Annual Report 2024

SNP DATA. TRANSFORMATION. EXPERIENCE.

KEY FIGURES

in € million, unless otherwise indicated	2024	2023	Delta	Delta in %
Order entry	310.6	266.1	44.5	17%
Revenue	254.8	203.4	51.3	25%
EBITDA	40.0	21.5	18.5	86%
EBIT	28.6	11.1	17.5	157%
Profit or loss for the period	20.1	5.9	14.2	243%
Earnings per share (in €)	2.78	0.81	1.97	245%
Operating cash flow	40.8	12.5	28.3	225%
Cash and cash equivalents	72.5	40.3	32.2	80%
Employees as of December 31	1,562	1,432	130	9%

in € million, unless otherwise indicated	Q4 2024	Q4 2023	Delta	Delta in %
Order entry	101.1	96.5	4.6	5%
Revenue	72.0	53.8	18.2	34%
EBITDA	11.1	5.5	5.6	102%
EBIT	8.2	2.8	5.4	193%
Profit or loss for the period	8.4	1.3	7.1	546%
Earnings per share (in €)	1.00	0.18	0.82	460%
Operating cash flow	24.9	14.2	10.7	75%

Content

Success Story

Audi

SAP S/4HANA establishes efficient processes in finance and maintenance logistics. With multiple projects in the pipeline, Audi AG implemented two simultaneously at the start of 2023, introducing SAP S/4HANA Finance to establish a central finance system and migrating to SAP S/4HANA in the area of maintenance logistics. Both projects ran quickly and securely thanks to SNP.

Scan the QR code and learn more about the successful project.

To our Stakeholders

„Thanks to the significant operational progress and the stability we have gained, SNP is in the strongest phase of its 30-year history. Building on this foundation, we see our partnership with Carlyle as a logical and necessary step to enter the next chapter of SNP's growth story."

Dr. Jens Amail, Chief Executive Officer (CEO)

LETTER OF THE CEO

Dear Shareholders,
Dear Friends of SNP,

I've always believed SNP is a very special company. Shaped by the vision and entrepreneurial endeavor of our founder, it went through an early IPO, created its very own software market category and enjoyed rapid international growth, with a talent base and innovation power significantly stronger than what would be expected of a company our size.

With our new ownership model and the plans we have to together with Carlyle, the situation has changed for the coming months and years in many respects – also regarding our communication with investors and analysts. So I would like to firstly take the opportunity of thanking you for many years of trust and support. Furthermore, I will share a brief overview of our joint accomplishments, our view of the future, and our reasons for embarking on the proposed course.

Closely tied to our successful development is the dedication of Wolfgang Marguerre, a personal friend of Andreas Schneider-Neureither, who stood by our side at a very challenging time. His strong commitment and the resulting initial takeover bid in July 2023 played a crucial role in guiding us back to the dual governance model, with an Executive Board and a Supervisory Board. This change provides the necessary stability with clear accountabilities in corporate leadership. I would like to take the opportunity to express my sincere gratitude for everything Wolfgang Marguerre has done for SNP over the past years – our recent success would not have been possible without him.

Our founder envisioned fundamentally transforming the field of SAP consulting with a data transformation software platform, and we are humbled by what we could globally achieve as a team. Now it's our duty to do all we can to build on this visionary legacy and further strengthen our market position in the best interest of SNP. That is why I am particularly pleased that in 2024 we were able to bring the long-standing legal dispute with Andreas Schneider-Neureither's community of heirs to a close – with a satisfying result for both sides. This allowed us to finally put this costly and labour-intensive process behind us and fully focus on our core business, with the success of our customers and partners as a top priority. I am particularly grateful to Tatiana Schneider-Neureither for her willingness to build bridges and find a fair compromise for all parties involved.

The past year was also marked by significant progress across all our strategic focus areas. We achieved over-proportional growth in our software business, expanded our international presence, evolved our vision and elevated the collaboration with our ecosystem to a new level. Nearly half of our new orders now come through partners such as Accenture, Deloitte, IBM and PWC. Additionally, an increasing number of large international customers are choosing to strategically work with SNP in the long term, improving their data-enabled transformation capabilities and business agility through our software platform. A good example for this is our long-standing, successful partnership with BMW with the addition of a dedicated Migration Factory in 2024.

A close and trusting relationship with SAP remains a key pillar of our business development. We are very thankful that Peter Maier, a seasoned senior executive, serves on our Supervisory Board. With more than 30 years of SAP experience and an extensive market network, he is helping us in many ways. We are a founding member of SAP's Selective Data Transition Engagement community, and for many years a customer for RISE with SAP. In addition, SNP is one of SAP's leading services partner for Cloud Application Lifecycle Management. Now, we are strengthening our partnership in the field of transformations to RISE with SAP and exploring the potential collaboration in the space of data management in SAP S/4HANA Public Cloud.

All these advancements have ultimately led to a significant improvement of our operational performance. 2024 was another record year for SNP, with order entry surpassing €300 million for the first time, a group revenue of approximately €255 million, an operating margin (EBIT) of around 11% and an outstanding operating cash flow of about €41 million. This sustainable business development is also reflected in our stock exchange valuation. Our market capitalization has more than quadrupled since the end of 2022 to just over €450 million.

Thanks to the significant operational progress and the stability we have gained, SNP is in the strongest phase of its 30-year history. Building on this foundation, we see our partnership with Carlyle as a logical and necessary step to enter the next chapter of SNP's growth story.

After careful consideration of various strategic options and an analysis of the proposed partnership, we, in alignment with the Supervisory Board, have concluded that Carlyle is the right partner for SNP's future. Carlyle's global platform and financial resources will help us to execute our strategy even faster and in a more sustainable way. Our customers, our partners and all our colleagues at SNP will benefit from this.

"Stronger Together" – true to the theme of our upcoming Transformation World this summer, we will continue to jointly shape the future of SNP. Here, again, the success for our customers and partners remains our highest priority. This is the key focus of the entire SNP team, to whom I heartfully feel obliged and thankful. And with our new Kyano platform we will significantly expand the market category we have created and shaped for so many years.

Again, thank you so much for your interest in SNP and the constructive dialogue over the past years. Engaging with you has always been and remains very important to me, and I would be delighted if we could continue this in some form. I hope that, even as circumstances evolve, you will remain connected with SNP and the people behind it.

Warmest regards,
Jens Amail

The Board of Directors: Andreas Röderer, Chief Financial Officer (CFO), and Dr. Jens Amail, Chief Executive Officer (CEO)

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

We hereby wish to inform you of the Supervisory Board's activities in the 2024 fiscal year.

COOPERATION BETWEEN THE SUPERVISORY BOARD AND EXECUTIVE BOARD

For SNP SE, the fundamental principle of ensuring responsible corporate governance and control is to guarantee efficient and trusting cooperation between the Executive Board and Supervisory Board.

In the 2024 fiscal year, the Supervisory Board performed all its duties in accordance with the law, the Articles of Association and the rules of procedure. It dealt extensively with the situation and development of SNP and regularly advised and monitored the Executive Board in its management of the company.

KEY OVERSIGHT AND ADVISORY ISSUES

The main focus was on the following topics in the 2024 fiscal year:

- Audit and approval of the consolidated and annual financial statements for 2023
- Resolution relating to and completion of the acquisition of the Trigon Group
- Regular business updates
- Relationships of SNP SE to the community of heirs of Dr. Andreas Schneider-Neureither
- Determination of the agenda for the 2024 Annual General Meeting, taking into account the agreement to settle the disputes with the community of heirs
- Potential change to the shareholder structure and investor meetings

Meetings of the Board of Directors

The Supervisory Board held five ordinary meetings and one extraordinary meeting in the 2024 fiscal year; all ordinary meetings were held in person, while the extraordinary meeting was held virtually. Nine meetings were held where resolutions were adopted by way of circular resolution.

Meeting of March 21, 2024 (balance sheet meeting)

The balance sheet meeting focused on the annual and consolidated financial statements and the combined management report for the 2023 fiscal year, including the non-financial statement and assessment of the dependency report for fiscal year 2023.

The Report of the Supervisory Board, the Remuneration Report and the proposal on the appropriation of profit for the 2023 fiscal year were also approved. Other focal points were the variable remuneration of the members of the Executive Board, the status quo and necessary measures for achieving CSRD-compliant sustainability reporting, a strategic innovations agenda and the targeted majority shareholding in Trigon Consulting GmbH & Co. KG, which was finally passed by circular resolution in April.

Meeting of June 7, 2024

The meeting focused on a potential change to the shareholder structure, a corresponding sounding of the market and preparations for possible investor meetings.

The Supervisory Board (l. to r.) Peter Maier, Dr. Karl Benedikt Biesinger and Prof. Dr. Thorsten Grenz

Meeting of June 27, 2024
Besides the usual business update, the committees discussed the dividend policy as well as the structure of the longterm component as a part of the Executive Board remuneration. Finally, the Supervisory Board passed the Executive Board's rules of procedure and was briefed on the current status of the CSRD measures.

Meeting of July 25, 2024
Topics of the meeting were the half-year figures, strategic considerations about activities in the Asian region, as well as awarding an anniversary bonus in the form of 30 shares to all employees.

Meeting of October 24, 2024
The October meeting focused on the budget process for 2025 and the talent management program for personnel recruitment and development. In addition, several growth scenarios created on the basis of current market data were presented to the Supervisory Board.

Meeting of November 27, 2024
The subject of the meeting was the intention of the majority shareholder to dispose of his shares and the status quo of the bidding process. Furthermore, a possible investment agreement with Carlyle was discussed and ultimately approved later by circular resolution.

Further resolutions passed by circular resolution
Resolutions that were the subject of previous consultations or for which no oral discussion is required are generally passed by circular resolution outside of meetings. These included, for example, the adoption of the agenda for the 2024 Annual General Meeting, taking into account the agreement to settle the disputes with the community of heirs or obtaining approvals for measures in accordance with the rules of procedure or Articles of Association.

PERSONNEL CHANGES IN THE COMMITTEES

In the 2024 fiscal year, there were no personnel changes in either the Supervisory Board or the Executive Board.

Conflicts of Interest
To avoid any appearance of a conflict of interest, Dr. Karl Benedikt Biesinger did not take part in the discussions and decisions that the Supervisory Board held or made regarding SNP SE's relationships with the community of heirs of Dr. Andreas Schneider-Neureither in view of his own business relationships with a member of the community of heirs of Dr. Andreas Schneider-Neureither.

THE WORK OF THE AUDIT COMMITTEE

In particular, the Audit Committee monitors the accounting process, the effectiveness of the internal control system, and the risk management system, as well as the audit of the financial statements, in particular the independence and qualifications of the auditor and their performance, including the commissioning of additional non-audit services. To this end, the Chairman of the Audit Committee regularly reviewed the progress of the audit and reported on this to the Audit Committee. The Audit Committee regularly consulted with the auditor – also without the Executive Board. The Audit Committee also monitors the effectiveness of the compliance management system.

The Audit Committee consists of three members: the committee is chaired by the Deputy Chairman of the Supervisory Board, Prof. Thorsten Grenz; Dr. Karl Benedikt Biesinger and Peter Maier are also members of the Audit Committee.

The Audit Committee held a total of four meetings in the 2024 fiscal year, all of which were in person.

At its meeting on March 21, 2025, in the presence of the auditor, Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("Rödl & Partner"), Nuremberg, the Audit Committee dealt with the annual and consolidated financial statements, the combined management report, the Executive Board's proposal for the appropriation of net profit and the selection and independence of the auditor for the 2025 fiscal year, and the corresponding resolution recommendation to the Annual General Meeting. It also addressed the quality of the final audit. The Audit Committee's other meetings in the 2024 fiscal year focused mainly on key audit matters, non-audit services and the independence of the auditor. Other focal points were the monitoring of the accounting issues and the accounting processes, reporting on the status quo of the CSRD implementation, monitoring of the internal control system as well as general compliance topics. The Audit Committee was also informed about current developments in the corporate governance framework and was presented with the risk report.

AUDIT OF ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Rödl & Partner was reelected as auditor of the annual and consolidated financial statements for the 2024 fiscal year by the Annual General Meeting of SNP SE on June 27, 2024. The Audit Committee subsequently commissioned Rödl & Partner with the audit. Rödl & Partner audited the annual financial statements prepared by the Executive Board and the consolidated financial statements, including the combined management report, each relating to the 2024 fiscal year, and issued an unqualified audit opinion.

The signatories of the audit certificate and responsible for the audit at Rödl & Partner are the auditors Dr. Christian Maier and Markus Selk for the annual financial statements, the consolidated financial statements, and the combined management report. The annual and consolidated financial statements and the combined management report (including the sustainability statement in accordance with the European Sustainability Reporting Standards, ESRS), as well as the auditor's reports, were presented to the Supervisory Board, and personally explained to both the Audit Committee and the entire Supervisory Board by the Executive Board and the auditors responsible for conducting the audit. The Executive Board's proposal for the appropriation of net profit were also submitted to all members of the Supervisory Board. The Audit Committee and the Supervisory Board examined the financial statements, the combined management report and the audit reports in

MEETINGS OF THE SUPERVISORY BOARD AND THE AUDIT COMMITTEE IN THE 2024 FISCAL YEAR

	SUPERVISORY BOARD MEETINGS			AUDIT COMMITTEE		
	Attended	Meetings	Rate of attendance in %	Attended	Meetings	Rate of attendance in %
Dr. Karl Benedikt Biesinger	6	6	100%	4	4	100%
Prof. Dr. Thorsten Grenz	6	6	100%	4	4	100%
Peter Maier	6	6	100%	4	4	100%

detail at their meeting on March 21, 2025. At the meeting, the auditors reported on the scope, focus and key findings of their audit, focusing in particular on key audit matters and the audit procedures performed, and were available to answer questions and provide additional information. Following the final result of the audit by the Supervisory Board, no objections were raised. The Supervisory Board approved the results of the audit and concurred with the Executive Board's assessment of the situation of the Group and SNP SE.

The Supervisory Board has, therefore, approved and thus adopted the annual financial statements and consolidated financial statements of SNP Schneider-Neureither & Partner SE prepared by the Executive Board. Furthermore, it has agreed to the Executive Board's proposal on the appropriation of profit.

The remuneration report was audited separately by the auditor. In addition to the formal audit required by law in accordance with Section 162 (1) and (2) AktG, the content of the remuneration report was also audited. Details of the remuneration report can be found on the company's web-site at https://investor-relations.snpgroup.com/en/governance/.

CORPORATE GOVERNANCE

The Supervisory Board also dealt with the topic of corporate governance and the GCGC in the 2024 fiscal year. The Executive Board and Supervisory Board report in detail on the implementation of the GCGC in the corporate governance declaration. The declaration of conformity is published on the company's website: https://investor-relations.snpgroup.com/en/governance/.

Dependency report

The Executive Board has prepared a report on relationships with affiliated companies in accordance with Section 312 AktG. The auditors have audited this report and issued the following opinion:

"Based on our audit and assessment in accordance with professional standards, we confirm that

- the factual information in the report is correct,
- that the consideration paid by the company for the legal transactions listed in the report was not inappropriately high or that disadvantages were compensated for, and
- that there are no circumstances that indicate a materially different assessment of the measures listed in the report than that made by the Executive Board.

The dependent company report of the Executive Board and the auditor's report on this were submitted to the Audit Committee and the Supervisory Board in good time.

Thanks to the Members of the Management Board and Employees

We would like to thank the members of the Executive Board, the Managing Directors of the Group companies, and all employees for their high level of personal commitment, their achievements, and their ongoing dedication to SNP SE and express our appreciation to them.

For the Supervisory Board

Dr. Karl Benedikt Biesinger

SNP IN THE CAPITAL MARKETS

VOLUNTARY PUBLIC TAKEOVER OFFER

On February 10, 2025, the Executive Board and the Supervisory Board published their jointly reasoned statement on Carlyle's voluntary public takeover offer to the shareholders of SNP. In this statement, they confirmed their support for the new partnership and recommended that SNP shareholders accept the public takeover offer the joint reasoned statement of the is available on SNP's website: https://investor-relations.snpgroup.com/de/.

The detailed terms and conditions of the voluntary public takeover offer can be found in the offer document. This is available at https://www.succession-offer.com.

An overview of the shareholder structure has been omitted in this report.

KEY SHARE DATA

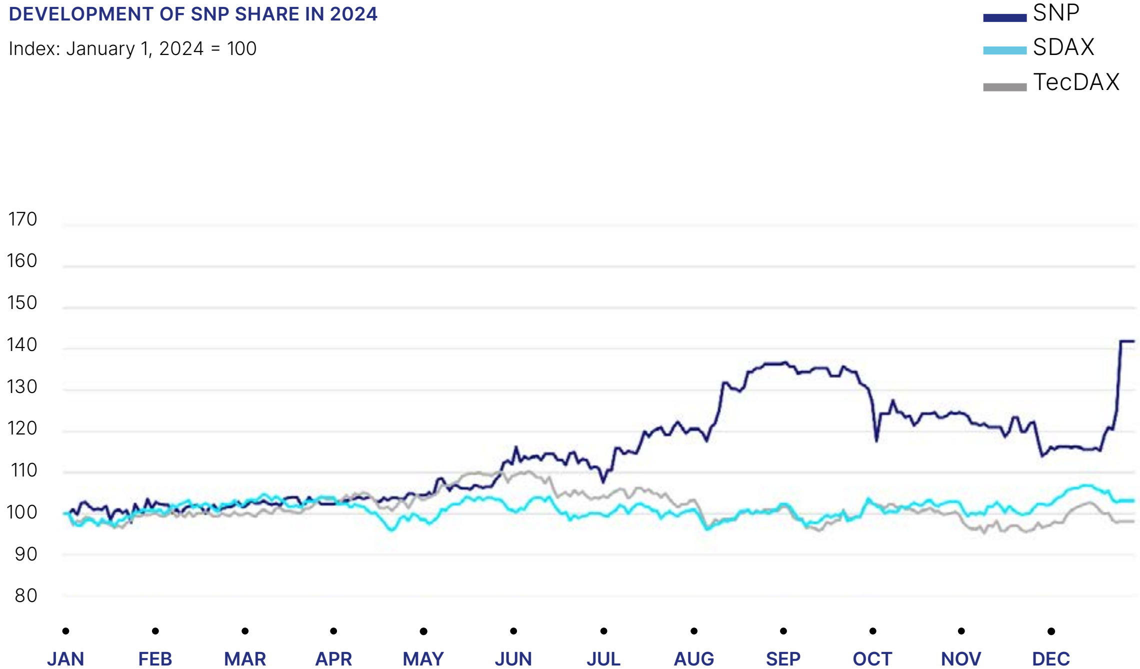
Security identification number	720 370
Symbol	SHF
Market segment	Prime Standard
Share class	No-par-value shares
Shares as of December 31, 2023	7,385,780 (Share capital 7,385,780 €)
Indices	CDAX, DAXsector All Software, DAXsubsector All IT-Services, Prime All-Share, Prime Standard Index

SHARE PERFORMANCE INDICATORS

		2024	2023
Earnings per share	in €	2.78	0.81
Market capitalization as end of year	in € m	463	318
Year-end share price	in €	62.20	43.00
Highest price	in €	62.60	44.70
Lowest price	in €	42.10	23.00

DEVELOPMENT OF SNP SHARE IN 2024

Index: January 1, 2024 = 100



Further information on the SNP share can be found at
https://www.snpgroup.com/en/stock-information

Further information on investor relations can be found at
https://www.snpgroup.com/en/investor-relations

ANALYSTS

- Berenberg
- Stifel
- M.M. Warburg

FINANCIAL CALENDAR

Q4 2024	March 27, 2025
Q1 2025	May 8, 2025
AGM	June 30, 2025
Q2 2025	July 31, 2025
Q3 2025	November 6, 2025

Success Story

Novartis

„We have already completed several projects with SNP, so the choice of the partner for this planned SAP BW carve-out was easy. We knew they would get the job done exactly the way we needed it, and they did not disappoint – I definitely re-commend working with SNP consultants.“

Sachin Verma,
Associate Director bei Novartis

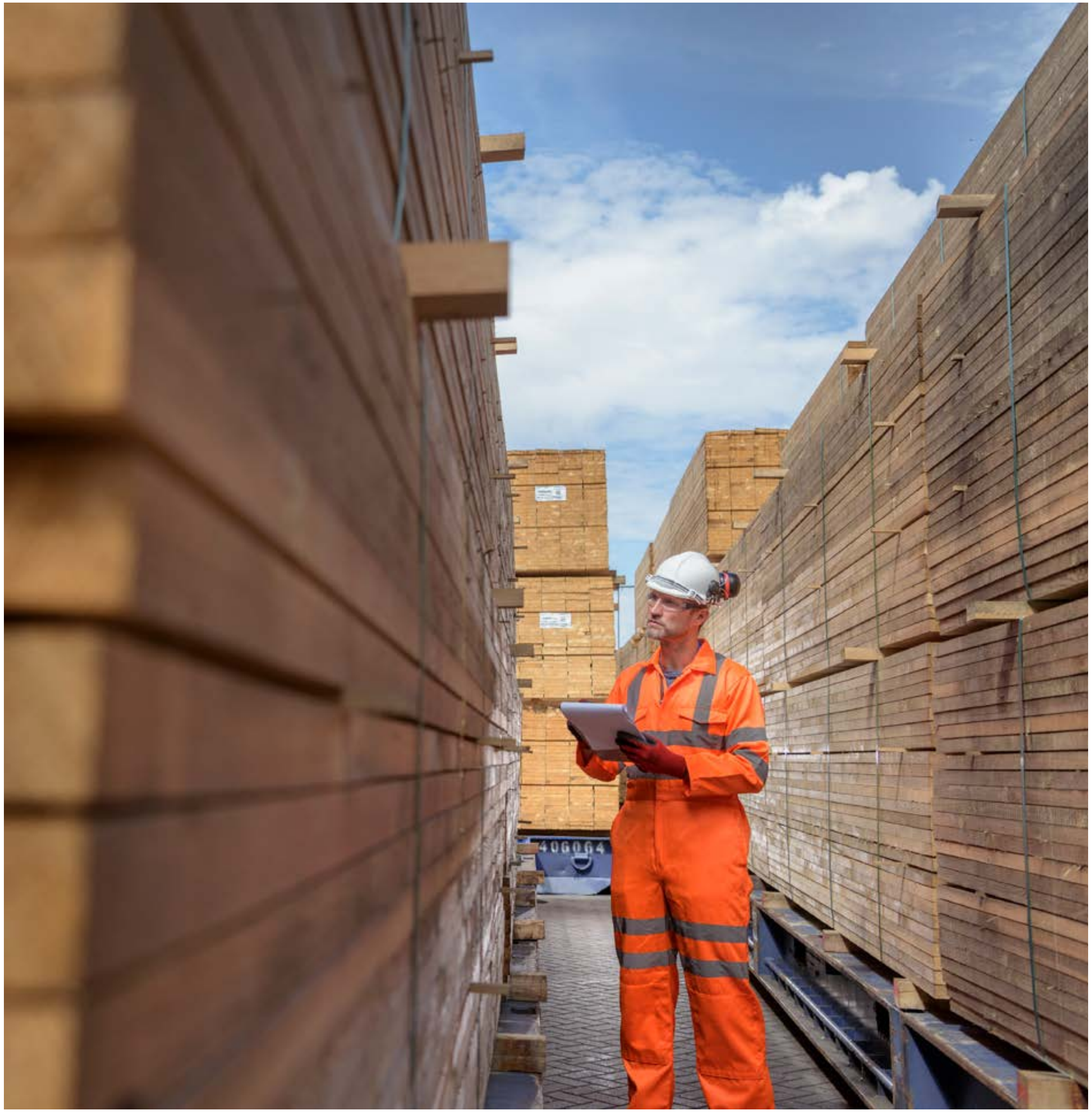
Scan the QR code
and learn more about
the successful project.

Success Story

BSW Timber

„With the complex challenge of an SAP data carve-out, a project integration and an S/4HANA transformation, we engaged Centiq and SNP to complete this project with minimal business disruption and downtime."

David Robinson,
Head of IT, BSW Group



Scan the QR code
and learn more about
the successful project.

Corporate Governance

CORPORATE GOVERNANCE

Corporate Governance Statement 2024

Effective implementation of corporate governance principles is a key element of the corporate policy of SNP Schneider-Neureither & Partner SE (hereinafter: "SNP SE" or "SNP"). Transparent and responsible corporate governance is a critical precondition for the achievement of the company's goals and for increasing its enterprise value over the long term. The Supervisory Board and Executive Board work closely together for the benefit of the entire company in order to ensure efficient corporate management and control geared towards sustainable value creation through good corporate governance.

In the following statement, we explain the essential foundations of the corporate governance of SNP SE pursuant to the legal requirements of Section 315d in conjunction with Section 289f of the German Commercial Code (HGB) and the German Corporate Governance Code (GCGC or "the Code").

DECLARATION OF CONFORMITY WITH THE RECOMMENDATIONS OF THE GOVERNING COMMISSION OF GERMAN CORPORATE GOVERNANCE

In accordance with Section 161 AktG in conjunction with Article 9 (1) c) ii) SE Regulation, the Executive Board and Supervisory Board of a listed SE with its registered office in Germany are obliged to declare once a year whether the German Corporate Governance Code (GCGC) in its currently valid form has been and is being complied with or which recommendations of the Code have not been or are not being applied and why not. In the event of changes during the year between two regular declarations, the declaration must be updated.

Declaration of Conformity 2024

The Executive Board and Supervisory Board of SNP SE declare in accordance with Section 161 (1) AktG that since the submission of the last declaration of conformity in March 2024 the recommendations of the Government Commission on the German Corporate Governance Code (GCGC) in the version of the **GCGC** dated April 28, 2022, published in the Federal Gazette on June 27, 2022, have been and will continue to be complied with, with the exception of the following deviations:

Recommendation B.3 of the Code, according to which the initial appointment of members of the Executive Board should be for a maximum of three years, was not formally complied with due to the special situation at SNP but was very much in line with the aim of the regulation. Both Dr. Jens Amail and Andreas Röderer were appointed as members of the Executive Board for a period of five years with effect from November 1, 2023. This takes into account the fact that both gentlemen were previously Managing Direc-tors of SNP.

Recommendation B.5 provides for an age limit for members of the Executive Board. SNP SE does not believe that a fixed age limit should be set for mem-bers of the Executive Board, as this cannot take individual circumstances into account and would also restrict the Supervisory Board in its selection of Executive Board members.

In accordance with **recommendation C.2**, an age limit specified for members of the Supervisory Board should also be stated in the corporate governance statement. The Supervisory Board is elected by the shareholders of SNP SE. An age limit can lead to rigid regulations and establish an unintended exclusion criterion that could run counter to the company's objective of attracting individuals with extensive experience to serve on the Supervisory Board. For this reason, a more flexible approach based on a case-by-case decision was given preference over a rigid limit.

In accordance with **recommendation D.5**, the Supervisory Board shall form a Nomination Committee composed exclusively of shareholder representatives which nominates suitable candidates to the Supervisory Board proposals to the Annual General Meeting for the election of Supervisory Board members. The Supervisory Board is of the opinion that the establishment of such a committee is neither necessary nor expedient due to the specific circumstances of the company, in particular the size of the Supervisory Board (currently three members) and its composition exclusively of shareholder representatives.

The current remuneration system for the Supervisory Board includes a fixed annual basic remuneration of EUR 80,000 per member; the Chairman receives EUR 100,000, his deputy EUR 90,000. This provision also covers the assumption of memberships and chairmanships of committees, which means that **recommendation G.17**, according to which the higher time commitment of committee members and their chairmen should be appropriately taken into account in the remuneration of Supervisory Board members, is not complied with.

With the current remuneration system, the Supervisory Board takes into account the responsibility, the scope of activities, and the special circumstances of the Board's composition. In the "three-member Supervisory Board", the Audit Committee and the full Supervisory Board are identical, meaning that no additional remuneration is required for chairmanship or membership in this committee. No other committees have been set up (as explained). The current remuneration system does not provide for the payment of attendance fees.

In accordance with **recommendation D.12**, the Supervisory Board shall regularly assess the effectiveness of the Board and how its committees perform their duties. Given that the collaboration between the Supervisory Board and the Audit Committee in the current composition has only been in force since September 2023, an evaluation in 2024 did not yet appear necessary. However, a self-assessment will take place in the course of 2025.

Heidelberg, Germany, March 21, 2025

For the Supervisory Board	For the Executive Board
Dr. Karl Benedikt Biesinger	Dr. Jens Amail

The declaration of conformity is permanently available to the public on the company's website: https://investor-relations.snpgroup.com/en/governance

CORPORATE GOVERNANCE PRACTICES

Responsible corporate governance

SNP SE's corporate governance practices are characterized by fair, transparent, and correct cooperation with employees as well as business partners and the public. Responsible corporate governance also means complying with legal regulations within decision-making and control processes, and actively implementing recommendations that go beyond these regulations. We further strengthened our sustainability expertise in the year under review. This includes, among other things, integrating ESG criteria in the Executive Board remuneration to further reinforce sustainable action in the global business processes. Furthermore, sustainability is a fixed component of our internal risk management as well as of our Groupwide risk and opportunity inventory. This enables us to identify and manage sustainability-related risks and opportunities at an early stage.

In the interests of promoting transparency, we have decided to already take into account the regulatory requirements of the future Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) in our sustainability reporting this year. In doing so, we ensure that our business practices not only meet current but future requirements as well.

Shareholders and Annual General Meeting

The shareholders of SNP SE exercise their rights at the Annual General Meeting. In accordance with Article 19 of the company's Articles of Association, each registered share entitles the holder to one vote. The Annual General Meeting is chaired by the Chairman of the Supervisory Board. The Annual General Meeting decides in all cases assigned to it by law and the Articles of Association.

Supervisory Board

The central task of the Supervisory Board is to advise and monitor the Executive Board. In accordance with the Articles of Association, the company's Supervisory Board consists of three members. The powers and duties of the Supervisory Board and its Audit Committee are governed by the German Stock Corporation Act, the Articles of Association, and the Supervisory Board's rules of procedure.

Executive Board

As the management body of a stock corporation, the Executive Board manages the business "under its own responsibility" (Section 76 (1) AktG) or independently of instructions and is bound by the interests and business policy principles of the company within the framework of the provisions of stock corporation law.

In exercising its management authority, the Executive Board is also obliged to increase the value of the company on a sustainable basis. It reports regularly and comprehen-sively to the Supervisory Board on all key issues relating to business development, corporate strategy, and potential risks. The competencies and duties of the Executive Board are governed by the German Stock Corporation Act, the Articles of Association, the rules of procedure, and the schedule of responsibilities of the Executive Board.

Shareholdings of the Executive Board and the Supervisory Board

The following members of the Executive Board and Supervisory Board appointed at the end of 2024 held shares in SNP SE at the end of the year:

	SHAREHOLDINGS AS AT DECEMBER 31, 2024		SHAREHOLDINGS AS AT DECEMBER 31, 2023	
Dr. Karl Benedikt Biesinger	4,757	0.1%	4,757	0.1%
Dr. Jens Amail	31,228	0.4%	31,228	0,4%
Andreas Röderer	429	0.0%	0	0

Accounting and auditing

The consolidated financial statements are prepared in accordance with IFRS, the annual financial statements in accordance with HGB. After preparation by the Executive Board, the consolidated financial statements and annual financial statements are audited by the auditor, approved or adopted by the Supervisory Board, and published within 90 days of the end of the fiscal year. Furthermore, interim reports are published for the first three quarters of a fiscal year in the form of two quarterly statements and a half-year financial report; the half-year financial report is reviewed by an auditor.

Transparency

An information policy geared towards uniform, comprehensive and timely information is of great importance to SNP. Therefore, the company informs all stakeholders regularly and promptly about the company's situation and any significant business changes and developments. One of the most important communication tools is the company's website. Reporting also takes place in the annual report, in interim reports, and at meetings and conferences with investors, analysts and journalists.

Furthermore, additional information is published in the form of press releases and ad hoc announcements. The statutory reporting obligations, such as with re-gard to voting rights notifications or managers' own transactions, are complied with. Announcements, presentations, and reports are available in the Investor Relations section of SNP's website (https://investor-relations.snpgroup.com/en/publications).

Compliance

Trust is one of our basic values and assumes integri-ty, honesty and incorruptibility. Compliance with all applicable statutory provisions and internal rules on the part of the company's management and employ-ees is an integral aspect of our corporate culture. Measures in the area of compliance are continuously reviewed and updated on an ongoing basis by means of a compliance management system. Our Code of Conduct is at the heart of our corporate culture and encapsulates our key behavioral principles as well as the requirements for compliance with contractual and statutory obligations, anticorruption measures, the protection of business and commercial secrets, and data protection. The Code of Conduct was refined in the reporting year to include, among other things, aspects of sustainable corporate practices as well as environmental and social responsibility.

All employees are obliged to comply with the company's Code of Conduct.

The measures will be further developed in line with the company's risk situation and the effectiveness of the individual measures implemented will be regularly reviewed. For this purpose, the company offers all employees throughout the Group the opportunity to report legal violations within the company in a protected fashion using a digital whistleblower system. Employees may opt to submit such reports anonymously.

Mandatory training is another key element for the avoidance of compliance violations. We offer e-learning-based training for all of the company's employees worldwide. The mandatory training course covers the topics of occupational safety, information security, data protection and equal opportunities, and also includes a compliance module. The almost full completion rate of all employees emphasizes their commitment to our company values and the importance of compliance in our daily actions.

Structure and working methods of the Executive Board and Supervisory Board, and composition of the Audit Committee

The Executive Board and Supervisory Board work together closely and on the basis of trust in the interests of the company. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board meetings. The Supervisory Board has also appointed an Audit Committee.

As a rule, the Executive Board attends the Supervisory Board meetings, reports in writing and orally on the individual agenda items and draft resolutions, and answers the questions of the Supervisory Board members. The Supervisory Board also meets regularly in the absence of the Executive Board.

In accordance with Article 10 of the company's Articles of Association, the Supervisory Board appoints the members of the Executive Board and issues rules of procedure and a schedule of responsibilities for the Executive Board. The Chairman of the Supervisory Board decides whether the members of the Executive Board attend the meetings of the Supervisory Board. Finally, the Supervisory Board adopts rules of procedure and issues rules of procedure for the Executive Board.

In its annual report to the Annual General Meeting, the Supervisory Board explains its activities and the activities of the Audit Committee. Information on the members and chairmen of the Supervisory Board committees is published on the company's website at https://www.snpgroup.com/en/about-snp/company/management.

There are currently no committees at the Executive Board level.

The Supervisory Board must hold two meetings per calendar halfyear. The Supervisory Board is quorate if all members have been invited and at least two of the members participate in the resolution. Resolutions of the Supervisory Board require a majority of the votes cast unless a different majority is prescribed by law or the Articles of Association. In the event of a tie, the Chairman has the casting vote.

The Supervisory Board has established bylaws for its work. These can be found at https://investor-relations.snpgroup.com/en/governance.

According to Section 6 of the company's Articles of Association, the Executive Board consists of at least two members and constitutes a quorum if at least half of its members attend the meeting. It passes resolutions by a simple majority of the votes of the members of the Board of Directors participating in the resolution. In the event of a tie, the Chairman has the casting vote.

The remuneration of the members of the Executive Board consists of fixed and performance-related components. The remuneration report for the 2024 fiscal year, the auditor's report in accordance with Section 162 AktG, and the applicable remuneration system for the Executive Board and Supervisory Board are published in the remuneration report at https://investor-relations.snpgroup.com/en/governance.

Independence of the Supervisory Board members

A Supervisory Board member is considered inde-pendent within the meaning of the GCGC 2022 if he or she is independent of SNP and its Executive Board members and independent of a controlling shareholder of SNP. When assessing independence, the Supervisory Board is guided at least by the recommendations of the GCGC 2022. Accordingly, more than half of the members are to be independent of SNP SE and the Executive Board. This requirement is met. The work processes of the Audit Committee established for the first time in 2021 comply with the corresponding requirements of the German Stock Corporation Act and the GCGC.

The Audit Committee consists of three members: the committee is chaired by the Deputy Chairman of the Supervisory Board, Prof. Thorsten Grenz; Dr. Karl Benedikt Biesinger and Peter Maier are also members of the Audit Committee. As financial experts, Prof. Thorsten Grenz and Dr. Karl Benedikt Biesinger have the necessary expertise in the areas of accounting and auditing; Prof. Thorsten Grenz is also familiar with auditing sustainability reporting.

INFORMATION ON THE RESPONSIBILITIES AND DEPARTMENTS OF THE EXECUTIVE BOARD MEMBERS

Executive Board	Responsibilities and Departments	Memberships in other supervisory boards and other similar bodies
Dr. Jens Amail CEO since January 16, 2023, Term of appointment to the Executive Board: 5 years.	■ Corporate Strategy ■ Corporate Development/Change Management ■ Product Management & Development ■ Sales ■ Partner Management ■ Marketing ■ Human Resources ■ Services ■ Management of the regions	No further offices
Andreas Röderer CFO since June 1, 2023, Term of appointment to the Executive Board: 5 years.	■ Legal & Compliance ■ ESG Strategy & Reporting ■ IT ■ Finance & Controlling ■ Investor Relations ■ Shared Services ■ M&A ■ ERST GmbH	No further offices

INFORMATION ABOUT THE SUPERVISORY BOARD

Supervisory Boards	Memberships in other supervisory boards and other similar bodies
Dr. Karl Benedikt Biesinger Chairman of the Supervisory Board Lawyer Member of the Supervisory Board and Board of Directors since 2019. Elected until 2029[1]	No further offices
Prof. Dr. Thorsten Grenz Deputy Chairman of the Supervisory Board Graduate in business administration Member of the Supervisory Board and Board of Directors since 2023. Elected until 2029[1]	Dräger Safety AG & Co. KGaA, Chairman of the Supervisory Board Dräger Safety Verwaltungs AG, Chairman of the Supervisory Board Drägerwerk Verwaltungs AG, Supervisory Board Drägerwerk AG & Co. KGaA, Supervisory Board Gerlin Participaties Coöperatief UA, Chairman of the Supervisory Board
Peter Maier Graduate in business administration in information technology Member of the Supervisory Board since 2023. Elected until 2029[1]	No further offices

[1] Up to the end of the Annual General Meeting that resolves on discharge for the 2028 fiscal year.

Management and Control Structure

In accordance with the Code, the Supervisory Board should specify concrete objectives for its composition that take appropriate account of its international activities, potential conflicts of interest, the number of independent Supervisory Board members and diversity.

Objectives for the composition of the committees and competence profiles

The target for gender diversity on the Supervisory Board is now 25% by November 30, 2028, provided that at least one person is added to the Board; the Supervisory Board currently consists of three people. The target for gender diversity on the Executive Board is 33% by November 30, 2028, provided that at least one person is added to the Board; the Executive Board currently consists of two people.

The target ratios for the two management levels below the Executive Board are presented in the combined management report.

Concept for succession planning for the Executive Board

Together with the Executive Board members, the Supervisory Board ensures long-term planning for the succession of Executive Board members. The follow-ing key primary criteria qualify a candidate for a position on the Executive Board:

- Personality (incl. empathy)
- Integrity
- Strong leadership skills
- Technical qualifications for the position to be filled
- Performance to date
- Knowledge of SNP, its industry and its market envi-ronment
- Ability to adapt and redesign business models and processes in a rapidly changing environment

Furthermore, the Supervisory Board also pays attention to diversity insofar as this can be reasonably implemented under the given conditions of a numerically small Executive Board. To this end, the Supervisory Board has adopted a diversity concept for the composition of the Executive Board.

Diversity concept for the Executive Board

Decisions as to which personality should be appointed to a specific position on the Executive Board are made by the Supervisory Board in the interests of the company, taking into account all circumstances of the individual case. In this context, the Supervisory Board considers the following aspects in particular:

- The Executive Board members should have many years of management experience, preferably acquired in internationally active companies.
- The Executive Board as a whole should have many years of experience in the field of software and IT services.
- The Executive Board members should have complementary profiles and professional experience.
- The target for gender diversity on the Executive Board is 33% by November 30, 2028, provided that at least one person is added to the Board; the Executive Board currently consists of two people.

Competence profile of the Supervisory Board and its committees

The Supervisory Board has set specific targets for its composition and developed a corresponding profile of skills and expertise for the entire Board and, in par-tic-ular, its Audit Committee, which is aligned with the recommendations of the current version of the German Corporate Governance Code. Election proposals to the Annual General Meeting are generally based on this. The individual areas of responsibility and the status of implementation of the objectives set, as well as the assessment of the independence of the shareholder representatives on the Supervisory Board are shown in the following table[1]:

[1] Fulfilment of reporting requirement GOV-1 21c according to ESRS.

	Diversity		Areas of expertise					
	Gender	Nationality	Innovation, research, & development	Software industry	Finance and accounting	Strategy and corporate management	Supervision, control, corporate governance	Sustainability
Dr. Karl Benedikt Biesinger	Male	German			+		+	
Prof. Dr. Thorsten Grenz	Male	German			+	+	+	+
Peter Maier	Male	German	+	+		+		

Disclosures on risk management

The business activities of SNP SE are subject to a variety of risks that are inseparably linked to its entrepreneurial activity. Good corporate governance includes dealing with these risks responsibly. In order to identify risks at an early stage, to evaluate them and to deal with them systematically, SNP SE em-ploys effective management and control systems that are consolidated into a uniform risk management system. A detailed description of risk management can be found in the opportunity and risk report in the combined management report 2024.

Further Information on Corporate Governance at SNP

Detailed information on the activities of the Supervisory Board, the work of the Audit Committee, and the co-operation between the Supervisory Board and the Executive Board can also be found in the Report of the Supervisory Board in the 2024 Annual Report.

Accounts and Group Accounts

The company's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), while the annual financial statements are prepared in accordance with the pro-visions of the German Commercial Code (HGB).

The 2024 Annual General Meeting reelected Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, as the auditor for SNP SE and the SNP Group for the 2024 fiscal year.

Remuneration Report

The Supervisory Board and Executive Board prepared the Remuneration Report jointly in accordance with Section 162 AktG and had it audited not only formally but also in terms of content by the auditor.

As in the previous year, the Remuneration Report for the 2024 fiscal year is published as a separate report and can be downloaded together with the associated Auditor's Report at https://investor-relations.snpgroup.com/en/governance/.

INDEPENDENT AUDITOR'S REPORT

To SNP Schneider-Neureither & Partner SE, Heidelberg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of SNP Schneider-Neureither & Partner SE, Heidelberg, and its subsidiaries (the Group) – comprising the consolidated statement of financial position as of December 31, 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year from January 1, 2024, to December 31, 2024, as well as the notes to the consolidated financial statements, including material information on the accounting policies. In addition, we audited the combined management report of SNP Schneider-Neureither & Partner SE, Heidelberg, for the fiscal year from January 1, 2024, to December 31, 2024. In accordance with German law, we have not examined the content of the components of the combined management report indicated in the "Other Information" section of our audit report.

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

- the enclosed consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (hereinafter: "IFRS Accounting Standards"), as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), and give a true and fair view of the net assets and financial position of the Group as of December 31, 2024, and of its results of operations for the fiscal year from January 1, 2024, to December 31, 2024, in accordance with these requirements, and
- the attached combined management report as a whole conveys an accurate view of the position of the Group. This combined management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development in all material respects.

In accordance with Section 322 (3) (1) of the HGB, we declare that our audit has not led to any objections regarding the correctness of the consolidated financial statements or the combined management report.

Basis for the Audit Opinions

We have conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of the HGB and the EU Audit Regulation (No. 537/2014) and in consideration of German generally accepted standards for the audit of financial statements, as promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility according to these requirements and principles is described in greater detail in the section "Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Combined Management Report" of our audit report. We are independent of the Group companies in accordance with the requirements of European Union law and of German commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities under German professional standards in accordance with these requirements. In addition, pursuant to Article 10 (2) (f) of the EU Audit Regulation, we hereby declare that we did not provide any of the prohibited non-audit services referred to in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and suitable to serve as the basis for our audit opinions on the consolidated financial statements and the combined management report.

Key Audit Topics in the Audit of the Consolidated Financial Statements

Key audit topics are such matters that, in our dutiful judgment, were the most significant in our audit of the consolidated financial statements for the fiscal year from January 1, 2024, to December 31, 2024. These matters were considered in the context of our overall audit of the consolidated financial statements and in the formation of our audit opinion; we do not issue any separate audit opinion on these matters.

