offer ultimate transparency and ready access to information, but also actively seek dialogue with institutional and private investors, analysts and the financial media.To this end, we regularly present the development of adesso SE in the course of conferences, one-on-one meetings or roadshows to maintain and intensify contacts with the capital market. We organise corresponding earnings calls as webcasts to coincide with our quarterly financial reporting.

In 2024, adesso SE and its Equity Story were presented at the German Equity Forum, a leading European capital market conference for corporate financing. Presentations were also given at a further six conferences and investor events in Germany and abroad, two of which were held online. In addition, two roadshows were organised by banks and brokers, and investors were visited in London, Milan and Lugano. Relations with analysts and professional investors were also strengthened in numerous one-to-one meetings. A similarly high number of investor events is planned for 2025.

In financial year 2024, adesso continued to publish regular announcements and presentations on the company of relevance for the capital market. Interested capital market participants have access to comprehensive information in the “Investor Relations” section of the company website, which extends far beyond mandatory disclosures. As a service, the menu item “Questions for the CFO” enables direct dialogue with the responsible Executive Board member. Distribution lists for mailing or electronically distributing company press releases and reports allow us to actively supply interested parties with the latest information on adesso SE. About 680 registered individuals and companies have used this service. For analysts, in particular, but also for all other interested investors, adesso provides an investor folder for download which, in addition to the regular publications over the past twelve months, includes a multi-period overview of the income statement and key performance figures on a quarterly and annual basis, as well as the consolidated and interim financial statements in Excel format. adesso was evaluated regularly by various analysts in 2024. Updates to analyst studies are provided on the adesso website.

adesso SE was included in the SDAX, a selection index of the DAX family, on 21 March 2022. Since then, adesso has been one of the 70 largest companies in terms of free-float market capitalisation of shares outside the DAX and MDAX.

adesso SE is a member of the German Investor Relations Association e. V. (DIRK).

ANALYSES / RESEARCH

The adesso SE share has been evaluated regularly by Warburg Research with updates and comments since the publication of the baseline study in October 2016. Furthermore, valuations are published by the independent analysts of SMC Research, who have been tracking adesso’s development since May 2013. In order to strengthen transparency and further expand capital market relations, adesso has also been collaborating with the independent European financial services company Kepler Cheuvreux since the second quarter of 2019. The baseline study was published in September 2019. After a period of familiarisation by its analysts, Berenberg began covering adesso SE in 2021, with the first publication of a baseline study in July 2021. April 2022 saw the publication of a baseline study by Jefferies, which the American investment bank used to begin coverage, and analysts used to continue to evaluate adesso’s performance. The analysts at ODDO BHF and Hauck Aufhäuser Investment Banking (HAIB) initiated their coverage of adesso with the publication of their baseline studies in June and July 2024 and are also evaluating the development.

The latest updates from analysts were published in November 2024 and February 2025. With the exception of Jefferies and Kepler Cheuvreux (Hold), all analysts have issued a Buy recommendation. While the HAIB analyst rates adesso stock with a price target of EUR 102.00 (26 February 2025), SMC Research sees the fair value at EUR 162.00 (24 February 2025). Warburg Research values the shares at EUR 160.00 (24 February 2025). ODDO BHF sees a fair valuation of the shares as EUR 110.00 (24 February 2025) and Kepler Cheuvreux has set the target price at EUR 100.00 (21 February 2025). Jefferies considers a price of EUR 85.00 to be justified (21 February 2025). Berenberg recommends a price target of EUR 144.00 (14 November 2024) and lists adesso as a top pick for 2025 in a sector study (15 January 2025).

[2] The voting rights shown are based on the administrative practice of the German Federal Financial Supervisory Authority (BaFin) regarding disclosure obligations with regard to significant voting rights. Treasury shares held by the issuer must therefore be included in the total number of voting rights issued. The total number of voting rights is only reduced if treasury shares are cancelled and the capital is reduced. As no voting rights may be exercised from treasury shares in accordance with Section 71b AktG, the proportion of voting rights is in fact higher in relation to the lower number of outstanding shares or shares with voting rights.

Since the beginning of 2011, trading of the adesso share has been managed by the market leader in designated sponsoring, ODDO BHF Corporates & Markets AG. Since 1 July 2022, ICF BANK AG Wertpapierhandelsbank has supported the liquidity of the share as a further designated sponsor.