From our point of view, the following topics were the most significant.

Recoverability of Goodwill

Reasons for Designation as a Key Audit Topic

Goodwill amounted to € 78.7 million as of December 31, 2024. This corresponds to 25.1% of total assets.

Goodwill is tested for impairment at the level of the cash-generating units Services, Software and EXA. The evaluation of the recoverability of goodwill is complex and based on a series of discretionary factors. The most significant assumptions involve the expected future revenue, the planned earnings margin and the applied discount rate.

There is a risk, with regard to the consolidated financial statements, that the goodwill in the cash-generating units is not recoverable.

The impairment test performed did not reveal any need for impairment.

Our Approach to the Audit

We evaluated the planning process and the material assumptions applied based on the explanations of those responsible for planning. Using the available information, we assessed whether the material target values contained in the budget and the underlying assumptions are appropriate.

We compared the expected future cash flows for the cash-generating units Services, Software and EXA against the available projections and ensured that the target values included are consistent with the Executive Board’s market potential assessment. Furthermore, we satisfied ourselves of the reliability of the company’s budgeting through a retrospective comparison of the target values (revenue and earnings margin) from previous years with the actual performance values.

We, along with our specialists, evaluated the assumptions and parameters used to determine the applied discount rate, particularly the market risk premium and beta factor, and retraced the calculation method. We also evaluated the appropriateness of the growth rate applied for the calculation of the perpetual annuity. Furthermore, we conducted our own sensitivity analyses in order to be able to assess any potential impairment risk given a conceivable change in material measurement assumptions.

We assessed the calculation method used in the impairment test and verified the calculation of the discounted cash flow surpluses in arithmetical terms.

In addition, we reviewed the accuracy and completeness of the corresponding disclosures in the notes to the consolidated financial statements.

Reference to Related Disclosures

For information on the accounting policies applied and the impairment tests performed, we refer to the disclosures in the notes to the consolidated financial statements under “8. Use of Estimates” and “9. Key Accounting Policies.”

Recognition of Revenue from Services

Reasons for Designation as a Key Audit Topic

The company reports revenue from Services of € 165.3 million in the consolidated income statement for the 2024 fiscal year. Revenue from Services accounts for 64.9% of the Group’s total revenue.

Customer requirements vary in the Services area. These requirements result in a variety of contract rules. The recognition of consulting fees depends on complex contractual agreements, resulting in different times of recognition. Revenue from consulting business is recognized in accordance with IFRS 15 “Revenue from Contracts with Customers.”

According to IFRS 15, the contractually agreed performance obligations must be identified for services provided to a customer. Where there are economic interdependencies, it must first be examined whether several contracts with a customer are to be combined into one contract (multi-component contract). The assessment requires discretionary judgment.

For the performance obligations identified in combined contracts, the allocation of the consideration requires discretionary judgment. In this respect, there is a risk of incorrect allocation and correspondingly incorrect revenue recognition.

The SNP Group recognizes revenue in the Services business segment over time.

Revenue from customer-specific consulting projects, which are fulfilled over a certain period of time, is realized according to the percentage-of-completion method. This is determined according to an input-oriented method, in that the consulting hours already performed are always set in relation to the estimated total project hours required to fulfill the performance obligation. In the company’s opinion, this method best reflects the progress of the work or the transfer of assets to the customer.

The recognition of revenue from customer-specific consulting projects over time is complex and discretionary in nature. Estimation uncertainties exist in particular with regard to the total project hours to be estimated to determine the degree of completion achieved. There is also the risk that expenses are recorded for the wrong projects.

There is a risk for the consolidated financial statements that the accrual of revenue from customer-specific consulting projects carried out over time is incorrect as of the reporting date and that revenue is therefore recognized in the wrong period.

Our Approach to the Audit

Based on our understanding of the process, we have assessed the structure and implementation of the internal controls established regarding the accurate recording of contract-related expenses. In addition, we gained a process understanding of the estimation of total project hours and evaluated the structure and implementation of the internal controls established.

Using a combination of contracts, some of which we selected at random and others deliberately, we assessed the need to combine contracts and the identification of individual performance obligations. On this basis, we also reviewed the allocation of the transaction price to the individual performance obligations using the individual sales prices we reconstructed. For the ongoing client-specific consulting projects included in the selection, we assessed the underlying contractual agreements to determine whether related revenue is recognized over time and according to the percentage of completion. For these project orders, we subsequently assessed the percentage of completion on which the revenue recognition is based by tracking the total actual hours recorded, the estimated total project hours and the expected order revenues in the client’s calculation.

Reference to Related Disclosures

For disclosures on the recognition of this revenue, we refer to the comments set out in the notes to the consolidated financial statements under “8. Use of Estimates” and “17. Contract Assets and Contract Liabilities.”

Recognition of Revenue from Software Licenses

Reasons for Designation as a Key Audit Topic

The company reports revenue from software licenses of € 89.4 million for its own software products in the consolidated income statement for the 2024 fiscal year. Revenue from software licenses accounts for 35.1% of the Group’s total revenue.

The correct recognition of revenue in the consolidated financial statements is of particular importance to the Group’s economic position. The recognition of revenue from software licensing transactions depends on complex contractual agreements, resulting in different times of recognition. The company sells its own software products in standalone licensing transactions that do not entail the company entering into any additional performance obligations or multi-component transactions. In cases involving licensing as a standalone service, the corresponding licensing fees are invoiced at a point in time and recognized when the delivery obligation is satisfied in accordance with IFRS 15 “Revenue from Contracts with Customers,” as the customer only has a right of use insofar as the licensed software product exists at the time the license is granted.

In addition, project-related software licenses in particular are granted to customers as part of transformation contracts. These are granted for a fixed term corresponding to the duration of the transformation project. Project-based licensing forms part of a single performance obligation because it serves to allow consulting services to be provided in the context of transformation projects. In such cases, the revenue is recognized uniformly on a percentage-of-completion basis, as the projects feature customer-specific benefits and there are enforceable payment claims for services already rendered. In cases involving these customer-specific project orders, the percentage of completion and, by extension, the amount of revenue that can be recognized are determined by comparing the hours worked on the project against the total hours expected to be spent on the project. The recognition of revenue from customer-specific consulting projects over time is complex and discretionary in nature. Estimation uncertainties exist in particular with regard to the total project hours to be estimated to determine the degree of completion achieved. There is also the risk that expenses are recorded for the wrong projects.

There is a risk, with regard to the consolidated financial statements, that the reported revenue from software licensing transactions may not have been recognized in the correct period or at the correct amount.

Our Approach to the Audit

First, we evaluated the processes in place to assess the requirements for recognition of revenue at a point in time or over time in the software licensing business.

In the case of project licenses, based on our understanding of the process we have assessed the structure and implementation of the internal controls established in the context of the accurate recording of contract-related expenses.

Using a combination of contracts, some of which we selected at random and others deliberately, we evaluated the underlying contractual agreements to determine whether the software licensing transactions are a standalone service with licensing fees recognized at a point in time, or whether the licensing transaction forms part of a single performance obligation in the context of transformation projects. In the latter case, we verified whether customer projects not yet completed had their revenue recognized on the basis of the percentage of completion. We also performed spot checks on those project orders that have not yet been completed to evaluate the percentage of completion on which the revenue recognition is based by reviewing and verifying the total actual hours recorded, the estimated total project hours and the expected order revenue in the client’s calculation.

Using contracts, some of which we selected deliberately on a risk-oriented basis and others at random, we assessed the underlying contractual agreements to determine whether the obligations from the software license transactions have been fulfilled by the company and whether software license revenues have been recognized in the appropriate period and in the appropriate amount.

Reference to Related Disclosures

For disclosures on the recognition of this revenue, we refer to the comments set out in the notes to the consolidated financial statements under "8. Use of Estimates" and "17. Contract Assets and Contract Liabilities."

Other Information

The legal representatives and the Supervisory Board are responsible for other information. Other information includes:

- The disclosures in accordance with Recommendation A.5 of the 2022 German Corporate Governance Code (GCGC) to which reference is made in the "Adequacy and effectiveness of the entire internal control and risk management system" section of the combined management report
- The "Consolidated non-financial statement" section in the combined management report which includes the non-financial reporting information under Sections 289b to 289e and 315b and 315c of the HGB
- The remuneration report in accordance with Section 162 of the German Stock Corporation Act (AktG), to which reference is made in the "Remuneration Report" section of the combined management report
- The assurance statement for the consolidated financial statements according to Section 297 (2) (4) of the HGB and the assurance statement for the combined management report according to Section 315 (1) (5) of the HGB
- The corporate governance declaration in accordance with Section 289f of the HGB in conjunction with Section 315d of the HGB, including the declaration of conformity under Section 161 of the AktG to which reference is made in the "Corporate Governance Statement" section of the combined management report
- The closing statement of the dependency report in accordance with Section 312 (3) of the AktG, to which reference is made in the "Dependency Report" section of the combined management report
- The letter from the CEO
- The report of the Supervisory Board
- The information in the chapter "SNP in the Capital Markets"
- The remaining parts of the annual report
- Except for the consolidated financial statements, the combined management report and our related audit report.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to Section 161 of the AktG on the German Corporate Governance Code, which forms part of the corporate governance statement that is included in the combined management report, and the remuneration report. The legal representatives are responsible for any other information.

Our audit opinions on the consolidated financial statements and the combined management report do not extend to other information. Accordingly, we are not issuing an audit opinion or any other kind of audit finding regarding such information.

In connection with our audit of the consolidated financial statements, we have the responsibility to read the above-mentioned other information and, in the process, to determine whether the other information:

- Contains material discrepancies by comparison with the consolidated financial statements, the combined management report or the insights gained during the audit or
- Otherwise appears to display material misrepresentations

If, on the basis of the work we perform on the other information obtained prior to the date of this audit opinion, we conclude that this other information contains material misrepresentations, we are obliged to report this. We have no matters to report in this regard.

Responsibility of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which, in all material respects, comply with the IFRS Accounting Standards, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315e (1) of the HGB, and for ensuring that the consolidated financial statements give a true and fair view of the financial position and financial performance of the Group in accordance with these requirements. Furthermore, the legal representatives are responsible for such internal controls as they deem necessary to enable the preparation of consolidated financial statements that are free from material misrepresentation, whether due to fraud (i.e., manipulations of the accounting and financial losses) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. In addition, they have the responsibility to report any relevant matters in connection with continued operation as a going concern. They are also responsible for applying the going concern accounting principle unless the intention is to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

Moreover, the legal representatives are responsible for preparation of the combined management report, which conveys a view of the position of the Group that is accurate overall, is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and accurately represents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for taking precautions and implementing measures (systems) they have deemed necessary to enable the preparation of a combined management report in accordance with applicable German legal requirements and in order to provide sufficient suitable evidence for the statements in the combined management report.

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

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

Our objective is to obtain sufficient assurance regarding whether the consolidated financial statements as a whole are free of material misrepresentation – whether due to fraud or error – and whether the combined management report conveys a view of the position of the Group that is accurate overall, is consistent in all material respects with the consolidated financial statements and the insights gained during the audit, complies with German legal requirements and accurately represents the opportunities and risks of future development, as well as to issue an audit report that contains our audit opinions on the consolidated financial statements and the combined management report.

Sufficient assurance is a high degree of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the HGB and the EU Audit Regulation and German generally accepted standards for the audit of financial statements, as promulgated by the Institute of Public Auditors in Germany (IDW), will always uncover material misrepresentations. Misrepresentations can result from fraud or errors and are viewed as material if it may reasonably be expected that they – individually or collectively – could influence the economic decisions of the addressees made on the basis of these consolidated financial statements and this combined management report.

We exercise dutiful judgment during the audit and maintain a critical attitude. In addition:

- We identify and evaluate the risks of material misrepresentations, whether due to fraud or error, in the consolidated financial statements and in the combined management report, plan and conduct audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable to serve as the basis for our audit opinions. The risk that a material misrepresentation resulting from fraud is not uncovered is higher than the risk of a material misrepresentation resulting from errors not being uncovered since fraud can involve collusion, falsifications, deliberate omissions, misrepresentations or the disabling of internal controls.
- We obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the relevant precautions and measures for the audit of the combined management report in order to plan audit procedures that are appropriate under the circumstances, but not with the aim of issuing an audit opinion on the effectiveness of the Group’s internal controls or these precautions and measures.
- We evaluate the appropriateness of the accounting policies applied by the legal representatives as well as the justifiability of the estimated values presented by the legal representatives and related disclosures.
- We draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives as well as, on the basis of the audit evidence obtained, whether a material uncertainty exists in connection with events or circumstances that could cast significant doubt on the Group’s ability to continue as a going concern. Should we conclude that a material uncertainty exists, we are obligated to draw attention in the audit report to the related disclosures in the consolidated financial statements and in the combined management report or, if these disclosures are unsuitable, to modify our respective audit opinion. Our findings are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease operating as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of the financial position and financial performance of the Group in accordance with the IFRS Accounting Standards, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to Section 315e (1) of the HGB.
- We obtain sufficient and appropriate audit evidence regarding the accounting information of the entities or business activities within the Group to express

audit opinions on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinions.

- We evaluate the consistency of the combined management report with the consolidated financial statements, its consistency with the law and the view it conveys of the position of the Group.
- We conduct audit procedures regarding the forward-looking statements made by the legal representatives in the combined management report. On the basis of sufficient, suitable audit evidence, we retrace in particular the significant assumptions underlying the forward-looking statements of the legal representatives and evaluate the proper derivation of the forward-looking statements from these assumptions. We do not issue an independent audit opinion on the forward-looking statements or the underlying assumptions. There is a substantial unavoidable risk that future events may deviate materially from the forward-looking statements.

We discuss the planned scope and schedule for the audit as well as significant audit findings with those responsible for supervision, including any significant deficiencies in internal controls that we identify during our audit.

We issue a statement to those responsible for supervision that we have adhered to the relevant requirements for independence and discuss with them all relationships and other matters, of which it can reasonably be assumed that they influence our independence and, where relevant, the acts or safeguards implemented to eliminate any threat to our independence.

Of the matters discussed with the individuals responsible for supervision, we determine which of those matters were of most significance during the audit of the consolidated financial statements for the current reporting period, making them key audit topics. We describe these topics in the audit report unless laws or other legal requirements prevent their public disclosure.
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OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on Assurance in accordance with Section 317 (3a) of the HGB on the Electronic Reproductions of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes

Audit Opinion

We have performed assurance work in accordance with Section 317 (3a) of the HGB to obtain reasonable assurance about whether the reproductions of the consolidated financial statements and the combined management report contained in the electronic file provided to us “SNP_SE_KA_KLB_ESEF_2024.zip” (SHA256 hash value: 6974c0c85df3bc96ce9b0704afe2ca4ff623bc11275f755a030ba956bcea090e) and prepared for publication purposes (hereinafter also referred to as “ESEF documents”) comply in all material respects with the requirements of Section 328 (1) of the HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these reproductions nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproductions of the consolidated financial statements and the combined management report which are contained in the above-mentioned electronic file provided to us and which have been prepared for publication purposes comply in all material respects with the requirements of Section 328 (1) of the HGB for the electronic reporting format. We do not express any opinion on the information contained in these reproductions nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance opinion and our audit opinions on the accompanying consolidated financial statements and combined management report for the fiscal year from January 1, 2024, to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above.

Basis for the Audit Opinion

We conducted our assurance work on the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file provided to us in accordance with Section 317 (3a) of the HGB and the assurance standard promulgated by the Institute of Public Auditors in Germany (IDW) "Assurance in Accordance with Section 317 (3a) of the HGB on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes" (IDW PS 410 [06.2022]). Our responsibility in this respect is set out in further detail in the section "Responsibility of the Auditor for the Audit of the ESEF Documents." Our audit practice has applied the quality management system requirements set out in the IDW quality management standard "Quality Management Requirements in Audit Practice" (IDW QMS 1 [09.2022]).

Legal Uncertainty Regarding Conformity of the Interpretation of Applicable European Requirements

Due to the conversion process chosen by the company, the consolidated financial statements which have been converted to an ESEF format are not fully and appropriately machine-readable in terms of the notes information in iXBRL format ("blocktagging"). The legal conformity of the company's legal representatives' interpretation that Delegated Regulation (EU) 2019/815 does not explicitly require appropriate machine-readability of structured notes information in the context of blocktagging of the notes is subject to significant legal uncertainty. This accordingly constitutes an inherent uncertainty in the context of our audit.

Responsibility of the Company's Legal Representatives and the Supervisory Board for the ESEF Documents

The company's legal representatives are responsible for the preparation of the ESEF documents, including the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Section 328 (1) (4) (1) of the HGB, and for the tagging of the consolidated financial statements in accordance with Section 328 (1) (4) (2) of the HGB.

The company's legal representatives are also responsible for the internal controls that they deem necessary in order to enable the preparation of ESEF documents that are free of material violations – whether deliberate or unintentional – of the requirements of Section 328 (1) of the HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of the preparation of the ESEF documents as part of the accounting process.

Responsibility of the Auditor for the Audit of the ESEF Documents

Our objective is to obtain a sufficient level of assurance as to whether the ESEF documents are free of material violations – whether deliberate or unintentional – of the requirements of Section 328 (1) of the HGB. We exercise dutiful judgment during the audit and maintain a critical attitude. In addition:

- We identify and evaluate the risks of material violations of the requirements according to Section 328 (1) of the

HGB – whether deliberate or unintentional – and plan and conduct audit procedures in response to these risks, as well as obtain audit evidence that is sufficient and suitable to serve as the basis for our audit opinion.

- We gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of issuing an audit opinion on the effectiveness of these controls.
- We assess the technical validity of the ESEF documents, that is, whether the electronic file provided to us that contains the ESEF documents fulfills the requirements of the version of Delegated Regulation (EU) 2019/815 applicable as of the reporting date in relation to the technical specifications for this file.
- We evaluate whether the ESEF documents enable an identical XHTML reproduction of the audited consolidated financial statements and the audited combined management report.
- We evaluate whether the tagging of the ESEF documents with inline XBRL technology (iXBRL) under Articles 4 and 6 of the version of Delegated Regulation (EU) 2019/815 applicable as of the reporting date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Other Disclosures According to Article 10 of the EU Audit Regulation

We were elected as the group auditor by the Annual General Meeting on May 23, 2023. We were commissioned by the former Board of Directors on August 1, 2023. We have operated as the Group auditor of SNP Schneider-Neureither & Partner SE, Heidelberg, without interruption since the 2017 fiscal year.

We were elected as the Group auditor by the Annual General Meeting on June 27, 2024. We were commissioned by the Supervisory Board on July 22, 2024. We have operated as the Group auditor of SNP Schneider-Neureither & Partner SE, Heidelberg, without interruption since the 2017 fiscal year.

We state that the audit opinions contained in this audit report are consistent with the supplemental report to the Audit Committee according to Article 11 of the EU Audit Regulation (audit report).

We have provided the following services that are not indicated in the consolidated financial statements or in the combined management report in addition to the audit of the financial statements for the Group companies:

- Audit of the annual financial statements of SNP Schneider-Neureither & Partner SE
- Audit/audit reviews of local financial statements of subsidiaries of SNP Schneider-Neureither & Partner SE
- Agreed investigative activities in relation to compliance with financial covenants on the basis of an existing promissory note loan contract and on the basis of an existing finance agreement
- Voluntary review of the remuneration report according to Section 162 of the AktG
- Voluntary review of the consolidated non-financial statement according to Sections 289b et seq. and 315b et seq. of the HGB in order to gain a limited level of assurance
- Audit of the report of the Executive Board on relationships with affiliated companies in accordance with Section 312 of the AktG

ADDITIONAL MATTERS – USE OF THIS AUDIT REPORT

At all times, our audit report must be read in conjunction with the audited consolidated financial statements, the audited combined management report and the audited ESEF documents. The consolidated financial statements and the combined management report that have been converted to an ESEF format – including the versions that must be submitted to the German company register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and are not substitutes for these documents. In particular, the ESEF report and our audit opinion contained therein may only be used in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR RESPONSIBLE

The German public auditor responsible for the audit is Markus Selk.

Nuremberg, March 21, 2025

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Maier	Selk
German public auditor	German public auditor

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE AUDIT ENGAGEMENT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT

To SNP Schneider-Neureither & Partner SE, Heidelberg

Audit Opinions

We have carried out a limited assurance audit engagement on the consolidated sustainability statement (hereinafter referred to as the "consolidated sustainability statement") of SNP Schneider-Neureither & Partner SE, Heidelberg (hereinafter referred to as the "company") for the fiscal year from January 1 to December 31, 2024 which is included in the "Consolidated non-financial statement" section of the combined Group management report.

This consolidated sustainability statement has been prepared in fulfillment of the requirements for a consolidated non-financial statement which are set out in Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the German Commercial Code (HGB).

Our audit did not cover references to information provided by the company outside the scope of the management report to which reference is made in the consolidated sustainability statement.

On the basis of the audit activities we have carried out and the audit evidence we have obtained, we have not become aware of any circumstances which cause us to believe that the attached consolidated sustainability statement has not, in all material respects, been prepared in compliance with the requirements set out in the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c of the HGB for a consolidated non-financial statement and the specific criteria indicated by the company's legal representatives. This audit opinion reflects the fact that we have not become aware of any circumstances which cause us to believe

- that the attached consolidated sustainability statement does not, in all material respects, comply with the European Sustainability Reporting Standards (ESRS), that the process implemented by the company to identify information which must be included in the consolidated sustainability statement (the materiality assessment) does not, in all material respects, correspond to the description set out in the "Processes to identify and assess material impacts, risks and opportunities" section of the consolidated sustainability statement, and
- that the information included in the "Information in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" section of the consolidated sustainability statement does not, in all material respects, comply with Article 8 of Regulation (EU) 2020/852.

We are not issuing an audit opinion on the above-mentioned elements of the consolidated sustainability statement. These did not fall within the scope of our audit.

Basis for the Audit Opinions

We have carried out our audit while complying with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The audit activities required in the case of a limited assurance engagement differ from those for a reasonable assurance engagement in terms of their nature and the amount of time required and are less extensive. Accordingly, the level of assurance obtained is considerably lower than in the case of a reasonable assurance engagement.

Our responsibility according to ISAE 3000 (Revised) is set out in further detail in the “Responsibility of the Auditor for the Audit of the Consolidated Sustainability Statement” section.

We are independent of the company in accordance with the requirements of European Union law and of German commercial law and the rules of professional conduct and we have fulfilled our other German professional obligations in accordance with these requirements. Our audit practice has applied the quality assurance system requirements set out in the IDW quality management standard “Quality Management Requirements in Audit Practice” (IDW QMS 1 [09.2022]) promulgated by the Institute of Public Auditors in Germany (IDW). We believe that the audit evidence we have obtained is sufficient and suitable to serve as the basis for our audit opinion.

Responsibility of the Company’s Legal Representatives and the Supervisory Board for the Consolidated Sustainability Statement

The company’s legal representatives are responsible for the preparation of the consolidated sustainability statement in accordance with the requirements of the CSRD and relevant German statutory regulations as well as additional European regulations together with the specific criteria indicated by the company’s legal representatives and for the design, implementation and maintenance of such internal controls as they have deemed necessary to enable the preparation of a consolidated sustainability statement in accordance with these regulations that is free from material misrepresentations due to fraud (i.e., manipulations of the consolidated sustainability statement) or error.

This responsibility of the company’s legal representatives includes setting up and maintaining the materiality assessment process, selecting and applying appropriate methods for the preparation of the consolidated sustainability statement and as well as making assumptions and estimates and determining forward-looking information regarding individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the consolidated sustainability statement.

Inherent Limitations in the Preparation of the Consolidated Sustainability Statement

The CSRD and relevant German statutory regulations and other European regulations contain terms and phrases which are subject to significant interpretative uncertainty and for which authoritative and comprehensive interpretations have not yet been published. Since regulators and courts may interpret such terms and phrases differently, the lawfulness of measurements or evaluations of sustainability matters undertaken on the basis of these interpretations is uncertain.

These inherent limitations also apply to our audit of the consolidated sustainability statement.

Responsibility of the Auditor for the Audit of the Consolidated Sustainability Statement

On the basis of the audit which we have carried out, our aim is to provide a limited assurance audit opinion as to whether circumstances have become known to us which cause us to believe that the consolidated sustainability statement has not, in all material respects, been prepared in accordance with the requirements of the CSRD and relevant German statutory regulations as well as additional European regulations, together with the specific criteria indicated by the company’s legal representatives, and to issue an audit report containing our audit opinion on the consolidated sustainability statement.

We exercise due discretion and maintain a critical attitude in carrying out our limited assurance engagement according to ISAE 3000 (Revised).
In addition:

- We obtain an understanding of the process followed in the preparation of the consolidated sustainability statement, including the process implemented by the company for the materiality assessment in order to identify the disclosures reportable in the consolidated sustainability statement.
- We identify disclosures where a material misstatement due to fraud or error is probable and we plan and carry out audit activities to address these disclosures and to obtain a limited level of assurance to support our audit opinion. The risk that a material misrepresentation resulting from fraud is not uncovered is higher than the risk of a material misrepresentation resulting from error not being uncovered, since fraud can involve collusion, falsifications, deliberate omissions, misrepresentations or the disabling of internal controls. Moreover, the risk of not uncovering a material misstatement in information from the value chain which derives from sources outside of the company's control (information from the value chain) is generally higher than the risk of not uncovering a material misstatement in information which derives from sources under the company's control, since the company's legal representatives and we, as auditors, are generally subject to restrictions relating to direct access to the sources of information from the value chain.
- We evaluate the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk of future events materially deviating from the forward-looking information.

Summary of the Auditor's Activities

A limited assurance engagement includes carrying out audit activities to obtain evidence relating to the sustainability information. We have discretion over the nature, timing and scope of the selected audit activities.

In carrying out our limited assurance engagement we have, inter alia,

- Evaluated the overall appropriateness of the criteria set out by the company's legal representatives in the consolidated sustainability statement
- Consulted the company's legal representatives and relevant employees who were included in the preparation of the consolidated sustainability statement regarding the preparatory process, including the materiality assessment process implemented by the company to identify the disclosures reportable in the consolidated sustainability statement and the internal controls relating to this process
- Evaluated the methods applied by the company's legal representatives for the preparation of the consolidated sustainability statement
- Evaluated the appropriateness of the estimates provided by the company's legal representatives and the related explanations. Where the company's legal representatives, in accordance with the ESRS, use estimates for the information which is reportable on the value chain where they are not able to obtain this information from the value chain, despite reasonable efforts, our audit is limited to an evaluation of whether they have made these estimates in accordance with the ESRS and to assess the reasonableness of these estimates, but not to ascertain information relating to the value chain which the company's legal representatives have been unable to obtain.
- Carried out audit activities and surveys concerning selected items of information provided in the consolidated sustainability statement
- Carried out on-site visits
- Evaluated the presentation of the information in the consolidated sustainability statement
- Assessed the process for identifying Taxonomy-eligible and Taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statement

Limitation of Liability and Restriction on Use

Our engagement was based on the General Engagement Terms for German Public Auditors and Public Audit Firms (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften, IDW AAB) dated January 1, 2024, of the Institute of Public Auditors in Germany (IDW).

We wish to point out that we have carried out our audit for the company's purposes and that this report is solely intended to notify the company of the findings of our audit. As a result, this report may not be suitable for a purpose other than the aforementioned purpose. Accordingly, third parties should not rely upon this report when making (financial) decisions.

Our responsibility is to the company alone. We do not assume any responsibility in relation to third parties. We have not modified our audit opinion in this respect.

Nuremberg, March 21, 2025

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft

Selk	Dr. Maier
German public auditor	German public auditor

Success Story

Cibra

„We were confident that SNP and delaware had the solution to our problem – relocating data and reducing the data volume to migrate our entire system to SAP S/4HANA in a single project.“

Antonio Alberico de Souza Santos,
Administrative Director and Head of IT, Cibra

Scan the QR code and learn more about the successful project.

Combined Management Report

Combined Management Report

for the Period from January 1 to December 31, 2024

This combined management report comprises the Group management report and management report of SNP Schneider-Neureither & Partner SE.

To clarify which disclosures relate to the parent company and which to the Group, in the following we use **"SNP SE"** or **"SNP"** to refer to the parent company. For information relating to the **SNP Group**, we refer to the **"SNP Group"** or use the pronoun **"we"**.

Unless otherwise stated, the information provided regarding the course of business relates to the SNP Group. This includes its operating results, position and expected performance. Chapters of this management report that contain information exclusively relating to SNP SE are labeled as such. A separate section of the Economic Report provides disclosures required in accordance with the HGB in relation to SNP SE.

STRATEGY AND BUSINESS MODEL

SNP at a Glance

SNP serves multinational companies in every sector. SNP was founded in 1994 and has been publicly traded since 2000. As of August 2014, the company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (ISIN DE0007203705). Since 2017, the company has operated as a European stock corporation (Societas Europaea/SE).

With its technology platform Kyano, SNP is a reliable partner for companies that rely on data-driven functionalities and strive for business agility in their transformation projects. Kyano integrates all necessary capabilities and partner offerings for software-based end-to-end data migration and management. In combination with the BLUEFIELD™ approach, Kyano ensures the fast and secure reorganization and modernization of SAP-centric IT landscapes while simultaneously exploiting data-driven innovations.

More than 3,000 customers of all sizes and from all industries in over 80 countries worldwide, including numerous Fortune 500 and DAX 40 companies, rely on SNP. The SNP Group has more than 1,500 employees worldwide in 36 locations in 22 countries.

OUR TASK

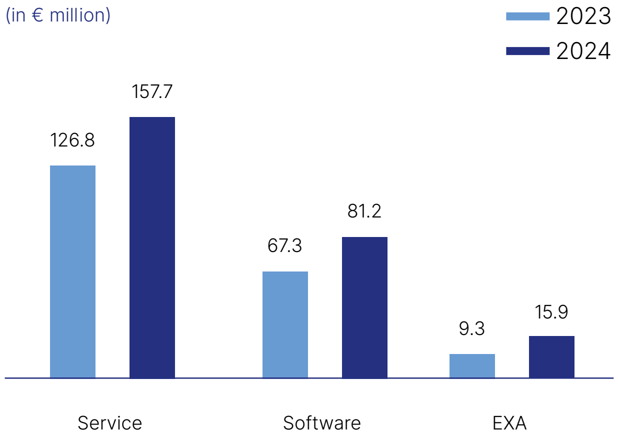
Agile and flexible IT landscapes are a decisive factor for entrepreneurial success. The modernization required of antiquated IT environments is forcing companies to invest in unifying their heterogeneous and complex IT infrastructures. We see our task as making a significant contribution to the development and long-term viability of IT landscapes that help create value. At the core of our work is a crossindustry software standard that supports and promotes permanent change on an ongoing and reliable basis.

OUR BUSINESS MODEL

Our business activities cover the regions CEU (Central Europe and Slovakia), NEMEA (United Kingdom, Ireland, Northern Europe and the Middle East), NA (North America), LATAM (Latin America) and JAPAC (Asia-Pacific-Japan).

SNP offers software-based consulting services, develops and distributes software, and provides data processing services, especially in the adjustment of enterprise-resource-planning systems (ERP systems). A central task is the full and correct transfer of data, including its history, into new IT system landscapes. With its software products and consulting services, SNP Group offers solutions for supporting business transformations. The SNP Group's portfolio is divided into the "Services", "Software" and "EXA" business segments.

EXTERNAL REVENUE BY BUSINESS SEGMENT
(in € million)



Service Business Segment

In the Services business segment, SNP offers consultancy, integration and training services for business transformations, with a focus on data migration in the SAP environment. This includes all aspects and consulting services that are generally required or requested by the customer in the context of IT data transformations.

The projects are implemented using SNP Kyano and the SNP BLUEFIELD™ migration approach. ERP systems can thus be transformed using customized software and data migrated. This reduces the error rate while improving the quality of the transformations.

Additionally, our services segment offers ERP consulting, implementation, and cloud and application management services (AMS) in selected regions.

Software Business Segment

Previously, transformation projects have been implemented using the SNP CrystalBridge® software. The new SNP Kyano technology platform includes and extends Crystal-Bridge.

SNP Kyano integrates technical possibilities and partner offerings for software-based end-to-end data migration and management. In conjunction with the BLUEFIELD approach, Kyano offers a method for restructuring and modernizing SAP-centric IT landscapes that is based on data-driven innovations.

SNP Kyano is designed to increase our customers' business agility, enabling them to respond more quickly to market changes and technical innovations. The current innovation focus is on four areas: **platform-agnostic migration** to integrate heterogeneous systems into an SAP-centric landscape, **improving business agility, expanding the partner ecosystem** with **technology partners,** and using **artificial intelligence** for automation and technological support in transformation projects. In its Software business segment, the SNP Group achieves revenue through software licenses and maintenance services.

SNP BLUEFIELD™ – The Path to SAP S/4HANA

Based on SNP Kyano, we have developed a migration approach for the transition to SAP S/4HANA and RISE with SAP: SNP BLUEFIELD™.

In addition to long-term strategic planning, the choice of a migration approach has a considerable impact on the success and duration of a transformation project. Two traditional approaches are available for the implementation of SAP S/4HANA: **Greenfield** (new implementation) and **Brownfield** (conversion). In the case of Greenfield, companies use preconfigured industry solutions for their migration. With Brownfield, companies merely transfer their old SAP ECC system to SAP S4/HANA.

With its BLUEFIELD™ - method, SNP has developed a migration approach which combines the best features of Greenfield and Brownfield: All of the investments made in solutions and data can be integrated and adopted, while the move to the cloud can be realized through a single go-live. Companies that opt for BLUEFIELD™ benefit from quality, cost and time advantages.

EXA Business Segment

As a global provider of transformation solutions in the SAP landscape, EXA AG specializes in the efficient management of crossborder finance and supply chain processes. Its product suite offers experts in corporate controlling, accounting and taxation a comprehensive view of profitability and transparency across the entire value chain and internal transactions. EXA generates revenue through the sale of licenses and maintenance services, and by providing consulting services.

OUR STRATEGY

Our goal is to be a leading technology platform provider and a trusted global partner for organizations striving for data-driven transformation capabilities and business agility. Our strategic orientation is focused on three overarching approaches that complement and depend on each other:

- **Internationalization**: Our international growth confirms our strategy of entering further attractive SAP markets and the targeted expansion of regions we are already addressing. We continue to push ahead with the international expansion to continuously boost our market reach and penetration.
- **Software and partners**: With the new SNP Kyano technology platform, we are expanding our product portfolio, developing our partner ecosystem with technology partners and consistently pursuing the software and partner strategy. We are scaling up the use of our software via a broad partner ecosystem – with the objective of increasing revenue in the partner and software business.
- **Growth:** In the growing market environment of S/4HANA and RISE with SAP, we enjoy the trust of our customers and partners. We will continue to capitalize on the positive market environment to continue on our profitable growth path. In addition, measures for improving internal effectiveness and efficiency contribute towards achieving sustainable profitable growth and increasing profita-bility.

SUBSIDIARIES, CHANGES TO SCOPE OF CONSOLIDATION

SNP SE is the parent company of the SNP Group. As of December 31, 2024, the group of consolidated companies including SNP SE comprised 36 companies which develop, distribute and/or provide our software and services.

A list of the group of consolidated companies is provided in the notes to the consolidated financial statements.

Foundations

SNP Transformations PR LLC, based in Puerto Rico, was founded in June 2024.

Deconsolidations

SNP Digital Hub Eastern Europe sp. z o.o., Suchy Las, Poland, was deconsolidated in January 2024.

Acquisition

With effect from May 1, 2024, SNP SE acquired 51% of the shares in Trigon Consulting GmbH & Co. KG and Trigon Beteiligungs GmbH based in Pullach near Munich. The Trigon Group, consisting of Trigon Consulting GmbH & Co. KG, including its Singapore-based subsidiary Trigon Consulting Pte. Ltd. and Trigon Beteiligungs GmbH, has been advising medium-sized and large companies on IT applications since 1997 and has made SAP S/4HANA and RISE with SAP a focus of its consulting work.

With the acquisition, SNP has strengthened its premium cooperation model: The internationally active Trigon Group will support SNP in enabling customers and partners in using SNP's software even faster so that they can implement complex transformation projects for the modernization and digitalization of IT and business processes efficiently and with minimal risk.

COMPETITIVE STRENGTHS

We believe that our competitive strengths lie in:

Extensive IT Transformation Project Experience

We have a long-standing successful track record and experience in our line of business: we have been supporting our customers to implement complex data migration projects in an SAP environment for more than 30 years now. We have delivered several thousand international transformation projects involving highly complex data and processes on time, including major and time-critical mergers and acquisitions, as well as carve-out projects across the globe.

Technical Advantage Offered by a Standardized Software Approach

With our standardized software approach, we ensure that IT transformation projects are implemented as part of a one-step process – with a downtime close to zero and full backup of the historical legacy data. This produces quality and cost advantages for our customers. The reduction of downtimes affecting production-related IT systems is a decisive advantage. In addition, our software-based approach reduces the error rate during a transformation project and also ensures that the original system can be restored at any time over the course of a project.

Cooperation with Leading Global IT Consulting Firms

We work closely with globally active strategy consultants and system integrators. Our numerous partnership and framework agreements demonstrate the growing acceptance of our software-based approach to handling complex digital transformation processes. Since the number of complex IT transformation projects and the related shortage of skilled professionals for implementing impending projects are likely to continue to grow in the future, globally active strategy consultants and system integrators in particular are increasingly turning to IT companies that offer alternative technological approaches.

Strong Consulting Basis

Our strong international presence and our worldwide consulting capacities in Europe, the US, South America and Asia mean that we can assign the necessary personnel resources to upcoming major projects anywhere in the world. Our global presence allows us to optimally balance out regional capacity utilization differences and personnel resources to achieve our growth ambitions.

Remote-Compatible Business Model

In the world of IT, remote or remote access means access to remote computers, servers, networks, devices or other IT components. The ability to work remotely is a significant advantage for our business model, not just during times of crisis but also to be able to successfully deliver upcoming major projects anywhere in the world. Even before the COVID-19 pandemic and the wide-ranging restrictions which it has imposed, we executed many of our projects entirely remotely.

PARTNER STRATEGY

Over the past few years, we have invested in constantly improving our software and increasing the level of automation in transformation projects while also making its application significantly easier. On this basis, we have made decisive progress in the use of our software approach via strategic partnerships. Our aim is to extensively communicate our unique selling points to the market via partners in order to tap into our growth potential and significantly scale up and increase our software and license revenue.

With this goal in mind, we have developed a global partner management system as well as a viable partner model so as to be able to offer key services such as consulting, training, support and partner marketing in a structured and standardized manner. We have signed partnership agreements with leading global IT consulting firms, enabling our partners to sell and deliver themselves, thereby hugely expanding our partnerships.

As part of our Kyano strategy, we are developing new solutions together with our partners in the area of analyses, transformation of non-SAP to SAP systems and data management.

In addition, intensive collaboration with SAP is a key driver behind the expansion of our business. Here we are developing supplementary technical solutions for our customers to accelerate their transition to SAP S/4HANA and their move to the cloud.

RESEARCH AND DEVELOPMENT

New product ideas, enhancements and solutions are actively pursued within the scope of our research and development strategy. By integrating research and development (R&D) with sales, SNP is able to promptly detect changes in the market and to develop market-driven and thus market-relevant product innovations.

In the 2024 fiscal year, the direct research and development costs without overhead expenses reached a volume of € 25.0 million(previous year: € 23.1 million); the corresponding share of revenue was 9.8% (previous year: 11.3%).

As of December 31, 2024, 228 employees worked in SNP’s development department (December 31, 2023: 183). This represents 15% of the total workforce (December 31, 2023: 13%).

EMPLOYEES

Training and Education

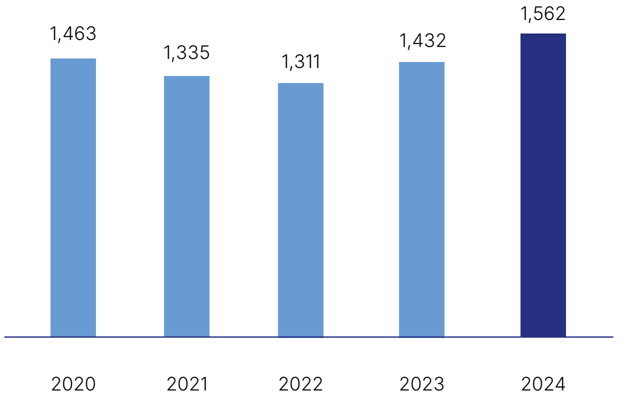
Qualified and motivated employees are an important factor contributing to our success. The standards of the software and IT consulting industry require a high level of education. Since the competition for qualified IT specialists – particularly in the ERP environment – continues unabated, SNP is working hard to maintain its reputation as a reliable and fair employer. Related measures include a mobile work policy, various allowances provided for the purpose of health protection and a company pension plan. In addition, the company enables all employees to participate in comprehensive training and continuing education programs. These include internal and external training components as well as mentoring, with both technical and soft skills imparted. In addition, SNP supports a variety of sports-related and healthy activities.

Development in Headcount

The number of our employees as of December 31, 2024 was higher than in the previous year at 1,562 (previous year: 1,432); the increase is due to new employee hires mainly at consultancy and distribution level.

As of December 31, 2024, there were two members of the Executive Board (previous year: two), 32 Managing Direc-tors (previous year: 18) and 42 apprentices, students, trainees, pupils and interns (previous year: 40). The average number of employees during the reporting period, excluding the aforementioned group of individuals, was 1,492 (previous year: 1,372 employees).

EMPLOYEES AT THE END OF THE YEAR



REMUNERATION REPORT

As in the previous year, the Remuneration Report for the 2024 fiscal year is published as a separate report and can be downloaded together with the associated Auditor's Report at https://investor-relations.snpgroup.com/en/governance/.

ECONOMIC REPORT

Global Economic Situation

Global economic development remained stable overall in 2024, albeit inconsistent. Chinese growth fell short of expectations, burdened by weak domestic demand despite high net exports. The growth slowdown in India was also unexpected; this was due to a decline in industrial activity. Japan was burdened by temporary supply chain disruptions. Momentum remained muted in the eurozone too. The weak manufacturing industry and contracting exports dampened growth, especially in Germany. Economic growth in the USA, on the other hand, was robust, supported by strong consumption. Inflation eased further worldwide, although developments varied here too. Core goods price inflation fell, while service price inflation remained above the pre-COVID-19 average, especially in the USA and the eurozone.

In its "World Economic Outlook Update" published in January 2025, the International Monetary Fund (IMF) forecasts 3.2% global economic output growth for 2024 by comparison with the previous year. Growth is therefore below the historical annual average (2000 – 2019) of 3.7%. This means that global GDP growth is 0.1 percentage points lower than had still been predicted in October 2024. The correction was due to weaker than expected data from some Asian and European economies.[1]

IT Transformation Market

Downward Trend Continues in IT Consultancy

In the latest survey of the business climate index for the consulting industry, conducted by the Federal Association of German Management Consultants (BDU) in January 2025, the index weakened again in the fourth quarter of 2024. The negative trend therefore continues, albeit at a slower pace: the index fell by 1.5 points to 87.0 (Q3 2024: 88.5). The consulting firms organized in the BDU view their business situation as similar overall to the previous quarter.

At 85.4 points, the ifo business climate index for the economy as a whole, which is surveyed using the same methodology, was below the value for the consulting sector, which therefore remains more optimistic about future developments. Sentiment among IT consultants deteriorated significantly by 7.4% quarter-over-quarter. Nevertheless, the majority of business prospects for the first six months of 2025 remain good: 62% of IT consultancies expect a positive development, while 38% anticipate unfavorable market conditions.[2]

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[1] International Monetary Fund (IMF), World Economic Outlook Update, January 2025.

[2] Federal Association of German Management Consultants (BDU), Press Release on the Business Climate in the Consulting Sector – Q4 2024 (https://www.bdu.de/news/gki-424-keine-aufhellung-im-consultingmarkt-in-sicht/).

Decline in Global M&A Activities

In the M&A market, transactions values rose by 5% from 2023 to 2024 while the number of transactions fell by 17%. The number of transactions with a value of more than USD 1 billion rose from 430 to 500 and the average transaction size increased by 11% to USD 146 million. The volume of small and medium-sized transactions fell by 18% in 2024 due to valuation differences and a difficult private equity (PE) market. The decline in transaction volume impacted all regions worldwide, while there was a marked increase in transaction values, especially in the USA, Japan and India. The number of transactions in 2024 fell year-over-year in all industries, with the declines ranging from -2% in the mining sector to -27% in the technology sector.[3]

Cloud Transformation Increasingly Significant

Cloud computing has now become standard in German companies, with 98% of companies with at least 50 employees using the corresponding solutions. The majority (55%) use hybrid cloud models, which combine public and private cloud services. 22% use exclusively public cloud solutions and 23% private cloud approaches. Cloud-first strategies are the most widely used on the market. In 2024, 52% of companies migrated their infrastructure to the cloud or started new projects directly in it. At the same time, cloud-only strategies are becoming more important. The share of companies using exclusively cloud technologies grew from 16% in 2023 to 23%. Nearly a fourth (23%) continue to use the cloud opportunistically as part of a cloud-too strategy. These are the results of a representative survey carried out by Statista on behalf of KPMG AG in 2024, in which 503 German companies with at least 50 employees were questioned.

Cloud use pursues clear strategic objectives. As in the previous year, increasing IT security was a top priority for most of the companies (57%). Digital transformation of internal processes (49%) and cost optimization (47%) are among the central drivers of the cloud transformation. In particular, companies with 250 to 4,999 employees (52%) are opting increasingly for more flexibility and scalability – considerably more frequently than large companies with 5,000 or more employees (40%) and medium-sized companies with 50 to 249 employees (33%).[4]

After a temporary downturn in the previous year, companies stepped up their investments in cloud computing again in 2024 to meet higher security standards and create a scalable basis for the growing use of AI technologies. According to the Foundry 2024 Cloud Computing Study, 64% of companies are planning to invest in AI and machine learning services, while 63% are expanding their commitment to cloud-based business applications (SaaS). At the same time, cloud budgets are growing worldwide: 64% of companies in North America, 65% in the EMEA region and 66% in the APAC region plan to increase their budgets in the next twelve month.[5]

The Changeover to SAP S/4HANA with “SNP: Selective Transformation to SAP S/4HANA”

The ERP product SAP S/4HANA is one of the key reasons why increasing numbers of companies are implementing their digital transformation by means of process changes

[3] Pwc, Global M&A Industry Trends: 2025 Outlook (https://www.pwc.com/gx/en/services/deals/trends.html).

[4] Statista GmbH on behalf of KPMG, Cloud-Monitor 2024, November 2024 (https://hub.kpmg.de/de/cloud-monitor-2024).

[5] Foundry, an IDG Inc. company, Cloud Computing Study 2024, August 2024 (https://foundryco.com/tools-for-marketers/research-cloud-computing/).

and a cloud strategy. This reflects the fact that SAP will provide mainstream maintenance for the core applications of the SAP Business Suite 7 only up to the end of 2027; optional extended maintenance is offered until the end of 2030.[6] In addition, SAP has introduced the “RISE with SAP Migration and Modernization” program to further motivate customers to pursue cloud migration.[7] SAP sees these initiatives as clear opportunities for growth.

According to a study by SAPinsider, almost 60% of SAP customers cite the end of maintenance as the most important factor for their ERP strategy and their plans to migrate to SAP S/4HANA in 2024. And the time pressure is increasing from year to year: while the end of maintenance of SAP ERP core releases was only a decisive factor for 32% of companies in 2022, by 2023 the figure had reached 42%.[8]

SAP S/4HANA on the rise

According to SAPinsider, 21% of companies worldwide that use SAP ERP are already using SAP S/4HANA. 20% of the companies surveyed are currently switching to SAP S/4HANA, while 45% plan to implement SAP S/4HANA in the future.

The relatively low number of current users is confirmed by a survey of British and Irish SAP users conducted by UKISUG (UK & Ireland SAP User Group): Only 27% of companies are already using SAP S/4HANA, while 65% are planning to use it.[9]

However, according to this year’s DSAG Investment Report, the general trend toward more investment in SAP S/4HANA is proving to be unstoppable.[10] This year, 38% of companies are planning high investments in SAP S/4HANA (28% in 2023) and 32% moderate investments (38% in 2023). This is also reflected in the results on the other side of the Atlantic in the USA, where 46% of companies are investing more in SAP (52% in 2023).[11]

Impact on SNP

The ten leading IT consulting firms worldwide achieved a revenue volume of more than EUR 283 billion in 2023. This represents a slight increase of 1% compared to 2022. As a leading world provider of software to cope with com-plex digital transformation processes, SNP addresses a segment of this capital- and personnel-intensive IT consulting market. For IT consulting firms, technical data migration is a highly challenging and increasingly critical part of largescale consulting projects. Unlike in the case of traditional IT consulting in the ERP environment, SNP employs an automated approach using proprietary software.

KEY PERFORMANCE INDICATORS

In order for SNP to achieve a sustainable increase in the company’s value, its efforts are focused on further profitable growth and continuously strengthening its financial capacity. An internal management system comprising financial key performance indicators ensures that these strategic objectives are met. In line with its internal management system, the company’s management concentrates on the following key financial performance indicators: Group revenue, revenue in the Services, Software and EXA business segments, and Group EBIT. Order entry is included as a further key performance indicator.

Revenue and the EBIT figure serve as key financial performance indicators at the level of SNP SE.

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[6] SAP, 2020 (https://news.sap.com/germany/2020/02/wartung-s4hana-sap-business-suite-7/#ftn).

[7] https://news.sap.com/germany/2024/01/sap-kunden-cloud-first-geschaeftsstrategie/.

[8] SAPinsider, SAP S/4HANA Migration, 2024.

[9] UK & Ireland SAP User Group (UKISUG), SAP S/4HANA and RISE Adoption Report, 2023.

[10] DSAG, Investment Report, 2024

[11] Americas’ SAP Users’ Group (ASUG), Pulse of the SAP Customer Research, 2024

FORECAST/ACTUAL COMPARISON – SNP GROUP

Targets for 2024	Results for 2024	Comment
Revenue		
■ **Group:** In a range of between € 215 million and € 225 million	■ **Group:** Group revenue: € 254.8 million (previous year: € 203.4 million; growth rate: +25%)	■ **Group:** In July 2024: forecast raised to a range of between € 225 million and € 240 million. In October 2024: forecast raised to a range of between € 240 million and € 250 million. At € 254.8 million, Group revenue is above the prior-year figure of € 203.4 million and above the revenue forecast that was adjusted upward in October 2024. The growth is mainly due to the stable growth performance in the CEU region as well as disproportionately high growth rates in the NEMEA and USA regions
■ **Service:** Growth rate of approximately 10%	■ **Service:** Revenue in Service business segment: € 157.7 million (previous year: € 126.8 million growth rate: 24%)	■ **Service:** In July 2024: Growth rate of at least 10%, in line with the predicted development of Group revenue. At a growth rate of 24% in the Services business segment, the predicted revenue performance was greatly exceeded. In line with Group sales, this growth is mainly attributable to the stable growth trend in the CEU region and the significantly above-average growth rates in the NEMEA and USA regions.
■ **Software:** Growth rate of approximately 10%	■ **Software:** Revenue in Software business segment: € 81.2 million (previous year: € 67.3 million growth rate: 21%)	■ **Software:** In July 2024: Growth rate of at least 10%, in line with the predicted development of Group revenue. At a growth rate of 21% in the Software business segment, the predicted revenue performance was greatly exceeded. In line with Group sales, this growth is mainly attributable to the stable growth trend in the CEU region and the significantly above-average growth rates in the NEMEA and USA regions.
■ **EXA:** Growth rate of approximately 10%	■ **EXA:** Revenue in EXA business segment: € 15.9 million (previous year: € 9.3 million growth rate: 71%)	■ **EXA:** In July 2024: Growth rate of at least 10%, in line with the predicted development of Group revenue. At a growth rate of 71% in the EXA business segment, the predicted revenue performance was greatly exceeded. The growth is attributable to several major orders from well-known customers that were acquired in the 2024 fiscal year

Targets for 2024	Results for 2024	Comment
EBIT		
■ **Group:** In a range of between € 13 million and € 16 million	■ **Group:** EBIT: € 28.6 million (previous year: € 11.1 million growth rate: 157%)	■ **Group:** In July 2024: forecast raised to a range of between € 16 million and € 20 million. In October 2024: forecast raised to a range of between € 21 million and € 25 million. At € 28.8 million, EBIT is above the prior-year figure of € 11.1 million and above the expected results that were adjusted upward in October 2024. The sharp increase in earnings is mainly attributable to revenue growth that exceeded expectations.
Order entry		
■ **Group:** Book-to-bill ratio (order entry/sales revenue) greater than one	■ **Group:** Order entry: € 310.6 million (previous year: € 266.1 million) book-to-bill ratio: 1.2	■ **Group:** At 1.2, the book-to-bill ratio is more than one and therefore within the scope of the forecast made at the start of the year.

Overall Summary of the Course of Business and the Economic Position of the SNP Group

The SNP Group once again followed on from the high growth level achieved in the previous year. The fact that the growth in order entry and revenue was achieved without exception across all regions and business segments should be highlighted.

The strategic growth levers include the growing business with partners on the one hand and the persistently strong market environment for S/4 and RISE. Furthermore, the progressive internationalization of the SNP Group ensures greater diversification of revenue while reducing country-specific at the same time. The company acquisitions made in the fiscal year also have a positive impact on revenue and earnings development.

Revenue reached a volume of € 254.8 million and grew 25.2% year-over-year, so that the Group has achieved its highest revenue in the company's history. Revenue increased in all three Software, Services and EXA business segments. The order entry volume also increased considerably year-over-year in 2024 (previous year: € 266.1 million) and thus reached a new record level of € 310.6 million. EBITDA improved to € 40.0 million (previous year: € 21.5 million) and EBIT to € 28.6 million (previous year: € 11.1 million). This resulted in an EBITDA margin of 15.7%(previous year: 10.6%) and an EBIT margin of 11.2%(previous year: 5.5%).

Besides the aforementioned operational development, the SNP Group made further progress with its strategic development. We focused on international expansion, further implementing the software and partner strategy, and improving internal workflows and processes. Based on the above analysis of the course of business and the results of operations, financial position and net assets, as well as the assessment of all facts and circumstances, in particular the effects of the aforementioned geostrategic uncertainties, the Executive Board considers the course of business in 2024 and the Group's economic situation to be very satisfactory.

Economic Report for the SNP Group

The SNP Group's business activities are organized into the regions CEU (Central Europe and Slovakia), NA[12] (USA including Puerto Rico), LATAM (Latin America), NE-MEA (United Kingdom and Dubai) and JAPAC (Asia-Pacific-Japan). In addition, we categorize our business activities in terms of our Software, Services and EXA business segments.

ORDER ENTRY AND BACKLOG

in € million	2024	2023	Δ
Order entry	**310.6**	**266.1**	**+17%**
Service	190.9	180.4	+6%
Software	92.1	74.6	+24%
EXA	27.5	11.1	+148%

Order entry in the 2024 fiscal year at € 310.6 million was around 17% higher compared with the previous year (2023: € 266.1 million). The growth extended across all three business segments and all regions. The increase was primarily driven by the acquisition of large-scale projects from renowned customers in the NA, CEU and NEMEA[13] regions, as well as the continued strong performance of SAP S/4HANA and RISE with SAP business.

The **Region CEU** still accounted for the largest share of order entry at € 156.9 million; this equates to an increase of around 12.7% over the previous year (€ 139.2 million). The CEU region's share of global order entry volume thus amounted to around 51% (previous year: approx. 52%).

[12] North America; previously USA.

[13] Since the beginning of 2024, the NEMEA region has consisted of the Nordics and Middle East regions, in addition to the United Kingdom and Ireland.

The increase in order entry is allocated to the regions as follows:

- **Region NEMEA:**
  +43% to € 32.4 million (previous year: € 22.6 million)
- **Region NA:**
  +23% to € 58.1 million (previous year: € 47.3 million)
- **Region CEU:**
  +13% to € 156.9 million (previous year: € 139.2 million)
- **Region LATAM:**
  +13% to € 47.8 million (previous year: € 42.5 million)
- **Region JAPAC:**
  +5% to € 15.3 million (previous year: € 14.6 million)

From the project perspective, the increase was attributable to continued strong demand for SAP S/4HANA-projects: this represents growth of 15% to € 166.5 million (previous year: € 145.1 million). **SAP S/4HANA projects** therefore continue to account for 54% of the entire order entry volume of the SNP Group (previous year: 55%).

At segment level, € 190.9 million or around 61% (previous year: € 180.4 million or around 68%) of the order entry volume was attributable to the **Services business segment.** The **Software business segment** accounted for € 92.1 million or around 30% of order entry (previous year: € 74.6 million or around 28%). The **EXA business segment** accounted for € 27.5 million or around 9% of order entry in the reporting period (previous year: € 11.1 million or around 4%).

An order entry volume of € 142.9 million was realized via partners in the 2024 fiscal year (previous year: € 98.0 million). This represents an increase of approximately 46% compared to the previous year.

The **order backlog** as of December 31, 2024 was € 236.7 million; compared with the previous year's figure of € 184.4 million, this represents an increase of approximately 28%.

ORDER BACKLOG

in € million	2024	2023	Δ
Order entry	**236.7**	**184.4**	**+28%**
Service	158.0	136.1	+16%
Software	62.8	44.3	+42%
EXA	15.9	4.1	+289%

Earnings Position

Revenue Performance

The SNP Group increased its Group revenue in 2024 by 25% to € 254.8 million (previous year: € 203.4 million). Revenue growth covers all segments and, in terms of regions, is mainly attributable to the regions CEU, NA and NEMEA. Revenue performance is mainly due to the further increase in order entries in the area of SAP S/4HANA transformation projects.

Services revenue (including the Services revenue of the EXA Group) of € 165.3 million is € 31.2 million or 23% higher than in the previous year (previous year: € 134.2 million).

In the course of the sale of larger program licenses, **Software revenue** (including software revenue of the EXA Group) increased disproportionally by € 20.2 million or around 29% to € 89.4 million (previous year: € 69.3 million). The positive development is the result of the successful implementation of the software and partner strategy in the direct and partner business.

Revenue Distribution by Business Segment

REVENUE BY BUSINESS SEGMENT

in € million	2024	2023	Δ
Revenue	**254.8**	**203.4**	**+25%**
Service	157.7	126.8	+24%
Software	81.2	67.3	+21%
EXA	15.9	9.3	+71%

In the fiscal year 2024, the **Services business segment** contributed € 157.7 million (previous year: € 126.8 million) to revenue; this corresponds to an increase of € 30.9 million or 24% compared to the previous year, which is mainly due to the increasing number of large SAP S/4HANA projects commissioned. The revenue achieved in the Services business segment corresponds to a share of around 62% (previous year: around 62%) of the overall revenue volume of the SNP Group. The Trigon Group, which was acquired in the 2024 fiscal year, is fully assigned to the Services business segment. Since the acquisition date, the Trigon Group has contributed sales revenue of € 6.9 million to the business segment's total sales revenue.

Revenue in the **Software business segment** (including maintenance and the cloud) increased by € 13.9 million in the 2024 fiscal year to € 81.2 million (previous year: € 67.3 million); this corresponds to an increase of 21% year-over-year. The increase is largely due to the increased sale of program licenses within the scope of the SAP S/4HANA projects. The revenue achieved in the Software business segment corresponds to a share of approximately 32% (previous year: around 33%) of the overall revenue volume of the SNP Group.

REVENUE IN THE SOFTWARE BUSINESS SEGMENT

in € million	2024	2023	Δ
Software business segment revenue	**81.2**	**67.3**	**+21%**
Software licenses	54.5	48.1	+13%
Software support	19.3	14.9	+30%
Cloud/SaaS	7.4	4.4	+70%

Within the Software business segment, software license revenue rose by € 6.4 million or 13% to € 54.5 million (previous year: € 48.1 million).

Recurring software support revenue increased reported a disproportionate increase of € 4.4 million or 30% in the 2024 fiscal year to € 19.3 million (previous year: € 14.9 million). Within support revenue, support revenue for SNP's own software increased by € 3.3 million or 26%, while the support revenue for third-party software increased by € 1.1 million or 56%.

Cloud revenue (including software as a service) increased substantially by € 3.1 million or 70% to € 7.4 million (previous year: € 4.4 million). This was attributable to higher cloud revenue with own software (€ +2.1 million, +182%) as well as to third party software (€ +0.9 million, +85%).

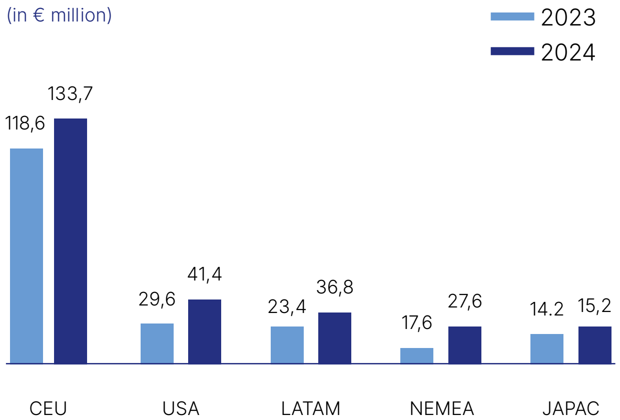
The **EXA business segment** accounted for revenue of €15.9 million in the 2024 fiscal year (previous year: € 9.3 million); this equates to a 6% share of SNP Group's total revenue (previous year: 5 %). The increase in sales revenue in the EXA business segment is mainly due to an increase of software revenue, which rose by € 6.3 million or 332% to € 8.2 million (previous year: € 1.9 million). The Services revenue also recorded a slight increase of € 0.3 million or 5% to € 7.7 million (previous year: € 7.3 million). The rise in revenue is largely as a result of higher demand for the EXA Group's software solutions from major customers in the pharmaceuticals and chemicals sector.

Revenue Distribution by Region

The increase in Group revenue in the 2024 fiscal year is attributable to the positive revenue performance trend in all of the Group's regions. The sales growth is largely attributable to major SAP S4/HANA projects with well-known companies.

The following graphics show the distribution and development of revenue generated with external entities by region:

REVENUE DISTRIBUTION BY REGION
(in € million)



Operating Performance

In the 2024 fiscal year, SNP achieved **earnings before interest, taxes, depreciation and amortization (EBITDA)** of € 40.0 million (previous year: € 21.5 million); this corresponds to an increase of € 18.5 million or 86% compared to the previous year. The EBITDA margin accordingly amounts to 15.7% (previous year: 10.6%).

Earnings before interest and taxes (EBIT) amounted to € 28.6 million in the reporting year as against € 11.1 million in the previous year; this equates to an EBIT margin of 11.2% (previous year 5.5%).

OPERATING PERFORMANCE

	2024	2023
EBITDA (in € million)	40.0	21.5
EBITDA margin	15.7%	10.6%
EBIT (in € million)	28.6	11.1
EBIT margin	11.2%	5.5%

The increase in operating earnings in the fiscal year 2024 results primarily from the increase in sales and a positive one-time effect of € 3.6 million from the settlement of a legal dispute with the heirs. The currency result also contributed positively to the increase in operating earnings in the amount of € 1.2 million (previous year: € -4.1 million). This improvement is primarily due to favorable currency effects from the NA and LATAM regions.

EBIT IN THE SERVICES BUSINESS SEGMENT

	2024	2023
EBIT (in € million)	9.6	5.3
EBIT margin	6.1%	4.2%

EBIT IN THE SOFTWARE BUSINESS SEGMENT

	2024	2023
EBIT (in € million)	25.9	19.5
EBIT margin	31.9%	28.9%

EBIT IN THE EXA BUSINESS SEGMENT

	2024	2023[1]
EBIT (in € million)	7.0	1.3
EBIT margin	39.5%	12.6%

EBIT margin previous year adjusted (see note 13).

Costs of purchased services and material expenses in the 2024 fiscal year rose by €1.6 million or 7% year-over-year to € 24.5 million (previous year: € 23.0 million). This increase was mainly as a result of higher expenses for software licenses. Expenses for purchased services in the area of service costs amounted to € 20.5 million (previous year: € 20.4 million) and remained almost unchanged compared to the previous year despite an increase in sales revenues in the service area. This was achieved through greater reliance on internal consultants.

Personnel expenses during the reporting period increased by € 28.6 million or 23% to € 152.0 million (previous year: € 123.4 million). In addition to a higher number of employees (increase of +130 to 1,562 compared to the previous year), this growth was mainly due to salary adjustments in spring 2024 and higher variable remuneration. The personnel expense ratio (personnel expenses relative to revenue) decreased as a result of the disproportionately low rise in personnel expenses relative to revenue, from 60.7% in the previous year to 59.7% for the 2024 fiscal year.

Depreciation and amortization rose by € 1.0 million or 10%, in the reporting period to € 11.4 million (previous year: € 10.4 million). The year-over-year increase is primarily attributable to exceptional impairment of right-of-use assets due to vacancies in a leased property in Germany.

Depreciation and amortization rose by € 1.0 million or 10%, in the reporting period to € 11.4 million (previous year: € 10.4 million). The year-over-year increase is primarily attributable to exceptional impairment of right-of-use assets due to vacancies in a leased property in Germany.

Other operating expenses rose by € 6.0 million or 14% in the reporting period to € 49.0 million (previous year: € 43.0 million). This year-over-year increase was character-ized by countervailing effects. While exchange rate losses declined by € 4.8 million to € 5.3 million (previous year: € 10.0 million) and legal consulting costs by € 0.2 million to € 2.4 million (previous year: € 2.6 million), other operating expenses reported an increase across all other areas. Expenses from depreciation and amortization of customer receivables increased by € 3.6 million to € 4.0 million (previous year: € 0.3 million). These are mainly so-called legacy call-off contracts with partner companies from the JAPAC and CEU regions. Other operating expenses also rose by € 2.4 million in the reporting period to € 2.7 million (previous year: € 0.3 million) as a result of the higher conditional purchase price liability for the acquisition of shares in EXA AG. Remaining other operating expenses reported considerable increases in advertising and repre-sentation through increased marketing measures (increase of € 1.6 million to € 6.3 million), travel expenses (increase of € 0.9 million to € 4.1 million, other personnel expenses (increase of € 0.7 million to € 3.8 million as well as occu-pancy costs and energy mainly due to higher energy costs (increase of € 0.7 million to € 2.7 million).

Other operating income increased in the 2024 fiscal year by € 3.7 million to € 12.2 million (previous year: € 8.4 million). This increase is mainly due to the receivables purchase and assignment agreement entered into between SNP SE and Tatiana Schneider-Neureither in June 2024 to settle a legal dispute with the community of heirs and led to other operating income totaling € 3.6 million (previous year: € 0.0 million). Income from currency effects also rose by € 0.5 million to € 6.3 million compared with the previous year (previous year: € 5.8 million). Income from the reversal of provisions developed in the opposite direction and declined by € 0.5 million to € 0.1 million (previous year: € 0.7 million).

NET FINANCIAL RESULT AND RESULT FOR THE PERIOD

in € million	2024	2023	Δ
Net financial income	-3.3	-2.3	-46%
Earnings before taxes (EBT)	25.3	8.8	+188%
Income taxes	-5.2	-3.0	-74%
Profit or loss for the period	20.1	5.9	+243%
Earnings per share (basic)	2.78	0.81	+243%
Earnings per share (diluted)	2.76	0.80	+245%

The slight deterioration in the **net financial income** by € 1.0 million to € -3.3 million (previous year: € -2.3 million) is attributable to a € 1.4 million increase in interest expenses with higher interest income at the same time, which was up € 0.4 million. The increase in interest expenses is mainly attributable to higher variable interest rates on bank loans as well as distributions made by a subsidiary. The share of the distribution to minority shareholders in the amount of € 0.3 million (previous year: € 0.0 million) is reportable as interest expense.

This results in **earnings before taxes** of € 25.3 million previous year: € 8.8 million). **Taxes on income** amounted to € 5.2 million in the fiscal year 2024 (previous year: € 3.0 million). The tax rate was thus 20.6 % (previous year:33.7%). The € 2.2 million increase in taxes on income is the result of offsetting effects. While the significant increase in earnings before taxes and non-tax-effective expenses and income in particular had a positive impact of € 2.9 million (previous year: € 0.7 million) in-creased taxes on income, tax expenses decreased by € 3.1 million, mainly due to deferred taxes relating to other periods (previous year: € 0.5 million) and the use of non-capitalized loss carryforwards in the current year by € 1.6 million (previous year: € 0.5 million).

After income taxes, the **result for the period** amounted to € 20.1 million (previous year: € 5.9 million). The net margin (the ratio of the result for the period to overall revenue) is 7.9% (previous year: 2.9%).

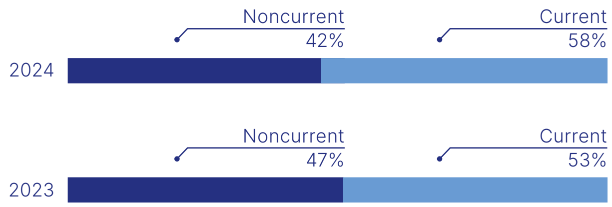
Dividend

SNP SE's Annual General Meeting took place in Wiesloch on June 27, 2024. The shareholders accepted the Supervisory Board's proposal to carry forward the distributable profit of € 16.9 million for the 2023 fiscal year shown in the adopted annual financial statements as of December 31, 2023.

Net Assets

Total assets have increased by € 51.5 million as of December 31, 2024, to € 313.3 million (previous year: € 261.8 million).

BALANCE SHEET STRUCTURE: ASSETS (in %)

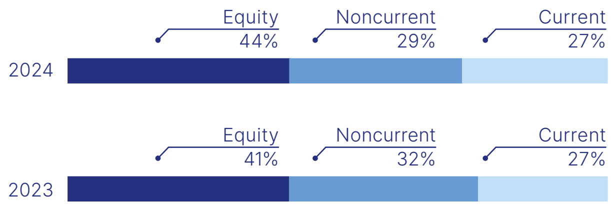


Current assets rose by € 43.7 million to € 182.6 million (previous year: € 138.8 million). The increase as of December 31, 2024, resulted mainly from the increase of € 32.2 million in **cash and cash equivalents** to € 72.5 million (previous year: € 40.3 million) as well as growth of € 4.9 million in **trade receivables** to € 83.2 million (previous year: € 78.3 million) and a rise in **contract assets** of € 8.1 million to € 18.7 million (previous year: € 10.6 million). This increase reflects the considerably higher year-over-year revenue performance in the fourth quarter of the reporting period (€ 72.0 million compared to € 53.8 million in the previous year). On the other hand, **other financial assets** declined by € 4.2 million to € 0.8 million (previous year: € 5.0 million) essentially due to the settlement of the purchase price receivable from the sale of minority shares in All for One Poland Sp. z o.o. in January 2024. **Other non-financial** assets also rose by € 2.2 million to € 5.3 million (previous year:€ 3.1 million). The increase is mainly due to the higher prepaid expenses as of the balance-sheet date, which were up by € 1.1 million, and the € 0.3 million increase in sales **tax receivables. Tax refund claims** increased by € 0.8 million to€ 0.8 million(previous year: € 0.0 million).

Noncurrent assets rose by € 7.7 million to € 130.7 million (previous year: € 123.0 million). This increase is mainly attributable to the following countervailing effects:

As of December 31, 2024, **goodwill** increased by € 10.7 million to € 78.7 million (previous year: € 68.0 million) due to the acquisition of the Trigon Group (€ +3.1 million) and currency effects (€ +7.6 million) – particularly from the LATAM region. As of the balance sheet date, **other intangible assets** rose by€ 1.9 million to € 17.2 million (previous year: € 15.3 million). This increase was also mainly attributable to the acquisition of the Trigon Group. As at December 31, 2024, **noncurrent trade receivables** developed in different directions and have declined by € 8.1 million to € 5.6 million (previous year: € 13. 8 million), mainly as a result of payments received under long-term partner agreements and simultaneously depreciation and amortization. Deferred tax assets rose by € 3.2 million to € 9.1 million (previous year: € 5.9 million). This increase was primarily as a result of the higher recognition of deferred taxes on loss carryforwards in the NA region following higher earnings contributions.

BALANCE SHEET STRUCTURE: EQUITY AND LIABILITIES (in %)



On the **equity and liabilities side,** current liabilities increased in the 2024 fiscal year by € 15.4 million to € 85.0 million (previous year: € 69.6 million), as did noncurrent liabilities, by € 6.7 million to € 90.3 million (previous year: € 83.6 million).

The increase in **current liabilities** as of December 31, 2024, included countervailing effects:

While **trade payables** decreased by € 1.2 million to € 8.9 million (previous year: € 10.1 million), **contract liabilities** rose by € 3.3 million to € 11.6 million (previous year: € 8.2 million). The increase in contract liabilities resulted mainly from higher payments made for fixed-price projects.

The increase in **financial liabilities** by € 5.6 million to € 21.8 million (previous year: € 16.3 million) is due to countervailing effects. While current liabilities to banks decreased by € 8.6 million to € 3.1 million (previous year: € 11.7 million), mainly due to loan repayments, current purchase price obligations rose by € 10.6 million to € 10.6 million (previous year: € 0.0 million) due to the reclassification of noncurrent purchase price liabilities for the acquisition of shares in EXA AG to current purchase price liabilities. The remaining increase was attributable to a € 0.2 million increase in current lease obligations€ 3.4 million higher current financial liabilities.

Other nonfinancial liabilities increased significantly by € 5.3 million to € 39.1 million (previous year: € 33.8 million). This resulted mainly from higher liabilities to employees, which rose by € 6.3 million to € 31.4 million (previous year: € 25.2 million), above all because of higher deferrals for variable remuneration. Within other nonfinancial liabilities, the remaining other nonfinancial liabilities declined by € 1.9 million to € 1.3 million (previous year: € 3.2 million), while tax liabilities rose by € 0.9 million to € 6.4 million (previous year: € 5.5 million).

Current tax liabilities rose by € 2.4 million to € 3.4 million (previous year: € 1.1 million).

As of December 31, 2024, **noncurrent liabilities** had increased by € 6.7 million to € 90.3 million (previous year: € 83.6 million).

The € 3.3 million increase in noncurrent liabilities is due to an increase in **contract liabilities,** which increased to€ 5.7 million (previous year: € 2.5 million) as of the balance sheet date, especially because of higher payments made for long-term fixed-price projects in the NEMEA and NA regions.

The € 0.8 million increase in **noncurrent financial liabilities** to € 73.4 million (previous year: € 72.6 million) is due to countervailing effects. While noncurrent liabilities to banks increased by € 4.0 million to € 57.7 million (€ 53.7 million) as a result of taking out bank loans in the amount of € 7.1 million and the simultaneous reclassification of noncurrent liabilities to current liabilities of € 3.0 million, noncurrent purchase price liabilities fell by € 3.6 million to € 4.3 million (previous year: € 7.8 million) in particular due to the reclassification of the purchase price liability for the purchase of the shares in EXA AG to current liabilities. At the same time, noncurrent financial liabilities as of December 31, 2024, had increased by € 0.4 million to € 0.4 million (previous year: € 0.0 million), mainly due to liabilities associated with the acquisition of the Trigon Group.

Provisions for pensions increased by € 0.2 million to € 2.2 million (previous year: € 2.0 million). **Other noncurrent provisions** rose by € 0.5 million to € 1.0 million (previous year: € 0.5 million) as a result of higher provisions for variable remuneration.

The increase in deferred tax liabilities by € 2.0 million to € 7.3 million (previous year:€ 5.4 million) is mainly due to the initial consolidation of the Trigon Group.

Group equity rose from € 108.6 million to € 138.0 million as of December 31, 2024. The € 29.4 million rise resulted from a growth of € 20.3 million in retained earnings to € 33.4 million (previous year: € 13.2 million) due to the positive result for the period and an increase of € 1.4 million in the capital reserves to € 99.5 million (previous year: € 98.1 million) due to postings in connection with share-based remunerations. Other reserves rose by € 7.9 million to € 3.2 million (previous year: € 4.7 million); mainly on account of the change of € 7.6 million in the currency translation adjustment item.

The increase in equity combined with a simultaneous decrease in the volume of total equity and liabilities led to an improvement in the equity ratio from 41.5% to 44.1%.

Financial Position

Management of Financial, Liquidity and Capital Structure

SNP SE has a central financial management system for global liquidity control. This financial management also involves, at the same time, analyzing interest rate and exchange rate changes and their impact on the company's financial position and financial performance, as well as taking measures to hedge against these risks. The key objective of this financial management system is to ensure a minimum level of liquidity for the Group in order to safeguard its solvency at all times. Cash and cash equivalents are monitored throughout the Group. SNP safeguards its flexibility and independence through its high volume of cash and cash equivalents. SNP is able to draw upon additional liquidity potential, if necessary, through further standard credit lines.

In the past few years, cash and cash equivalents have primarily been used for operating activities, the investment needs associated with growth and the acquisition of companies. SNP assumes that its liquidity holdings, together with its financial reserves in the form of various unused credit lines, will be sufficient to cover its operating financing requirements in 2025 and – together with the expected cash flows from operating activities – will cover debt repayment and our planned short- and medium-term investments.

Maintaining a strong financial profile is the overriding goal for management of our capital structure. The focus here is on a high equity ratio in order to bolster the confidence of our investors, lenders and customers. SNP thus focuses on maintaining a capital structure that allows it to meet its future financing needs through the capital markets on favorable terms. This ensures a high level of independence, security and financial flexibility.

Debt Financing

In February 2017, SNP issued promissory note loans with a total volume of € 40 million and three-, five- and seven-year terms.

The first tranche of the promissory note loans, with a volume of € 5.0 million, was repaid in March 2020. This was refinanced by taking out a loan of € 2.0 million, which was repaid in full in March 2022, and drawing down € 4.5 million from a short-term master loan agreement for € 5.0 million.

In May 2020, SNP took out a loan with a volume of € 10 million, which is refinanced by the Kreditanstalt für Wiederaufbau (KfW) bank within the scope of KfW's 2020 special program and has a term of five years.

In February 2021, SNP SE concluded a finance agreement with the European Investment Bank in the amount of € 20 million with a term of five years.

In March 2022, five-year promissory note loans from 2017 with a volume of € 26 million were repaid and refinanced by securing promissory note loans with a volume of € 32.5 million. The new floating-rate promissory note loans have been concluded for a term of five years.

In December 2023, SNP concluded an amortizing loan of € 7.0 million, which matures by December 31, 2028, and has a utilization deadline of October 2024. € 4.0 million of the loan was drawn down in March 2024 and € 3.0 million in April 2024. The loan raised was used to refinance a promissory note loan of € 9.0 million repaid in March 2024.

For further information on debt financing, please see note (26) in the notes to the consolidated financial statements.

Equity Financing

A cash component of around € 20 million and the issuance of shares by way of a capital increase against a contribution in kind were agreed as consideration for the purchase of all of the shares in Datavard AG in 2021; by means of this capital increase against a contribution in kind, the company’s share capital was increased by € 173,333 from € 7,212,447 to € 7,385,780 through the issuance of 173,333 new no-par-value bearer shares. An independent valuation has confirmed the appropriateness of the overall purchase price.

SELECTED KEY FIGURES ON FINANCIAL POSITION

in € million	2024	2023
Cash and cash equivalents on December 31	+72.5	+40.3
Change in cash and cash equivalents year-over-year	+32.2	+1.9
Cash inflow from/cash outflow for operating activities	+40.8	+12.5
Cash inflow from/cash outflow for investing activities	+0.9	+3.7
Cash outflow from financing activities	-10.0	-12.1
Impact of the effects of changes in foreign exchange rates on cash and bank balances	+0.5	-2.2

Development of Cash Flow and the Liquidity Position

In the 2024 fiscal year, the SNP Group generated positive cash flow from operating activities of € +40.8 million (previous year: € +12.5 million). The € 28.3 million increase in operating cash flow is largely attributable to the € 14.2 million increase in the result for the period to € 20.1 million (previous year: € 5.9 million). Furthermore the € +7.1 million (previous year: €- 7.7 million) change in working capital made a positive contribution to cash flow from operating activities, leading to a corresponding improvement of € 14.8 million compared to the previous year.

Other noncash expenses and income reduced in the 2024 fiscal year by€ 1.8 million to € +1.7 million (previous year: € +3.5 million). It includes, among other things, noncash effects from the higher conditional purchase price liability for the acquisition of shares in EXA AG (€ +2.7 million), the noncash changes in the capital reserves due to the share option plan (€ +1.4 million), as well as noncash effects from the change in deferred taxes (€ 2.7 million).

The noncash depreciation and amortization of fixed assets in the fiscal year amounted to € +11.4 million (previous year: € +10.4 million).

Cash flow from investing activities totaled € +0.9 million in the 2024 fiscal year, compared to € +3.7 million in the previous year. The cash inflows resulted from payments received from the sale of the majority stake in SNP Poland Sp. z o.o., Suchy Las, Poland, (now All for One Poland Sp. z o.o.) in the amount of € +4.9 million (previous year: € 5.0 million), which are offset by payments of € -2.4 million from the acquisition of consolidated companies and other business units. This includes cash effects from the acquisition of the Trigon Group in the amount of € -2.2 million, which were not included in the previous year, as well as payments for the acquisition of shares in EXA AG in the amount of € -0.3 million (previous year: € 0.0 million). Payments for investments in property, plant and equipment increased by € 0.6 million to € 1.4 million (previous year: € 0.9 million). Payments for investment in intangible assets are virtually unchanged at € 0.2 million (previous year: € 0.2 million).

Financing activities resulted in a cash outflow in the amount of € 10.0 million (previous year: cash outflow of € 12.1 million). The cash outflow resulted from repayment of bank loans in the amount of € 11.6 million, of which repayment of a promissory note loan in the amount of € 9.0 million the repayment of lease liabilities in the amount of € 5.5 million. At the same time, positive cash flow has arisen due to proceeds from loans taken out in the amount of € +7.1 million in the 2024 fiscal year.

The effects of changes in foreign exchange rates on cash and bank balances have resulted in a negative impact of € 0.5 million(previous year: negative impact of € 2.2 million).

In the reporting period, overall cash flow stood at € +32.2 million (previous year: € +1.9 million). Taking into account the changes presented here, the level of cash and cash equivalents increased to € 72.5 million as of December 31, 2024 (previous year: € 40.3 million).

As a result, the overall financial positioning of the SNP Group remains solid.

SNP SE Economic Report

SNP SE, based in Heidelberg, Germany, is the parent company of the SNP Group which comprises 36 companies. It exercises a holding function for the SNP Group, provides shared service functions for the Group's companies and employs most of the Group's Germany-based research and development personnel.

As a holder of central SNP software rights, SNP SE mainly generates its revenue from the license revenue and maintenance fees that the Group's subsidiaries remit to SNP SE for the sale of rights of use for the related SNP software solutions. SNP SE generated further revenue from a large number of internal Group shared services, such as in the areas of IT, marketing and accounting and, to a lesser extent, through external revenue in the Software and Services business segments. Over the past few years, SNP SE has adopted the practice of handling external business largely through its local subsidiaries.

SNP SE bears the overwhelming share of the Group's research and development costs.

FORECAST/ACTUAL COMPARISON – SNP SE

Targets for 2024	Results for 2024	Comment
Revenue: ■ **SNP SE:** Marked increase in revenue (2023: € 38.2 million)	■ **SNP SE:** Revenue: € 37.6 million	■ **SNP SE:** Revenue declined slightly by € -0.5 million or -1.4% year-over-year to € 37.6 mil-lion (previous year: € 38.2 million). The target of significantly increasing revenue was therefore not met.
EBIT ■ **SNP SE:** Significantly better operating earnings (EBIT) are expected in 2024, alongside revenue performance (2023: € -9.5 million)	■ **SNP SE:** EBIT: € -15.6 million	■ **SNP SE:** The operating result in the fiscal year amounted to € -15.6 million and was € -6.0 million lower than the previous year due to higher costs. The EBIT could not be improved due to a slight decline in revenue and a simul-taneous increase in costs.

Overall Summary of the Course of Business and the Economic Position of SNP SE

Revenue increased significantly by € 0.5 million, or 1.4%, to € 37.6 million (previous year: € 38.2 million). The original forecast, which predicted a marked year-over-year increase, was therefore not met. The decline in revenue is solely due to the € 2.7 million reduction in external revenue to € 1.2 million, which was not fully offset by the increase in internal revenue for software and shared services (€ 2.2 million increase to € 36.5 million). The operating result amounts to € -15.6 million in 2024 and thus deteriorated by € 6.0 million compared to the previous year. The targeted improvement in the operating result was therefore not achieved. The reduction is due to lower revenue as well as higher personnel expenses (€ +2.4 million to € 24.4 million) and other operating expenses (€ +5.7 million to € 30.0 million). In contrast, net financial income improved by € 4.1 million to € 14.2 million (previous year: € 10.1 million), primarily as a result of higher dividend payments (+€ 2.0 million to € 3.2 million). This results in earnings before taxes of € -1.4 million (previous year: € -0.4 million).

Based on the above analysis of the course of business and the results of operations, financial position and net assets, as well as the assessment of all facts and circumstances, the Executive Board considers the course of business in 2024 and the economic situation of SNP SE to be satisfactory.

Development of the Earnings Position

The income statement is prepared according to the nature of expense method. Figures in millions of euros (€ million)

INCOME STATEMENT OF SNP SE PREPARED ACCORDING TO THE HGB (SHORT VERSION)

in € million	2024	2023
Revenue	**37.6**	**38.2**
Change in inventory (work in progress)	-0.2	-1.3
Other operating income	3.5	1.7
Cost of materials	-0.9	-0.5
Personnel costs	-24.4	-22.0
Depreciation and amortization of intangible fixed assets and depreciation of tangible property, plant and equipment	-1.2	-1.2
Other operating expenses	-30.0	-24.4
Operating result (EBIT)	**-15.6**	**-9.5**
Net financial income	**14.2**	**10.1**
Earnings before tax	**-1.4**	**0.5**
Income taxes	-0.0	-1.0
Profit after tax	**-1.4**	**-0.4**
Other taxes	-0.0	0.0
Profit for the year	**-1.4**	**-0.4**

In the 2024 fiscal year, SNP SE generated total revenue of € 37.6 million, which corresponds to a slight decrease of 1.4%, or € 0.5 million (previous year: € 38.2 million). This development is the result of declining sales with external customers, which were largely offset by higher sales with affiliated companies for software deliveries, maintenance and shared services. The decline in sales revenue with external customers is due to the fact that external business is generally conducted by the operating national companies and SNP SE only acts as a business partner in exceptional cases. The overall revenue comprises revenue earned through external customers in the amount of € 1.2 million (previous year: € 3.9 million) and revenue earned through affiliated companies in the amount of € 36.5 million (previous year: € 34.3 million).

In contrast, changes in inventories of work in progress increased by € 1.2 million to € -0.2 million (previous year: € -1.3 million) due to the scheduled completion of projects. Revenue and changes in inventories have thus jointly changed by € +0.7 million to € 37.5 million (previous year: € 36.8 million).

At € 3.5 million, other operating income was € 1.8 million higher than in the previous year (previous year: € 1.7 million). The increase is mainly due to the result remaining at SNP SE in connection with the assignment of receivables from legal disputes with the community of heirs in the amount of € 0.7 million as well as exchange rate gains, which were € 0.7 million higher than in the previous year.

Material expenses increased by € 0.4 million from € 0.5 million to € 0.9 million. This development is mainly due to higher purchased goods and services from affiliated companies.

SNP SE's personnel expenses mainly comprise the salaries of SNP SE's development, support and administration employees. The increase of € 2.4 million to € 24.4 million (previous year: € 22.0 million) is due to an increase in the number of employees (216 as at December 31, 2024 compared to 211 as at December 31, 2023) as well as wage and salary increases in 2024 and, in particular, higher variable performance-related remuneration.

Other operating expenses amount to € 30.0 million in 2024 and are thus € 5.7 million lower than the previous year's figure of € 24.4 million. The increase in other operating expenses is mainly due to higher legal and consulting costs (€ +2.1 million to € 9.8 million), higher advertising and representation costs (€ +1.6 million to € 4.1 million) and write-downs on receivables in the current fiscal year (€ 1.0 million after € 0.0 million in the previous year).

The operating result decreased to € -15.6 million (previous year: € -9.5 million) as a result of the aforementioned changes.