CONTACT:
Martin Möllmann
Head of Investor Relations
T +49 231 7000-7000
F +49 231 7000-1000
E ir@adesso.de

Recommendations from the financial media and analysts' opinions

Date	Subject / recommendation	Evaluation	Source
26.02.25	Buy	Target price: EUR 102.00	Hauck Aufhäuser
24.02.25	Buy	Target price: EUR 162.00	SMC Research
24.02.25	Buy	Target price: EUR 160.00	Warburg Research
24.02.25	Outperform	Target price: EUR 110.00	ODDO BHF
21.02.25	Hold	Target price: EUR 100.00	Kepler Cheuvreux
21.02.25	Hold	Target price: EUR 85.00	Jefferies
18.12.24	adesso: Focus on generative AI breathes new life into the share	'Among other factors, thanks to the focus on generative AI, the correction phase now seems to be over and adesso is convincing with attractive key figures and growth potential. [...] Due to the attractive outlook for the P/E ratio, investors can therefore already benefit from an attractive investment opportunity today. Cautious investors can first wait for the key figures for the full year 2024 and then take advantage of the long-term growth opportunities.'	Nebenwerte Investor
14.11.24	Buy	Target price: EUR 144.00	Berenberg
14.11.24	adesso: SDAX share gives buy signal	'From a chart perspective, adesso is now becoming interesting again. [...] The good figures and the optimistic outlook are good reasons to buy. [...] A few initial adesso shares can do no harm in the long term.'	Der Aktionär
10.10.24	For speculative investors	'adesso is clearly ripe for a comeback. Collect speculatively now!'	Effecten-Spiegel
06.09.24	Personnel costs hit adesso hard	'The Executive Board and Supervisory Board have collected shares worth over 600,000 euros in recent weeks. So at least the management seems to be optimistic. [...] We will remain on the sidelines at adesso until further notice.'	Platow Börse
26.02.24	Top winner Adesso: Was that the liberating blow?	There is therefore every indication that Adesso will succeed in returning to a profitable growth path as planned [...]. However, this should dispel concerns about a persistently weak operating performance and pave the way for rising share prices. [...] DER AKTIONÄR speculates on rising share prices in the Real portfolio.	Der Aktionär Online

MANAGEMENT AND DIRECTORS

Mark Lohweber | CEO

Mark Lohweber (born 1969) is a member of the Management Board and is responsible for the operational business in the Banking and Insurance sectors as well as international business, including nearshoring and offshoring. As a member of the Management Board, he is also in charge of the central areas of Corporate Account Management and Marketing. On the Executive Board, he is furthermore responsible for the adesso subsidiaries adesso insurance solutions GmbH, adesso banking solutions GmbH, adesso benefit solutions GmbH, Afida GmbH and Wepex GmbH. Lohweber has been Chairman of the Executive Board of adesso SE since the beginning of 2024. Before being appointed to the Executive Board of adesso SE in 2023, the trained banker and law graduate was CEO of CoCoNet AG, a leading European FinTech company. Mark Lohweber previously worked for adesso SE from 2007 to 2021, where he was responsible for various management positions.

Benedikt Bonnmann | Member of the Executive Board

Benedikt Bonnmann (born 1985) is a member of the Executive Board and is responsible for the operating business of the Automotive, Manufacturing Industry, Retail and Life Science sectors as well as for the Data, Analytics & AI, Digital Experience, Microsoft, SAP and Salesforce technology areas. On the Executive Board, he is as well responsible for the subsidiaries adesso business consulting AG, adesso manufacturing industry solutions GmbH, adesso Lakes GmbH, material.one GmbH and Reachbird Solutions GmbH. Before the business informatics graduate and MBA was appointed to the Executive Board in 2024, Benedikt Bonnmann had already been working for adesso since 2017 and had been responsible for building up the Data, Analytics & AI division since 2019. Before joining adesso, he was active in the field of business intelligence, data and AI consulting with a focus on SAP and founded his own consulting firm in 2010, which became part of the adesso Group in 2017.

Kristina Gerwert | Member of the Executive Board

Kristina Gerwert (born 1976) is a member of the Executive Board and is responsible for the central areas of Human Resources, Compliance, Corporate Administration, Corporate Buildings and Procurement. She is also in charge of the adesso subsidiary alleato assekuranzmakler GmbH. Before being appointed to the Executive Board in 2023, the economics graduate had been Head of Human Resources at adesso since 2011.