In contrast, the net financial income improved by € 4.1 million to € 14.2 million (previous year: € 10.1 million). As in the previous year, the positive financial result mainly consists of profits from profit transfer agreements and income from investments. While distributions from affiliated companies increased by € 2.0 million to € 3.2 million (previous year: € 1.2 million), income from profit transfer agreements increased by € 0.4 million to € 12.6 million (previous year: € 12.3 million). At the same time, write-ups on financial assets of € 1.6 million (here: investment in SNP Innovation Lab GmbH) were recognized due to the elimination of the permanent impairment. At the same time, amortization on financial assets amounting to € 2.7 million (previous year: € 2.0 million) was recognized. Of this amount, € 2.1 million was attributable to the investment in Hartung Consult GmbH, Germany and € 0.6 million to the investment in ADP Consultores S.R.L., Argentina.

As a result, SNP SE's earnings before taxes deteriorated by € 1.9 million to € -1.4 million (previous year: € 0.5 million). Tax expenses amounted to € 0.0 million (previous year: € 1.0 million). After deduction of taxes, there is a net loss for the year of € 1.4 million (previous year: net loss of € 0.4 million).

Development of SNP SE's Net Assets and Financial Position (Short Version)

The total assets of SNP SE reported in the balance sheet amounted to € 209.5 million (previous year: € 220.0 million) at the end of 2024.

BALANCE SHEET OF SNP SE PREPARED ACCORDING TO THE HGB AS OF DECEMBER 31, 2024 (SHORT VERSION)

in € million	2024	2023
Assets		
Intangible assets	1.0	1.2
Property, plant and equipment	2.9	2.8
Long-term financial assets	123.0	112.4
Noncurrent assets	**126.9**	**116.4**
Inventories	0.1	0.3
Receivables and other assets	61.7	97.9
Cash and cash equivalents	19.5	4.4
Current assets	**81.3**	**102.5**
Deferred income	1.3	1.1
Total assets	**209.5**	**220.0**
Equity and liabilities		
Equity	124.6	125.0
Provisions	6.6	6.8
Liabilities	77.8	87.6
Deferred income	0.5	0.6
Total equity and liabilities	**209.5**	**220.0**

Intangible fixed assets decreased by € 0.2 million to € 1.0 million (previous year: € 1.2 million). The carrying amount of tangible fixed assets increased slightly by € 0.1 million to € 2.9 million (previous year: € 2.8 million). In both cases, depreciation and amortization largely corresponded to new investments.

Long-term financial assets increased by € 10.6 million to € 123.0 million (previous year: € 112.4 million). There are various reasons for the change, including the write-up of the investment in SNP Innovation Lab GmbH, Germany (€ +1.6 million), a capital increase by way of the conversion of receivables from ADP Consultores S.R.L., Argentina (€ +1.0 million), and the conversion of receivables into a long-term loan from SNP Transformations, Inc., USA (€ +10.8 million). This is offset by amortization on investments in ADP Consultores S.R.L., Argentina (€ 0.6 million) and Hartung Consult GmbH (€ 2.1 million).

Receivables and other assets rose by € 36.2 million to € 61.7 million (previous year: € 97.9 million). While other assets decreased by € 3.9 million to € 2.1 million (previous year: € 6.1 million), mainly due to the payment of purchase price receivables, receivables from third parties fell by € 12.5 million to € 4.8 million (previous year: € 17.2 million), primarily as a result of the payment settlement, a large receivable that was included in the previous year's figures. In addition, receivables and current loans from affiliated companies decreased by € 19.8 million to € 54.8 million (previous year: € 74.5 million) due to an increase in the settlement of outstanding receivables.

Cash and cash equivalents and term deposits amounted to € 19.5 million (previous year: € 4.4 million). The increase in liquidity goes hand in hand with a reduction in working capital.

SNP SE's equity decreased by 0.3% to € 124.6 million (previous year: € 125.0 million). While the capital reserve increased by € +1.0 million to € 101.4 million (previous year: € 100.4 million) in connection with the exercise of share options, retained earnings fell by € 1.4 million to € 15.4 million (previous year: € 16.9 million) as a result of the net loss for the year. As of December 31, 2024, the equity ratio had increased to 59.4% (previous year: 56.8%).

Provisions decreased by € 0.2 million year on year to € 6.6 million (previous year: € 6.8 million), which is mainly due to the discontinuation of provisions (€ -2.1 million) as a result of the settlement of the legal dispute with the community of heirs, while at the same time increasing the bonus provisions in view of the positive business development (€ +0.7 million) and other provisions (€ +0.8 million).

Liabilities decreased by € 9.9 million to € 77.8 million (previous year: € 87.6 million). The reduction is primarily due to lower liabilities to banks, which fell by € 4.7 million to € 61.1 million (previous year: € 65.8 million) as a result of scheduled repayments. In addition, liabilities to affiliated companies fell by € 3.5 million to € 11.9 million (previous year: € 15.5 million).

Development of Cash Flow and the Liquidity Position

Taking the above-mentioned changes into account, there is a positive overall cash flow of € 15.1 million. Cash and cash equivalents as of December 31, 2024, accordingly increased to € 19.6 million (previous year: € 4.4 million).

As a result, the overall financial positioning of SNP SE remains solid.

OPPORTUNITY AND RISK REPORT

Unless otherwise expressly stated, the disclosures in the Opportunity and Risk Report apply to both the SNP Group and SNP SE as the parent company.

OPPORTUNITY AND RISK MANAGEMENT

In its business activities that are aimed at realizing the overall strategy, the SNP Group is subject to a variety of risks that are inseparably linked to its entrepreneurial activity. Risks refer to the possibility of events occurring with unfavorable consequences for SNP's economic situation. SNP employs effective management and control systems to identify risks at an early stage, evaluate them and deal with them systematically. They are combined into a uniform Group-wide risk management system, which is presented below. SNP's risk management system essentially consists of the following three components: its risk management policy, a standardized risk identification and treatment method, and the responsible departments within its organizational structure, which are entrusted with the implementation of its risk management approach. All risks are systematically identified, evaluated and monitored. Risk assessment and aggregation rules have been defined for this purpose. Risks are normally balanced out by appropriate opportunities. Opportunities are also recorded in the risk management system for the first time in this fiscal year. They are recognized separately from the risks. Offsetting does not take place.

Furthermore, the ESG area was included independently in risk management for the first time this year.

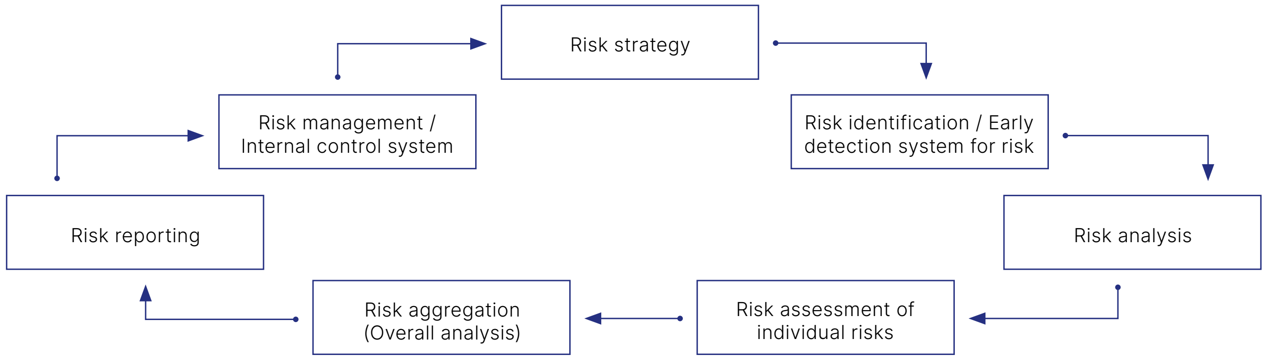
The risk aggregation is implemented by means of a mathematical simulation. A scenario analysis is applied for the risk assessment. Risk-bearing capacity is also verified in this way.

The risk management policy stipulates a risk management process as shown in the following “Risk management cycle” diagram.

Risk management cycle

The local subsidiaries’ risk managers for each division and the risk managers for shared crossborder functions handle the primary risk identification process. This is accompanied by the implementation of an initial risk assessment. A central department reviews and analyzes the individual risks so as to be able to identify possible tendencies and reciprocal effects. The risk analysis also reviews whether compliance aspects have been appropriately represented. Compliance risks in relevant areas are identified and assessed separately for this purpose. The individual analysis of risks is mainly implemented for the purpose of their quantification; the probability of occur-rence of the risk and the possible effect on SNP’s business activities are significant aspects. The probability of occurrence of the risk lies between 0 and 100% (100% means once a year, 50% every two years). The loss amount is indicated in euros and by means of a scenario distribution. The damage potential is determined for each risk on the basis of these two parameters. This may be classified as a “slight risk,” a “moderate risk” or a “high-level risk.” The tables below show the risks broken down based on the amount of the loss and probability of occurrence.

RISK MANAGEMENT CYCLE



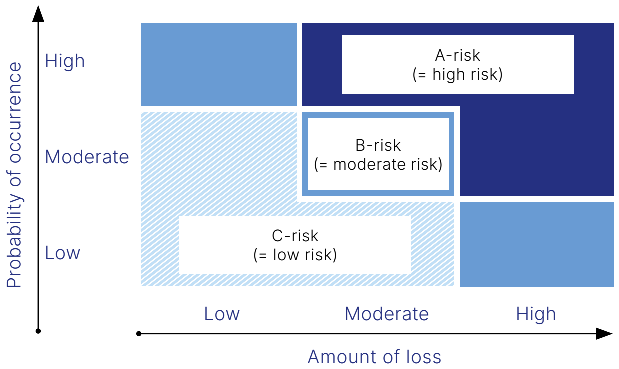
RISK ASSESSMENT DIMENSIONS

Classification by potential loss	Amount of loss in EUR*	Probability of occurrence**
Slight	≤ 1,000,000	≤ 30%
Moderate	>1,000,000 – 2,500,000	> 30%
High	> 2,500,000	> 60%

* The loss amount is based on an average figure within the scope of the scenario distribution in euros.
** 0 – 100% (100% = once a year, 50% once every two years).

This is the basis for the following risk matrix for the assessment of risks in terms of high, moderate or slight risks:

RISK MATRIX



An overall analysis of the risk position is implemented in the risk aggregation by means of a mathematical simulation. The result of this risk aggregation is then compared with the level of risk-bearing capacity, adjusted for any provisions made. Risk-bearing capacity is determined on the basis of the volume of equity and the level of liquidity. For 2024, the aggregated risk-bearing capacity levels were defined as no more than 50% of equity and 50% of liquidity.

In addition, all risks have been assigned to appropriate risk areas. The risk reporting is derived from the aggregated overview, with an assessment of the situation for each of the individual areas. In order to determine the applicable risk category in the risk area in question, the risk simulation for this risk area is compared with the overall value and the aforementioned dimensions for individual risks, and classified as "slight," "moderate" or "high." Thirteen areas were selected for the year 2024 in the reporting period. These are outlined in further detail in the risk report. ESG is a new risk category added. After assessing the individual risks, measures are implemented for each area – and also for individual risks – which are intended to be proportionate to the potential level of damage. The risk managers are responsible for the implementation of these measures. The management measures are used to monitor and safeguard the effectiveness of countermeasures, reduction strategies and SNP's internal control system. The opportunities identified by the risk owners are recorded, evaluated, categorized as "low", "medium" or "high" and monitored regularly.

Risk Management System

SNP strives for sustainable growth and a steady increase in the value of the company. This strategy is reflected in its risk policy. The basis of risk management is the monitoring and evaluation of financial, economic and market-related risks.

In order to ensure the early detection of risks on a Group-wide, systematic basis, SNP has installed a "monitoring system for the early detection of risks that may threaten the survival of the company", in accordance with Section 91 (2) of the German Stock Corporation Act (AktG).

This early detection system for risk ensures that the SNP Group can always adjust promptly to changes in its environment. The constant refinement of the risk management system is an important prerequisite that allows the company to respond promptly to changing conditions that may directly or indirectly affect the financial position and financial performance of SNP.

Risk Management System Regarding Significant Risks Threatening the Company's Survival

The risk management system for significant risks threatening the company's survival is integrated within the SNP Group's value-oriented management and planning system. It is an important component of the overall planning, controlling and reporting process in all relevant legal entities, business fields and core functions. Its purpose is to systematically identify, evaluate, monitor and document all significant risks threatening the company's survival. The Executive Board establishes guidelines for risk management. These guidelines serve as the basis for risk management by the risk management officer. The risk management officer ensures that the specialized departments identify risks proactively and promptly, evaluate them both quantitatively and qualitatively and develop suitable measures to avoid or compensate for risks. Using a systematic risk inventory, the employees responsible revise and reassess the risks at least once per fiscal year. In addition to routine reporting, there is a Group internal reporting requirement for risks that may occur unexpectedly. Each risk is assigned to a risk group. When providing notifications and reassessments of risks, the amount of the loss and probability of occurrence must be indicated in accordance with guideline provisions. The task of the employees responsible is to develop and, if necessary, to introduce measures corresponding to the evaluation of risks that are suited to avoiding, reducing or protecting against these risks. Significant risks and countermeasures that have been introduced are monitored regularly during the year. In the regular Audit Committee meetings, the Supervisory Board is informed about the current risk situation, that is, the significant identified risks, changes to material risks and measures that have been implemented or are planned for their mitigation. Regular reports are also communicated to the Executive Board.

Adequacy and effectiveness of the entire internal control and risk management system

The disclosures in this section are so-called non-management report disclosures resulting from the rec-ommendations of the German Corporate Governance Code (GCGC) in the version dated June 27, 2022. The disclosures are excluded from the audit of the management report by the auditor.

The internal control and risk management system covers all risk-relevant areas. Here, we refer not only to legal requirements, but also to risks in connection with key aspects of sustainability. Please refer to the non-financial statement.

Our entire internal control and risk management system is reviewed and updated on an ongoing basis. The starting point is our core values, which include compliance with applicable law and which are anchored in the Code of Conduct. This is accessible to all employees and compliance with the Code of Conduct must also be confirmed by all employees at least once a year. The compliance processes are continuously developed by an interdisciplinary team in close coordination with management and independent consultants. An internal audit is carried out by an external service provider. Suggestions from Internal Audit, such as the further development of the internal control and risk management system, are taken into account.

Communication takes place through general and target group-specific measures. In addition to the mandatory e-learning, employees have access to further documents, e.g. key training materials.

Any indications of breaches of our Code of Conduct are investigated by the compliance team in collaboration with local coordinators and reported to management.

A group-wide whistleblower reporting system has also been introduced for this purpose. All reports are followed up within the statutory period of time at the latest.

Even though the internal control system for non-financial risks has not yet reached the same level of maturity as the internal control system for financial risks, we are not aware of any material issues that would indicate that our overall internal control and risk management system is not appropriate or effective.[14]

Due to its inherent limits, it is possible that the internal control system for financial reporting may not prevent or uncover all potentially misleading statements. The Group accounting department regularly checks whether

- Group-wide accounting and evaluation principles are continuously updated and followed,
- transactions are fully recorded and internal Group transactions properly eliminated,
- significant accounting issues subject to mandatory disclosure arising from agreements are identified and properly depicted,
- processes are in place ensuring the completeness of financial reporting,
- processes are in place to enforce the separation of functions and the double-check principle during the preparation of financial statements, and rules exist governing authorization and access to relevant IT accounting systems.

However, the internal control and risk management system for the accounting process cannot absolutely guarantee the avoidance of any significant accounting errors.

SNP is satisfied that the effectiveness of the Group's accounting-related control system was safeguarded as of December 31, 2024.

Monitoring of the Internal Control and Risk Management System

The Supervisory Board oversees the monitoring of the internal control and risk management system. The Supervisory Board has established an Audit Committee which critically analyzed the risk management system in the year under review and discussed this with the Executive Board members. The auditor examines the fundamental suitability of the early detection system for risk integrated into the risk management system to identify at an early stage any risks that pose a threat to the company's survival. In addition, it reports to the Supervisory Board about any potential weaknesses in the internal control system.

[14] The appropriateness and effectiveness of the entire internal control system and the risk management system of SNP were not part of the statutory audit, with the exception of the internal control system for accounting and the risk early warning system.

RISKS

In the reporting period, new individual risks have arisen compared to the previous year, which neither individually nor combined endanger the company's existence. These risks are detailed below, in particular under "economic and political risks" and "legal risks".

	Risk category average result	
Risk category	**2024**	**2023**
Growth risks	C	C
Personnel risks	C	C
IT risks	C	C
Legal risks	B	B
Insurance risks	C	C
Risks of technological development	C	C
Sales risks	C	C
Operational risks	B	B
Risk of dependence on individual customers and industries	C	C
Economic and political risks	B	A
Risks of dependence on SAP SE	B	B
Financial risks		
Liquidity risk	B	B
Currency risk	B	B
Credit risk (default risk)	C	C
Risk of goodwill impairment	B	B
Interest rate risk	C	C
Other financial risks	C	C
ESG	C	-

Economic and Political Risks

Uncertainty in the global economy and the financial markets, rising energy prices, social and political instability – such as due to conflicts, terror attacks, civil unrest, war, international conflicts, pandemics, trade conflicts with Russia, China, the United Kingdom and the USA – as well as the need for adaptation in sectors of individual mobility or with high energy requirements, may adversely affect or have a negative impact on our business activities, our financial and earnings position and our cash flows.

The economic impacts of political risks for our business are likely to be midrange at least. As an indirect consequence of the political instability caused by factors including the conflict between Russia and Ukraine, we ascertained in 2022 that our customers have in some cases placed smaller-volume orders on the grounds of caution. This development did not intensify further in 2023 and 2024. If the political instability deteriorates any further, this might lead to increased postponement or cancellation of projects. We are generally able to deal with the indirect effect of higher inflation levels and thus cost increases – which are mainly due to the above-mentioned conflict – by means of price adjustments on the revenue side.

Possible restrictions on travel and mobility, as well as illness-related employee absences, could lead to additional strains on our financial and earnings position and our cash flows. However, the coronavirus crisis has shown that the SNP Group's previously very travel-intensive business model still works well under travel and mobility restrictions and without direct customer contact since consulting and other services can be digitalized and thus offered and implemented regardless of location.

SNP's customers are primarily large companies and multinational corporations. Economic cycles influence the business and investment behavior of these companies. Therefore, the global economic trend may affect the success of SNP's business. Cost reduction measures and investment freezes for IT projects on the part of customers can lead to project delays and/or cancellations. SNP tries to mitigate this market risk through regional diversification.

However, the diversification effect has limited impact during a global crisis. We therefore aim to counter these risks through measures such as monitoring the market so we are able to respond to serious changes, if necessary, by quickly adjusting our corporate and cost structure.

In addition, over the course of the year, SNP is subject to the typical business cycles for the IT sector. This usually means a very strong level of demand in the fourth quarter. To be able to flexibly react to fluctuations in demand, external resources are used to handle peak demand.

Since the company's capacities, particularly in the Services business segment, are largely fixed over the entire year in order to accommodate expected peak demand, heightened risk exists here if short-term changes in our customers' investment behavior should occur. SNP tries to mitigate these risks by using external resources. In the year under review, expense in the amount of € 20.5 million (previous year: € 20.4 million) was incurred for the use of external service providers in projects. SNP likewise seeks to reduce risks and their negative effects by continuously increasing the proportion of maintenance fees and recurring revenue and thus revenue that can be more easily planned for. Cloud and maintenance fees for SNP's own software products thus increased by € 6.2 million or around 37% in 2024 to € 23.0 million (previous year: € 16.9 million).

Similarly, it cannot be ruled out that in the Software business segment, scheduled software sales may fall through over the short term or purchase decisions by customers may be postponed, influencing the company's target achievement. SNP tries to reduce this risk through greater diversification of software products, by strengthening its license models providing recurring revenue and through stronger marketing of all of its software products. In the 2024 fiscal year, revenue from SNP's inhouse products amounted to € 84.4 million (previous year: € 66.0 million).

Moreover, non-payment by customers is possible in the event of protracted periods of instability. SNP addresses this risk by means of a large number of individual measures, such as credit checks, adjustments to milestone planning, active receivables management, hedging, etc.

SNP classifies the economic and political risks – in particular, due to the uncertainty associated with the development of political risks and the related indirect effects – unchanged as moderate.

Risks of Technology Development

With its portfolio of products and services, SNP offers specific solutions for the data transformation of ERP landscapes. It therefore focuses on a niche market. The possibility exists that another provider may offer better or less expensive solutions so that SNP loses market share or is driven from the market entirely. SNP counters this risk by developing new products and by continuously refining and improving existing products. In 2024, research and development costs as a percentage of revenue were around 9.8% (previous year: around 11.3%). Given the complexity of SNP products and processes and the short innovation cycles, we believe the company has managed to achieve an innovation lead. The complexity also makes it difficult to imitate products and processes.

The earnings position of SNP mainly depends on its success in adapting its products to changes in the market and achieving a rapid amortization of new products and services. Revenue and earnings may be adversely affected if technologies do not function properly, do not encounter the expected market acceptance or are not launched in the market at the right time.

By networking sales and the Services business segment with the Research & Development (R&D) department, the company has so far been able to recognize changes in the market promptly and develop market-driven and therefore market-relevant product innovations.

SNP classifies the technological risks unchanged as a slight risk.

Operational Risks

The implementation of projects in the ERP transformation market is frequently associated with a considerable deployment of resources by customers and is subject to a variety of risks that are sometimes beyond SNP's control. These include a lack of resources, system availability and unplanned reorganization measures for current projects, or project postponements or cancellations by our customers. Our products and consulting services are used in very sensitive areas affecting our customers' ERP systems. Product errors or mistakes made in transformation projects have the potential to cause significant damage, such as a temporary loss of production. These errors or mistakes can be caused by employees with inadequate qualifications and training, by carelessness or by insufficient consultation with the customer. In order to minimize project risks, the SNP Group and its customers generally choose to use a modular approach, dividing projects into separate sub-projects. In addition, numerous test runs are planned during projects to prevent potential errors. SNP also conducts regular training sessions for employees, performs quality controls as part of its projects and assigns employees to projects based on their knowledge in order to ensure the high quality of its work.

The remaining risks through conventional liability scenarios are mitigated by insurance coverage.

SNP continues to classify the operating risks as a moderate risk.

Risks of Dependence on SAP SE

currently strongly linked to the acceptance and market penetration of the standard ERP software of SAP SE. The risk exists that SAP SE solutions may be supplanted by competing products. Such a development would have at least an indirect negative impact on SNP's business success.

However, the danger of a sudden collapse of the fundamentals for the market is regarded as minimal. Given the high investment of time and expense associated with a new installation of standard enterprise software, management anticipates that it will have sufficient time to realign its product offerings in response to changes in the market.

The SNP Group is constantly developing its product portfolio and increasingly orienting it toward solutions for a cloud-distributed system landscape. In the process, the company is tapping into additional potential revenue sources while simultaneously reducing its dependence on SAP SE.

SNP continues to classify the risks of dependence on SAP SE as moderate.

Growth Risks

SNP continues to position itself for organic and inorganic growth. Company acquisitions may lead to a significant increase in SNP's value. However, there is a risk that it may not be possible to successfully integrate an acquired company into the SNP Group.

Furthermore, acquired companies or business areas may not develop as expected following their integration. In this case, the depreciation and amortization of such assets could impair earnings. Similarly, the risk exists that certain markets or sectors may offer only limited growth potential, contrary to expectations, or that the costs for entering a market are higher than expected. SNP usually protects itself against this risk by arranging variable purchase price components or purchase price retentions that are linked to future performance indicators. In order to preserve liquidity and hedge related risks, SNP generally does not initially acquire all of the shares in companies straight away. It also monitors any market entries closely with various individual measures.

SNP continues to classify the growth risks as slight.

Personnel Risks

SNP employees and their skills are of fundamental importance to the success of the company. Therefore, the loss of important employees in strategic positions is a significant risk factor. Furthermore, competition for qualified IT specialists continues unabated and could lead to shortages and rising personnel costs.

In order to mitigate this risk, SNP strives to offer a motivational work environment that enables existing employees to develop their abilities and realize their full potential.

This includes a range of individualized continuing education opportunities and attractive incentive programs. In addition, the company continually attempts to identify and hire suitable employees, and retain them on a long-term basis. Further measures include university marketing programs as well as regular performance reviews and employee events.

Moreover, SNP trains young professionals in customized training programs on a regular basis. As of December 31, 2024, SNP employed 42 students and trainees (previous year: 40).

Not least due to health hazards such as flu epidemics and the coronavirus, there are risks to employees' ability to work. SNP implements appropriate countermeasures in light of the given situation. These include mobile work and a large number of additional rigorous protective measures.

However, safeguarding against overall personnel risk is possible only to a limited extent. SNP continues to classify the personnel risks as slight.

Insurance Risks

SNP has hedged against potential losses and liability risks by taking out appropriate insurance coverage. However, additional liability obligations or damages could arise that are unknown at the current time or could be economically disproportionate to the level of insurance coverage. The scope of insurance coverage is continuously reviewed in light of the probability that certain risks may occur and adjusted if necessary.

SNP continues to classify the insurance risks as slight.

Legal and Compliance Risks

Legal risks primarily involve matters of company law, labor law, commercial and trademark law, contract law, product liability law, data protection law, capital market law and cases of changes to relevant existing laws and their interpretations. A violation of an existing provision may occur as a result of ignorance or negligence. SNP uses external service providers and experts and takes out insurance policies to minimize most of these risks. SNP has its own internal legal department staffed by in-house legal experts. It is advised by these legal experts as well as external legal experts. In 2021, SNP adopted a policy of identifying and assessing compliance risks separately. Legal disputes can lead to significant costs and damage to the company's image even if the company's legal position is vindicated.

As part of its ordinary business activities, SNP is confronted with lawsuits and court proceedings. As of the reporting date of December 31, 2024, pending legal disputes mainly relate to proceedings involving current or former employees and the community of heirs of Dr. Andreas Schneider-Neureither. Due to the factoring and assignment agreement approved by a large majority at the Annual General Meeting in 2024, the proceedings with the community of heirs are materially concluded for SNP.

The employment law proceedings primarily relate to disputes over termination of employment. SNP reviews these cases in great detail and conducts the proceedings in line with the compliance requirements and taking the litigation risk into account. The legal consequences could include legal defense costs and compensation claims.

As of December 31, 2024, other significant legal risks from lawsuits and third-party claims did not exist. The negative effects expected to arise from unresolved employment law disputes have been taken into account in the “provisions” and “other liabilities” line items.

SNP continues to classify the legal risks as moderate.

Sales Risks

SNP’s software products are sold by SNP’s in-house sales team as well as through partners such as system integrators and consultants. The success of marketing by the inhouse sales team or these partners is determined particularly by specific market conditions, such as the availability of competing products, the general demand for standard software products for transformation projects and further products and the company’s own product positioning in the market.

Marketing via third parties also carries the general risk that the relevant products are not sold with the commitment that SNP expects. Another risk is that distributors may terminate partnerships against the wishes of SNP. This could lead to medium-term substitution problems and to significantly higher sales expenses. In addition to a strong inhouse sales team, SNP seeks to reduce this risk by carefully selecting strategic partners and through extensive partner enablement initiatives. In addition, strategic partners undergo a qualification process.

As of December 31, 2024, sales employees represented around 12% of the overall workforce (December 31, 2023: around 9%).

SNP continues to classify the sales risks as slight.

Risk of Dependence on Individual Customers and Industries

A heavy reliance on individual customers and industries can put considerable pressure on earnings if orders are lost, as it means that the company does not have enough options available to compensate for these losses.

As in the previous year, no customer generated revenue in the 2024 fiscal year that exceeded 10% of total revenue.

The SNP Group has also established a position for itself that does not rely on one particular industry thanks to a very loyal customer base that is constantly growing and includes a large number of renowned major companies. SNP continues to classify the risk of dependence on individual industries and on individual customers as slight.

IT Risks

SNP runs its own IT systems and works on its customers’ IT systems when performing its business activities. The failure of these IT systems or the loss and theft of data or IP caused, for example, by malware, virtual attacks using new technologies such as artificial intelligence, or destruction, could have material adverse impacts on our business activities or on our financial and earnings po-si-tion and our cash flows. SNP takes a whole range of measures to protect against IT risks. These include systematically bringing our security mechanisms into line with the relevant IT security standards, taking numerous technical security precautions and conducting security training sessions for our employees. In addition, SNP’s information security management system at its head office in Heidel-berg is certified by TÜV Süd according to ISO 27001 and has completed a TISAX assessment. However, we cannot entirely rule out a scenario in which IT risks materialize. Because of the new threat of attacks using artificial intelligence, which is becoming increasingly accessible and powerful, SNP currently classifies IT risks as moderate (previous year: low).

Financial Risks

- **Credit Risk (Default Risk)**
  SNP is constantly working on improving receivables management and intensively monitors the creditworthiness of its major customers. In order to reduce the default risk, the company requires deposits for individual projects that are in line with their respective significance, as well as invoices for milestones reached. As a result, credit risks exist only for the remaining amount owed.

  SNP continues to classify the credit risk as a slight risk.

- **Liquidity Risk/Interest Rate Risk**
  SNP has sufficient cash and cash equivalents, which are available on a daily basis or relate exclusively to investments in term deposits, overnight money or similar conservative products with maturities of up to one year. Consequently, the interest rate risk associated with such financial investments is negligible. Given the low rate of interest accruing to the specified forms of investment, SNP is exposed to the risk of a loss in purchasing power from the liquid funds it is holding in case of a concurrently high rate of price inflation (inflation rate). The default risk posed by business partners, with whom SNP has made deposits or concluded derivative financial contracts, is minimized by regular credit checks of the relevant institutions.

  SNP is financed through equity and external funds. As of December 31, 2024, its equity ratio amounts to 44.1% (previous year: 41.5%), while interest-bearing external funds account for 19.4% of total assets (previous year: 25.0%). Apart from additional loans, the interest-bearing external funds mainly result from promissory note loans, with a total nominal value of € 32.5 million and maturities extending until 2027. The promissory note loans have a variable interest rate (basic interest rate plus 6-month Euribor). If the 6-month Euribor rises, ceteris paribus SNP will incur a higher volume of interest expense.

  Almost all loan agreements feature mandatory financial covenants, as is common practice in the industry, based on the figures reported in the consolidated financial statements. In the event of the financial covenants being breached, the lenders are in some cases contractually entitled to terminate the loans immediately. In some cases, there is a possibility of curing the breach twice during the term of the agreement for the coming half-year. In this respect, SNP is subject to an interest rate risk and to the risk of termination and the associated liquidity risk. SNP monitors and forecasts the financial covenants on a regular basis in order to take any suitable countermeasures when required.

  In the context of a very positive development of operating cash flow and an associated cash and cash equivalents volume of € 72.5 million, the receivables and contract assets portfolio, the successful measures implemented to strengthen liquidity and a solid financing structure, management currently classifies the liquidity risk as low (previous year: moderate).

- **Currency Risk**
  The The euro is the functional currency of SNP SE and the reporting currency of the consolidated financial statements. A result of the Group's increasing internationalization outside the eurozone is that its operating business and financial transactions in foreign currencies involve fluctuations in exchange rates. Operating business and financial transactions must be converted into our Group reporting currency, the euro. Exchange rate risks, which arise from orders from and loans to subsidiaries outside the eurozone,

relate primarily to the abso-lute amount of the key figures reported in euros. The realization of currency risks might have a significant impact on our business activities, our financial and earnings position and our cash flows. The transactions of the subsidiary in Argentina, with its persistent hyper-inflation and associated significant currency exchange rate markdown, expose SNP to this risk in particular. In this context, SNP reviews the needs-based use of derivative financial instruments in order to avert potential foreign currency risks. As of December 31, 2024, no financial derivatives to hedge currency risks were in use.

SNP continues to classify the currency risk as a moderate risk.

- **Risk of Goodwill Impairment**

The "goodwill" balance sheet item comes to € 78.7 million as of December 31, 2024 (previous year: € 68.0 million). Goodwill is the result of various business combinations in the past and is measured at cost upon first-time recognition. Cost is calculated as the excess cost resulting from the business combinations over the Group's share of the fair value of acquired identifiable assets, liabilities and contingent liabilities. Goodwill is tested for impairment at least once a year. Impairment tests are also implemented if issues or changes in circumstances indicate the possibility of impairment. For the purpose of impairment testing, the goodwill acquired from a business combination is assigned to cash-generating units of the Group that are expected to benefit from Group synergies. The impairment is determined by calculating the recoverable amount of the cash-generating unit to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Goodwill was predominantly assigned to the Services business segment for the purpose of impairment testing.

There is a risk that, in the event of negative developments, the recoverable amounts of the individual segments may be lower than their carrying amounts. Resulting goodwill impairment could put considerable pressure on our earnings.

In light of the positive revenue and earnings performance in all business segments, the management currently classifies the risk of goodwill impairment as a low risk (previous year: moderate risk).

- **Risk of Impairment of Investments**

The "Shares in affiliated companies" balance sheet item in the annual financial statements of SNP SE in accordance with the HGB amounts to € 107.8 million on December 31, 2024 (previous year: € 108.1 million). The investments are tested for impairment at least once a year. Impairment tests are also implemented if issues or changes in circumstances indicate the possibility of impairment of the carrying amount of an investment. Impairment is determined by comparing the recoverable amount of the investment with its carrying amount. If the recoverable amount of the investment is less than the carrying amount, an impairment loss is recognized. The resulting impairment of the balance sheet item "Shares in affiliated companies" may significantly impair the result of the annual financial statements of SNP SE. In the current fiscal year, impairment of shares in affiliated companies was recognized in the amount of € 2.7 million (previous year: € 2.0 million).

SNP classifies the risk of impairment of goodwill and investments as a low risk (previous year: medium risk), assuming that business progresses according to plan due to the continued increase in business success despite the difficult market environment.

ESG

SNP's business activities as a non-manufacturing company have a barely measurable environmental impact, aside from travel and energy consumption in office premises. The other aspects are already identified in the preceding risk categories. SNP therefore classifies the separate ESG risks as low. For information on compliance and employee matters, please refer to the chapters “Combating corruption and bribery” and “Company workforce” in the consolidated non-financial statement.

OPPORTUNITIES

Faced with complex data transformation projects, our customers rely upon SNP as a trusted partner. We are confident in our ability to continuously surpass our customers’ expectations and to achieve steady growth through continuous, agile innovations by exploiting new opportunities for our company on an ongoing basis.

In addition to identifying and managing risks, recognizing and developing opportunities is an important area of focus for the management from the point of view of the development of the SNP Group. Various formats and working groups – comprising the Executive Board, Board of Directors, the management teams of Group companies and product and regional managers – ensure that new business opportunities are systematically pursued. These formats develop new ideas and business models for new or existing industries, solutions and regions.

It is essential for us to maintain a balance between implementing risk mitigation measures and capitalizing on promising opportunities to enhance shareholder value. We thus have solid management structures in place to ensure that we factor into our decision-making the rate of return, the investments required and the necessary risk limitation measures.

Where it is probable that opportunities will be realized, we have included them in our business plans and our outlook for 2025, which are set out in this report.

The following section therefore focuses on future trends or events that may result in a positive deviation from our outlook in the event that these trends or events surpass our forecasts.

SNP SE is the parent company of the SNP Group and generates cash inflows primarily from subscription and license fees, maintenance revenue, shared service remu-neration and dividend payments from subsidiaries. The opportunities described below therefore likewise apply to it, either directly or indirectly.

Opportunities Thanks to the Economic Environment

The economic environment has a significant impact on our business, our financial and earnings position as well as on our cash flows. In the event that the economies of some countries perform better than forecast or the world economy recovers more rapidly, for example from the uncertainties caused by conflicts, than we have assumed in our planning, our revenue and our earnings position may surpass our current forecast accordingly.

Our forecast report provides further information on the expected global economic trend and the outlook for the IT market and its potential impact on SNP.

Opportunities Through Innovation

SNP aims to generate profitable growth by means of its software and consulting portfolio and thus significantly improve its market position. We intend to continue expanding our target market by means of enhancements and adjustments to our software, and the strength of our new technologies and innovations.

Our innovation-driven growth is based on the effective use of our research and development capabilities. We are continuously improving our products and solutions and we work very closely with our customers and partners during the development phase.

In view of this, we have extended the range of functions of the previous CrystalBridge® SNP software to include the new SNP Kyano technology platform. SNP Kyano integrates technical possibilities and partner offerings for software-based end-to-end data migration and management. In conjunction with the BLUEFIELD approach, Kyano offers a method for restructuring and modernizing SAP-centric IT landscapes that is based on data-driven innovations.

SNP Kyano enhances our customers' business agility to enable them to respond more quickly to market changes and technical innovation.

For instance, the faster introduction of technologies that support companies' digital transformation processes and their agility may provide additional applications for customers and partners.

You will find further information on our future opportunities in the area of research and development in the Research and Development and the business model sections of this report.

Opportunities Resulting from Our Strong Partner Network

Over the past few years, we have been constantly improving our software and increasing the level of automation in transformation projects while also making its application significantly easier. On this basis, we intend to take great strides forward in the use of our software approach via strategic partnerships.

This strategic focus means that our partner network has become even more important. We have therefore developed a partner strategy in order to convince IT consulting firms, system houses and hyperscalers of the benefits of our software and, on this basis, to develop innovative concepts for their customers. We intend to extensively communicate our unique selling points to the market, working with and through third parties, to exploit our growth potential and to significantly scale up and increase our software and license revenue.

By working with partners, we are able to win new customers, expand our presence in existing markets and industries, as well as develop new markets and offer a wide variety of SNP Kyano-based solutions and applications.

The measures which we pursue within the scope of our partner strategy with the goals of improving the level of satisfaction among our partners and their customers, reducing the costs that they incur for data transformation projects and establishing new opportunities for innovation meet with a positive response from our partners, which is evident from the marked increase in revenue with partners.

Our partners contribute their expertise in specific sectors to our portfolio of cloud applications that are tailored to the requirements of particular sectors. They use these applications as a starting point for their own innovations and thus contribute to the progress of the software-supported data transformation process within the SAP environment.

The combined effect of all of the above-mentioned measures in the partner environment might have a positive impact on our revenue, earnings position and cash flows and may lead us to surpass our current forecast.

Opportunities Thanks to Our Employees

Our employees safeguard the process of innovation, offer our customers added value and establish the preconditions for our company's growth and profitability. As described in the ESRS sustainability statement, we continuously invest in our employees in order to maintain their high level of commitment in the long term, provide them with additional skills and promote an agile and innovative company, good health, diversity and inclusion among our workforce, alongside our commitment to society at large. We expect this to enhance our employees' productivity and their capacity for innovation.

Our outlook is based on certain assumptions regarding employee retention. In the event that these assumptions are surpassed, this may result in an increased level of productivity and a higher level of employee commitment. This could lead us to surpass the goals we presented for the 2025 fiscal year.

Further information on our future opportunities thanks to our employees can be found in the ESRS sustainability statement as part of this combined management report.

Opportunities in the ESG area

Opportunities in the area of ESG arise primarily from issues relating to our workforce, which have already been described in the previous section. SNP also evaluates opportunities for sustainable product innovations.

Opportunities Resulting from Acquisitions

New acquisitions give rise to additional market and sales opportunities for SNP to augment its strategic range of products and solutions, to penetrate new sales markets, to gain technical expertise and to expand capacity. In the past, SNP acquired several companies, which now are helping improve our market penetration. A targeted market survey in search of possible target companies is an objective of SNP's corporate strategy.

Further successful acquisitions may have a significant positive impact on our financial position and financial performance. Since such opportunities are very difficult to plan for, they have only been included in our revenue and earnings forecasts where the transactions in question are already sufficiently far advanced.

Overall Statement on the Risk and Opportunity Situation

Overall, we consider our risks to be limited and largely calculable. Based on available information, in the view of the Executive Board there are currently and in the foreseeable future no significant individual risks whose occurrence would presumably endanger the existence of the Group or a significant Group company.

SNP is of the opinion that its internal control system and risk management system were appropriate and effective in the year under review.[15]

For 2024, the aggregated risk-bearing capacity levels were defined as no more than 50% of equity and 50% of liquidity. These KPIs were met in the reporting year.

Given current business fundamentals and the company's solid financial structure, management does not believe that the totality of individual risks poses a threat to the ongoing survival of the SNP Group.

We want to make targeted use of the opportunities that present themselves, allowing us to drive SNP's further growth.

No risks that could jeopardize the company's continued existence occurred during the 2024 fiscal year and none are currently foreseeable.

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[15] The appropriateness and effectiveness of the entire internal control system and the risk management system of SNP were not part of the statutory audit, with the exception of the internal con-trol system for accounting and the risk early warning system

Success Story

Coop

„SNP exceeded our expectations by completing the migration of our SAP systems to the cloud in just 10 hours, well ahead of the planned downtime. The entire process went smoothly, allowing us to seamlessly continue our operations with enhanced performance and reliability."

Stefan Gempp,
Head of IT Systems for Purchasing/Master Data/ Promotions, Coop

Scan the QR code
and learn more about
the successful project.

Group Non-Financial Report

General Information

BASIS FOR THE Group Non-Financial Report [1] [2]

This Group Non-Financial Report of SNP Schneider-Neureither & Partner SE (hereinafter SNP) provides information on the development of sustainability topics in the 2024 fiscal year (January 1 to December 31). As the parent company of the SNP Group, SNP SE produces the Group Non-Financial Report at Group level. The companies included correspond to the group of consolidated companies in the consolidated financial statements. This Group Non-Financial Report complies with the statutory requirements set out in Section 315c in conjunction with Section 289c to e of the German Commercial Code (HGB) and covers the information which has been deemed material for an understanding of our company's business performance, operating results and position (business relevance) and the impacts on non-financial aspects (impact relevance). Unlike in the previous year, SNP has used the Corporate Sustainability Reporting Directive ("CSRD") and the European Sustainability Reporting Standards ("ESRS") as frameworks in the reporting year. In particular, it has done so in view of the expected transposition of the CSRD into German law in 2024. For this reason, for the determination of materiality the ESRS double materiality assessment concept was applied in the reporting year. For the determination of material impacts, risks and opportunities (IROs), as well as the SNP Group's own business activities SNP also took into account its upstream and downstream value chain. On the basis of the identified material impacts, risks and opportunities, the policies, actions and objectives described in the following report mainly refer to our own business activities. No information relating to intellectual property, know-how or results of innovation has been omitted (cf. ESRS 1, 7.7). In addition, in accordance with Article 8 of Regulation 2020/852 of the European Parliament and of the Council of the European Union ("EU Taxonomy"), the SNP Group discloses the extent to which the Group's activities are related to economic activities that qualify as environmentally sustainable under this Regulation. No significant non-financial performance indicators within the meaning of Section 289c (3) (5) in conjunction with Section 315c (1) of the HGB relevant to business activities were implemented in the reporting period that concerned the "climate change" and "own workforce" ESRS topics which are deemed material. Nor did we identify any material risks in connection with our own business activities, business relationships or products and services that very likely have, or will have, a significant negative impact on the non-financial issues cited in Section 289c (2) of the HGB.

The five issues specified in Section 289c of the HGB are incorporated as follows within the topics identified as material in the ESRS:

ASPECT LISTED IN SECTION 289C OF THE HGB	LOCATION IN THE REPORT
Environmental matters	ESRS E1 - Climate change
Employee matters	ESRS S1 – Own workforce
Social matters	Not material
Respect for human rights	ESRS S1 – Own workforce
Measures to combat corruption and bribery	Measures to combat corruption and bribery

The aspect of measures to combat corruption and bribery is deemed not material according to the ESRS. SNP has reported on this on the basis of Section 289c of the HGB.

[1] BP-1
[2] BP-2

As a provider of software and consulting services for digital transformation, we have a less extensive upstream value chain than would be the case for manufacturing industry. We therefore only have a small volume of physical input goods. The SNP Group's own activities comprise its workforce, its administrative and governance-related processes and the revenue-generating activities in our three business segments. We have two downstream distribution channels for our services. As well as B2B[3] business, cooperation with partners is a strategic business field of the SNP Group. A detailed overview of the SNP Group's value chain is provided in the "Strategy, business model and value chain" chapter (SBM-1). Quantitative and qualitative information provided in this report covers the section of the value chain which is relevant in each case. This is specified at the appropriate place in the report.

Sustainability is already an integral component of our Group strategy, our Group-wide guidelines and our Group-wide risk assessment. The SNP Group aims to further expand this and to establish it even more deeply in our processes. Continuous dialogue with customers, partners, suppliers, employees and all other stakeholder groups remains a material aspect of our sustainable activities. We are confident that this will make a major contribution to our long-term success.