Executive Board

Michael Knopp | Member of the Executive Board

Michael Knopp (born 1966) has been a member of the Executive Board of adesso SE since 15 January 2025, and will gradually assume the responsibilities of Jörg Schroeder, who will step down from the Executive Board on 30 April 2025. As a member of the Executive Board of adesso SE, Knopp will be responsible for the central areas of Finance, Investor Relations, and Mergers & Acquisitions. He will also assume responsibility for the investment adesso ventures GmbH. Michael Knopp has extensive expertise in both corporate finance and information technology. A business graduate, he held positions including many years as a member of the Executive Board and Chief Financial Officer (CFO) at the listed company SUSS MicroTec SE and subsequently at Materna Information & Communications SE. Before being appointed to the Executive Board of adesso SE in January 2025, he served as Managing Director and CFO of the IT service provider akquinet Holding GmbH.

Andreas Prenneis | Member of the Executive Board

Andreas Prenneis (born 1965) is a member of the Management Board and is responsible for the operating business in the Cross Industries, Public administration, Healthcare and Energy sectors, Lottery and Sports sectors as well as Cloud & Operations. As a member of the Executive Board, he is also in charge of the central Legal and Group IT divisions. He is moreover responsible for the adesso subsidiaries adesso as a service GmbH, adesso health solutions GmbH, adesso mobile solutions GmbH, KIWI Consulting EDV-Beratung GmbH, medgineering GmbH and percision services GmbH. Before being appointed to the Executive Board of adesso SE in 2015, he worked at CompuGroup Medical Deutschland, where he most recently headed various business areas as Area Vice President Telematics & AddOn.

Jörg Schroeder | Member of the Executive Board

Jörg Schroeder (born 1977) will be responsible for the central areas of Finance, Investor Relations and Mergers & Acquisitions until his departure from the Executive Board of adesso SE on 30 April 2025. Furthermore, he is responsible for the investment adesso ventures GmbH. Before being appointed to the Executive Board of adesso SE in 2019, the graduate in business informatics, LL.M. and Executive MBA was initially responsible for strategy development and implementation at the BITMARCK Group as Chief Strategy Officer and member of the Executive Board from 2015. Most recently, as Chief Financial Officer of BITMARCK Holding GmbH, he was responsible for finance, controlling and purchasing for the Group and all subsidiaries.

MANAGEMENT AND DIRECTORS

Prof. Dr. Volker Gruhn | Chairperson of the Supervisory Board and Chairperson of the Nomination Committee

Prof. Dr. Volker Gruhn (born in 1963) was a co-founder of adesso SE in 1997 and is now the Chairperson of the Supervisory Board. He is Head of the Software Engineering Department at University of Duisburg-Essen. His research focuses on software processes for the development of data-driven and mobile applications as well as cyber-physical systems. Prof. Dr. Gruhn is the author and co-author of more than 450 national and international publications and conference contributions. He is member of the University Council of Leipzig University and member of the board of trustees of the Fraunhofer-Institute for Software and System Technology. Furthermore he is member of the advisory council of the BIPRO initiative. The BIPRO initiative is an association of finance companies that aim to optimize cross-company processes by developing functional and technical standards.

Further mandates in Supervisory Boards: Besides being the chairperson of the Supervisory Board of adesso SE, Prof. Dr. Gruhn is the Chairman of the Supervisory Board of Staige GmbH, Essen, as well as Member of the Business Council of Borussia Dortmund, Dortmund, and member of the University Council of the University of Leipzig, Leipzig.

Dr. Friedrich Wöbking | Member of the Supervisory Board (Deputy Chairperson)

Dr. Friedrich Wöbking (born in 1950) is a declared expert on information technology and the banks and insurance industries. He was member of the Executive Board at Dresdner Bank AG between 2003 and 2009 and took responsibility for the IT Services and Operations department. Previously, during the 1990s, he was member of the Executive Board at Allianz Versicherungs-AG / Allianz Lebensversicherungs-AG and Deutsche Versicherungs-AG where he was head of the Private Customer Business department as well as head of the departments IT and e-Business. From 1995 to 2009, he was also Global CIO of Allianz SE and Chairman of the Global IT Committee of Allianz SE. Wöbking owns a doctor's degree in Information Technology and Mathematics and currently runs FW ADVISORY Management Beratung.

Stefanie Kemp | Member of the Supervisory Board

Stefanie Kemp (born 1963) started out in the healthcare and pharmaceutical industries, where she specialised in information technology at an early stage of her career. Her main areas of expertise are the transformation, innovation and digitalisation of companies. Ms Kemp, who lives in Düsseldorf, has been Chief Transformation Officer and a member of the management board of Sana Kliniken AG since September 2022. Previously, Ms Kemp was head of the German operations at the US software company Oracle and Chief IT Officer at several financial service providers and international family-run companies, as well as Chief Digital Officer (CDO) at the energy company RWE / innogy SE.