In collecting data, we obtain all of the information which is necessary in order to comply with our disclosure requirements. Due to the date of our report and technical restrictions affecting the availability of data, in some cases it was necessary to rely upon estimates (cf. ESRS 1.68).

DATAPOINT	LOCATION
Energy consumption and mix	E1-5
Direct emissions (Scope 1)	E1-6
Indirect emissions from purchased electricity (Scope 2)	E1-6
Purchased goods and services (Scope 3)	E1-6
Capital goods (Scope 3)	E1-6
Fuel- and energy-related activities (not included in Scope 1 or Scope 2) (Scope 3)	E1-6
Business travel (Scope 3)	E1-6
Employee commuting (Scope 3)	E1-6
Upstream leased assets (Scope 3)	E1-6

The disclosure requirements pursuant to ESRS 2 BP-2 10 b – d and ESRS 2 BP-2 11 a – b are fulfilled in the topic-specific disclosures.

The following disclosure requirements and datapoints have been incorporated in this report by reference pursuant to ESRS 1 section 9.1:

DATAPOINT	LOCATION
GOV-1 19: Competence profile of the Supervisory Board	Chapter "Corporate governance - Competence profile of the Supervisory Board and its committees" in the annual report

The contents of this report have been subjected to an independent business audit with limited assurance, which was carried out by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft. This audit firm has applied the "International Standard on Assurance Engagements 3000 (revised)". This report also includes references to SNP Group websites where further information can be found. These are not a component of this Group Non-Financial Report and have thus not been audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft.

[3] Business-to-business

ROLE OF SUSTAINABILITY AND RELATED RESPONSIBILITY WITHIN THE SCOPE OF BUSINESS CONDUCT [4] [5]

In the reporting period, the Executive Board and the Supervisory Board were regularly (at least quarterly) informed of sustainability-related issues of relevance for the SNP Group. This includes reporting on the sustainability matters identified as material within the scope of the double materiality assessment which was carried out in 2024. The Executive Board and the Supervisory Board considered all of the material IROs of the SNP Group in the reporting year. These comprised the following:

- The SNP Group's contribution to climate change via carbon emissions
- The SNP Group's energy consumption
- Impacts on the employees of the SNP Group in the area of working conditions and equal treatment and opportunities

This structured and regular reporting ensured that sustainability matters are an integral aspect of the company's strategic decision-making processes and are continuously dealt with at the highest level. The Projects and Processes department which reports to SNP's CFO is responsible for carrying out the Group's double materiality assessment. The steps required for this purpose (incl. stakeholder analysis, definition of the value chain, performance of the materiality assessment) are based on processes documented in writing. The results of the double materiality assessment are approved by the CFO and presented to the Audit Committee. The Committee is able to comment and ask questions about the process and its results at any time. The Projects and Processes department coordinates the reporting on the sustainability issues which are identified as material. Finance, the Legal department, Human Resources as well as Real Estate and Fleet Management played a key role in this process. These departments provided qualitative and quantitative information to the Projects and Processes department, which in turn consolidated and processed this information. The consolidated data and information were subsequently presented to the Executive Board and the Supervisory Board. The material IROs are likewise managed by the responsible departments; for instance, Human Resources does so in relation to the company's own workforce.

Composition and Responsibilities of the Supervisory Board

The following three persons serve on SNP's Supervisory Board: Dr. Karl Benedikt Biesinger (Chairman of the Supervisory Board), Prof. Dr. Thorsten Grenz and Mr. Peter Maier. The members of the Supervisory Board perform their activity in a non-executive capacity.

The persons who serve on the Supervisory Board likewise serve as the members of the Audit Committee. The Audit Committee is chaired by the Deputy Chairman of the Supervisory Board, Prof. Dr. Thorsten Grenz. As financial experts, Prof. Thorsten Grenz and Dr. Karl Benedikt Biesinger have the necessary expertise in the areas of accounting and auditing; Prof. Thorsten Grenz is also familiar with auditing of sustainability reporting.

The Audit Committee is responsible for monitoring the IROs which are identified as material. The process and the results of the double materiality assessment were continuously presented to the Audit Committee and the Supervisory Board over the course of the reporting year

[4] GOV-1
[5] GOV-2

and they continuously discussed them. In addition, the Supervisory Board was kept informed at its meetings regarding the status of the sustainability reporting, while complying in full with the ESRS. Moreover, the members of the Supervisory Board were notified on a quarterly basis of results and current developments within the scope of the SNP Group's risk management.

The Supervisory Board has set specific objectives for its composition and developed a corresponding profile of skills and expertise for the entire Board and, in particular, its Audit Committee, which is aligned with the recommendations of the current version of the German Corporate Governance Code. The Group operates in a globalized market where the Supervisory Board members' relevant experience and abilities are not tied to specific geographical regions. Since our products and services do not require any specific geographical knowledge, our Supervisory Board members' expertise is based on industry knowledge, product expertise, and strategic leadership skills which are applicable worldwide. The individual areas of responsibility and the status of implementation of the objectives set, as well as the assessment of the independence of the shareholder representatives on the Supervisory Board are presented as a matrix in the "Corporate Governance" chapter of the annual report.

In the reporting period, the proportion of independent members of the company's supervisory body was 66.67%. The proportion of women was 0%.

The Supervisory Board did not have any explicit employee representation in the reporting year. SNP SE is not subject to any statutory obligation in this respect.

Composition and Responsibilities of the Executive Board

SNP's Executive Board has two members. The members of the Executive Board perform their activity in an executive capacity.

The company's CEO Dr. Jens Amail has extensive industry knowledge and transformation expertise in the international software and IT services sector.

SNP's CFO Andreas Röderer has many years of industry-specific experience obtained in the finance department of an international software provider and in the audit field.

The proportion of women on the Executive Board in the reporting period was 0%.

Within the Executive Board, Andreas Röderer is responsible for monitoring and managing sustainability-related impacts, risks and opportunities. The CFO was provided with additional supporting expertise for this purpose in the reporting year (two full-time positions). These persons are charged with more strongly integrating sustainability within the company's processes and strategy. A direct reporting line to the CFO and weekly meetings ensured that current sustainability-related developments and issues were promptly addressed in the reporting year. The expert personnel which the company's CFO has acquired are assisting SNP with matters such as the identification, the reporting and, in due course, the management of climate-related indicators. This is intended to enable us, in the future, to positively influence our contribution to climate change mitigation by reducing our carbon emissions and energy consumption. In addition, in its Human Resources department SNP has experts who have comprehensive knowledge of employee matters at our company and are continuously working on the ongoing development of our policies and actions.

STATEMENT ON DUE DILIGENCE [6]

CORE ELEMENTS OF DUE DILIGENCE	LOCATION
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1
	ESRS 2 GOV-2
	ESRS 2 GOV-3
	ESRS 2 SBM-1
	ESRS 2 SBM-3
	Measures to combat corruption and bribery
Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2
	ESRS 2 SBM-2
	ESRS 2 IRO-1
	Measures to combat corruption and bribery
Identifying and assessing adverse impacts	ESRS 2 SBM-3
	ESRS-2 IRO-1
	Measures to combat corruption and bribery
Taking actions to address those adverse impacts	ESRS E1-3
	ESRS S1-4
	Measures to combat corruption and bribery
Tracking the effectiveness of these efforts and communi-cating	GOV-3
	ESRS E1-5
	ESRS E1-6
	ESRS S1-6
	ESRS S1-9
	ESRS S1-17
	Measures to combat corruption and bribery

[6] GOV-4

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES [7]

In 2023, SNP SE changed over from a one-tier management system to a dual-tier management system. The system for the remuneration of members of the Executive Board is based on the size, complexity and economic situation of the company, as well as its future prospects. It is also aligned with the company's corporate strategy and thus incentivizes successful and sustainable business conduct. At the same time, the remuneration system reflects the Executive Board members' challenging task of managing and expanding a global company in the dynamic and innovation-driven software industry. With this in mind, the system is intended to enable a level of remuneration which is competitive and can be adjusted in line with the respective areas of responsibility of the members of the Executive Board (while at all times ensuring that the company is managed on a financially sustainable basis) so as to enable SNP SE to attract highly qualified managers.

For this reason, the remuneration system is based on transparent, performance-based parameters which reflect the company's performance as well as sustainability. Long-term variable remuneration accounts for a greater portion of the total remuneration amount than short-term variable remuneration, thus emphasizing the company's long-term development.

Sustainability-related performance indicators are an integral component of SNP SE's remuneration policy. The company's ESG objectives are included in the performance targets for its multi-year variable remuneration (LTI). The defined objectives aim to promote sustainable business conduct and safeguard the company's long-term success. The proportion of variable remuneration which depends on sustainability-related objectives corresponds to 20% of the multi-year variable remuneration (LTI). This weighting reflects the significance which the company attributes to the achievement of ESG objectives and encourages it to align its business conduct with sustainable practices. SNP SE's Supervisory Board is responsible for the approval and updating of the incentive schemes. The Supervisory Board ensures that the targets are challenging and ambitious and are in line with the company's strategic objectives. This governance structure ensures that the incentive schemes effectively contribute to the promotion of the company's objectives.

Two ESG-related objectives had already been defined in the 2024 reporting year. These related to the promotion of the proportion of women in the company. These two objectives are set out in further detail in the "Own work-force – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities" chapter of this report.

No climate-related considerations were included in the remuneration of the administrative, management and supervisory bodies of the SNP Group in the reporting year.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING [8]

In the reporting year, for the first-time preparation of the Group Non-Financial Report while fully complying with the ESRS, the reporting processes were expanded in addition to the requirements of the German Commer-

[7] GOV-3
[8] GOV-5

cial Code (HGB) and the German CSR Directive Implementation Act (CSR-RUG). A multi-division project team ensured that the technical requirements of the new regulatory system were duly considered. We are currently establishing our risk management system and internal controls in relation to CSRD-compliant sustainability reporting.

In the 2024 reporting year, the complexity of collecting data in various countries and regions and the need to ensure consistent and audit-proof data was considered a potential risk for the reporting process. The first-time collection of the Group-wide environmental indicators is particularly relevant here. Potential risks were identified prior to the collection of this data, in particular with regard to the completeness, availability and quality of the data, the approval and plausibility check processes which had not yet been consistently established, and the responsibilities which had not yet been established. These identified risks did not undergo any systematic assessment and prioritization in the reporting year.

To mitigate these risks, as a central coordinating unit the Projects and Processes department began to establish corresponding processes in advance of the reporting process. In particular, this encompassed the implementation of new processes and responsibilities, such as the expansion of the process documentation, the implementation of internal training and preparation for the growing requirements concerning the collection and reporting of ESG metrics. For this reason, the company's global ESG data, including stored audit and approval processes, was captured in the system. The company therefore already began to provide training for the affected departments in the reporting year. This included externally supervised training on how to use the systems utilized for this purpose as well as an introduction covering the requirement of local data collection. In addition, responsibilities were defined within the teams which are responsible for matters such as the collection and review of the environmental metrics. To minimize the reporting risks next year, we are planning to implement with final effect the actions initiated in the reporting year within our internal processes. This includes ensuring the completeness, availability and quality of the data by means of improved automated data collection and management processes integrated within the system. We will also work on improving the quality of our data and further reduce our use of estimates, where possible. This capture of ESG data within our system is supported by an externally provided tool. This is intended to ensure that the data owner and the expert adhere to the double-check principle. Following approval, the data is aggregated and undergoes a plausibility check before being incorporated in the report. Several datapoints, such as market-based Scope 2 emissions or Taxonomy information, have been collected outside of the above-mentioned tool. SNP endeavored to select reliable sources and estimates for the calculation of metrics which could not be determined on the basis of existing data. The metrics thus determined are subject to a degree of uncertainty. The texts have been prepared via a process of consultation between the sustainability reporting team and internal experts. The Executive Board was regularly notified of the current status of the data collection process and of the qualitative information. The Executive Board and the Supervisory Board have overarching responsibility for approval of the contents of this report.

STRATEGY, BUSINESS MODEL AND VALUE CHAIN [9]

SNP is a globally active provider of software for the management of complex digital transformation processes. Its proprietary software accelerates the secure transformation of IT landscapes and data structures and enables companies to adjust to the ever-faster changes in the market with agility. As an IT and software company, our upstream value chain is less extensive than in the case of the manufacturing industry. The SNP Group's input factors include IT hardware and software, the lease and operation of our office premises, office supplies and our vehicle pool. We emphasize compliance with sustainable and ethical procurement practices in our purchasing processes. Accordingly, topics such as human rights, labor standards, antidiscrimination and the environment are a firm part of our supplier code of conduct. We thus aim to ensure that our business partners comply with our own standards in relation to environmental and social responsibility.

The SNP Group's own activities comprise administrative and governance processes as well as the revenue-generating processes in our three business segments. In the **Services business segment**, we primarily offer consulting and training services for corporate transformation processes. In its **Software business segment**, the SNP Group generates revenue through software licenses and maintenance services. **EXA** generates its revenue through the sale of licenses and maintenance services and by providing consulting services.

Our globally diversified customer base comprises companies of various sizes and in various industries. SNP's customers cannot be allocated to any specific industry, since the Group's products and services can be used on a multi-sector basis, in any industry.

Moreover, by working with partners we are able to win new customers, expand our presence in existing markets and industries, develop new markets and offer a wide variety of SNP CrystalBridge-based solutions and applications.

The SNP Group has integrated sustainability above all in its policies which focus on its own workforce and which are described in detail in the "Own workforce" chapter. In addition, in 2025 it intends to more strongly implement sustainability in its processes, including in terms of measuring environmental impacts and purchasing processes. This is intended to address future challenges such as climate change and to improve the company's sustainability performance as well as increase the transparency of its reporting.

The sustainability objectives presented in the following report relate to our own business activities and are not explicitly linked to our products or services or to individual customer groups. The Management Report provides a detailed description of SNP's strategy, business model and purpose of business, including its key markets and customer groups. As of the reporting date December 31, 2024, SNP had 1,562 employees worldwide (2023: 1,432 employees).

[9] SBM-1

Regions	Country	2024			2023		
		Absolute/ country	**Absolute/ region**	**in %**	**Absolute/ country**	**Absolute/ region**	**in %**
CEU (Central Europe incl. Slovakia)	Germany	600			**561**		
	Austria	54			50		
	Switzerland	16			15		
	Slovakia	165			138		
	Spain	5	840	54%	5	769	54%
Latin America	Argentina	202			223		
	Chile	93			106		
	Colombia	41			47		
	Brazil	18			-		
	Mexico	4	358	23%	1	377	26%
JAPAC (Asia-Pacific Japan)	Singapore	26			18		
	Malaysia	23			16		
	Australia	10			2		
	Japan	9			10		
	China	28			33		
	India	92	188	12%	78	157	11%
NA (North America)	USA	89			77		
	Puerto Rico	9	98	6%	-	77	5%
NEMEA (Northern Europe, Middle East and Africa)	UK	74		52			
	Dubai	4	78	5%	-	52	4%
Total		**1,562**	**1,562**	**100%**	**1,432**	**1,432**	**100%**

INTERESTS AND VIEWS OF STAKEHOLDERS [10]

SNP Group places the utmost emphasis on including the interests and views of all of its stakeholders in its business processes and decision-making. The term “stakeholder” refers to all groups of persons who have a significant interest in the activities of the SNP Group, who influence SNP or who are, or may be, influenced by SNP’s business activities. Precise knowledge of the interests and views of these groups helps SNP with its positioning on the market and enables it to suitably reflect these stakeholders’ needs in business decisions and in the ongoing development of strategy. For this purpose, various mechanisms have been implemented to ensure that our stakeholders’ concerns are known and can thus be addressed within the company. Moreover, it is in SNP’s fundamental interest to be familiar with the perspectives of its stakeholders so as to be able to suitably reflect these in its process of strategic adjustment. This ensures that the Group manages its affairs with long-term success. The key interest groups of the SNP Group in the reporting year include employees, partners, customers, suppliers, the capital market (debt and equity providers), the media and its Executive Board and Supervisory Board. The perspectives of the Group’s stakeholders have been taken into consideration through existing documentation and internal expert opinions in our double materiality assessment. In order to understand the views of the various stakeholder groups, within the scope of the double materiality assessment interviews have been conducted with internal managers with specialist responsibilities and experts, as representatives of the respective stakeholder groups. Moreover, the Executive Board is notified of these views regularly or on an ad hoc basis via various regular bilateral meetings between the department heads and the responsible experts.

SNP’s employees are of paramount importance. They underpin the company’s continuing business success and drive innovation and productivity. Their wellbeing and satisfaction are critical in order to preserve a motivated and committed workforce in the long term. For this reason, the management, managers and employees hold regular meetings offering the opportunity to provide feedback and ask questions. These discussion events are intended to incorporate the employees’ ideas and views in the ongoing development of strategy and business decisions. Moreover, since 2022 we have regularly conducted global employee surveys in order to identify potential actions to improve the level of our employees’ satisfaction and our retention of employees.

Customers and partners directly influence SNP’s market presence and business success. Their satisfaction and loyalty are therefore of decisive importance. Feedback from customers and partners is therefore included in (ongoing) product development, service quality and development as well as the Group’s business strategy. We therefore regularly communicate with our customers and partners via various dialogue forums to learn more about their interests and views. This includes project and customer meetings, customer and partner events such as Transformation World, in-house roadshows, partner days, and other trade fair and industry events. Moreover, in 2023 we introduced a standardized customer survey.

[10] SBM-2

Suppliers provide the resources and services which are required for SNP's business activities. Their reliability and their environmentally and socially responsible business practices may have a significant impact on the efficiency of SNP's supply chain and its reputation. As an IT and software company, we only purchase a small volume of physical goods. Dialogue with our suppliers mainly takes place in the form of supplier meetings. These are held before we embark upon a business relationship and also via regular dialogues with existing suppliers.

Investors provide the financial resources which are required for the company's growth and business activities. They directly influence the company's financial stability and liquidity. As a listed company, SNP fulfills all of the regulatory disclosure requirements in the reporting year. We go beyond what is required by law and aim to offer our equity and debt providers additional transparency through further disclosures, such as via press releases and reports. Through regular investor and capital market conferences and dialogues with private and institutional investors, we ensure that we are not only familiar with the interests of this stakeholder group but also give it adequate consideration.

The media play an important role in shaping our public perception and reputation. Positive or negative reporting may influence our stakeholders' confidence and our company's market position. Understanding the influence of the media is important in order to manage the public image of the company and deal with reputational risk. We maintain an open dialogue and promote transparency so as to ensure a comprehensive picture of our business activities.

The SNP Group is able to react at short notice to concerns expressed by its various stakeholder groups, by adjusting existing actions and policies or by implementing new ones. For instance, this includes analysis of the results of regular employee surveys and planning of actions in line with these results as well as the development of actions based on feedback from customers and partners. The Executive Board and the Supervisory Board constitute SNP's top-level monitoring and decision-making bodies. They offer expertise and advise on strategic decisions which are made by the company's management. The Executive Board and the Supervisory Board both meet regularly and regularly pursue dialogues with various stakeholder groups of SNP. These include, in particular, its own employees, its customers and partners and its debt and equity providers.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [11]

The "Climate change" and "Own workforce" chapters provide a detailed presentation of our impacts, risks and opportunities identified as material and their interaction with our strategy and business model.

The double materiality assessment which we have conducted has identified material impacts and risks in connection with the Group's potential contribution to climate change through its carbon emissions and energy consumption. The carbon emissions caused by the company's own business activities have been identified as material negative impacts. As well as the operation of the company's own offices, this includes our vehicle pool as well as business travel and emissions arising from the energy consumption for the software development processes in our own development environment. The high level of volatility of energy costs represents a financial risk and is described in further detail in the "Climate change" chapter.

[11] SBM-3

In addition, material positive impacts have been identified in connection with the company's own employees. These relate to our impacts on SNP's employees. As well as general work conditions and enabling an appropriate work-life balance this also includes equal opportunity and equal treatment as well as training and continuing education programs and actions combating harassment and discrimination in the workplace. The relevant policies, actions and objectives are presented in the "Own workforce" chapter.

PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES [12]

Prior to the determination of materiality, a project to implement the CSRD was set up in the SNP Group. As a first step, the project team obtained an overview of the SNP Group's activities and business relationships and of the context in which these take place as well as an understanding of the most important interest groups concerned. This overview constituted the basis for the identification of the SNP Group's impacts, risks and opportunities within the scope of the double materiality assessment. Moreover, before the materiality assessment was conducted internal processes and documents were identified which were used by way of support in the assessment of various sustainability matters.

Our process to identify and assess material impacts, risks and opportunities is based on the ESRS requirements. The double materiality assessment conducted is based on the processes and results of the materiality assessment which had already been implemented in previous years. We include here both internal data and external sources (such as a media analysis) in order to assess the potential or actual impacts of our activities on people and the environment. This double materiality assessment is due to be reviewed in the 2025 fiscal year. We have conducted our materiality assessment while including relevant stakeholders. We did not directly consult affected stakeholder groups or integrate external experts. In the reporting year, we took into consideration the opinion of external stakeholders primarily via internal stakeholder representatives. Internal interviews were conducted following an introduction to the new regulatory requirements of the CSRD and the methodology for the double materiality assessment. Assessment forms were completed on this basis in order to assess the materiality of the identified (potential) positive and negative impacts and the (possible) risks and opportunities for SNP in relation to sustainability. The participants were requested to consider the entire value chain. Moreover, any specific features of the Group's subsidiaries were discussed with the experts. The results of the double materiality assessment which we have conducted are thus valid for the entire Group. Positive impacts have been assessed on the basis of their extent and scope. Potential impacts have also been evaluated from the point of view of their probability of occurrence. Negative impacts were moreover assessed in terms of the "irremediable character of the impact." In addition, the potential and actual negative impacts have been prioritized in relation to possible negative impacts on human rights. However, no impact was identified in the reporting year which has, or might have, actual or potential negative impacts on human rights. A 5-step scale was used in the reporting year to assess the extent, scope and irremediable character. Financial materiality was assessed according to the probability of occurrence and the potential extent of the financial effect. The probability of occurrence was indicated in percentage terms. The extent was assessed by means of a 5-step scale and potential scores were clustered within ranges. In the materiality assessment which we conducted, we did not systematically take

[12] IRO-1

into consideration potential relationships between impacts, risks and opportunities. Nor were we able to identify any potential or actual impacts of SNP concentrating on specific activities, business relationships, geographies or other factors that give rise, or might give rise, to heightened risk of adverse impacts. We have not been able to identify any material potential or actual impacts in which we are, or might be, indirectly involved through our own activity or our business relationships. The experts and the Projects and Processes department with overarching responsibility have discussed and validated the results of the double materiality assessment which we have conducted. This ensured a uniform assessment approach throughout the various departments involved. The final results were subsequently presented to the Chief Financial Officer and discussed. On this basis, the disclosable datapoints were defined internally according to their materiality, while referring to Appendix E of ESRS 1. Likewise, the company defined in advance, in an internal overview, all of the datapoints which are subject to a transitional provision or voluntary disclosure according to the ESRS. These were made available to the responsible departments. [13]

In regard to our risk management, in 2024 we further strengthened our consideration of ESG categories and established sustainability as an independent risk category. We have also used these results for our double materiality assessment. The results of the risk inventory and of the double materiality assessment were presented to the Executive Board and the Supervisory Board at their meetings held in the reporting year. The material risks identified in the risk inventory were reviewed for the purpose of the CSRD reporting as to whether they relate to climate, employee, human rights or compliance issues.

Processes to identify and assess material climate-related impacts, risks and opportunities [14]

In addition to the material impacts, risks and opportunities identified through the double materiality assessment, for the 2024 reporting year the company has examined whether climate-related physical risks and climate-related transition risks must be considered material at SNP.

The reference to chronic and acute climate hazards in Commission Delegated Regulation (EU) 2021/2139 served as the starting point in relation to physical climate risks. These are temperature-, wind-, water- and solid mass-related. In a climate-related scenario analysis, the company has determined whether, and if so which, physical climate risks are material for the SNP Group.

The climate-related scenario analysis for physical climate risks was implemented in November and December of the reporting year. As a first step, meteorological climate risk analyses were performed for five of the SNP Group’s largest locations with more than 50 employees, specifically Heidelberg, Germany, Buenos Aires, Argentina, Bratislava, Slovakia, Las Condes, Chile, and Irving in Texas, USA. EXA’s Indian location was not included here.

The following time horizons were used for the analysis of physical climate hazards: The current climate refers to the period from 2015 to 2034, the future climate to the period from 2031 to 2050. Since SNP does not pursue any asset-intensive business, the expected life of noncurrent assets is of minor importance. However, the specified time horizons appear appropriate in the context of strategic planning. The period up to 2034 especially is suitable here, since one potential impact of physical climate hazards at an SNP location is that

[13] IRO-2
[14] IRO-1

of employees being unable to work at their place of work.

The current climate and the future climate are considered for each assessed climate hazard at each location within the scope of the sample. The company has reviewed whether assets or the pursuit of its business activities may be affected by the respective climate hazards. SNP's business activities do not materially depend on property, plant and equipment which might be materially jeopardized by one of the above-mentioned climate risks. In our view, the intangible assets of the SNP Group are not directly affected by climate hazards.

The SNP Group's supply chain has also been assessed within the scope of the company's climate risk analysis. The upstream value chain of SNP as a software and service provider does not feature any material physical goods which SNP requires to provide its services. There are thus no input factors such as raw materials which derive from specific geographical regions or which are provided by certain suppliers using delivery channels which can be restricted geographically. In terms of physical climate hazards, no material climate risk for the SNP Group's business activities is apparent in its upstream value chain.

SNP's assessment of its downstream value chain provides the following picture for all five of its locations assessed in its climate risk analysis: Since SNP does not have either stores or other physical distribution channels, its customers constitute its downstream focus. Since SNP's customers access its software and service solutions via a download option, for instance, and many services can be provided from SNP's places of work, the business activities of SNP are not subject to any discernible material risk in the event of customers being affected by physical climate hazards. In the long term, physical climate hazards affecting the customers of SNP cannot be expected to materially reduce demand for SNP's services or jeopardize SNP's provision of its services. Accordingly, the analyses of physical climate hazards which have been carried out focus on the above-mentioned office locations of SNP. The geographical coordinates of the SNP location in question were used for the purpose of the analysis of physical climate risks.

In each case, the four climate scenarios SSP1-2.6, SSP2-4.5, SSP3-7.0 and SSP5-8.5 were applied for the future development of the climate. The scenario SSP5-8.5 represents the greatest extent of climatic change at the respective location. The physical climate risks assessed using the climate scenario SSP5-8.5 were in each case allocated to one of five risk classes, specifically: no risk, low risk, medium risk, high risk and "red flag," i.e., very high risk. Only physical climate hazards which constitute a high or very high risk for the relevant location are examined in further detail in the following. A distinction was made between acute and chronic climate hazards, but the specific duration was not quantified. The meteorological analysis indicates the scope of a climate hazard. After identifying high or very high physical climate risks, the company evaluated to what extent these might influence the business activities of SNP.

The outcome of the climate-related scenario analysis did not establish any high or very high risk for SNP's location in Slovakia as a result of chronic or acute physical climate hazards. For Germany, Argentina, Chile and the USA, the climate-related scenario analysis did determine high and very high risks in relation to individual physical climate hazards. However, these climate hazards do not constitute any direct threat to SNP's business activities at the location in question. In the event that it is not possible to pursue a business activity on the office premises of the relevant location due to a climate event, this activity can be transferred to another location at short notice through mobile working and by providing employees with equipment for mobile working.

With regard to climate-related transition risks, the climate-related transition events have been examined on the basis of the TCFD classification, as presented in the ESRS. This presentation covers policy and legal, technology, market and reputation climate-related transition events. SSP scenario 2.6 has been applied in order to assess SNP's resilience in relation to the above climate-related transition events. This scenario encompasses a significant reduction in greenhouse gas emissions in order to achieve the objective of the Paris Climate Agreement of limiting global warming to 1.5 °C. The achievement of this climate target will entail transition risks which might prove to be relevant for businesses. The same periods have been used as for the physical climate risks. Since SNP is not a very asset-intensive company, property, plant and equipment are of minor significance. However, the company has examined from the point of view of SNP's business activities how these might be adversely affected, depending on the probability, scale and duration of a transition event. A qualitative analysis was performed. This analysis did not identify any climate-related transition risk as a material risk for SNP's business activities.

Processes to identify and assess material impacts, risks and opportunities in relation to "environmental pollution", "water and marine resources", and "resource use and circular economy" [15]

As a provider of software for handling complex digital transformation processes, our economic activities are almost entirely provided in digital form and therefore have only minor physical impacts on the environment. For this reason, in the reporting year the company did not perform any dedicated review of its locations, business activities or assets in connection with environmental pollution, water and marine resources or resource use and circular economy. Nor did it carry out any consultations with potentially affected communities. Due to our above-mentioned business model, we consider that these issues constitute no risk at all, or only a very minor risk, of significant negative impacts.

Processes to identify and assess material impacts, risks and opportunities in relation to "biodiversity and ecosystems" [16]

On the basis of the ESRS reporting requirement, we have conducted an analysis of the actual and potential impacts on our own site locations' biodiversity and ecosystems in the reporting year. This analysis has taken into consideration the geographical location of all of our global locations and measured digitally their respective distance (as the crow flies) from areas with biodiversity in need of protection (as defined in the ESRS). The company has not carried out any consultation with potentially affected communities.

Our analysis has established that only a few of our locations are situated in or close to areas with biodiversity in need of protection. However, we have not determined any negative impacts for our locations or for our digital business activities. The company has therefore not implemented any remediation.

Nor have we identified any dependencies on biodiversity and on ecosystems and their services at our own site locations or within our upstream and downstream value chain. Moreover, we have not identified any biodiversity and ecosystems-related transition, physical or systemic risks or opportunities.

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[15] IRO-1
[16] IRO-1

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S NON-FINANCIAL STATEMENT [17]

ESRS INDEX	LOCATION IN THE REPORT
ESRS 2 - GENERAL DISCLOSURES	
- Disclosure Requirement BP-1 - General basis for preparation of sustainability statements	General information / Basis for the Group Non-Financial Report
- Disclosure Requirement BP-2 - Disclosures in relation to specific circumstances	General information / Basis for the Group Non-Financial Report
- Disclosure Requirement GOV-1 - The role of the administrative, management and supervisory bodies	General information / Role of sustainability and related responsibility within the scope of business conduct
- Disclosure Requirement GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General information / Role of sustainability and related responsibility within the scope of business conduct
- Disclosure Requirement GOV-3 - Integration of sustainability-related performance in incentive schemes	General information / Integration of sustainability-related performance in incentive schemes
- Disclosure Requirement GOV-4 - Statement on due diligence	General information / Statement on due diligence
- Disclosure Requirement GOV-5 - Risk management and internal controls over sustainability reporting	General information / Risk management and internal controls over sustainability reporting
- Disclosure Requirement SBM-1 - Strategy, business model and value chain	General information / Strategy, business model and value chain
- Disclosure Requirement SBM-2 - Interests and views of stakeholders	General information / Interests and views of stakeholders
- Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	General information / Material impacts, risks and opportunities and their interaction with strategy and business model
- Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	General information / Processes to identify and assess material impacts, risks and opportunities
- Disclosure Requirement IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement	General information / Disclosure requirements in ESRS covered by the undertaking's sustainability statement
ENVIRONMENTAL INFORMATION	
Information in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	Environmental information / Information in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
ESRS E1 - Climate change	Environmental information / Climate change
- Disclosure Requirement E1 GOV-3	General information / Integration of sustainability-related performance in incentive schemes
- Disclosure Requirement E1-1 - Transition plan for climate change mitigation	Environmental information / Climate change / Strategy
- Disclosure Requirement E1 SBM3	Environmental information / Climate change / Strategy
- Disclosure Requirement E1 IRO-1	General information / Processes to identify and assess material impacts, risks and opportunities
- Disclosure Requirement E1-2 - Policies related to climate change mitigation and adaptation	Environmental information / Climate change / Management of impacts, risks and opportunities
- Disclosure Requirement E1-3 - Actions and resources in relation to climate change policies	Environmental information / Climate change / Management of impacts, risks and opportunities
- Disclosure Requirement E1-4 - Targets related to climate change mitigation and adaptation	Environmental information / Climate change / Metrics and objectives
- Disclosure Requirement E1-5 - Energy consumption and mix	Environmental information / Climate change / Metrics and objectives
- Disclosure Requirement E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	Environmental information / Climate change / Metrics and objectives

[17] IRO-2

ESRS INDEX	LOCATION IN THE REPORT
SOCIAL INFORMATION	
ESRS S1 – Own workforce	General information / Interests and views of stakeholders
- Disclosure Requirement S1 SBM-2	Own workforce / Strategy
- Disclosure Requirement S1 SBM-3	Own workforce / Strategy
- Disclosure Requirement S1-1 - Policies related to own workforce	Own workforce / Management of impacts, risks and opportunities
- Disclosure Requirement S1-2 - Processes for engaging with own workers and workers' representatives about impacts	Own workforce / Management of impacts, risks and opportunities
- Disclosure Requirement S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns	Own workforce / Management of impacts, risks and opportunities
- Disclosure Requirement S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Own workforce / Metrics and objectives
- Disclosure Requirement S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Own workforce / Metrics and objectives
- Disclosure Requirement S1-6 - Characteristics of the undertaking's employees	Own workforce / Metrics and objectives
- Disclosure Requirement S1-9 - Diversity metrics	Own workforce / Metrics and objectives
- Disclosure Requirement S1-17 - Incidents, complaints and severe human rights impacts	General information / Processes to identify and assess material impacts, risks and opportunities

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION [18]

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the report
ESRS 2 GOV-1 21d - Board’s gender diversity	x		x		General information / Composition and tasks of the Supervisory Board General information / Composition and tasks of the Executive Board
ESRS 2 GOV-1 21e - Percentage of board members who are independent			x		General information / Composition and tasks of the Supervisory Board
ESRS 2 GOV-4 30 - Statement on due diligence	x				Statement on due diligence
ESRS 2 SBM-1 40d i - Involvement in activities related to fossil fuel activities	x	x	x		Not material
ESRS 2 SBM-1 40d ii - Involvement in activities related to chemical production	x		x		Not material
ESRS 2 SBM-1 40d iii - Involvement in activities related to controversial weapons	x		x		Not material
ESRS 2 SBM-1 40d iv - Involvement in activities related to cultivation and production of tobacco			x		Not material
ESRS E1-1 14 - Transition plan to reach climate neutrality by 2050				x	Environmental information / Climate change / Strategy
ESRS E1-1 16g - Undertakings excluded from Paris-aligned Benchmarks		x	x		Not material
ESRS E1-4 34 - GHG emission reduction targets	x	x	x		Environmental information / Climate change / Metrics and objectives
ESRS E1-5 38 - Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Not material
ESRS E1-5 37 - Energy consumption and mix	x				Environmental information / Climate change / Metrics and objectives
ESRS E1-5 40 to 43 - Energy intensity associated with activities in high climate impact sectors	x				Not material
ESRS E1-6 44 - Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x		Environmental information / Climate change / Metrics and objectives
ESRS E1-6 53 to 55 - Gross GHG emissions intensity	x	x	x		Environmental information / Climate change / Metrics and objectives
ESRS E1-7 56 - GHG removals and carbon credits				x	Not material
ESRS E1-9 66 - Exposure of the benchmark portfolio to climate-related physical risks			x		Transitional provision
ESRS E1-9 66a - Disaggregation of monetary amounts by acute and chronic physical risk		x			Transitional provision
ESRS E1-9 66c - Location of significant assets at material physical risk		x			Transitional provision

[18] IRO-2

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the report
ESRS E1-9 67c - Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Transitional provision
ESRS E1-9 69 - Degree of exposure of the portfolio to climate-related opportunities			x		Transitional provision
ESRS E2-4 28 - Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Not material
ESRS E3-1 9 - Water and marine resources	x				Not material
ESRS E3-1 13 - Dedicated policy	x				Not material
ESRS E3-1 14 - Sustainable oceans and seas	x				Not material
ESRS E3-4 28c - Total water recycled and reused	x				Not material
ESRS E3-4 29 - Total water consumption in m3 per net revenue on own operations	x				Not material
ESRS 2 - SBM-3 - E4 16a i	x				Not material
ESRS 2 - SBM-3 - E4 16b	x				Not material
ESRS 2 - SBM-3 - E4 16c	x				Not material
ESRS E4-2 24b - Sustainable land / agriculture practices or policies	x				Not material
ESRS E4-2 24c - Sustainable oceans / seas practices or policies	x				Not material
ESRS E4-2 24d - Policies to address deforestation	x				Not material
ESRS E5-5 37d - Non-recycled waste	x				Not material
ESRS E5-5 39 - Hazardous waste and radioactive waste	x				Not material
ESRS 2 - SBM-3 - S1 14f - Risk of incidents of forced labor	x				Own workforce / Strategy
ESRS 2 - SBM-3 - S1 14g - Risk of incidents of child labor	x				Own workforce / Strategy
ESRS S1-1 20 - Human rights policy commitments	x				Own workforce / Strategy
ESRS S1-1 21 - Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			x		Own workforce / Strategy
ESRS S1-1 22 - Processes and measures for preventing trafficking in human beings	x				Own workforce / Strategy
ESRS S1-1 23 - Workplace accident prevention policy or management system	x				Own workforce / Strategy
ESRS S1-3 32c - Grievance/complaints handling mechanisms	x				Own workforce / Management of impacts, risks and opportunities

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in the report
ESRS S1-14 88b and c - Number of fatalities and number and rate of work-related accidents	x		x		Not material
ESRS S1-14 88e - Number of days lost to injuries, accidents, fatalities or illness	x				Not material
ESRS S1-16 97a - Unadjusted gender pay gap	x		x		Not material
ESRS S1-16 97b - Excessive CEO pay ratio	x				Not material
ESRS S1-17 103a - Incidents of discrimination	x				Own workforce / Metrics and objectives
ESRS S1-17 104a - Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Own workforce / Metrics and objectives
ESRS 2 - SBM-3 - S2 11b - Significant risk of child labor or forced labor in the value chain	x				Not material
ESRS S2-1 17 - Human rights policy commitments	x				Not material
ESRS S2-1 18 - Policies related to value chain workers	x				Not material
ESRS S2-1 19 - Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not material
ESRS S2-1 19 - Due diligence policies on issues addressed by the fundamental Internati-onal Labour Organisation Conventions 1 to 8			x		Not material
ESRS S2-4 36 - Human rights issues and incidents connected to its upstream and downstream value chain	x				Not material
ESRS S3-1 16 - Human rights policy commitments	x				Not material
ESRS S3-1 17 - Non-respect of UNGPs on Business and Human Rights, LO principles or and OECD guidelines	x		x		Not material
ESRS S3-4 36 - Human rights issues and incidents	x				Not material
ESRS S4-1 16 - Policies related to consumers and end-users	x				Not material
ESRS S4-1 17 - Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not material
ESRS S4-4 35 - Human rights issues and incidents	x				Not material
ESRS G1-1 10b - United Nations Convention against Corruption	x				Not material
ESRS G1-1 10d - Protection of whistle-blowers	x				Not material
ESRS G1-4 24a - Fines for violation of anti-corruption and anti-bribery laws	x		x		Not material
ESRS G1-4 24b - Standards of anti-corruption and anti-bribery	x				Not material

ENVIRONMENTAL INFORMATION

INFORMATION IN ACCORDANCE WITH ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

CALCULATING THE KEY PERFORMANCE INDICATORS

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter Taxonomy Regulation) has entered into force. It is a key component of the action plan on financing sustainable growth (EU Action Plan on Sustainable Finance) to direct capital flows towards sustainable economic activities.

The Taxonomy Regulation offers a consistent and legally binding classification system that establishes which economic activities are classified as "environmentally sustainable". The assessment of an economic activity regarding its environmental sustainability is a two-stage process. The first step determines which of the company's economic activities are described by the Taxonomy Regulation and its delegated acts. These activities are defined as Taxonomy-eligible. The second step is to identify whether the Taxonomy-eligible activities meet certain criteria. If this is the case, they are identified as environmentally sustainable or Taxonomy-aligned.

The sustainability criteria under Article 3 of the Taxonomy Regulation are deemed to be met if a Taxonomy-aligned activity makes a substantial contribution to at least one of six defined environmental objectives, does no significant harm to any of the other environmental objectives, and the company meets the minimum safeguard criteria. The six environmental objectives set out in Article 9 of the Taxonomy Regulation are climate change mitigation (CCM), climate change adaptation (CCA), the sustainable use and protection of water and marine resources (WTR), the transition to a circular economy (CE), pollution prevention and control (PPC) and the protection and restoration of biodiversity and ecosystems (BIO). To comply with the minimum safeguards, Article 18 of the Taxonomy Regulation specifies the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, the fundamental conventions set out in the ILO, and the International Bill of Human Rights as relevant frameworks.

The Taxonomy-eligible economic activities will be reviewed for the first time in the 2024 fiscal year for Taxonomy-alignment within the meaning of making a substantial contribution to all six environmental objectives. Pursuant to point 2 of Annex I of Commission Delegated Regulation (EU) 2021/2178, the key performance indicators disclosed for revenue, capital expenditure (CapEx) and operating expenditure (OpEx) are based on the figures reported in the consolidated financial statements of SNP SE. Pursuant to Section 315e (1) HGB, SNP's consolidated financial statements for the year ended December 31, 2024, have been prepared in accordance with IFRS. All fully consolidated and proportionately consolidated Group companies are included. The key performance indicators of the EU Taxonomy are disclosed at group level pursuant to point 2 of Annex I of Commission Delegated Act (EU) 2021/4987.

The proportions of group revenue, capital expenditure (CapEx) and operating expenditure (OpEx) of the SNP Group that are related to Taxonomy-eligible and Taxonomy-aligned economic activities for fiscal year 2024 are presented below.

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED REVENUES

The revenue KPI states the Taxonomy-eligible and Taxonomy-aligned revenues relative to the SNP Group's overall revenue. Total revenues of € 254,771 thousand in fiscal year 2024 form the denominator of the revenue KPI and can be found in the consolidated profit and loss statement. The Taxonomy-aligned revenues for the fiscal year were € 0 Accordingly, the Taxonomy-aligned proportion of revenue was 0% in the reporting year. The Taxonomy-eligible revenues in reporting year 2024 amounted to € 5,452 thousand or 2% of total revenue.

Revenues from Taxonomy-eligible activity are allocated to economic activity 8.1 "Data processing and hosting and related activities." These are specific software-as-a-service or cloud-based external revenues of the SNP Group. New identification under CCM 8.1 followed the publication of an FAQ document by the EU Commission on November 29, 2024, which contains clarifications on CCM 8.1, among other things. Accordingly, activities can be shown under CCM 8.1 as Taxonomy-eligible, if the described data centers are not proprietary but are those of third parties (including hyperscalers).

The economic activities under 8.1 "Data processing and hosting and related activities" are assigned to the climate change mitigation (CCM) environmental objective. Because the scope of application for this environmental objective is very limited, it is not allocated to the climate change adaptation (CCA) environmental objective.

The technical criteria for assessing the characteristics of the data centers and hyperscalers - including those of third-party providers - in activity 8.1 relate to the significant contribution to climate protection (CCM). Due to the cooperation with third-party providers, it was not possible to assess a significant contribution to climate protection (CCM) in the reporting year. As a result, the Do-No-Significant-Harm (DNSH) criteria of activity CCM 8.1 and the fulfillment of the minimum safeguard were not checked.

The corresponding prior-year figures for Taxonomy-eligible revenues are shown below. In the reporting year, Taxonomy-eligible revenues from activity CCM 8.1 are not Taxonomy-aligned. The data centers and hyperscalers used as part of this activity are generally provided by third parties. Together with our third-party providers, we review the possibility that these activities will meet the criteria for Taxonomy alignment in the future.

PROPORTION OF REVENUE/TOTAL REVENUE

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

TEMPLATE: PROPORTION OF REVENUES FROM GOODS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING 2024

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria ("does not significantly harm")									
Economic activities (1)	Code (2)	Revenue (3)	Proportion of turnover, 2024 (4)	Climate change mitigation (5)	Climate change mitigation (6)	Water (7)	Environmental Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Environmental Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) Turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		thousands of EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Revenues of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	
Of which transitional		0	0%	-						-	-	-	-	-	-	-	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1	5,452	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Revenues of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,452**	**2%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**								2%		
A. Revenues of Taxonomy-eligible activities A.1 + A.2)		**5,452**	**2%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**								2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenues of Taxonomy-non-eligible activities		**249,319**	**98%**																
Total		**254,771**	**100%**																

Y: Yes, Taxonomy-eligible and Taxonomy-compliant activity with the relevant environmental objective;
N: No, Taxonomy-eligible but Taxonomy-non-compliant activity with the relevant environmental objective;
EL: "eligible", Taxonomy-eligible activity for the respective objective;
N/EL: "not eligible", Taxonomy-non-eligible activity for the respective environmental objective

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED CAPITAL EXPENDITURE

Capital expenditure (CapEx) in the context of reporting on EU Taxonomy is defined in Annex I of Article 8 of Delegated Regulation (EU Taxonomy Regulation). The denominator of the CapEx KPI is the total capital expenditure and includes investments in property, plant and equipment (see point 20, Property, plant and equipment) and intangible assets (see point 19, Intangible assets) as well as capitalization of right-of-use assets from lease agreements (see point 21, Lease agreements) and amounted to € 15,582 thousand in the reporting year.

According to 1.1.2.2 Annex I of Delegated Regulation (EU) 2021/2178, the Taxonomy-aligned capital expenditure as a numerator of the CapEx KPI comprises three kinds of capital expenditure: a) CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities; b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (CapEx plan) under the conditions specified in the second subparagraph of this point 1.1.2.2; or c) related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions and provided that such measures are implemented and operational within 18 months. In the reporting year, the Taxonomy-aligned CapEx of category a was € 0 or 0% of total capital expenditure, as there were no Taxonomy-aligned revenues in the reporting year. As the SNP Group did not pursue any CapEx plans within the meaning of category b in the reporting year, the category b Taxonomy-aligned capital expenditure also amounted to € 0 or 0% of total CapEx. The Taxonomy-aligned capital expenditure of category c amounted to € 196 thousand of 1% of total CapEx under activity CCM 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles."- This Taxonomy-aligned CapEx comprises the leasing of electric vehicles in the SNP Group vehicle fleet, whose Taxonomy alignment was confirmed by the vehicle manufacturer.

The Taxonomy-eligible capital expenditure as a numerator of the CapEx KPI was determined as follows: investments of category a, i.e. in assets and processes associated with Taxonomy-eligible economic activities of the SNP Group, were determined using a distribution key. For this purpose, from total Capex, investments were deducted that originate from Taxonomy-eligible economic activities (category c) or are additions to intangible assets from the company acquisition in the reporting year. In the reporting year, CapEx category c comprised € 2,581 thousand for vehicles in the vehicle fleet (CCM 6.5 "Transport by motorbikes, passenger cars and light commer-cial vehicles") and € 2,530 thousand for investments in land and buildings (CCM 7.7 "Acquisition and ownership of buildings"). The remaining CapEx of € 1,632 thousand was multiplied by the Taxonomy-eligible revenue share of 2%. This results in Taxonomy-eligible CapEx of category a of € 35 thousand. Given that there were no CapEx plans within the meaning of category b in the reporting year, the Taxonomy-eligible capital expenditure in this category was € 0. The total of the above-mentioned expenditure for vehicles as well as land and buildings of € 5,110 thousand corresponds to the category c Taxonomy-eligible expenditure. Overall, Taxonomy-eligible CapEx in the reporting year amounted to € 5,145 thousand or 33% of the total capital expenditure of € 15,582 thousand.

As all taxonomy-eligible and -aligned investment expenditure was allocated to the environmental objective of climate change mitigation (CCM) in the reporting year, double counting was avoided.

CAPEX PROPORTION/TOTAL CAPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	1%	33%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

TEMPLATE: PROPORTION OF CAPEX FROM GOODS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("does not significantly harm")									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Environmental Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Environmental Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		thousands of EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	196	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	-	T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**196**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1%**		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	-	
Of which transitional		196	1%	0%						Y	Y	Y	Y	Y	Y	Y	1%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	2,385	15%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								57%		
Acquisition and ownership of buildings	CCM 7.7	2,530	16%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12%		
Data processing, hosting and related activities	CCM 8.1.	35	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4,949**	**32%**	**32%**	-	-	-	-	-								**69%**		
A. CapEx of Taxonomy-eligible activities A.1 + A.2)		**5,145**	**33%**	**33%**	-	-	-	-	-								**70%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**10,437**	**67%**																
Total		**15,582**	**100%**																

Y: Yes, Taxonomy-eligible and Taxonomy-compliant activity with the relevant environmental objective;
N: No, Taxonomy-eligible but Taxonomy-non-compliant activity with the relevant environmental objective;
EL: "eligible", Taxonomy-eligible activity for the respective objective
N/EL: "not eligible", Taxonomy-non-eligible activity for the respective environmental objective
CCM: "Climate Change Mitigation

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED OPERATING EXPENDITURE

Operating expenditure (OpEx) in the context of reporting under the EU Taxonomy is defined in Annex I of Article 8 of Commission Delegated Regulation (EU Taxonomy Regulation). The denominator of the OpEx indicator is the total amount of operating expenditure. It covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair of property, plant and equipment, and amounted to € 25,917 thousand in the reporting year.

According to 1.1.3.2 of Annex I of Delegated Regulation (EU) 2021/4987, Taxonomy-aligned operating expenditure as a numerator of the OpEx KPI comprises three kinds of operating expenditure: a) OpEx related to assets or processes that are associated with Taxonomy-aligned economic activities; b) OpEx that is part of a CapEx plan to convert Taxonomy-eligible into Taxonomy-aligned activities and c) OpEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon.

The category a Taxonomy-eligible and Taxonomy-aligned OpEx was € 0 in the reporting year. As the SNP Group did not pursue any CapEx plans within the meaning of category b in the reporting year, the corresponding Taxonomy-eligible and Taxonomy-aligned OpEx also amounted to € 0. Category c operating expenditure includes expenses of € 450 thousand for vehicle repairs and of € 339 thousand for maintenance of buildings. The Taxonomy-aligned category c OpEx was € 0 in the reporting year. The Taxonomy-eligible OpEx of the SNP Group in the reporting year amounted to € 789 thousand or 3% of total operating expenditure.

OPEX PROPORTION/TOTAL OPEX

	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0%	3%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

TEMPLATE: PROPORTION OF OPEX FROM GOODS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("does not significantly harm")									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Environmental Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Environmental Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		thousands of EUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	E	
Of which transitional		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	450	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Acquisition and ownership of buildings	CCM 7.7	339	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**789**	**3%**	-	-	-	-	-	-								**3%**		
A. OpEx of Taxonomy-eligible } activities A.1 + A.2)		**789**	**3%**	-	-	-	-	-	-								**3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**25,128**	**97%**																
Total		**25,917**	**100%**																

Y: Yes, Taxonomy-eligible and Taxonomy-compliant activity with the relevant environmental objective;
N: No, Taxonomy-eligible but Taxonomy-non-compliant activity with the relevant environmental objective;
EL: "eligible", Taxonomy-eligible activity for the respective objective
N/EL: "not eligible", Taxonomy-non-eligible activity for the respective environmental objective
CCM: "Climate Change Mitigation

CLIMATE CHANGE [18]

STRATEGY

Transition plan for climate change mitigation[19]

The SNP Group did not have a transition plan for climate change mitigation in place in the 2024 reporting year. Having collected and reported on its energy consumption and GHG emissions for the first time for the 2024 fiscal year, from 2025 it will produce a suitable transition plan for climate change mitigation. SNP has not yet determined the timing of its acceptance of a transition plan.

Material impacts, risks and opportunities and their interaction with strategy and business model[20]

Within the scope of its double materiality assessment for the 2024 fiscal year, SNP has identified as material two climate-related impacts and one climate-related risk: The SNP Group's first material negative impact on the climate is the company's own negative contribution to climate change through GHG emissions, in particular CO_2 emissions. As well as GHG emissions caused by company vehicles with combustion engines, GHG emissions from heating and cooling of office buildings, power consumption for buildings and electric vehicles and business travel have been identified as important emission sources in the company's own operations. The disclosure in this report of the SNP Group's GHG emissions (Scope 1, 2 and 3) in the 2024 fiscal year takes account of this climate-related material impact. The second climate-related negative impact relates, in particular, to SNP's power consumption, which is of key significance due to its business model as a software and service provider and likewise contributes to climate change. The company's increased level of power consumption results, for instance, from its IT and server use within the scope of its development of software and provision of services. This negative impact is addressed through the presentation of the SNP Group's energy consumption and energy mix in the reporting year. These two negative impacts of the SNP Group on the climate are considered to be long-term, but that does not mean that they are deemed less important. These two negative impacts relate less to the upstream or downstream value chain and more to the business activities of the SNP Group itself. Having measured our energy consumption, energy mix and GHG emissions for the first time for the reporting year, we expect that climate-related material impacts will increasingly influence our strategy and decision-making. On the basis of our determination of the current status of our energy consumption, energy mix and emissions, in the future we will develop a strategy, objectives and actions which will give consideration to these material impacts. These two negative impacts contribute to climate change through direct or indirect emissions of greenhouse gases. The emission sources such as the use of company cars and offices, power consumption through the use of IT or due to business trips arise from SNP's own business activities and its business model as a software and service provider.

The risk of the growing volatility of energy costs (in particular, of electricity) which has been identified as material might have negative financial effects on the SNP Group. This risk relates, above all, to the company's own business activities, since SNP's con-sumption of electricity is of material significance for its business activities, e.g., due to its development of software and provision of IT services. In the short term, the company does not expect any significant increase in the level of volatility of energy costs. This risk is not currently affecting SNP's business model,

[18] E1
[19] E1-1
[20] ESRS 2 SBM-3

value chain, strategy or decision-making. However, this risk might have financial impacts on SNP in the medium and long term. For this reason, it is possible that this risk will influence SNP's strategy and decision-making in the future, such as in terms of the drafting of electricity contracts.

SNP's strategy and business model are resilient in the short term with regard to the above-mentioned impacts and risk. On the one hand, in the short term it does not expect any significant increase in the level of volatility of energy costs. On the other, its business model limits the scope of direct emissions without physical production of goods. Due to SNP's business model as a software and IT service provider, indirect emissions (e.g., through power consumption) are unavoidable in the short term. However, in the short term SNP's strategy and business model are not influenced by the company's indirect emissions. To ensure its medium- and long-term resilience and a reduction in its negative impacts on the climate, following the company's reporting of its emissions, energy consumption and energy mix for the first time it intends to draw up a transition plan for climate change mitigation from 2025 onwards. Moreover, from 2025 it intends to draw up objectives, policies and actions in order to adequately respond to the medium- and long-term impacts and risks.

SNP has assessed its level of resilience to climate change through a resilience analysis. It conducted this resilience analysis following its implementation of a climate-related scenario analysis as described in IRO-1. The scenarios applied in the climate-related scenario analysis were taken into consideration. SNP did not identify any material physical or transition risks within the scope of its climate-related scenario analysis. Since its upstream and downstream value chain is not materially affected by physical and transition climate risks, on account of its independence of physical supplier and distribution channels, this resilience assessment focuses on SNP itself. SNP did not exclude any material physical or transition risks from its resilience analysis. In the context of its resilience analysis, the company made several critical assumptions as to how the transition to a lower-carbon and more resilient economy will affect macroeconomic trends, energy consumption and the energy mix as well as the use of technology. Examples include more stringent regulation, an increased level of demand for sustainable products or technological improvement in the level of energy efficiency. The time horizons considered match those of the climate-related scenario analysis. No physical or transitional climate risks have been identified as material. SNP considers that its business activities are resilient in relation to possible transition events.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

Policies related to climate change mitigation and adaptation[21]

SNP did not yet have in place any targeted policies related to climate change mitigation and adaptation in the reporting period. SNP intends to draw up policies related to climate change mitigation and adaptation within the scope of its strategic development activities from 2025 onward. It has not yet specified a date for its acceptance of these policies.

[21] E1-2

However, in the reporting year SNP had in place a policy covering business travel for the SNP Group at a global level. This refers to SNP's emissions-related material impact on climate change which it identified in its double materiality assessment. In the reporting year, SNP identified Scope 3 emissions from business travel as a significant Scope 3 category and reported them as such. The company's business travel policy covers the planning, preparation, approval and implementation of business trips as well as related expense accounting. This policy also considers sustainability matters. Managers are urged to avoid unnecessary travel by their teams and to select the most sustainable means of travel for necessary business trips. This helps to reduce greenhouse gas emissions from business travel. This policy applies to SNP's employees globally, i.e., to all geographical regions covered by SNP's business activities. The Global Travel Management department, which reports to the company's Chief Financial Officer, is responsible for implementation of this policy.

Actions and resources in relation to climate change policies[22]

In the 2024 reporting year SNP did not yet have in place any specific actions and resources in relation to climate change policies. This reflects the fact that the company did not have in place any policies specifically relating to climate change or climate change adaptation in the reporting year. Individual actions which affect the material impact of SNP's emissions on climate change – such as the conclusion of green electricity contracts – have not been formalized as an action in the context of a transition plan and specific climate change policies in the reporting year. From 2025, SNP also intends to draw up specific actions and resources when it draws up a transition plan for climate change mitigation as well as specific policies related to climate change mitigation and adaptation. It has not yet established a specific schedule for the determination of actions and resources in relation to climate change policies.

METRICS AND OBJECTIVES

Targets related to climate change mitigation and adaptation[23]

In the reporting year, the SNP Group had not yet defined any measurable objectives for a reduction in its GHG emissions. Since it has calculated its emissions for the first time for the 2024 reporting year, it intends to draw up such objectives from 2025. It is critical that these objectives are aligned with its policies related to climate change mitigation and adaptation and the relevant actions and resources.

Energy consumption and mix[24]

The SNP Group's energy consumption and energy mix provide an insight into its total energy consumption, its dependency on certain energy sources and the proportion of renewable energy sources. Moreover, the calculation of its energy consumption and energy mix can serve as a basis for a future improvement in its level of energy efficiency.

The company has largely collected its consumption data via its measured consumption levels. These are indicated on energy bills, for instance, and are based on meter readings. In those cases where no measured consumption data was available, consumption has been estimated. Here, the previous year's data served as an estimate of energy consumption in the reporting year. Where consumption data was likewise not available for the previous year, energy consumption was calculated on the basis of average values for the location in question and for the type of energy. The company's estimation of consumption on the basis of historical data is based on the assumption that its energy consumption in the reporting year is similar to that in the previous year.

[22] E1-3
[23] E1-4
[24] E1-5

SNP has determined its energy mix on the basis of information provided by the energy producer. The company has thereby taken into consideration contractual agreements, e.g., relating to the purchase of energy from renewable sources. In cases where it was not possible to determine the direct energy mix, as an alternative this was estimated on the basis of country-specific average data. The limitations of this method for determining the company's energy consumption and mix lie in uncertainties regarding the assumptions made for the above-mentioned estimate techniques.

In the following, a breakdown of the SNP Group's total energy consumption (in MWh) is provided for fossil, nuclear and renewable sources for the 2024 financial year.

ENERGY CONSUMPTION AND MIX

	2024
Total fossil energy consumption (MWh)	**5,610**
Share of fossil sources in total energy consumption (%)	85.1%
Consumption from nuclear sources (MWh)	**70**
Share of consumption from nuclear sources in total energy consumption (%)	1.1%
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	909
Consumption of self-generated non-fuel renewable energy (MWh)	0
Total renewable energy consumption (MWh)	**909**
Share of renewable sources in total energy consumption (%)	13.8%
Total energy consumption (MWh)	**6,590**

SNP does not itself generate any energy from either renewable or non-renewable sources. Accordingly, SNP does not consume any self-generated energy. SNP's activities cannot be allocated to any high climate impact sector.

Gross Scopes 1, 2, 3 and Total GHG emissions[25]

Direct (Scope 1) and indirect (Scope 2) emissions measure the company's impact on climate change. Its Scope 3 gross emissions provide an understanding of emissions in its upstream and downstream value chain and help with an evaluation of transition risks. The company complies with the principles, requirements and guidelines of the Corporate Standard of the GHG Protocol (2004 version) in determining its gross emissions. It always refers to the GHG Protocol rules unless these conflict with the ESRS. In such cases, the ESRS rules are applied.

In accordance with the GHG Protocol, the reporting boundaries of the SNP Group's GHG emissions are determined by its organizational and operational boundaries. In line with the financial control principle, all companies in which the SNP Group holds a majority stake and which fall within its group of consolidated companies are included in the organizational boundaries for its GHG calculation. An operational control-based assessment would not result in any change in this group of reporting entities. Their emissions are fully allocated to SNP.

[25] E1-6

Direct or Scope 1 greenhouse gas emissions encompass emissions from stationary combustion, mobile combustion, process emissions and fugitive emissions. SNP has not collected any data on refrigerants from air conditioning equipment in the reporting year. Accordingly, in the reporting year the company's Scope 1 emissions cover emissions from heating of office space using fossil energy sources such as natural gas and combustion of diesel and gasoline by company cars with combustion engines. SNP does not have any primary emissions data for these activities, such as via sensor-based measurement of emissions. For this reason, the company applies the following method in estimating its Scope 1 gross emissions: It collects data on the quantities consumed for the above-mentioned energy sources. This relates to measured consumption, such as fuel consumed by vehicles with combustion engines, as stated on the fuel receipt, or consumption of natural gas for heating of properties, as indicated in the service charge statement and calculated on the basis of a meter reading. Where no precise consumption data is available, this will be calculated by means of historical data or an estimate using average values. Estimates are based on assumptions that there will not be any significant change in consumption levels, where historical data is used. For estimates based on aver-age values, SNP applies the critical assumption that the estimated consumption is in line with the assumed average level of consumption. The company applies appropriate emissions factors for an activity, location and volume in order to estimate emissions associated with this activity.

On the one hand, the limitations of this methodology lie in uncertainty regarding the estimation of consumption data. Moreover, the choice of an inappropriate emissions factor is a possible cause of errors in reporting. For instance, emissions factors may be out of date, unavailable for certain activities or locations, insufficiently nuanced or incorrect. The most recently available emissions factors which were most suited to the location and activity in question were used to calculate direct emissions in the reporting year. The factors applied related to the section of the value chain encompassing the business activities of the SNP Group itself, such as "tank-to-wheel" emissions factors for the mobile combustion of fuel.

Scope 2 gross GHG emissions indicate the emissions from purchased or acquired electricity, steam, heat and cooling. In the reporting period, this included, in particular, emissions from heating of office buildings by means of district heating as well as power consumption for buildings used and electric charging of electric vehicles in SNP's vehicle pool. Scope 2 emissions are calculated both location- and market-based.

SNP likewise collects measured consumption data from the energy provider for electricity and district heating in order to calculate its Scope 2 emissions. Alternatively, it estimates its consumption by means of historical data or average values. Location-specific Scope 2 emissions are calculated using a location-specific emissions factor for the activity in question. The emissions factors applied here cover the generation of electricity and district heating. Market-based Scope 2 emissions cover the specific energy mix of the energy provider and specific contractual arrangements between the SNP companies and the energy producer. Some SNP Group locations have electricity contracts under which the electricity purchased is exclusively derived from renewable energy sources.

In the reporting period, SNP's Scope 1 GHG emissions do not include any material biogenic carbon emissions from the incineration or biological decomposition of biomass. Moreover, SNP has not traded any carbon emission certificates in the reporting year. The company has not identified any biogenic emissions within its location-based Scope 2 GHG emissions, since the emissions factors applied do not provide any disaggregation in terms of biogenic and non-biogenic emissions. The company has identified a non-material proportion of biogenic emissions within its market-based Scope 2 emissions. SNP was unable to calculate biogenic emissions within its Scope 3 emissions in the reporting year.

With regard to contractual arrangements in the context of its market-based Scope 2 emissions, SNP has contracts which guarantee that it purchases electricity from renewable energy sources. In the reporting year, the company purchased 521 MWh, or 39%, of its total power consumption of 1,328 MWh via bundled or un-bundled contractual instruments such as green electricity contracts.

Scope 3 gross GHG emissions describe the indirect emissions from the upstream and downstream value chain. They are calculated while taking into consideration the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version). The company's calculation of its Scope 3 gross emissions is based on the fifteen Scope 3 categories described in the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version). The company has determined which Scope 3 categories are significant, e.g., in terms of the size of their estimated GHG emissions, and should be included in its GHG inventory. The following table shows which Scope 3 categories have been included in the company's inventory in the reporting year and which have been excluded. In the reporting year, the company has only included in its GHG inventory Scope 3 emissions categories for its upstream value chain. All of the emissions shown for these Scope 3 categories have been calculated by means of estimates. The proportion of primary data for calculation of the company's Scope 3 emissions is 0% in the reporting year.

Emissions from purchased goods and services and from purchased capital goods cover, within their reporting boundaries, the entire upstream value chain which is required for the manufacture and supply of these goods. Emissions from these Scope 3 categories have been estimated using spend-based data. The spending for goods and services and additions to noncurrent assets (excluding right-of-use assets from leases) has been allocated to sectors. For a specific sector, the relevant emissions have been multiplied by an appropriate emissions factor. The company has selected the most up-to-date emissions factors for the upstream value chain which were most suited to the relevant sector and which cover all of the steps in the upstream value chain (cradle-to-shelf emissions factors). The company's critical assumptions in regard to its spend-based estimation method relate to the suitability of spending in € to measure the economic value of the purchased service or good. Since various items of spending are summarized in sectors and allocated to a specific emissions factor, accurate assignment to sectors is a central assumption for this methodology.

Scope 3 emissions from fuel- and energy-related activities cover emissions which arise through the generation and transportation of the energy sources used and which are not already included in Scope 1 or Scope 2. In the reporting year, in the SNP Group this category covers the emissions in the upstream value chain for used diesel, gasoline, natural gas, district heating and electricity. The energy sources used have been summarized by type and region and multiplied by an appropriate emissions factor for the upstream value chain.
Emissions from business travel cover emissions aris-ing through the transportation and accommodation of employees and their meals during business trips. Emissions from business travel have likewise been estimated using spend-based data in the reporting year. This spending has been grouped in sectors, e.g., by type of transportation and country, and multiplied by suitable emissions factors.

Limitations in the calculation of Scope 3 emissions by means of a spend-based estimation method lie in the limited suitability of spending for measurement of the economic value of an asset or service. With this method, higher spending which is attributable to price increases will lead to higher estimated emissions, even though the volume of goods or services purchased remains the same.

Emissions arising through SNP employees commuting to their place of work have been calculated as follows: For Germany, Argentina and Slovakia, the average commute and the average number of sick days per year have been calculated on the basis of sample of employees who work in these countries. SNP has also collected data which provides inferences regarding employees’ means of transportation, such as whether they are granted the use of a company car or a ticket for local public transport. Employees have been grouped on a per country basis according to their method of transportation. For each of these groups, the emissions caused by commuting to work have been calculated while taking into consideration the number of work days which employees spend in the office each year. The total emissions for these groups constitute the gross GHG emissions from employee commuting.

SIGNIFICANT SCOPE 3 CATEGORIES IN GHG INVENTORY

		Significant category (yes/no)	Reason for exclusion
	Scope 3 categories in upstream value chain		
1	Purchased goods and services	yes	n/a
2	Capital goods	yes	n/a
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	yes	n/a
4	Upstream transportation and distribution	no	SNP does not use any physical input factors for its business activities which would require transportation.
5	Waste generated in operations	no	SNP's waste does not include any material industrial or packaging waste. The office waste produced by the Group's headquarters has been extrapolated to the SNP Group. This has established that waste did not play any significant role for the SNP Group in the reporting year.
6	Business travel	yes	n/a
7	Employee commuting	yes	n/a
8	Upstream leased assets	no	The company's material GHG emissions in connection with leased assets are already included in Scope 1 and 2.
	Scope 3 categories in upstream value chain		
9	Downstream transportation	no	SNP's products and services largely do not require any physical transportation of goods in its downstream value chain.
10	Processing of sold products	no	As a rule, SNP's customers do not physically further process its products.
11	Use of sold products	no	When customers use the products sold by SNP, this generates emissions through the electricity consumed via the use of software and IT solutions. However, it is not currently possible to calculate this power consumption.
12	End-of-life treatment of sold products	no	SNP's products are largely intangible and therefore do not require any physical end-of-life treatment.
13	Downstream leased assets	no	The SNP Group does not lease assets to any significant extent.
14	Franchises	no	The SNP Group does not use franchising in its downstream value chain.
15	Investments	no	This category is intended for investors with significant investments. The SNP Group is not an investor in this sense.

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

	Retrospective				Milestones and target years		
	Base year	Value in base year	2023	2024	2025	2030	2050
Scope 1 greenhouse gas emissions							
Gross Scope 1 GHG emissions (t CO_2e)	n/a	n/a	n/a	1,068	n/a	n/a	n/a
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes (in %)	n/a	n/a	n/a	0.0%	n/a	n/a	n/a
Scope 2 greenhouse gas emissions							
Gross location-based Scope 2 GHG emissions (t CO_2e)	n/a	n/a	n/a	687	n/a	n/a	n/a
Gross market-based Scope 2 GHG emissions (t CO_2e)	n/a	n/a	n/a	475	n/a	n/a	n/a
Significant Scope 3 greenhouse gas emissions							
Total gross indirect Scope 3 GHG emissions (t CO_2e)	n/a	n/a	n/a	9,296	n/a	n/a	n/a
1 Purchased goods and services	n/a	n/a	n/a	5,050	n/a	n/a	n/a
2 Capital goods	n/a	n/a	n/a	295	n/a	n/a	n/a
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	n/a	n/a	n/a	377	n/a	n/a	n/a
4 Upstream transportation and distribution	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5 Waste generated in operations	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6 Business travel	n/a	n/a	n/a	2,209	n/a	n/a	n/a
7 Employee commuting	n/a	n/a	n/a	1,366	n/a	n/a	n/a
8 Upstream leased assets	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9 Downstream transportation	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10 Processing of sold products	n/a	n/a	n/a	n/a	n/a	n/a	n/a
11 Use of sold products	n/a	n/a	n/a	n/a	n/a	n/a	n/a
12 End-of-life treatment of sold products	n/a	n/a	n/a	n/a	n/a	n/a	n/a
13 Downstream leased assets	n/a	n/a	n/a	n/a	n/a	n/a	n/a
14 Franchises	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15 Investments	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total GHG emissions							
Total GHG emissions (location-based) (t CO2e)	n/a	n/a	n/a	11,051	n/a	n/a	n/a
Total GHG emissions (market-based) (t CO2e)	n/a	n/a	n/a	10,838	n/a	n/a	n/a

OPEX

Greenhouse gas intensity on the basis of net revenue

GHG intensity is defined as the ratio of total GHG emissions (in t CO2e) to net revenue (in EUR million, see the SNP Group's consolidated income statement). SNP presents its total GHG emissions according to a location-based perspective, i.e., using location-based Scope 2 emissions, and also according to a market-based perspective, i.e., using market-based Scope 2 emissions.

GHG INTENSITY PER NET REVENUE

	2024
Total GHG emissions (location-based) per net revenue (t CO2e/EUR million)	43.4
Total GHG emissions (market-based) per net revenue (t CO2e/EUR million)	42.5

OWN WORKFORCE[26]

STRATEGY

Material impacts, risks and opportunities and their interaction with strategy and business model[27]

Our company's success is based, to a critical degree, on our employees' commitment and expertise. They are the heart of our organizational structure and make a decisive contribution to our successful long-term development. For this reason, we place great emphasis on the interests and needs of each individual employee.

Our identified material positive impacts can be summarized as follows and relate to all of the SNP Group's employees worldwide, irrespective of their specific activity:

Secure employment: We promote long-term employment relationships and mainly use permanent employment contracts. This provides for stability and trust, which has a positive impact on our workforce's motivation and productivity. Particularly in our highly specialized and expertise-based business model, this has a positive long-term influence on our growth strategy. The continued promotion of this positive impact is therefore a high priority for us.

Work-life balance: The promotion of a work-life balance is a high priority in our highly dynamic and project-based work environment. Particularly in a highly dynamic work environment, we aim to promote our employees' work-life balance through flexible working time models, opportunities for mobile working as well as programs which help our employees to achieve a work-life balance. In the long term, these actions not only contribute to our employees' health and satisfaction. They also safeguard our company's long-term success by reconciling our employees' needs and concerns with those of the company. In addition, we are enhancing the attractiveness of the SNP Group as an employer for new employees and for our long-term workforce.

Diversity: We are convinced that teams characterized by diversity have a positive long-term impact on our corporate culture and capacity for innovation. This is all the more important in the international business environment in which we operate. Accordingly, the promotion of an inclusive fair work environment where employees appreciate one another and where people's differences are respected and considered a strength is of the utmost priority. We are therefore not only encouraging an increase in the proportion of women in management positions but also seeking to promote diversity and equal opportunity in the context of different cultures, ages, genders and other individual characteristics. This promotes employee satisfaction, on the one hand, while on the other also helping us very specifically in our daily work which involves cultural diversity in a global work environment.

[26] S1
[27] SBM-3

Training and skills development: Our employees constitute the foundations of our company. Ongoing training and the personal and professional development of all of our employees is particularly important for our global business model which encompasses complex IT services. We ensure that our employees develop their personal and professional areas of interest via a broad range of training courses and individual development opportunities. This has a positive long-term impact on individual employees and on the company's success, since we thus ensure that we fulfill the skill requirements of our entire Group.

Measures against violence and harassment in the workplace: We aim to establish and maintain on a long-term basis a work atmosphere where everyone feels safe and appreciated. Clear guidelines, training, a confidential reporting point and our zero tolerance policy in relation to any type of discrimination at work, recruitment activities and promotions ensure a respectful and safe work environment. This is part of our corporate identity, and consistent adherence to this principle is therefore a priority for us.

Our employees who are exposed to material impacts by virtue of their employment positions are interns, apprentices, working students and students on dual studies courses, students enrolled on Bachelor's and Master's degree programs, part-time employees, trainees and employees with permanent contracts, working full or part time. Non-employees of the company are not exposed to the above-mentioned material impacts to the same extent. However, the agreements which the SNP Group concludes with its workers ensures that its non-employees comply with our codes of conduct and measures relating to diversity and equality and measures against violence and harassment to the same extent as we do ourselves.

We have not identified any material negative impacts for our own business activities and relating to our own employees through the double materiality assessment which we have conducted in accordance with the CSRD and ESRS requirements. Due to our business model, which is described in detail in the "Strategy and business model" chapter, for a large number of impacts which are associated with a higher level of risk for manufacturing industry we are not affected by these impacts or else only affected by them with a significantly reduced level of probability or to a lesser degree. This is documented by internal reviews such as our Group-wide risk assessment and the double materiality assessment which we conducted in the 2024 reporting year. Moreover, we have not determined any material hazards in relation to child labor, forced labor, discrimination or other types of disadvantage on the basis of our business model, which concentrates on IT and software services. Nor have we identified any differences between groups of persons who might be subject to an increased level of risk of being affected by such negative impacts. Our activities mainly comprise the development, maintenance and provision of software solutions which are carried out by highly qualified specialists in office environments. We do not have any production areas which are exposed to an increased level of risk of incidents of child labor or forced labor, and the same applies for the geographical regions in which we operate. Moreover, we exclusively operate in countries and regions where stringent labor legislation and regulations apply.

Policies related to own workforce[28]

Clear policies and actions guarantee a fair work environment worldwide which is characterized by integrity and where our employees appreciate one another, irrespective of their role.

[28] S1-1

As well as a trusting employment relationship which is conducive to our employees' long-term satisfaction and health, we aim to adhere to a culture where every individual's personality is appreciated and their personal and professional strengths are individually promoted. It goes without saying that violence and harassment in the workplace and discrimination of any kind have no place in this environment. Due to our global business model and our corporate structure, in many cases policies and actions are specified at a regional level in order to appropriately reflect regulatory and cultural differences and requirements. We observe all legislation and regulations in force which are relevant and applicable for our Group in its various regions. This includes statutory provisions against human trafficking, forced labor and child labor. For this reason, our internal policies and processes likewise serve to prevent violations of human rights and to promote fair working conditions. Our policies and processes are mainly based on the UN Guiding Principles on Business and Human Rights, the ILO's eight Core Labor Standards and the OECD Guidelines for Multinational Enterprises. In addition, in our code of conduct for employees we have established a globally valid framework which defines mandatory general principles of conduct for all of the SNP Group's employees.

Our code of conduct specifies clear behavioral standards which have a binding effect for all of our employees worldwide in their dealings with all of the company's stakeholders and shareholders. It includes specific provisions on the prevention of discrimination and harassment and emphasizes the meaning of respect, fairness and equal treatment in the workplace. Our code of conduct covers the following areas: discrimination due to race and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political beliefs, national descent or social origin as well as other forms of discrimination covered by EU legal provisions and national legislation. It also includes recommendations on how employees should act in case of a breach of the code. Flouting of the code may be reported to our Legal/Compliance department and via our EQS Integrity Line. Further details of this reporting channel, which can also be used anonymously, are provided in the following chapter (cf. S1-3). SNP regularly checks that the contents of its code of conduct are up-to-date and revises this where necessary. This ensures that, at all times, it complies with applicable statutory requirements and best practices. The Executive Board has overarching responsibility for SNP's code of conduct.

The company most recently updated its code of conduct in the 2024 reporting year.

As well as fulfilling the statutory requirements of the German General Equal Treatment Act (AGG) which is intended to promote equal opportunity and inclusion for people with disabilities, older employees, women and other disadvantaged groups, we also have in place supplementary regional policies and actions which are intended to establish an inclusive work environment. We are seeking to formalize and align our policies and guidelines for the promotion of gender equality and equal opportunity at a global level. Our internal processes are already based on the principles of our code of conduct. Its basic values thus firmly underpin our daily activities worldwide.

As a software and IT service provider, our business model entails a minor risk of accident. Nonetheless, to prevent accidents and for the protection of all of our employees we have in place a safety instruction policy which is valid worldwide.

Internal guidelines which likewise cover geographical and country-specific regulatory requirements also cover all of the SNP Group's employees.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

Processes for engaging with own workers and workers' representatives about impacts[29]

Fair and open interaction between all SNP employees and their trusting working relationships with one another is a core foundation of our success. The feed-back culture which our company practices ensures that all of our employees' viewpoints and needs are given appropriate consideration within the scope of the continuous improvement of our strategies and policies (cf. S1-1 and S1-2).

Our employees are able to provide feedback at various places in our company and via a range of different formats and channels (and can also do so confidentially). These include discussions with the HR department and, in Germany, Austria and Switzerland, also with our Dialogue Team. SNP's Dialogue Team represents the interests of all of its employees in Germany, Austria and Switzerland. It consists of employee volunteers who are obliged to maintain confidentiality. SNP's Dialogue Team and the company's German HR team discuss the above issues at monthly meetings. Confidentiality for the person submitting a report and data confidentiality are guaranteed in all cases.

We regularly carry out a global survey of our employees. This is a key element in order to understand the viewpoints, needs and requirements of our employees. For instance, we thus learn about our employees' satisfaction with their work-life balance and whether our continuing training measures are suited to our workforce's needs. We also consult our employees regarding their perception of the issues of equal opportunity and diversity in their everyday work. They are able to communicate their own comments, concerns and suggestions anonymously and in their own words. The survey results are made transparent for all employees as part of our global, centralized communication and in team-specific workshops. These workshops aim to provide all of SNP's employees with the opportunity to contribute their ideas for change, particularly in terms of team-internal aspects. These ideas provide the SNP Group with valuable input for continuous improvement and further development of its strategies and policies. The company carried out this full survey for the first time in 2022. When we once again carried out this survey in 2023, we were able to review to what extent actions implemented were already successful and where we need to make further improvements. We plan to carry out another global employee survey in 2025. In addition, several times a year we hold global digital meetings where all of our employees are invited to directly submit questions to the members of our Executive Board, which they directly answer in a Q&A session.

Moreover, the above dialogue formats help us to develop an understanding of whether, and to what extent, the perspectives of workforce groups requiring protection such as women, employees with a migrant background and people with disabilities have been adequately taken into consideration. We aim to continuously ensure an inclusive and supporting work environment which safeguards the wellbeing of every individual in our company on a long-term and sustainable basis.

Processes to remediate negative impacts and channels for own workers to raise concerns[30]

Our human resources department worldwide acts as a mediator and as a contact for all of our employees' concerns. This includes immediate internal investigation, together with the Legal and Compliance department, of

[29] S1-2
[30] S1-3

suspected cases of discrimination and reports submitted through our Integrity Line regarding discrimination or harassment in the workplace as well as implementation of countermeasures where appropriate. Moreover, in Germany, Austria and Switzerland employees are also able to consult our Dialogue Team regarding any issues they may have. Data confidentiality is guaranteed in all cases.

In addition, through our global employee survey (cf. S1-2) we likewise learn about our employees' perspectives and needs, above all through the option for them to provide comments, concerns and suggestions in their own words. We conduct our employee survey and evaluate the results in cooperation with an external service provider. It is not possible to identify individual participants. The feedback culture which we practice also encourages our employees to directly contact their manager or SNP's management in case of any challenges or problems they may experience. We are aware that this is not possible in every case and that employees may not wish to do so in every instance. For this reason, our employees worldwide are able to use our Integrity Line in confidence at all times. This is an externally provided system which is regularly checked to ensure that it is functioning properly. As well as regular compliance training where we inform our employees of this tool, it is a firm part of our code of conduct and also easily accessible via our internal SharePoint. Through this digital reporting system, employees can anonymously report any irregularities, in particular violations of applicable laws or internal guidelines. All reports are processed confidentially by the Legal and Compliance department with the involvement of the company's Executive Board and case managers. The reports are subject to the dual-control principle and conform to a prescribed procedure. This ensures that reporting an incident does not lead to disadvantages for the reporting person. For this reason, these reports are dealt with in strict confidence. The process was reviewed in 2024 to ensure compliance with the requirements of the German Whistleblower Protection Act (HinSchG) and adapted where necessary.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions[31]

Our material positive impacts on our employees can be subsumed under the general categories of **working conditions** and **equal treatment and opportunities** (cf. S1-1). The following actions and approaches have been implemented with the basic principle of ensuring their long-term effectiveness. Unless stated otherwise, they are permanently valid.

Equal treatment and opportunities: Promotion of diversity within our own workforce is highly relevant for us. For SNP as a globally active company, this also means that we are able to consider specific regional circumstances in a targeted manner in our everyday dealings with partners and customers. This is part of our corporate identity and represents a competitive advantage for us. We are convinced that different perspectives, experiences and ideas among our employees promote cooperation and have a positive impact on our work environment and that global collaboration further strengthens our market position. In the reporting year, we comprehensively updated our code of conduct and provided further detail covering environmental and social issues. This update ensures that our code of conduct, which has general validity in regard to the behavioral standards expected of our employees worldwide, is in keeping with the latest requirements. It also promotes a positive corporate culture and equal treatment and opportunities.

[31] S1-4

Our code of conduct states that we will not make any decision due to individual or personal characteristics and preferences. It also sets out that SNP does not tolerate any form of discrimination or sexual harassment. Mandatory training is a material element in order to promote equal treatment and opportunities. Integrity training – which is based on our code of conduct – was introduced for this purpose in 2020, in the form of an e-learning course. SNP implemented a training course on equal opportunity and anti-discrimination for all of its employees at its German locations in 2021. EXA and TRIGON employees were not required to complete these training courses in 2024. In late 2024, the company fulfilled the technical requirements so that EXA and TRIGON employees will likewise have access to this training from 2025. Our evaluation of our regular employee survey and the available reporting channels enables us to ensure the effectiveness of supplementary measures and that these are necessary. This is intended to safeguard equal treatment and opportunities.

Training and skills development: We comprehensively revised our Talent Management Framework in the 2024 reporting year. Our revised Talent Management Framework enables us to identify internal talent and to determine and pursue targeted measures to develop talent and to ensure that our company retains this talent. In addition, for the first time we drew up a list of training courses which is designed for the SNP Group. This is a comprehensive collection of training and continuing education courses which is specifically designed to broaden and deepen the abilities, skills and knowledge of our employees worldwide in accordance with their personal needs and interests and those of our company. This promotes their ongoing professional and personal development in our highly dynamic work environment.

These two actions implemented in the reporting year have expanded our existing diverse range of ongoing education and skills development courses for our employees worldwide. Our annual performance reviews, including an individual performance assessment, play a key role. Our performance reviews also define individual development plans which aim to systematically enhance the skill sets of employees by setting individual development targets. Moreover, throughout the year our employees are able to use a wide variety of internal and external training and ongoing education courses in consultation with their manager and HR. Training courses which our Human Resource Development department provides internally cover issues such as leadership, feedback and performance reviews. In addition, we have a comprehensive range of internal elearning courses (“SNP eCampus”)[32]. These offer all of our employees worldwide content from various fields and departments. The training courses on offer range from specialist learning journeys for individual professional groups (e.g., account managers and transformation consultants) via soft skills and leadership content and online language courses to compliance and integrity training. In 2022, SNP launched its global talent development program, “Activate!”[33] which spans different locations and hierarchy levels. The objective is to support the participants in their personal development and help them to establish a cross-hierarchy network within the SNP Group. Over a total of 12 months, the participants completed various interdisciplinary (usually virtual) training modules (e.g., on personal development, the power of persuasion or change management). In addition, networking events (e.g., “CFO Talk”) are held to give participants the opportunity to exchange views and ideas on relevant topics with experienced senior managers. At the same time, being involved in a strategically important project is a cornerstone of the program. We also offer a trainee program in Germany and Slovakia. Here, we offer university graduates and people changing careers internal training in the field of consulting via a structured nine-month program. This training program is an established measure designed to advance SNP's growth by fostering qualified young talent. Twelve trainees completed a trainee program in Germany in 2024, while another 12 trainees did so in Slovakia.

Work conditions (secure employment, work-life balance): The SNP Group seeks to cultivate long-term and sustainable employment relationships. SNP thus mainly concludes permanent employment contracts. This is reflected in the fact that only 4.3% of our workforce worldwide have a temporary employment contract. SNP has a particular interest in employee retention, also in the context of the growing lack of specialist staff. SNP ensures a high level of employee retention on a long-term basis via various measures such as safeguarding and promoting an inclusive work environment where our employees appreciate one another, various career and continuing education opportunities, fair and appropriate remuneration, various fringe benefits and by promoting a work-life balance. As well as promoting employee satisfaction and employee retention, our actions are also intended to encourage a work-life balance. SNP thus has in place worldwide flexible working time models, part-time models and mobile working models[34]. In Germany, Switzerland, Slovakia, Argentina, Singapore,[35] China, India and the USA, SNP grants its employees additional vacation days in excess of the statutory minimum. Moreover, in Germany, Austria, Switzerland and Slovakia our employees are able to take a sabbatical. In Germany, SNP also provides a childcare allowance for children attending daycare centers.

Avoidance of material negative impacts on workforce: Our double materiality assessment has not identified any material negative impacts on our company's workforce. It is nonetheless important for us to ensure that our own practices do not have, or contribute to, any negative impacts. SNP pursues several different approaches to assess the effectiveness of the above-mentioned actions. Where possible, we encourage our employees to provide direct feedback. Our regular global employee survey, which we last carried out in 2023 and which we will carry out again in 2025, like-wise offers the opportunity to evaluate a wide range of different issues and, on the basis of the results, to identify the effectiveness of actions and where there is a need to develop and introduce new actions (cf. S1-2 and S1-3). Where violations become known or employees wish to communicate concerns anonymously, they can do so at any time via a reporting channel which they can use in confidence (cf. S1-3).

METRICS AND OBJECTIVES

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities[36]

SNP currently has a concrete goal for an increase in the proportion of women in management positions: We have a target of 25% for the proportion of women on our Supervisory Board and a target of 33% for our Executive Board. We aim to achieve these targets by November 30, 2028, subject to the addition of at least one further person to each of these bodies. The Supervisory Board resolved these targets in 2023.

[32] In late 2024, the company established the technical requirements so that EXA and TRIGON employees will likewise have access to this training from 2025.
[33] Excl. Trigon and EXA
[34] Excl. Austria
[35] Excl. TRIGON employees
[36] S1-5

On December 31, 2024, SNP's Supervisory Board had three members while its Executive Board had two members (all male). The number of members of each body has not been expanded since these targets were set. Moreover, in 2024 the Executive Board set targets for the proportion of women at the first and second management levels below the Executive Board. The aim is for women to account for at least 30% of the personnel at these two levels by November 30, 2028. At the end of the 2024 reporting year, the proportion of women stood at 27% for each of the above-mentioned management levels. These two targets were not directly defined with the affected stakeholder group. The targets defined by the Executive Board and the Supervisory Board are helping us to promote equality and diversity in our company. We have not yet defined any specific targets for the other identified impacts (cf. S1-1). In some cases it is difficult to quantify such matters, while in others target-setting is not currently considered an efficient way of going about things. We are continuously reviewing whether to introduce additional employee-related objectives and metrics and will thus likewise do so for the 2025 fiscal year.