Further mandates in Supervisory Boards: Besides being a member of the Supervisory Board of adesso SE, Stefanie Kemp also sits on the family advisory council of BJB GmbH & Co. KG, Arnsberg.

Supervisory Board

Hermann Kögler | Member of the Supervisory Board, Chairman of the Audit Committee

Hermann Kögler (Born 1955) was for over twelve years Director of Finance / Controlling and Spokesman of the Board at COGNOS AG (now: Carl Remigius Fresenius Education AG), one of the biggest privately-owned, independent education groups in Germany. After his departure from the Board of Executive Directors at his own request, he was elected Member of the Supervisory Board at COGNOS AG in 2016. After studying Business Administration at the University of Cologne, he began his career as a self-employed wholesaler. He later held a number of senior management positions, including those at the Otto Wolff Group and Rhenus AG. In early 1996 he moved to the international steel distributor Klöckner & Co., where he was an executive until 2001, most recently as Director of Finance / Controlling. Before he joined COGNOS AG in 2004 the graduate business administrator worked as a consultant and interim manager.

Further mandates in Supervisory Boards: Besides being a member of the Supervisory Board of adesso SE, Hermann Kögler is Member of the Supervisory Board of Carl Remigius Fresenius Education AG (previously: COGNOS AG), Hamburg.

Rainer Rudolf | Member of the Supervisory Board, Member of the Audit and Nomination Committee

Rainer Rudolf (born in 1962) holds a degree in computer science from the University of Dortmund, co-founded adesso SE in 1997 and determined the company’s early, solid economic development in the role of CEO until 2011. His area of responsibility included the areas of finance, accounting and controlling as well as the areas of human resources, administration and legal affairs. After leaving the board in September 2011, Rainer Rudolf headed Stock Informatik GmbH & Co. KG, a leading software company in the field of occupational medicine and occupational safety, which was acquired by CompuGroup Medical Deutschland AG in 2015. From December 2016, Rainer Rudolf served as a member of the board of the Dortmund-based software company W3L AG. Following the sale of the company and its merger with the parent company SMF GmbH in 2021, he joined the management of SMF GmbH until his retirement in June 2024. He currently manages the business of altabene GmbH and works as a consultant for corporate strategy and organisation.

Michael Zorc | Member of the Supervisory Board

Michael Zorc (born 1962) was Sports Director of Borussia 09 e.V. Dortmund (BVB) from 1998 to 2022, where he was responsible at the highest management level for the entire football division of the Bundesliga club, right down to the youth teams. He therefore has an excellent network in the industry as well as proven expertise in the field of sports management. Prior to his work as an official, Michael Zorc was an active professional footballer at Borussia Dortmund from 1981 to 1998. At the beginning of his professional career, Michael Zorc studied economics at the University of Dortmund.

Further mandates in Supervisory Boards: Besides being a member of the Supervisory Board of adesso SE, Michael Zorc is Member of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA, Dortmund.

GLOSSARY

Commercial terminology

Account clearing
The accumulation of the balances of various bank accounts in a target account, taking account of defined-minimum levels. This produces a balance of available liquidity in the target account, which is used for various forms of investment.

Benchmark
Benchmarking describes comparative analysis on the basis of set reference values (benchmarks).

Cash flow
Cash flow is an economic measure that represents the net flow of liquidity resulting from sales and other continuing activities in a certain period.

Cash management
Cash management and liquidity management are terms used in commercial finance management. Cash management includes all measures relating to the current financial planning of a company

Cost of materials ratio
The cost of materials ratio represents the relationship between expenditure on materials and services and turnover. It is expressed as a percentage.

The DACH region
DACH is an acronym comprised of abbreviations of the German names of the countries in the region: Germany (D), Austria (A), and Switzerland (CH). The term is usually used to refer to the German speaking economic area.

Discounted cash flow method
The DCF method is used to determine the value of companies. Future cash flow is discounted by taking into account the cost of capital on a reporting date.

EBITDA
Earnings before interest, taxes, depreciation and amortisation.

EBITDA margin
The ratio of EBITDA to sales. The EBITDA margin is a measure of a company’s productivity and is independent of its income from financial assets, extraordinary items, and taxes.

Factoring
Factoring is a financial service used to finance current sales. The factor purchases the accounts receivable of its factoring client vis-à-vis a debitor. In exchange for the accounts receivable the factor pays the factoring client the value of the receivable immediately.

Forecast
A forecast is a projection used in budget planning. During the progress of a period, forecasts are used to update expectations for the period compared the original budget.