Characteristics of the undertaking's employees[37]

As of the reporting date December 31, 2024, SNP had 1,562 employees (2023: 1,432 employees). Of these, 498 were female (2023: 442). The following tables show the gender split, the global distribution of employees by country and region and a breakdown by contract type. All of these metrics are applicable as of December 31, 2024, and in each case the number of persons has been indicated.

NUMBER OF EMPLOYEES BY GENDER

Gender	2024
Male	1,064
Female	498
Other	0
Not reported	0
Total	**1,562**

[37] S1-6

NUMBER OF EMPLOYEES IN COUNTRIES WITH 50 OR MORE EMPLOYEES

		2024
Regions	**COUNTRY**	**Absolute / country**
CEU (Central Europe incl. Slovakia)	Germany	600
	(Central Europe incl. Slovakia)	54
	Slovakia	165
Latin America	Argentina	202
	Latin America	93
JAPAC (Asia-Pacific Japan)	India	92
NA	USA	89
NEMEA	UK	74

INFORMATION ON EMPLOYEES BY CONTRACT TYPE AND GENDER

	Female	Male	Other	Not reported	Total
	2024	2024	2024	2024	2024
Total number of employees	498	1,064	0	0	1,562
Number of permanent employees	468	1,027	0	0	1,495
Number of temporary employees	30	37	0	0	67
Number of non-guaranteed hours employees	0	0	0	0	0

INFORMATION ON EMPLOYEES BY CONTRACT TYPE AND REGION

	CEU 2024	JAPAC 2024	LATAM 2024	NA 2024	NEMEA 2024	Total 2024
Total number of employees	840	188	358	98	78	1,562
Number of permanent employees	797	166	356	98	78	1,495
Number of temporary employees	43	22	2	0	0	67
Number of non-guaranteed hours employees	0	0	0	0	0	0

In the 2024 reporting year, a total of 227 employees left our company. The turnover rate was thus 13%.

Diversity metrics[38]

Respect for diversity within our workforce is not only part of our corporate identity, it also constitutes a decisive competitive advantage in our company which is active worldwide. Cooperation between employees with a range of different nationalities – both within and between individual SNP locations – is a material aspect of our corporate culture and promotes a culture of equality and tolerance. The following metrics relating to our employees refer to the number of persons in each case and were collected as of December 31, 2024.

	2024
Under 30 years old	263
Percentage share of employees under 30 years old	17%
30–50 years old	980
Percentage share of employees between 30 and 50 years old	63%
Over 50 years old	319
Percentage share of employees over 50 years old	20%

Employees in management positions	2024
Female	25
“Female” percentage share in management positions	27%
Male	66
“Male” percentage share in management positions	73%
Other	0
“Other” percentage share in management positions	0.0%
Not reported	0
“Not reported” percentage share in management positions	0.0%
Total	91

[38] S1-9

Incidents, complaints and severe human rights impacts[39]

SNP was notified of one breach of its code of conduct in the reporting year. The investigation of this incident had not yet been completed by the end of 2024. The company did not learn of any incidents relating to discrimination, harassment or human rights violations in the reporting year. The relevant parameters are set out below:

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

	2024
Total number of incidents of discrimination reported in the reporting period	0
Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns	1
Number of complaints filed with the National Contact Points for OECD Multinational Enterprises	0
Amount of fines, penalties, and compensation for damages as a result of violations regarding social and human rights factors	0
Number of severe human rights violations and incidents connected to own workforce	0
Number of severe human rights violations and incidents connected to own workforce that violate the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	0
Amount of fines, penalties and compensation for severe human rights violations and incidents connected to own workforce	0
Number of severe human rights incidents where the undertaking played a role securing remedy for those affected	0

[39] S1-7

MEASURES TO COMBAT CORRUPTION AND BRIBERY

CORPORATE CULTURE AND COMPLIANCE

Due to SNP's strong growth over the past few years, it is particularly important for it to be able to rely on a common framework of values. Only through this common approach will SNP grow into a global community that deals with its employees, customers, partners and suppliers in a respectful, honest and reliable manner. All SNP employees are obliged to comply with the company's code of conduct. Our convictions and corporate guidelines are outlined here, along with a description of our efforts to comply with the rule of law and our standards of ethical conduct. At the same time, the code of conduct is the core of our Compliance Management System; this system is continually developed in order to introduce and implement actions that address SNP's risk position and to measure their effectiveness.

In addition to the individual rules of conduct outlined in its code of conduct, SNP also follows the recommendations set out in the German Corporate Governance Code (the "Code"), with a few exceptions. Our Corporate Governance Statement is published annually. It outlines in detail how SNP complies with the commitments set out in the Code and can be viewed in this Management Report. SNP's Legal and Compliance department works closely with the company's Executive Board and managers, advising and supporting all employees to ensure compliance with internal and external requirements. From 2021, the previous Board of Directors had an Audit Committee dealing, in particular, with issues relating to accounting, auditing, control systems and the risk management system. Our Supervisory Board has the same Audit Committee in place following the changeover of SNP SE's governance to a twotier system in 2023. The Executive Board and the respective departments report regularly to the Audit Committee.

An "Integrity Line" is available to all of SNP's employees around the world. Further details are provided in the "Own workforce"[40] chapter. Through this digital reporting system, employees can anonymously report any irregularities, in particular violations of applicable laws or internal guidelines. All reports are processed confidentially by the Legal and Compliance department with the involvement of the company's Executive Board and case managers. The reports are subject to the dual-control principle and conform to a prescribed procedure. Mandatory training is another key element for the avoidance of compliance violations. Further details of our integrity training – which is based on our code of conduct – and our equal opportunity and antidiscrimination training are provided in the "Own workforce"[41] chapter. Employees also receive data protection and information security training. EXA employees received training on both topics via the online tool from IITR provided by the external data protection officer.

CORRUPTION AND BRIBERY

A major factor in our long-term success is the relationship of trust we have with our customers. To justify this trust, SNP must conduct its activities with fairness and integrity in all aspects of its business. We treat our customers, business partners and competitors with respect and do not engage in any actions that distort or hinder competition. As in the previous year, no legal actions were initiated against SNP SE or its subsidiaries in 2024 pertaining to anticompetitive behavior or antitrust and monopoly practices. In addition, SNP did not pay any penalties or fines (e.g., as a result of accounting fraud, workplace discrimination or corruption, including bribery).

[40] S1-1 and S1-3
[40] S1-4

We reject any form of dubious market practices, e.g., any form of bribery or corruption. We have established internal training programs in order to raise awareness among our employees and support them in recognizing and avoiding compromising situations. In addition, a multiple-phase approval process is in place for our procurement system. This requires the Procurement department or a line manager to review and approve a procurement transaction. Further work on purchasing processes is planned for 2025. This relates to the company's supplier onboarding process, stronger process automation and system-supported supplier assessment, which are to undergo further development. These processes are also intended to improve our business partner review system.

The risk management system also examines the appropriate representation of compliance aspects. For this purpose, since 2023 compliance risks have been identified and assessed separately for relevant topics, including the topic of corruption.

FORECAST REPORT

Expected Global Economic Development

The economic experts of the International Monetary Fund (IMF) are forecasting global economic growth of 3.3% for both 2025 and 2026. The forecast for 2025 is largely unchanged compared to the World Economic Outlook of October 2024. The key reason for this is an upward revision of economic growth in the USA, which offsets the downward corrections in other major economies.

According to the IMF, the medium-term risks for global economic development are high. The opportunities include a recovery of the global economy through the renegotiation of trade agreements and the conclusion of new agreements by new governments, as well as growth through other political measures such as structural reforms and efforts to increase the labor supply. However, there are risks that protectionist measures will intensify, for example, in the form of a new wave of tariffs, an easing of US fiscal policy, an appreciation of the dollar in response to the positive sentiment in the USA and the resulting capital outflows from emerging markets and developing countries, renewed inflationary pressure and heightened geopolitical tensions.[16]

ECONOMIC DEVELOPMENT – GDP GROWTH BY COMPARISON WITH PREVIOUS YEAR[17]

In %	2024	2025 f	2026 f
Worldwide	**3.2**	**3.3**	**3.3**
Industrialized nations	1.7	1.9	1.8
Emerging markets and developing countries	4.2	4.2	4.3
Europe			
Eurozone	0.8	1.0	1.4
Germany	-0.2	0.3	1.1
UK	3.2	1.6	1.5
European emerging markets and developing countries	3.2	2.2	2.4
North and Latin America			
USA	2.8	2.7	2.1
Latin America and the Caribbean	2.4	2.5	2.7
Asia-Pacific			
China	4.8	4.6	4.5
Japan	-0.2	1.1	0.8
Asian emerging markets and developing countries	5.2	5.1	5.1

f = forecast

[16] International Monetary Fund (IMF), World Economic Outlook Update, January 2025.

[17] International Monetary Fund (IMF), World Economic Outlook Update, January 2025.

Expected Development of the IT Transformation Market

Market for Cloud Solutions Continues to Grow

Companies continue to increase their spend on cloud infrastructure services. Global expenditure in the second quarter of 2024 was USD 79.1 billion; this equates to an increase of around 22% compared to the same quarter of the previous year (USD 65 billion). This was revealed by data in a study conducted by the Synergy Research Group. Although the increase in expenditure slowed somewhat in 2023, it picked up again significantly in 2024 despite the difficult macroeconomic and political conditions. A key driver for this was the development of generative artificial intelligence (GenAI). The cloud market increased significantly in all regions of the world. Measured in local currencies, the APAC region recorded the highest growth rates. The growth rates in India, Japan, Australia and South Korea were at least 25%. The US market saw the largest growth worldwide at 22%. The three largest hyperscalers – AWS, Microsoft and Google, who between them now account for 67% of the global market – benefited the most from this.[18]

According to a forecast from Gartner from 2024, global enduser expenditure for public cloud services will likely continue to grow this year too. Gartner expects spending to increase by 21.5% to USD 723.4 billion in 2025, up from USD 595.7 billion in 2024. The cloud has now become indispensable. All segments of the cloud market, such as Platform-as-a-Service (PaaS), Infrastructure-as-a-Service (IaaS), Software-as-a-Service (SaaS) and Desktop-as-a-Service (DaaS) will all achieve doubledigit growth rates GenAI is the main factor driving this development. In addition, 90% of the companies will adopt a hybrid cloud approach by 2027, in which data synchronization will represent a key challenge.[19]

Changeover to SAP S/4HANA Continues to Accelerate

The changeover to SAP S/4HANA remains a significant challenge for many companies. SAP’s revenue from the Cloud ERP Suite, with S/4HANA accounting for a significant portion, increased by 33% to € 14.2 billion in 2024. Migration to ERP solutions therefore gained more significant momentum. We expect this trend to continue in 2025. At the end of 2024, the order backlog for SAP for cloud products amounted to € 18.1 billion. This represents an increase in the order backlog of 32% by comparison with the end of 2023.[20]

According to a study carried out by Capgemini, at 62%, most of the managers are looking ahead to corporate growth with optimism for 2025 (2024: 56%). Half of the companies want to increase their investments accordingly. Investment in the technology sector this year will therefore focus primarily on artificial intelligence, the cloud and data and analytics. Overall, companies worldwide intend to invest 1.35% of their revenue in technology in 2025.[21]

[18] synergy research group, August 2024, (https://www.srgresearch.com/articles/cloud-market-growth-stays-strong-in-q2-while-amazon-google-and-oracle-nudge-higher).

[19] Gartner, November 2025, (https://www.gartner.com/en/newsroom/press-releases/2024-11-19-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-total-723-billion-dollars-in-2025).

[20] SAP quarterly report Q4 2024, (https://www.sap.com/investors/de/why-invest/recent-results.html?pdf-asset=d2fc4d8b-a67e-0010-bca6-c68f7e60039b&page=1).

[21] Capgemini, Navigating uncertainty with confidence Investment priorities for 2025, (https://www.capgemini.com/wp-content/uploads/2025/01/Investment-Trends-Report.pdf).

Stable Upward Trend Expected in M&A Activities

According to PwC's M&A outlook for 2025, the market for M&A activities is expected to increase sharply. In the segment of transactions with a volume of more than USD 1 billion, the trend is already showing an upward trajectory with global growth of 17%. These large transactions are considered to be the drivers for the entire market. Important factors for growing M&A activity are the greater focus of CEOs on growth and transformation in response to the increased importance of AI, greater availability of capital and a wider choice of companies for acquisition. M&A can be a key strategic element in supporting companies' business models and growth. 81% of the CEO that have made an acquisition in the last three years are planning further acquisitions in the coming three years. However, the volatile and unstable geopolitical situation, a renewed rise in long-term interest rates and high valuations on the M&A market continue to pose a challenge.[22]

Impact on SNP

We continue to implement our growth strategy, which we want to use to drive the expansion of our direct customer and partner business on the basis of our software business. We will continue to benefit from the positive market dynamics, driven in particular by migrations to SAP S/4HANA and RISE. An important component of this is the new SNP Kyano technology platform, which represents a technological advancement of the previous SNP software Crystal-Bridge. We are confident that the growing acceptance of our software-based approach to handling complex digital transformation processes will enable us to further increase our market share. Overall, we aim to increase our overall revenue as well as the proportion accounted for by our software revenue in comparison with the previous year.

Company's Expected Development

In the current fiscal year, the SNP Group will continue to strive to enhance its profitable growth. To this end, we are pursuing various strategic approaches: On the one hand, international expansion will continue to be driven forward in order to open up further attractive SAP markets. Secondly, the scaling of the SNP software is to be significantly expanded via a broad partner ecosystem. In line with a consistent software strategy, the technological development of the product portfolio is also aimed at increasing customer benefits. Furthermore, measures to increase internal effectiveness and efficiency also contribute to achieving sustainable profitable growth.

Outlook

Assuming continued positive industry development and our strong market position, we also anticipate positive business development for the 2025 fiscal year. We expect sales revenue to grow to between € 270 million and € 280 million (2024 revenue: € 254.8 million). At the same time, we anticipate that operating earnings (EBIT) will fall in a range of between € 30 million and € 34 million (EBIT 2024: € 28.6 million). We continue to expect the book-to-bill ratio for the order entry (order entry over revenue) to be greater than one.

In line with the forecast development of Group sales, we expect growth rates in the mid single-digit percentage range in the Services and Software business segments, whereby growth in the Software business segment will be stronger than in the Services business segment. In the EXA business segment, revenue is expected to grow in the low double-digit percentage range.

As in previous years, it is assumed that, in 2025, revenue will not be evenly distributed over the quarters and that the second half of the year will be stronger.

[22] Pwc, Global M&A Industry Trends: 2025 Outlook (https://www.pwc.com/gx/en/services/deals/trends.html).

Basis for Outlook and Perspective

Our outlook reflects all known events that may affect the course of business of the SNP Group as of the preparation of this report.

SNP SE Outlook

As a largely internal service provider that performs central functions, SNP SE envisages a marked increase in revenue year-over-year for the 2025 fiscal year, especially through higher licensing fees with affiliated companies. Significantly better operating earnings (EBIT) are expected in 2025, alongside revenue performance.

Declaration on Company Management

SNP SE, as a publicly traded company pursuant to Section 315d and Section 289f of the German Commercial Code (HGB), must provide a declaration on company management in the management report or make one accessible on the website of the company. The Executive Board and Supervisory Board issued the corporate governance declaration on March 21, 2025 and published it on the SNP website at https://investor-relations.snpgroup.com/en/governance/.

OTHER DISCLOSURES

Acquisition-Related Disclosures

The disclosures as of December 31, 2024, which are required according to Section 289 a and Section 315 a (1) of the HGB, are provided below. Those elements of Section 289 a (1) and Section 315 a (1) of the HGB that are not fulfilled at SNP Schneider-Neureither & Partner SE are not mentioned.

Composition of Issued Share Capital

As of December 31, 2024, the share capital of SNP Schneider-Neureither & Partner SE amounted to € 7,385,780, consisting of 7,385,780 ordinary no-par-value bearer shares with a calculated share of capital of € 1.00 per share. Each share entitles the holder to one vote.

Restrictions on Voting Rights or the Transfer of Shares

The SNP shares are not registered shares with restricted transferability. As of December 31, 2024, the company holds 102,660 treasury shares. The company does not have any rights resulting from treasury shares and thus nor does it have any voting or dividend rights. No further restrictions affecting voting rights or the transfer of shares are known.

Direct or Indirect Investments Exceeding 10% of Capital (as of December 31, 2024):

Mr. Wolfgang Marguerre: 65.19% of the total voting rights; as part of a voluntary public takeover bid, Succession German Bidco GmbH, as the buyer, concluded a share purchase agreement with Mr. Wolfgang Marguerre, as the seller, on December 23, 2024, for the acquisition of 4,814,674 SNP shares at a purchase price of € 61.00 per SNP share. The purchase agreement is subject to the same conditions as the above-mentioned takeover offer. The contractual provisions also stipulate that the above-mentioned shares will not be tendered as part of the take-over offer and are otherwise blocked by a custody account blocking agreement. The company has issued a statement pursuant to Section 27 of the German Securities Acquisition and Takeover Act (WpÜG).

Statutory Provisions and Provisions of the Articles of Association on the Appointment and Dismissal of Executive Board Members and the Amendment of the Articles of Association

With regard to the appointment and dismissal of Executive Board Members, reference is made to the applicable statutory provisions of Article 39 SE Regulation in conjunction with Section 84 AktG. In addition, Section 6 (1) of the Articles of Association of SNP SE stipulates that the Supervisory Board shall appoint at least two Executive Board members. The Supervisory Board appoints Executive Board Members for a maximum period of five years. Reappointments are permissible. Dismissal for due cause is permitted pursuant to Article 39 (2) SE Regulation in conjunction with Section 84 (4) AktG. In accordance with Article 9 (1) clause c) (ii) of the SE Regulation, the amendment of the Articles of Association is provided for in Sections 133 and 179 of the AktG. The Supervisory Board is authorized to approve changes to the Articles of Association that involve only wording (Section 10 (3) of the Articles of Association of SNP SE).

Powers of the Executive Board to Issue and Buy Back Shares

2019 Authorized Capital

The Executive Board, with the approval of the Supervisory Board, was authorized to increase the company's share capital by June 5, 2024, by up to a total of € 3,301,223 against cash or in-kind contributions through the issuance on one or more occasions of new no-par-value bearer shares (2019 Authorized Capital).

Following its partial use in the 2020 and 2021 fiscal years, the 2019 Authorized Capital amounted to € 2,517,890. No authorized capital was utilized in the 2024 fiscal year.

No new authorized capital was created.

2021 Contingent Capital

On June 17, 2021, the Annual General Meeting agreed to a contingent share capital increase of up to € 3,606,223, divided into up to 3,606,223 no-par-value bearer shares (2021 Contingent Capital). The contingent capital increase will be executed only to the extent that the owners or creditors of warrant or conversion rights, or persons subject to conversion obligations, exercise their warrant or conversion rights or fulfill their conversion obligations, if applicable, arising from warrant-linked bonds or converti-ble bonds that are issued for cash or in-kind contributions and that are issued or guaranteed by the company until June 16, 2026 – by virtue of the authorization of the Board of Directors and the resolution passed by the Annual General Meeting on June 17, 2021 – or if the company exercises an option to grant shares in the company in whole or in part instead of paying the amount of money due unless a cash settlement is permitted or the company's treasury shares are used for this purpose. The new shares will be issued in accordance with the aforementioned authorization at option and conversion prices to be determined. The new shares participate in profits from the beginning of the fiscal year in which they arise. The Executive Board is authorized, with the approval of the Supervisory Board, to determine further details of the implementation of the conditional capital increase and to amend the wording of the Articles of Association to reflect the issue of shares from the conditional capital.

Share Buyback

The company was authorized by the Annual General Meeting in the period from June 30, 2020, up to June 29, 2025, to purchase treasury shares for up to 10% of the share capital at the time of the resolution or – if this value is lower – of the share capital at the time of utilization of the authorization for any purpose permitted by law.

Significant Agreements with Change-of-Control Clauses

SNP SE has concluded the following significant agreements, which include provisions covering the scenario of a change of control, e.g., due to a takeover offer: in its borrower's note loan contracts with a nominal volume of € 32.5 million, the lenders have an extraordinary right of termination in the event of the borrower being incorporated within another company. In a finance agreement for which a volume of € 20.0 million has been paid out, the lender has a right of early repayment in the event of a change of control, as provided for in this agreement. In the event of a change of control, the lender has the right to terminate for good cause a € 7.0 million loan agreement that had been concluded but not yet utilized as of the reporting sheet date without observing a notice of termination. The lender also has an immediate right to terminate at any time in the event of a change of control for an annuity loan with the last repayment installment falling on June 30, 2025 and a remaining volume of € 1.3 million as of December 31, 2024. Similar rights of termination in the event of a change of control are stipulated in some contracts with partners and customers.

Dependency Report

SNP SE has prepared a report on relationships with affili-ated companies in accordance with Section 312 (3) AktG for the 2024 fiscal year.

As of the reporting date of December 31, 2024, the Heidelberg businessman Wolfgang Marguerre holds 65.19% of SNP's shares. He therefore holds and controls the majority of the voting rights. SNP SE is thus essentially a dependent company within the meaning of Section 17 (1) AktG, as it is majority-owned.

In its closing statement on the report on relationships with affiliated companies, the Executive Board declares that SNP SE did not enter into any legal transactions with Mr. Wolfgang Marguerre and the companies of the Octapharma Group controlled by him in the 2024 fiscal year. Similarly, no legal transactions were conducted on their initiative or in their interest, and no measures were taken or omitted on their initiative or in their interest. This did not result in any disadvantage for SNP SE.

Heidelberg, March 21, 2025

Executive Board

Dr. Jens Amail Andreas Röderer

RESPONSIBILITY STATEMENT

We certify to the best of our knowledge that in accordance with applicable accounting principles, the consolidated financial statements give a true and fair view of the Group's financial position and financial performance and that the business performance, including the result of operations and the position of the Group, are presented in the combined management report in a way that gives a true and fair view, and that significant opportunities and risks for the expected performance of the Group are described.

Heidelberg, March 21, 2025

Executive Board

Dr. Jens Amail Andreas Röderer

Success Story

UFA

United Farmers of Alberta Leverages SNP OUTBOARD to Archive SAP ERP Data Before Moving to the Cloud. Due to performance issues related to capacity limitations of its existing on-premise SAP ERP system, the company opted to move to the cloud. UFA came to SNP to minimize the database footprint to right-size the cloud database investment. UFA sought to focus on the largest and most business-relevant tables. This meant identifying these tables upfront and ensuring that all transactions were business-complete so that they could be archived.

Scan the QR code and learn more about the successful project.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

to December 31, 2024

ASSETS

in € thousand	Notes	2024	2023
Current assets			
Cash and cash equivalents	14.	72,473	40,313
Other financial assets	15.	842	5,020
Trade receivables	16.	83,223	78,297
Contract assets	17.	18,734	10,598
Other non-financial assets	18.	5,317	3,102
Current tax assets	30.	1,994	1,506
		182,583	**138,836**
Non-current assets			
Goodwill	10.	78,744	68,031
Other intangible assets	19.	17,204	15,286
Property, plant and equipment	20.	4,360	4,242
Right-of-use assets	21.	14,277	14,166
Other financial assets	18.	1,020	1,119
Investments accounted for using the equity method	22.	225	225
Trade receivables	16.	5,644	13,776
Other non-financial assets	18.	122	174
Deferred taxes	30.	9,103	5,930
		130,700	**122,951**
		313,283	**261,787**

The following notes are an integral part of the consolidated financial statements.

EQUITY AND LIABILITIES

in € thousand	Notes	2024	2023
Current liabilities			
Trade payables	23.	8,869	10,108
Contract liabilities	17.	11,572	8,222
Tax liabilities	30.	3,443	1,064
Financial liabilities	24.	21,824	16,258
Other non-financial liabilities	26.	39,096	33,839
Provisions	27.	157	62
		84,960	**69,553**
Non-current liabilities			
Contract liabilities	17.	5,738	2,454
Financial liabilities	24.	73,416	72,569
Other non-financial liabilities	26.	669	774
Provisions for pensions	29.	2,158	1,957
Other provisions	27.	988	471
Deferred taxes	30.	7,331	5,369
		90,300	**83,595**
Equity			
Subscribed Capital	31.	7,386	7,386
Capital reserves	33.	99,488	98,098
Retained earnings	33.	33,448	13,191
Other components of equity		3,213	-4,687
Treasury shares	32.	-4,456	-4,456
Capital attributable to shareholders		**139,078**	**109,531**
Noncontrolling interests	34.	-1,055	-892
		138,023	**108,639**
		313,283	**261,787**

The following notes are an integral part of the consolidated financial statements.

GROUP INCOME STATEMENT

for the period from January 1 to December 31, 2024

in € thousand	Notes	2024	2023
Revenue		**254,771**	**203,426**
Service	9.	165,327	134,151
Software	9.	89,443	69,275
Other operating income	37.	12,172	8,440
Cost of material	38.	-24,536	-22,979
Personnel costs	39.	-151,987	-123,435
Other operating expenses	40.	-48,979	-42,968
Impairments on receivables and contract assets		-362	-505
Other taxes		-1,038	-462
EBITDA		**40,040**	**21,517**
Depreciation and impairments on intangible assets and property, plant and equipment		-11,417	-10,401
EBIT		**28,622**	**11,116**
Other financial income		1,401	1,047
Other financial expenses		-4,709	-3,316
Net financial income	41.	**-3,307**	**-2,269**
EBT		**25,315**	**8,847**
Income taxes	30.	-5,204	-2,982
Consolidated income/net loss		**20,111**	**5,865**
Of which:			
Profit share of noncontrolling interests		-133	-3
Profit share of shareholders in SNP Schneider-Neureither & Partner SE		20,244	5,868
Earnings per share (€)	12.	**€**	**€**
- Undiluted		2.78	0.81
- Diluted		2.76	0.80
Weighted average number of shares	12.		
- Undiluted		7,283,120	7,280,786
- Diluted		7,335,070	7,307,096

The following notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2024

in € thousand	2024	2023
Net income for the period	**20,111**	**5,865**
Items that may be reclassified to the income statement in the future	-	-
Differences from foreign currency conversion	7,606	-5,220
	7,606	**-5,220**
Items that are not reclassified to the income statement	-	-
Change from the remeasurement of defined benefit obligations	340	-476
Deferred taxes on the change from the remeasurement of defined benefit obligations	-63	101
	276	**-375**
Income and expenses directly recognized in equity	**7,882**	**-5,595**
Comprehensive income	**27,993**	**270**
Profit share of noncontrolling interests	-151	4
Profit share of shareholders in SNP Schneider-Neureither & Partner SE of total profit	**28,144**	**266**

The following notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to December 31, 2024

in € thousand	2024	2023
Result for the period	**20,111**	**5,865**
Depreciation	11,417	10,401
Change in provisions for pensions	201	394
Other non-cash income/expenses	1,700	3,515
Changes in trade receivables, contract assets, other current assets, other non-current assets	-5,518	-15,235
Changes in trade payables, contract liabilities, other provisions, tax liabilities, other current liabilities	12,607	7,562
Other adjustments to net income for the period attributable to investing and financing activities	295	42
Cash inflow from operating activities (1)	**40,813**	**12,545**
Payments for investments in property, plant and equipment	-1,438	-851
Payments for investments in intangible assets	-191	-208
Proceeds from the disposal of items of intangible assets and property, plant and equipment	105	226
Proceeds from the sale of consolidated companies and other business units	4,859	5,000
Payments resulting from the acquisition of consolidated companies and other business units	-2,442	-475
Cash flow from investment activities (2)	**893**	**3,691**
Dividend payments to noncontrolling interests	-14	-2
Payments for the purchase of shares to noncontrolling shareholders	1	-
Proceeds from loans taken out	7,111	-
Payments for the settlement of loans and other financial liabilities	**-11,625**	**-7,043**
Payments for the repayment of lease liabilities	-5,497	-5,081
Cash flow from financing activities (3)	**-10,024**	**-12,126**
Impact of the effects of changes in foreign exchange rates on cash and bank balances (4)	478	-2,165
Net change in cash and cash equivalents (1) + (2) + (3) + (4)	**32,160**	**1,946**
Cash and cash equivalents at the start of the fiscal year	40,313	**38,367**
Cash and cash equivalents on December 31	**72,473**	**40,313**
Composition of cash and cash equivalents:	**2024**	**2023**
Cash and cash equivalents	72,473	40,313
Cash and cash equivalents on December 31	**72,473**	**40,313**

The following notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January, 1, 2023 to December 31, 2024

				Other components of equity						
in € thousand	Subscribed Capital	Capital reserve	Retained earnings	Currency conversion	Revaluation of performance-oriented obligations	Other components of equity Total	Treasury shares	Shareholders of SNP SE attributable	Noncontrolling shares	Total equity
As of 01/01/2023	**7,386**	**97,124**	**7,320**	**135**	**780**	**915**	**-4,669**	**108,076**	**-893**	**107,183**
Stock option program		974				-	213	1,187	-1	1,186
Distributions			2			-		2	-2	-
Comprehensive income			5,869	-5,227	-376	-5,603		266	4	270
of which hyperinflation			-1,191	-2,458		-2,458		-3,649	-	-3,649
As of 31/12/2023	**7,386**	**98,098**	**13,191**	**-5,092**	**404**	**-4,688**	**-4,456**	**109,531**	**-892**	**108,639**
Stock option program		1,390				-	-	1,390	-	1,390
Distributions			13			-		13	-13	-
Comprehensive income			20,244	7,624	276	7,900		28,144	-151	27,994
of which hyperinflation			843	6,547		6,547		7,390	-	7,390
As of 31/12/2024	**7,386**	**99,488**	**33,448**	**2,532**	**680**	**3,212**	**-4,456**	**139,078**	**-1,055**	**138,023**

The following notes are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

for the Fiscal Year Ended December 31, 2024

1. BASIC INFORMATION ON THE COMPANY

SNP Schneider-Neureither & Partner SE (hereinafter: "SNP"), headquartered at Speyerer Strasse 4, Heidelberg, Germany, is one of the world's leading providers of software for the management of complex digital transformation processes. With its proprietary software, SNP accelerates the secure transformation of IT landscapes and data structures so that companies can adjust to the everfaster changes in the market with agility.

The company is entered in the commercial register of the Mannheim District Court under HRB 729172. Its shares are traded on the Prime Standard of the Frankfurt Stock Exchange under security identification number ISIN DE0007203705.

The consolidated financial statements of SNP Schneider-Neureither & Partner SE for the fiscal year ended December 31, 2024, were approved for publication on March 21, 2025, by resolution of the Executive Board and Supervisory Board.

2. GENERAL INFORMATION

The consolidated financial statements of SNP and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, in accordance with Section 315e (1) of the German Commercial Code (HGB).

The IFRS include the IFRS newly released by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC or IFRS IC) and the Standing Interpretations Committee (SIC), as adopted by the EU. At the same time, the consolidated financial statements satisfy the commer-cial law requirements pursuant to Section 315e (1) of the HGB.

The consolidated financial statements were prepared in euros (€), the functional currency of the parent company. Unless otherwise stated, all amounts in the notes to the consolidated financial statements are provided in thousands of euros (€ thousand). Due to rounding, slight discrepancies are possible in this report for total amounts as well as percentage figures.

The income statement was prepared according to the nature of expense method.

The consolidated financial statements are prepared on a historical cost basis, with the following exceptions:

- Defined benefit pension plans: plan assets are measured at fair value.
- Cash-settled share-based payment transactions: the remuneration plans, payable in cash, are measured at fair value.
- Equity-settled share-based payment transaction: measurement of the equity instrument granted on the grant date is made at fair value.
- Contingent consideration in case of a business combination: measurement at fair value.

3. APPLICATION OF NEW ACCOUNTING STANDARD

The following standards and interpretations of the International Accounting Standards Board (IASB) that have come into force have been adopted by the European Union (EU) and taken into consideration in the preparation of the consolidated financial statements as of December 31, 2024:

- Amendments to IAS 1 – Classification of Liabilities with Ancillary Conditions
- Amendments to IAS 1 – Classification of Liabilities as Current or Noncurrent
- Amendments to IFRS 16 – Lease Liabilities from a Sale and Leaseback Transaction
- Amendments to IAS 7 and IFRS 7– Suppliers financing agreements

The standards are mandatory for fiscal years beginning from January 1, 2024. The application of these new or revised standards and interpretations has not had any significant effect on the consolidated financial statements.

4. NEW ACCOUNTING RULES THAT HAVE NOT YET TAKEN EFFECT

The following standards and interpretations issued by the IASB have not yet taken effect as of the date of publication of these consolidated financial statements. The Group will apply these standards, where applicable, once they come into effect and are endorsed by the EU.

- Amendments to IAS 21 – Lack of exchangeability [1]
- Amendments to IFRS 9 and IFRS 7 – Classification and evaluation of financial instruments [2,5]
- Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10 – Annual Improvements to IFRS Accounting Stand-ards – Volume 11 [2,5]
- IFRS 18 – Presentation and Disclosure in Financial Statements [3,5]
- IFRS 19 – Subsidiaries not subject to public accountabil-ity: Disclosures [3,5]
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4,5]

The impact of the application of IFRS 18 "Presentation and Disclosure in Financial Statements" cannot yet be conclusively assessed as of December 31, 2024. The new standard replaces IAS 1 "Presentation of Financial Statements" and is mandatory to apply from January 1, 2027. The revised standard requires the following significant changes:

- Restructuring of the income statement: Introduction of five clearly defined categories (operating, investing, financing, income taxes and discontinued operations).
- New mandatory subtotal: The operating result is introduced, while the result for the period remains unchanged.
- Certain company-specific performance measures (management-defined performance measures (MPMs)) are disclosed separately in the notes to the financial statements.
- Improved guidelines for grouping information within financial statements to increase comparability.
- Amendment to the statement of cash flows: Companies are required to use the operating result as a starting point for the indirect calculation of cash flow from operating activities.

[1] Applicable for fiscal years beginning on or after January 1, 2025.

[2] Applicable for fiscal years beginning on or after January 1, 2026.

[3] Applicable for fiscal years beginning on or after January 1, 2027.

[4] Date of initial application postponed indefinitely. Early application is still permitted.

[5] EU endorsement not yet given. The dates stated in footnotes 2 and 3 represent the probable dates of initial application

SNP is currently analyzing the potential impact of the new standard for all affected financial statements components resulting from the changes listed above.

SNP is still examining the future impact that the other standards published as of December 31, 2024, but not yet applied in the Group in fiscal year 2024 and their interpretations will have on the consolidated financial statements. It is currently assumed that these new rules will not have a material impact on the Group's financial position or financial performance.

5. SCOPE OF CONSOLIDATION

Aside from SNP Schneider-Neureither & Partner SE as the parent company, the scope of consolidation includes the following subsidiaries in which SNP holds the majority of the voting rights directly or indirectly.

Company name	Company headquarters	Share ownership in %
SNP Deutschland GmbH	Heidelberg, Germany	100
SNP Applications DACH GmbH	Heidelberg, Germany	100
SNP GmbH	Heidelberg, Germany	100
SNP Innovation Lab GmbH	Heidelberg, Germany	100
ERST European Retail Systems Technology GmbH	Hamburg, Germany	100
Hartung Consult GmbH	Berlin, Germany	100
SNP Austria GmbH	Pasching, Austria	100
SNP (Schweiz) AG	Glattpark (Opfikon), Switzerland	100
SNP Resources AG	Glattpark (Opfikon), Switzerland	100
Harlex Consulting Ltd.	London, UK	100
SNP Transformations, Inc.	Jersey City, NJ, USA	100
SNP Transformations PR LLC 2	Guaynabo, Puerto Rico	100
ADP Consultores S.R.L.	Buenos Aires, Argentina	100
ADP Consultores Limitada	Santiago de Chile, Chile	100
ADP Consultores S.A.S.	Bogotá, Colombia	100
SNP LATAM-MÉXICO S. de R.L. DE C.V.	Mexico City, Mexico	100
SNP Brasil LTDA	São Paulo, Brazil	100
Shanghai SNP Data Technology Co., Ltd.	Shanghai, China	100
Qingdao SNP Data Technology Co., Ltd.	Qingdao, China	100
SNP Transformations SEA Pte. Ltd.	Singapore, Singapore	81
SNP Transformations Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	81
SNP Australia Pty Ltd.	Sydney, Australia	100
SNP Japan Co., Ltd.	Tokyo, Japan	100
SNP Transformations ME FZ-LLC	Dubai, United Arab Emirates	100
SNP Schneider-Neureither & Partner ZA (Pty) Limited	Johannesburg, South Africa	100
EXA AG	Heidelberg, Germany	84.9
EXA AG India Pvt. Ltd	Bangalore, India	84.9
EXA AG America LLC	West Chester, PA, USA	84.9
Datavard Software GmbH	Heidelberg, Germany	100
SNP Slovakia, s. r. o.	Bratislava, Slovakia	100
SNP Software, s. r. o.	Bratislava, Slovakia	100
Datavard Pte. Ltd.	Singapore, Singapore	100
Trigon Consulting GmbH & Co. KG [1]	Pullach, Germany	51
Trigon Consulting Beteiligungs-GmbH [1]	Pullach, Germany	51
Trigon Consulting Pte. Ltd. [1]	Singapore, Singapore	51

[1] With effect from May 1, 2024, SNP acquired 51% of the shares in the Trigon Group. Further explanatory notes can be found under "10. Acquisitions / Business Combinations."

[2] SNP Transformations PR LLC, Guaynabo, Puerto Rico, was founded in July 2024.

SNP Digital Hub Eastern Europe sp. z o.o., Suchy Las, Poland, was deconsolidated in January 2024.

For the following companies included in the consolidated financial statements, use is made of the exemption provision of Section 264 (3) of the HGB:

- SNP Deutschland GmbH, Heidelberg
- SNP Applications DACH GmbH, Heidelberg
- SNP GmbH, Heidelberg
- Hartung Consult GmbH, Berlin
- SNP Innovation Lab GmbH, Heidelberg
- ERST European Retail Systems Technology GmbH, Hamburg
- Datavard Software GmbH, Heidelberg

6. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are based on the annual financial statements of SNP Schneider-Neureither & Partner SE and its consolidated subsidiaries, which are prepared according to uniform Group-wide accounting methods.

Intra-group balances and transactions and all unrealized income and expenses (except income and expenses from foreign currency transactions) from intra-group transactions are eliminated as part of the consolidation.

The fiscal year of SNP and its subsidiaries always ends on December 31, with one exception. The fiscal year of EXA AG India Pvt. Ltd, Bangalore, India, ends on March 31.

Associates

The financial statements of associates are prepared as of the same reporting date as the financial statements of the Group. Adjustments to Group-wide accounting methods are made, as required.

7. CURRENCY TRANSLATION AND HYPERINFLATION

The consolidated financial statements are prepared in euros, the functional currency of the parent company and the reporting currency.

The assets and liabilities of consolidated subsidiaries are translated into euros at the closing rate as of the reporting date. Income and expenses are translated at the weighted average exchange rate for the reporting month in question. The resulting differences are recognized as a separate component of equity under "Other components of equity."

We apply IAS 29 – Financial Reporting in Hyperinflationary Economies to our subsidiary in Argentina by adjusting this subsidiary's annual financial statements – prepared on a historical cost basis – for the current period while taking into account the change in the general purchasing power of the local currency based on relevant price indices as of the reporting date. The consumer price index IPC (Índice de precios al consumidor) is used for this purpose. The index value applied as of the reporting date was 7,694.0075 (previous year: 3,533.1922). The adjusted annual financial statements of our subsidiary in Argentina are translated at the closing rate as of the reporting date. The adjustments apply to all items in the financial statements that have not yet been expressed in the unit of measurement applicable as of the reporting date. The net financial position resulted in income of € 1,459 thousand (previous year: loss of € 418 thousand).

The exchange rates of the currencies which are relevant for the consolidated financial statements have changed as follows:

Exchange rates		**Closing rates**		**Average rates**	
Equivalent of € 1	**Currency**	**31/12/2024**	**31/12/2023**	**2024**	**2023**
US dollar	USD	1.0389	1.1050	1.0824	1.0813
Swiss franc	CHF	0.9412	0.9260	0.9526	0.9718
British pound	GBP	0.8292	0.8691	0.8466	0.8698
Argentine peso *	ARS	1,071.4643	892.0448		
Chilean peso	CLP	1,033.5700	979.4000	1,020.8350	907.2120
Colombian peso	COP	4,580.6660	4,223.3650	4,406.1280	4,677.6700
Chinese yuan (renminbi)	CNY	7.5833	7.8509	7.7875	7.6600
Singapore dollar	SGD	1.4164	1.4591	1.4458	1.4523
Japanese yen	JPY	163.0600	156.3300	163.8500	151.9903

* The average exchange rate of the Argentine peso against the euro does not apply here due to the application of IAS 29.

8. USE OF ESTIMATES

The preparation of the consolidated financial statements requires estimates and assumptions made by the Executive Board that affect the amounts of assets, liabilities, income, and expenses disclosed in the consolidated financial statements and the disclosure of contingent liabilities. Actual results may deviate from these estimates.

Key assumptions about the future and other material sources of estimation uncertainty as of the reporting date which give rise to a significant risk that a material adjustment to the carrying amounts of assets and liabilities could be necessary are discussed below.

Increased estimation uncertainty also applies in regard to the further impact of the wars in Ukraine and the Middle East as well as the development of inflation and interest rates. SNP assessed the expected impact within the scope of the preparation of its consolidated financial statements as of December 31, 2024, particularly in the context of performing impairment testing for goodwill and intangible assets and of determining the impairment for expected credit losses on trade receivables and contract assets. SNP assumes that the estimates and assumptions made in relation to its financial statements appropriately reflect its situation as of the time of preparation of the consolidated financial statements.

Recognition of Revenue

Progress in the context of customer-specific projects is measured on the basis of an input-based method. Under this method, factors including the prospective total order hours must be estimated. The prospective total order hours are then compared to the order hours incurred thus far as of the reporting date. The underlying assumptions and estimates involved in the determination of the degree of completion have an affect on the amount and timing of revenue recognition, which are thus subject to uncertainty. If sufficient information is not available, revenue is recognized only in the amount of the costs that have been incurred.

We are required to determine the following factors in the context of the accounting for our multi-component contracts:

- Which contracts with a specific customer must be reported as an overall contract.
- Which performance obligations for an overall contract may be individually identified and must therefore be separately reported.
- How the overall fee for an overall contract should be broken down into its performance obligations.

The assessment of whether various contracts with a given customer must be reported as an overall contract entails significant discretionary judgment, since we must evaluate whether these contracts were jointly negotiated or are otherwise linked with one another. The timing and amount of revenue recognition may differ depending on whether two contracts are reported separately or as an overall contract. The allocation of the overall fee to individual performance obligations is estimated on the basis of historical data. Individual sale prices at which goods or services have been sold to customers separately in the past are applied in this context.

Share-Based Payment Transactions

When accounting for share-based payment transactions, discretionary judgment must be exercised to estimate the achievement of individual performance targets in the future; these include the relative total shareholder return or the average EBIT margin. Judgment must also be exercised in estimating the future share price performance (please see item 28, Share-Based Payment Transactions).

Measurement of Trade Receivables and Contract Assets

SNP takes into account impairment of trade receivables and contract assets by recognizing decreases in revenue as well as impairment in accordance with the simplified impairment model provided by IFRS 9. This involves taking the expected credit losses into account via an impairment matrix. Individual valuation allowances are also recognized as needed. The assessment of whether a receivable can be collected entails discretionary judgments and requires assumptions regarding bad debt losses that may be subject to significant changes. Discretionary judgments are necessary in cases where we assess the available information in regard to the financial situation of a specific customer to determine whether a bad debt loss is likely, whether the amount of this bad debt loss can be reliably estimated, and whether a corresponding valuation allowance is necessary for the customer in question. Determination of the expected credit losses for remaining receivables on the basis of past experience also entails discretionary judgments, since past trends may not be representative of future development. Changes in our estimates in relation to valuation allowances for doubtful accounts may have a significant impact on our reported assets and expenses. In addition, our Group earnings might be adversely affected if the actual bad debt losses are significantly higher than we had assumed.