Free float definition (according to “Guide to the DAX Equity Indices”)
Definition according to “Guide to the DAX Equity Indices” by Qontigo, a subsidiary of Deutsche Börse Group, to divide a company’s shares into free float and fixed ownership.

FTE
Abbreviation of Full Time Equivalent. The FTE value is used to compare the relative staffing levels of a company and as a basis for calculations; the FTE value is used to convert figures regarding absolute staffing levels to their equivalent in terms of full-time positions. For example, two 50 % contracts would be counted as one employee, even if two different individuals are employed.

German Corporate Governance Code
The German Corporate Governance Code (often shortened to DCGK) is a system of regulations established by a commission of the German Federal Government. It is primarily composed of guidelines regarding good corporate governance, including ethical employee behaviour and the leadership of companies and organisations.

Goodwill
Goodwill is the amount a purchaser is prepared to pay for a business or company with regard to its expected future earnings (= earnings value) above the value of individual assets after the deduction of debts (= net asset value).

Gross domestic product (GDP)
The value of all goods and services produced by an economy, as defined by its territorial border, within a given year. GDP includes the services of foreigners working in a country, whereas the services of natives working abroad are not included.

Gross profit
Gross profit is the difference between a company's revenue and its expenditure on goods and services. IAS International Accounting Standards See IFRS

IASB
The International Accounting Standards Board (IASB) is an independent international committee of legal experts which is responsible for the development, and where required, the revision of the Inter¬national Financial Reporting Standards (IFRS).

IFRS
The International Financial Reporting Standards (IFRS) is a set of international standards used by organisations when reporting their financial results. They include the standards of the International Accounting Standards Board (IASB), International Accounting Standards (IAS), the International Accounting Standards Committee (IASC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Impairment Test
An impairment test is a mandatory test used to evaluate fixed assets. The accounting regulations US-GAAP and IFRS call for the periodic evaluation of possible indicators of sustained loss of value.

Working capital
Working capital refers to the difference between current realisable assets (those that can be liquidated within a year) held by a company and its current liabilities. It is the portion of current assets which are not tied up in covering current liabilities, and can therefore be "put to work" in purchasing, production, and working processes.

Xetra trading
Xetra is an electronic trading system operated by Deutsche Börse AG for the spot market.

IT terminology

Bitkom
The Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e. V. (the German Federal Association for Information Technology, Telecommunications and New Media) is Germany's digital association. Founded in 1999, it represents more than 2,200 member companies of the digital economy.

FirstSpirit
The name of content management system produced by Crownpeak Technology GmbH (previously: e-Spirit AG).

Internet of Things
The term Internet of Things or in brief IoT describes that conventional personal computers (PC) are increasingly disappearing as a device and replaced with "smart objects". The "Internet of things" is meant to support people unnoticeably in their everyday activities. For this purpose, computers / sensors become smaller and smaller to be embedded in objects. Hence, they neither distract the users nor being noticed at all. They serve to collect and to process data, can be networked to communicate or initiate useful processes.

Mobile solutions
In the context of its expansion strategy, adesso is developing a portfolio of solutions. The focus is on functions that are of interest to a large number of clients in the same or similar form, and can therefore be marketed as a solution. adesso classes all solutions that help make information, content and applications remotely accessible as mobile solutions.

FINANCIAL CALENDAR

Date	Event
2025-02-27	Roadshow (Berenberg), Helsinki/Stockholm
2025-03-27	Publication of the Annual / Consolidated Financial Statements 2024, Annual Press / Analyst Conference, Dortmund
2025-05-12	Publication of the Quarterly Statement Q1 2025
2025-05-13	Spring Conference 2025, Frankfurt / Main
2025-06-03	Annual General Meeting, Dortmund
2025-08-14	Publication of the Half-Year Report 2025
2025-11-12	Publication of Quarterly Statement Q3 2025
2025-11-24 to 26	German Equity Forum 2025, Frankfurt / Main

Imprint

ADESSO SE
Adessoplatz 1, 44269 Dortmund, Germany
T +49 231 7000-7000
F +49 231 7000-1000
ir@adesso.de

CONCEPT & DESIGN
IR-ONE AG & Co. KG (www.ir-one.de)

PHOTOGRAPHY
Patricio Fontebasso, Johannes Schriek, adesso SE

adesso GROUP

adesso SE
Adessoplatz 1
44269 Dortmund
Germany
T +49 231 7000-7000
F +49 231 7000-1000
ir@adesso.de
www.adesso-group.de/en/
www.adesso.de/en/