Leases

In order to determine the terms of leases, the management takes into consideration all facts and circumstances which offer an economic incentive to exercise extension options or to refrain from exercising termination options. Periods for which extension or termination options apply will only be included in the term of the agreement where an extension or non-exercise of a termination option is reasonably likely.

The following rules for the determination of the terms of leases apply in connection with the leasing of office space:

- In the event that the exercise of a termination option or the non-exercise of an extension option will result in significant economic disadvantages for the Group, as a rule it will be reasonably probable that the Group will not terminate, or will extend, the agreement.
- In case of leasehold improvements that have a significant residual value, as a rule it will be reasonably probable that the Group will extend, or will not terminate, the agreement.
- In addition, other factors such as historical lease terms, as well as costs and interruptions of business which the Group will incur if a leasing asset must be replaced, will be taken into consideration.

The original assessment will be reevaluated in case of a significant event or a significant change in circumstances which is liable to influence the previous assessment, where the lessee has control over this.

Accounting for Income Taxes

Due to the international nature of our business activities, we are subject to changes in tax legislation in our Group’s various jurisdictions. Moreover, our ordinary business activities include transactions whose ultimate tax consequences are uncertain due to different interpretations of tax legislation. In addition, the income taxes we pay are generally subject to ongoing tax audits carried out by German and foreign tax authorities. Discretionary judgments are therefore necessary in order to determine our global income tax liabilities. We assess the development of tax uncertainties on the basis of current tax legislation and our interpretations. Changes in the assumptions that form the basis of these estimates and results that differ from these assumptions may give rise to significant adjustments to the carrying amount of our income tax liabilities. The assessment of whether a deferred tax asset is impaired requires discretionary judgments on the part of the management, since we must estimate future taxable income in order to determine whether use of this deferred tax asset is likely. For assessment of our ability to use our deferred tax assets, we consider all of the available information, including taxable income realized in the past, as well as the predicted taxable income in the periods in which these deferred tax assets are expected to be realized. Our assessment of future taxable income is based on assumptions regarding future market conditions and the future profits of SNP. Changes in these assumptions and results that differ from these assumptions may give rise to significant adjustments to the carrying amount of our deferred tax assets.

Accounting for Business Combinations

Within the scope of accounting for business combinations, discretionary judgments are necessary when assessing whether an intangible asset can be identified and should be recognized separately from goodwill. In addition, an estimate of the fair values of the identifiable acquired assets and assumed liabilities as well as any earn-out obligations which may need to be recognized as of the date of acquisition entails significant discretionary judgments on the part of the management. The necessary assessments are based on the information that is available as of the date of acquisition as well as the expectations and assumptions that the management deems appropriate. These discretionary judgments, estimates, and assumptions may have a significant impact on our financial position and financial performance due to the following reasons, for example:

- The fair values assigned to the assets subject to depreciation will affect the value of the depreciation recognized in the operating result in the periods following the acquisition.
- Subsequent adverse changes to the estimated fair values of assets might result in additional expenses due to impairment.
- Subsequent changes in the estimated fair values of earn-out obligations, other liabilities, and provisions may result in additional expenses (in the case of an increase in the estimated fair values) or additional income (in case of a decrease in the estimated fair values).

Subsequent Accounting for Goodwill and Other Intangible Assets

Discretionary judgments are necessary

- For determination of the economic useful life of an intangible asset, since here, we estimate the period in which this intangible asset is likely to provide us with an economic benefit
- For determination of the method of amortization, since according to the IFRS, assets must undergo amortization on a straight-line basis unless we can reliably determine consumption of the future economic benefit
- For the capitalization of internally generated intangible assets

The amortization period and the amortization method both affect the expenses for amortization recognized in the individual periods.

The assessment of impairment of our goodwill and intangible assets is highly dependent on the management's assumptions regarding future cash flows and economic risks that entail significant discretionary judgments and assumptions in regard to future developments. These may be influenced by a large number of factors, such as:

- Changes to business strategy
- Internal forecasts
- Estimates of our weighted average cost of capital (WACC)
- Capitalization of research and development costs

Changes to the underlying assumptions for our assessments of impairment of our goodwill and intangible assets may result in significant adjustments to the carrying amount of our recognized goodwill and intangible assets as well as to the impairment losses recognized in profit and loss.

9. KEY ACCOUNTING POLICIES

To improve the clarity and informative value of the financial statements, individual items are summarized in the balance sheet and income statement and disclosed separately in the notes.

Financial Instruments

At SNP, financial instruments are reported under the following items on the statement of financial position: cash and cash equivalents, other financial assets, trade receivables, trade payables and financial liabilities.

Receivables are derecognized when their non-collectability is determined with definitive effect. Financial liabilities are derecognized when the contractual obligations are settled, canceled, or have expired. Trade receivables without a significant financing component are stated at the transaction price in accordance with IFRS 15.

Financial assets

The category “financial assets measured at amortized cost” is the most significant for the purposes of the consolidated financial statements of SNP. SNP measures financial assets at amortized cost if the following two conditions are satisfied:

- The financial asset is held as part of a business model that aims only to hold financial assets in order to collect the contractual cash flows, and
- the contractual terms of the financial asset result in cash flows that are solely payments of principal and interest on the principal amount outstanding arising on specified dates.

There are no financial assets “measured at fair value in profit and loss” as of the end of the reporting year.

The Group did not hold any assets in the “measured at fair value through other comprehensive income” category in the reporting year or in the previous year.

Impairment for Expected Credit Losses Relating to Trade Receivables and Contract Assets

The IFRS 9 simplified impairment model is applied in order to determine the impairment for trade receivables and contract assets. The expected credit losses are determined over the entire term by means of an impairment matrix. For the purposes of the impairment matrix, we assign our local subsidiaries to various risk classes, mainly on the basis of the information available regarding the country risk classification for their home country. We then assess the default risk for trade receivables and contract assets on the basis of historical default risks as well as current information available in relation to the country risk classification. Based on our analyses, including against the backdrop of the impact of the wars in Ukraine and the Middle East, historical default rates in this context usually represent an appropriate approximation of future default risks. Outstanding receivables are continuously monitored at a local level in order to determine whether there are any objective indications that the credit standing of our trade receivables and contract assets is impaired. Information regarding significant financial difficulties for the customer or non-compliance with a payment plan, for example, will indicate the impairment of trade receivables and contract assets. If these aspects apply, the impairment is adjusted accordingly, meaning the receivables are considered to have been lost (risk class 6) and a 100% write-down is recognized. Our consolidated income statement includes expenses resulting from expected credit losses due to the application of the impairment matrix as well as customers with impaired credit standing separately under “Impairment on receivables and contract assets.” Outstanding debts are written off in part or entirely if we assume that their realization is improbable. For example, this may be the case if insolvency proceedings for the customer have been completed or all of the options for the recovery of claims have been exhausted.

We apply the general impairment rules under IFRS 9 for bank balances, debt instruments and loans, as well as other financial receivables not classified at fair value in profit and loss. We exclusively invest financial resources with well-known financial institutions in order to minimize default risk. By virtue of the historical default data, we do not envisage any significant credit risk in this respect. On account of the small number of individual items, impairment for other financial assets has been determined on the basis of the specific credit risk.

Financial liabilities

With the exception of derivative financial liabilities, SNP recognizes financial liabilities at amortized cost in profit and loss using the effective interest method. Gains and losses are also recognized in profit and loss if liabilities are derecognized or modified.

At SNP, for example, promissory note loans, which are reported under “financial liabilities,” are measured at amortized cost.

In May 2020, a low-interest working capital loan granted by the German government was taken out with a volume of € 10,000 thousand. This fixed-rate amortizing loan has a term of approx. 5 years. Standard covenants have been agreed that include termination options. This working capital loan has been carried at fair value as of initial recognition and will be subsequently measured at amortized cost in accordance with the effective interest method. The difference between the payment received and the fair value of the loan determined as of the time of initial recognition on the basis of a market interest rate constitutes a benefit that is treated like a government grant. This grant is recognized in the statement of financial position as deferred income, under other nonfinancial liabilities, and will be released to income over the term of the loan in accordance with the effective interest method. In the income statement, this release of deferred income is presented as a decrease in interest expense (net method). As of the reporting date, deferred income amounts to € 7 thousand (previous year: € 50 thousand).

The terms of this government grant have been fully complied with, and it is not subject to any uncertainty.

Financial liabilities are derivative financial instruments with a negative fair value concluded to hedge interest rate risks and are not included as a hedging instrument in a hedge accounting relationship.

Fair value of financial assets and liabilities

The measurement methods applied to determine the fair value of financial instruments include:

- Quoted market prices or dealer prices for similar financial instruments
- The discounted cash flow method
- Option pricing models

The carrying amount of cash and cash equivalents, receivables and current liabilities corresponds to their fair value in view of the short-term maturities of these instruments.

Goodwill

Goodwill is attributable to the cash-generating units as follows:

in € thousand	2024	2023
Services	64,524	53,851
Software	3,751	3,711
EXA	10,469	10,469
Total	**78,744**	**68,031**

The goodwill of the Trigon Group, which was acquired in the 2024 fiscal year, in the amount of € 3,147 thousand, was allocated to the Services business segment.

Goodwill developed as follows:

in € thousand	
As of December 31, 2023	68,031
Additions from company acquisitions	3,147
Exchange rate differences	7,566
Total	**78,744**

In the 2024 reporting year, there were positive currency translation effects with regard to goodwill of € 7,566 thousand (previous year: € -4,566 thousand). This includes a positive effect in the amount of € 8,523 thousand from the application of IAS 29 (previous year: € 5,901 thousand).

The impairment test is based on the value in use, which is determined by discounting the planned cash flows resulting from the continuation of the individual units. Cash flow planning is based on the current operating results and a four-year business plan. Cash flows in subsequent years are updated using a constant growth rate of 1.0% (previous year: 1.0%). These cash flow forecasts are discounted to the value in use at a pretax rate of 11.5% to 13.0% (previous year: 12.5% to 13.4%). Business planning takes both current information and historical developments into account. No impairment losses were required either in the reporting year or in the previous year.

As part of a sensitivity analysis for the cash-generating units, the planned segment revenue was reduced by 10%, the weighted cost of capital before tax was increased by 1.0 percentage points or the EBIT margin was reduced by 1.0 percentage points. The above-mentioned sensitivity analyses do not result in any need to recognize impairment losses on goodwill in any of the three business segments.

There are estimation uncertainties regarding the following assumptions underlying the calculation of the value in use of each unit:

- Revenue growth
- EBIT margin
- Discount rate
- Growth rate

Revenue growth and EBIT margins are planned based on the detailed planning for 2025. Growth assumptions are carried out for this planning and then carried over to the terminal value.

The discount rates represent current market assessments regarding the specific risks relevant to the cash-generating units, including the interest effect risk and the specific risks of the assets. The calculation of the discount rate takes into account the specific circumstances of the Group and the business segment being tested for impairment and is based on its weighted average cost of capital (WACC). The weighted average cost of capital (WACC) has been derived on the basis of the capital asset pricing model (CAPM). Data from a financial services provider was used in part to derive the beta factor in a peer-group analysis (peer companies in the same industry) in order to take into account the business segment-specific risk. Other parameters are the market risk premium and the basic interest rate. The weighted average cost of capital reflects both debt and equity.

The growth rates are based on industry-related expected values.

Intangible Assets

Straight-line amortization is based on useful lives of three to ten years.

There are currently no intangible assets with indefinite useful lives.

Research and Development Costs

In the 2024 fiscal year, pure research and development expenses totaling € 25,038 thousand (previous year: € 23,091 thousand) were recognized as expenses, since a clear distinction between the research and development phases was not possible. This corresponds to 9.8% of revenue (previous year: 11.4%).

In the 2024 and 2023 fiscal years, no software costs or externally contracted development services were capitalized, nor were any internal services that were mainly necessary for the completion of internal software projects.

Property, Plant and Equipment

Property, plant and equipment are measured at historical cost less cumulative depreciation and impairment losses. They essentially comprise office equipment, vehicles and computers and are depreciated on a straight-line basis over an economic useful life of 1 to 23 years.

On every reporting date, the Group evaluates whether there are indications that an asset could be impaired. If such indications exist, the Group estimates the recoverable amount.

Leases

Leases are reported in accordance with IFRS 16 "Leases." A lease exists whenever a contract provides an entitlement to the use of an identified asset for a specific period in return for payment of a fee.

Transactions in which SNP is a lessee are recognized according to the right-of-use asset model. The practical expedients are made use of for low-value leased assets and for short-term leases (twelve months or less), and the payments are recognized as expense in the income statement on a straight-line basis over the term of the lease. In addition, the IFRS 16 rules are not applied to leases of intangible assets.

A lease liability is carried at the amount of the present value of the existing payment obligation. In cases of agreements that comprise both leasing components and non-leasing components – with the exception of real estate leases – these components are not separated. The measurement of the lease liability takes into account both fixed lease payments and variable lease payments which are based on an index. For the purpose of the present value calculation, discounting is implemented by means of a risk- and maturity-equivalent incremental borrowing rate, if it is not possible to determine the implicit interest rate. The Group applies a risk-free interest rate which it adjusts in line with the lessee's credit risk. Further adjustments are made for the lease term, the country-specific risk and the lease currency. The liability is updated in subsequent periods according to the effective interest method.

Lease liabilities are reported in the consolidated statement of financial position in the financial liabilities item.

The Group remeasures the lease liability and adjusts the corresponding right-of-use asset in the following cases:

- The lease term has changed or a significant event or a significant change in circumstances results in a change in the assessment regarding the exercise of a purchase option. In this case, the lease liability is remeasured by discounting the adjusted lease payments on the basis of an updated interest rate.
- The lease payments change due to index or rate changes or due to a change in the expected payment on account of a residual value guarantee. In these cases, the lease liability will be remeasured by discounting the adjusted lease payments on the basis of an unchanged discount rate (unless the change in the lease payments is attributable to a change in a variable interest rate. in which case an updated discount rate must be used).

In accordance with the lease liability, a right-of-use asset is recognized in the amount of the present value of the lease payments. This right-of-use asset is subsequently recognized at amortized cost. Depreciation is recognized on a straight-line basis over the shorter of the lease term and the economic useful life of the identified asset. Where events or changes of circumstances suggest impairment, impairment testing is implemented.

Right-of-use assets are shown in the consolidated statement of financial position as a separate item.

A number of leases – particularly for real estate – include extension and termination options. Such contract terms offer the Group the greatest possible operational flexibility. Lease terms are therefore determined on the basis of material assumptions and estimates. For more detailed information, please see item 8, Use of Estimates.

The Group does not enter into any material agreements as a lessor.

Liabilities

Financial Liabilities

See comments in the "Financial Instruments" section.

Provisions for Pensions

The obligations from **defined benefit plans** are to be measured using the projected unit credit method, whereby an actuarial valuation is carried out as of each reporting date. The present value of the defined benefit obligation (DBO) to be determined as of the reporting date corresponds to the present value of the benefits earned as of the reporting date, taking into account biometric and economic assumptions where relevant.

Remeasurements consisting of actuarial gains and losses are recognized directly in other comprehensive income. The revaluations recognized in other comprehensive income are part of retained earnings and are no longer reclassified to the consolidated income statement.

The defined benefit costs include the following components:

- Service cost (including current service cost, past service cost and any gains or losses from a plan amendment or curtailment)
- Net interest expense or income on the net debt or net asset
- Revaluation of the net debt or net asset

The Group recognizes the service cost in the income statement under personnel expenses. The net interest expense or income included in the defined benefit costs is recognized in net financial income.

The defined benefit obligation recognized as a net liability in the consolidated statement of financial position represents the current underfunding of the Group's defined benefit plans.

Payments for **defined contribution plans** are recognized directly as an expense once employees have performed the work that entitles them to the pension entitlements. Since there are no other obligations aside from these contributions, no provisions are required.

Share-Based Payment Arrangements

Share-based payment arrangements are recognized in accordance with IFRS 2.

The long-term performance-related remuneration program (performance share plan) for members of the Executive Board issued in the Group with effect from January 1, 2023, constitutes a share-based payment transaction with a settlement option (equity-settled or cash-settled). The details of the program are described in item 28, Share-based Payment Transactions. The program was classified as equity-settled, as there is no current obligation for cash settlement. The fair value as of the grant date has been determined using a Monte Carlo simulation and based on management estimates of the margin goal. Personnel expenses are to be recognized over the vesting period against a corresponding entry in equity (capital reserve).

In the 2020 fiscal year, SNP launched a stock option plan with settlement in equity instruments for certain employees. In the 2023 fiscal year, an additional equity-settled share program was launched for one senior manager. In addition, a subsidiary has a stock option program for two executives of the company with settlement in equity instruments. The details of the programs are described in item 28, Share-Based Payment Transactions. These are measured at the fair value of the equity instrument as of the grant date. Please see item 28, Share-based Payment for further information on the determination of the fair value of equity-settled share-based payment transactions. The fair value determined as of the grant of the equity-settled share-based payment transactions is recognized as an expense on a straight-line basis over the period up to the date on which the equity instruments become vested – with a corresponding increase in the capital reserves – and is based on the Group's expectations regarding the equity instruments which are expected to become vested. On each reporting date, the Group is required to review its estimates regarding the number of equity instruments that become vested. Where applicable, the effects of the changes to the original estimates must be recognized in profit and loss. They are recognized such that the overall expense reflects the change in the estimate and results in a corresponding adjustment of capital reserves.

Treasury Shares

In fiscal years 2019 through 2021, SNP repurchased 90,820 treasury shares through a share buyback program ending in May 2021. In the 2023 fiscal year, 4,895 treasury shares (2022: 5,147 shares) were transferred to former Managing Directors as part of the LTI program. The current number of shares held in the 2024 fiscal year remains unchanged at 102,660 treasury shares. The acquisition cost of € 4,456,291.18 has been recognized as of December 31, 2024, as a negative item in equity in accordance with IAS 32.33.

Deferred Taxes

Deferred tax assets for accounting and measurement differences and for tax loss carryforwards that have been accumulated and can be carried forward have been recognized only to the extent that it can be assumed with sufficient probability that these differences will lead to the recognition of a corresponding benefit in the foreseeable future. As a general rule, the next four fiscal years are considered to be the foreseeable future. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are recognized in the consolidated statement of financial position as non-current assets and non-current liabilities.

No deferred tax liabilities are recognized on retained profits of subsidiaries and associates, as the direct parent company can influence/control the time at which the temporary differences of € 12,133 thousand (previous year: € 9,276 thousand) are reversed and it is likely that they will not be reversed in the near future. For all deductible differences resulting from shares in subsidiaries and associates, deferred tax assets are only recognized to the extent that the temporary differences are likely to be reversed in the foreseeable future and taxable results will be available for use.

Deferred tax assets are recognized on the basis of the relevant companies' budgetary accounting. This budgetary accounting is revised annually and requires a large number of assessments. These assessments may be revised due to changes in the market and the competitive environment, the respective company's customer structure and the general economic situation. Due to regular reassessment, the deferred tax assets item may be subject to significant fluctuations.

Recognition of Revenue

SNP generates revenue when control over distinct services and products passes to the customer, that is, when the customer is able to direct the use of and obtain essentially all of the remaining benefits from the transferred services and products. This is subject to the proviso that a contract featuring enforceable rights and obligations has been concluded and, among other things, that the consideration is likely to be received.

Our revenue is generated from the following typical performance obligations:

Services

- Consulting services
- Training and other services

Software

- Cloud and software as a service (SaaS)
- Licenses
  - Licenses from proprietary developments
  - Licenses from commercial transactions (reselling)
- Maintenance

EXA

- Consulting services
- Licenses
- Maintenance

Consulting fees mainly relate to the installation of software products, the implementation of transformation projects, projects associated with SAP Solution Manager and traditional IT consulting.

Cloud revenue is generated by the provision of IT infrastructure, generally comprising storage space, computing power and application software as a service.

Software licensing fees result from the license fees that we realize through the sale or licensing of software to customers for use on their own hardware.

The maintenance fees generally relate to standardized support services. These include unspecified future software updates, upgrades and enhancements, as well as technical product support services for on-premise software.

Software as a service is a license and sales model through which we offer software applications over the Internet, that is, as a service. We report the related revenue as software as a service revenue in the Software business segment.

Most of the various products and services whose delivery or performance is promised in our customer contracts are classified as separate performance obligations.

Products and services that are not distinct are combined into one performance obligation.

The transaction price is determined in line with the contractual terms and conditions. These largely consist of a fixed price. Variable fees and significant financing components are generally not agreed in contracts with customers.

Revenue in the Services business segment is recognized over time. Revenue is recognized based on the percentage of completion in accordance with an input-based method. This is calculated as the ratio of the order hours incurred up until the reporting date to the total order hours estimated as of the reporting date. An expected loss is expensed immediately. Invoicing is based on the contractual terms and conditions.

Revenue in the cloud business and from maintenance contracts is recognized on a straight-line basis over the period in which the associated benefits are provided.

Licensing fees are generally recognized at a point in time. Non-distinct project-related licenses that are used during a consulting project are recognized over the project term, over time, in line with their use.

The management believes that the methods selected best reflect the development of the provision of benefits to the customer.

Customers are invoiced close to the time of the provision of benefits based on contractually defined milestones and advance payments are collected. The payment terms vary depending on the region involved, but generally provide for payment within 30 to 90 days.

Net Financial Income

In addition to interest income from fixed-term deposits, financial income also includes other income directly associated with financing or an investment in financial assets.

Besides interest expenses from loans, lease liabilities and pension obligations, financial expenses include other expenses directly associated with financing or an investment in financial assets, where their recognition in equity is not required. Interest expenses are recognized in the income statement according to the effective interest method. Borrowing costs are not capitalized. Compound interest effects from the measurement of contingent purchase price liabilities at fair value are also recognized under financial expenses.

Business combinations

A business combination occurs when control is obtained over another company. Companies included in the Group for the first time are accounted for using the purchase method in accordance with IFRS 3.4 et seq. Thereafter, the acquisition costs of a business combination are distributed among the acquired identifiable assets and assumed identifiable liabilities and contingent liabilities in accordance with their fair values at the time of acquisition, regardless of the size of any non-controlling interests. The portion of the acquisition costs of the investment that exceeds the pro rata net present value of the identifiable assets, liabilities and contingent liabilities is accounted for as goodwill. Non-controlling interests are valued at the proportionate fair value of the acquired assets and assumed liabilities (partial goodwill method).

Negative differences are recognized in profit and loss after reassessment and measurement of the identifiable assets, liabilities and contingent liabilities in accordance with IFRS 3.34.

The shares in the equity of subsidiaries not attributable to the parent company are reported as "non-controlling interests" within Group equity.

Changes in shares in subsidiaries that increase or decrease the participation rate are presented as transactions between equity providers in a profit-neutral manner.

10. ACQUISITIONS / BUSINESS COMBINATIONS

Acquisition of the Trigon Group

With effect from May 1, 2024, SNP acquired 51% of the shares in the Trigon Group. The remaining 49% of Trigon is retained by Quercus GmbH based in Pullach, Germany, with a put option and call option exercisable from 2027.

The Trigon Group comprises Trigon Consulting GmbH & Co. KG, headquartered in Pullach, Germany (hereinafter re-ferred to as "Trigon Consulting"), and its wholly owned subsidiary in Singapore. Furthermore, shares were acquired in Trigon Consulting Beteiligungs-GmbH, the gen-eral partner company headquartered in Pullach, Germany. Trigon Consulting has been providing IT consulting services for mid-sized and large companies since 1997, with a focus on SAP S/4HANA and RISE with SAP. Trigon employs a structured and methodical approach to deliver solutions for IT and business processes. The company offers a wide range of consulting solutions for companies, from implementing data migrations and integrations during mergers and acquisitions to IT transformations and digitalization projects. With the purchase of the Trigon Group, SNP strengthens its premium engagement and cooperation model: The internationally operating Trigon team will support SNP in enabling customers and partners to use the CrystalBridge software suite even faster, implementing complex transformation projects to modernize and digitalize IT and business processes both efficiently and with minimal risk.

From a Group perspective, 100% of the shares are attributable to SNP as of May 1, 2024, due to existing put/call options. At this time, business operations were incorporated into the 2024 consolidated financial statements. Initial consolidation is carried out in accordance with IFRS 3 ("Business combinations") using the purchase method.

Transferred consideration

Summarized below is the fair value of each major class of consideration as of the acquisition date:

in € thousand	
Cash and cash equivalents	3,949
Liabilities	454
Liabilities from options on shares attributable to the non-controlling interest	3,667
Total transferred consideration	**8,070**

The purchase price installment was paid with liquid assets in April 2024.

Expenses Associated with the Business Combination

SNP incurred legal and consulting costs of € 34 thousand in connection with the business combination. These expenses are included in other operating expenses.

Identifiable Acquired Assets and Assumed Liabilities

The fair values of the identifiable assets and liabilities as of the acquisition date are presented below:

in € thousand	
Intangible assets	5,693
Property, plant and equipment	32
Right-of-use assets	147
Cash and cash equivalents	4,058
Receivables	2,546
Other assets	102
Trade payables	-483
Contract liabilities to shareholders	-4,954
Other liabilities	-799
Deferred taxes	-1,419
Total identifiable acquired net assets	**4,923**

The gross amount of contractual receivables amounts to € 2,547 thousand. The total contractually fixed amounts are expected to be recoverable.

Since the time of acquisition, the Trigon Group has contributed € 6,863 thousand to Group revenue and € 1,690 thousand to Group earnings before taxes. If the business combination had taken place at the beginning of the year, revenue would have been € 9,747 thousand and Group earnings before taxes would have been € 2,254 thousand.

Goodwill

The goodwill resulting from the acquisition was recorded as follows:

in € thousand	
Transferred consideration	8,070
Fair value of identifiable net assets	-4,923
Goodwill as of acquisition date	**3,147**

Of the € 8,070 thousand in consideration transferred, the initial portion of the purchase price amounting to € 3,949 thousand was paid in April 2024 and thus represents a cash outflow. A further purchase price portion in the amount of € 539 thousand will be settled in June 2027 and was reported as a noncurrent financial liability at net present value of €454 thousand.

The amount of the consideration resulting from the options on shares attributable to the non-controlling interest is determined by the contractually agreed put or call option. The put option and call option may be exercised in 2027 at the earliest. The exercise price is contractually fixed. The put option is accounted for using the anticipated acquisition method. Accordingly, a financial liability is recognized in the amount of the present value of the exercise price of the put option and subsequently measured at amortized cost. The liability from the put option attributable to the non-controlling interest is reported under long-term financial liabilities. The shares attributable to the non-controlling interest are correspondingly reported as if they were attributable to the Group. Because the financial liability for the shares of the noncontrolling shareholder is already reflected in the accounting for the put option, there is no need for additional accounting for a financial liability for the call option. No equity instruments were issued for the acquisition of shares.

The goodwill of € 3,147 thousand resulting from the acquisition includes the value of the know-how, employees and future earnings prospects.

The transaction resulted in a cash inflow of € 109 thousand, resulting from an inflow of financial resources of € 4,058 thousand minus the payment made in the amount of € 3,949 thousand. The shareholder loans of the former shareholders of Trigon Consulting GmbH & Co. KG in the amount of € 2,269 thousand were settled after the acquisition date in the 2024 fiscal year. In total, there was a cash outflow of € 2,160 thousand from the acquisition of consolidated companies in the 2024 fiscal year.

11. SALE OF THE DISPOSAL GROUP SNP POLAND

In the 2021 fiscal year, SNP sold 51% of the shares in SNP Poland Sp. z o.o. Suchy Las, Poland, to All for One Group SE, Filderstadt, Germany. In December 2022, SNP transferred its remaining 49% of the shares in the company, now renamed All for One Poland Sp. z o.o., to All for One Group SE ahead of schedule. Reciprocal put and call options had originally been agreed for the remaining 49% which were to apply from the end of 2023 onward. From an economic point of view, a full sale was therefore al-ready recognized in the Group as of December 31, 2021.

The remaining 49% of the shares were transferred for a sales price of € 20,859 thousand. SNP received € 11,000 thousand of this in December 2022, € 5,000 thousand in June 2023 and € 4,859 thousand in January 2024. The income from the disposal and remeasurement of the purchase price receivable in the amount of € 1,336 thousand was recognized in other operating income in the 2022 fiscal year.

12. EARNINGS PER SHARE

		2024	2023
Earnings attributable to SNP SE shareholders in € thousand		20,244	5,868
Weighted average number of shares (undiluted)	Shares	7,283,120	7,280,786
Weighted average number of shares (diluted)	Shares	7,335,070	7,307,096
Undiluted earnings per share	€ / share	2.78	0.81
Diluted earnings per share	€ / share	2.76	0.80

13. SEGMENT REPORTING

Segment reporting has been prepared in accordance with IFRS 8. Based on the Group's internal reporting and organizational structure, the presentation of central financial ratios from the consolidated financial statements is subdivided according to business segment.

in € thousand	Service	Software	EXA	Total
External revenue				
2024	157,654	81,236	15,881	254,771
2023	126,802	67,336	9,288	203,426
Revenue provided by other business segments				
2024	-	-	1,939	1,939
2023	-	-	1,199	1,199
Segment earnings (EBIT)				
2024	9,577	25,892	7,047	42,516
Margin	6.1%	31.9%	39.5%	16.7%
2023	5,341	19,464	1,320	26,125
Margin1	4.2%	28.9%	12.6%	12.8%
Depreciation, amortization and write-downs included in the segment earnings				
2024	5,931	1,699	243	7,873
2023	5,109	1,854	241	7,204

[1] The segment margin of the EXA segment from the previous year has been adjusted. When calculating the margin, revenue from other segments is now also taken into account.

RECONCILIATION

in € thousand	2024	2023
Result		
Total reportable business segments	42,516	26,125
Expenses not allocated to segments	-13,894	-15,009
of which depreciation, amortization and write-downs	-3,545	-3,197
EBIT	28,622	11,116
Net financial income	-3,307	269
Earnings before taxes (EBT)	25,315	8,847

REPORTING BY REGION

in € thousand	Revenue (external)		Noncurrent assets		Investments	
Regions	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
CEU (Central Europe incl. Slovakia)	133,751	118,551	80,179	74,653	10,241	786
NA (North America)	41,444	29,649	4,476	4,626	64	62
LATAM (Latin America)	36,783	23,439	18,231	11,165	84	130
NEMEA (UK, Ireland, Nordics and Middle East)	27,566	17,569	7,749	7,208	66	52
JAPAC (Asia-Pacific Japan)	15,227	14,218	3,948	4,073	46	29
Total	**254,771**	**203,426**	**114,583**	**101,725**	**10,501**	**1,059**

Segmentation into operational areas is based on the internal organizational and reporting structure according to business segment.

The Software business segment includes software licensing, maintenance and cloud solutions. Key services include the development and marketing of the in-house data transformation platform CrystalBridge® and its software module combinations. Sales of third-party software are also included in this business segment. SNP also reports revenue generated through software as a service (SaaS); in the period under review, this amounts to € 2,182 thousand (previous year: € 2,139 thousand). Out of the total revenue in the Software business segment, € 30,340 thousand (previous year: € 26,905 thousand) was recognized over time and € 50,895 thousand (previous year: € 40,431 thousand) at a point in time.

The Trigon Group, which was acquired in the 2024 fiscal year, is fully assigned to the Services business segment. Since the date of acquisition, the Trigon Group has contributed revenues of € 6,863 thousand and EBIT of € 1,788 thousand to the Group.

In the Services business segment, we primarily offer con-sulting and training services for corporate transformation processes. These mainly comprise the services we offer in the context of IT data transformation projects with the goal of changing and adapting enterprise resource planning (ERP) systems. This covers all of the aspects and consulting services that are needed or requested by the customer for the purpose of IT data transformations, particularly in an SAP environment. We also offer complementary consulting and training services covering traditional SAP consulting and implementation as well as cloud and application management services (AMS). The revenue generated in the Services business segment is exclusively recognized over time.

The EXA business segment comprises the products and services of our EXA subgroup, which SNP manages separately from the rest of its business. EXA is a leading provider of transformation solutions in the area of financial management, with a focus on the topics of operational transfer pricing and global value chain. EXA's solutions enable companies to use software to manage their supply chains and to monitor their internal transfer prices transparently and efficiently. This is a key advantage for companies with global operations. Software and services are also provided within the EXA Group. Out of the total revenue in the EXA business segment, € 10,348 thousand (previous year: € 8,187 thousand) was recognized over time and € 5,533 thousand (previous year: € 1,101 thousand) at a point in time.

Segment data is determined from financial controlling data and is based on IFRS figures. The EBIT indicator is used for the purpose of the company's internal management.

Transfer prices between business segments are determined based on customary arm's length conditions between third parties. Segment income, segment expenses and segment earnings include transfers between business segments. These transfers are eliminated during consolidation.

Specific activities such as finance, accounting and human resources, as well as internal IT services, are exclusively managed and supervised at the Group level. These are presented in the reconciliation as expenses not allocated to business segments.

Notes to the Consolidated Statement of Financial Position

14. CASH AND CASH EQUIVALENTS

As in the previous year, cash and cash equivalents include both bank deposits and cash in hand. The carrying amount for these assets corresponds to their fair value. The cash and cash equivalents reported in the cash flow statement as of the end of the reporting period can be reconciled as follows to the corresponding items in the consolidated statement of financial position:

in € thousand	2024	2023
Bank deposits	72,466	40,309
Cash in hand	7	4
Total	**72,473**	**40,313**

15. OTHER FINANCIAL ASSETS

	2024			2023		
in € thousand	Current	Non-current	Total	Current	Non-current	Total
Purchase price receivables	-	-	-	4,859	-	4,859
Loans and other financial receivables	842	5	847	161	108	269
Rent deposits	-	1,015	1,015	-	1,011	1,011
Total	**842**	**1,020**	**1,862**	**5,020**	**1,119**	**6,139**

Loans and other financial receivables consist of loans to employees and third parties, creditors with debit balances and other receivables. No impairment has been recognized on other financial assets.

16. TRADE RECEIVABLES

Trade receivables are comprised as follows:

	2024			2023		
in € thousand	Current	Non-current	Total	Current	Non-current	Total
Gross carrying amount for trade receivables	83,301	5,644	88,945	78,573	13,776	92,349
Impairment on trade receivables	-77	-	-77	-276	-	-276
Total	**83,223**	**5,644**	**88,867**	**78,297**	**13,776**	**92,073**

Trade receivables are non-interest bearing and are reported at amortized cost.

17. CONTRACT ASSETS AND CONTRACT LIABILITIES

The following table shows the development of contract assets and contract liabilities from customer contracts:

Contract assets in € thousand	**2024**	**2023**
As of January 1	**10,598**	**9,642**
Current changes	8,139	954
Impairment on contract assets	-3	2
As of December 31	**18,734**	**10,598**

Contract liabilities in € thousand	**2024**	**2023**
As of January 1	**10,676**	**11,030**
Revenue recognized during the reporting year	-6,054	-10,006
Additions	12,688	9,652
As of December 31	**17,310**	**10,676**

The changes in the total contract amounts in the 2024 fiscal year are largely the result of ongoing business operations and the associated changes in project prog-ress and settlement. In the current reporting period, an amount of € 6,054 thousand (previous year: € 10,006 thousand) that had been included in contract liabilities at the beginning of the period was recognized in reve-nue from contracts with customers. We expect more than 65% (previous year: 90%) of the contract liabilities recognized as of December 31, 2024, to be recognized as revenue in the next reporting period.

A total transaction price of € 128,667 thousand (previ-ous year: € 82,966 thousand) is allocated to those per-for-mance obligations that had not been satisfied (in full) as of December 31, 2024. The management ex-pects 80 to 90% of this amount (previous year: 80 to 90%) to be recognized as revenue in the 2025 fiscal year and the rest in subsequent periods.

18. OTHER NON-FINANCIAL ASSETS

	2024			**2023**		
in € thousand	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Prepaid expenses	3,065	122	3,187	1,988	176	2,164
Receivables from current tax assets	1,861	-	1,861	845	-	845
Miscellaneous other assets	391	-	391	269	-	269
Total	**5,317**	**122**	**5,440**	**3,102**	**176**	**3,278**

Prepaid expenses mainly comprise advance payments made within the scope of lease, support and license agreements.

19. INTANGIBLE ASSETS

Intangible assets have developed as follows:

in € thousand **Acquisition or production costs**	**Goodwill**	**Concessions, industrial protective rights, similar rights and assets, and licenses to such rights and assets**	**Capitalized development costs**	**Advance payments made on intangible assets**	**Total**
As of January 1, 2023	**72,597**	**34,777**	**430**	**144**	**107,948**
Additions	-	208	-	-	208
Disposals	-	-362	-	-	-362
Reclassifications	-	144	-	-144	-
Exchange rate differences	-4,566	-523	-	-	-5,089
As of December 31, 2023 / January 1, 2024	**68,031**	**34,244**	**430**	**-**	**102,705**
Additions	-	191	-	-	191
Disposals	3,147	5,693	-	-	8,840
Reclassifications	-	-1,901	-	-	-1,901
Exchange rate differences	7,565	297	-	-	7,862
As of December 31, 2024	**78,744**	**38,524**	**430**	**-**	**117,698**
Cumulative depreciation and impairment					
As of January 1, 2023	**-**	**15,906**	**322**	**-**	**16,228**
Depreciation, amortization and write-downs	-	3,840	61	-	-3,901
Disposals	-	-344	-	-	-344
Exchange rate differences	-	-397	-	-	-397
As of December 31, 2023 / January 1, 2024	**-**	**19,005**	**383**	**-**	**19,388**
Depreciation, amortization and write-downs	-	4,107	47	-	-4,153
Disposals	-	-1,872	-	-	-1,872
Exchange rate differences	-	81	-	-	81
As of December 31, 2024	**-**	**21,320**	**430**	**-**	**21,750**
Carrying value as of December 31, 2023	**68,031**	**15,239**	**47**	**-**	**83,317**
Carrying value as of December 31, 2024	**78,744**	**17,204**	**-**	**-**	**95,947**

There are no restrictions on ownership or disposal.

20. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment have developed as follows:

in € thousand **Acquisition or production costs**	**Land, land rights and buildings on third-party land**	**Other equipment, operating and office equipment**	**Advance payments and assets under construction**	**Total**
As of January 1, 2023	**2,119**	**11,272**	**-**	**13,391**
Additions	28	823	-	851
Disposals	-	-1,228	-	-1,228
Exchange rate differences	-62	-339	-	-401
As of December 31, 2023 / January 1, 2024	**2,085**	**10,528**	**-**	**12,613**
Additions	30	1,396	12	1,438
Disposals	-	32	-	32
Reclassifications	-0	-1,217	-	-1,217
Exchange rate differences	140	390	-	529
As of December 31, 2024	**2,254**	**11,129**	**12**	**13,395**
Cumulative depreciation and impairment				
As of January 1, 2023	**821**	**7,382**	**-**	**8,203**
Depreciation	207	1,471	-	1,678
Disposals	-	-1,186	-	-1,186
Exchange rate differences	-56	-268	-	-324
As of December 31, 2023 / January 1, 2024	**972**	**7,399**	**-**	**8,371**
Depreciation	202	1,376	-	1,578
Disposals	-0	-1,285	-	-1,285
Exchange rate differences	130	243	-	373
As of December 31, 2024	**1,303**	**7,733**	**-**	**9,036**
Carrying value as of December 31, 2023	**1,113**	**3,129**	**-**	**4,242**
Carrying value as of December 31, 2024	**951**	**3,396**	**12**	**4,359**

There are no restrictions on ownership or disposal.

21. LEASES

The Group rents office premises as well as assets in the "Other equipment, operating and office equipment" category. This exclusively comprises vehicles. Office premises are rented at all of SNP's locations. This mainly comprises office space and rented parking spaces. The relevant agreements have terms of between one and ten years. The lease conditions are individually negotiated and include a wide range of different conditions.

Right-of-Use Assets from Leases

The following right-of-use assets were recognized as of December 31, 2024:

in € thousand	Land, land rights and buildings on third-party land	Other equipment, operating and office equipment	Total
As of January 1, 2023	**12,872**	**2,151**	**15,023**
Depreciation	-3,338	-1,483	-4,822
Additions	422	2,031	2,453
Remeasurements	1,379	208	1,587
Exchange rate differences	-83	8	-75
As of December 31, 2022 / January 1, 2024	**11,251**	**2,915**	**14,166**
Depreciation	-3,551	-1,687	-5,238
Impairment	-450	-	-450
Additions	2,390	2,544	4,934
Additions from company acquisitions	110	37	147
Remeasurements	398	133	531
Exchange rate differences	188	-1	187
As of December 31, 2024	**10,336**	**3,941**	**14,277**

Lease Liabilities

For information on lease liabilities, see item 24, Financial Liabilities, the comments on liquidity risk under item 35, Financial Instruments, and the presentation of the development of financial liabilities in item 42, Statement of Cash Flows.

Amounts from leases recognized in the income statement

The income statement for the 2024 fiscal year is as follows:

in € thousand	2024	2023
Depreciation of right-of-use assets	5,237	4,822
Impairment	450	-
Revenue from the waiver of lease payments	-	-9
Interest expenses on lease liabilities	610	537
Expenses resulting from current leases	27	28
Expenses resulting from leases of low-value assets	118	73
Total	**6,442**	**5,451**

As of December 31, 2024, the Group, as in the previous year, had short-term leases for rented apartments for employees in Berlin. These contracts are limited to four months from October to January of the respective year.

We also rented office space in Munich on a short-term basis in the 2023 fiscal year. This contract is limited to six months from November 2023.

The total cash outflow resulting from leases for the 2024 fiscal year was € 5,497 thousand (previous year: € 5,081 thousand).

As of December 31, 2024, no possible future cash outflows (previous year: € 445 thousand) (undiscounted) were included in the lease liability, as it is not sufficiently certain that the leases will be extended.

In 2020 and 2021, the Group negotiated rent concessions for rented office premises with its landlords in Germany, Argentina and Poland as a response to the impact of the coronavirus pandemic. The Group applies the IFRS 16 practical expedient for rent concessions caused by COVID-19. The amount recognized in profit and loss that reflects the changes to the lease payments in the reporting period related to rent concessions for which the Group applied the practical expedient for rent concessions caused by COVID-19 is € 0 thousand (previous year: € 9 thousand).

For further information on leases, please see item 9, Key Accounting Policies and Note 8, Use of Estimates.

22. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The carrying value of the investments accounted for using the equity method is € 225 thousand in the fiscal year (previous year: € 225 thousand). From the Group's perspective, these investments are classified as immaterial. No risks are associated with the investments.

23. TRADE PAYABLES

Current trade payables amounted to (previous year: € 10,108 thousand). There were no non-current liabilities.

24. FINANCIAL LIABILITIES

	2024			2023		
in € thousand	Current	Noncurrent	Total	Current	Noncurrent	Total
Liabilities to banks	3,082	57,736	60,818	11,703	53,687	65,390
Derivatives	-	238	238	-	-	-
Liabilities from put options attributable to noncontrolling interests	10,575	3,801	14,376	-	7,828	7,828
Purchase price obligations	-	471	471	-	-	-
Shareholder loans from partner-ships	3,267	-	3,267	-	-	-
Leasing obligations	4,748	11,022	15,770	4,501	11,047	15,548
Other financial liabilities	152	148	300	54	7	61
Total	**21,824**	**73,416**	**95,240**	**16,258**	**72,569**	**88,827**

In 2017, SNP Schneider-Neureither & Partner SE raised promissory note loans with a total volume of € 40.0 million, comprising fixed-rate and floating-rate tranches and with terms of between three, five and seven years. The average yield at the time of issuance of the promissory note loans amounted to 1.41% per annum. In March 2020, the first tranche of the promissory note loans was repaid, with a volume of € 5,000 thousand. These were refinanced by raising a loan with a volume of € 2,000 thousand, which was repaid in full in March 2022, and the use of € 4,500 thousand from a short-term framework credit agreement of € 5,000 thousand. In March 2022, two further tranches of the promissory note loans, with a volume of € 26,000 thousand, were repaid. These were refinanced by raising new promissory note loans with a volume of € 32,500 thousand. The new floating-rate promissory note loans have been concluded for a term of five years. The current rate of interest is 1.5% p.a. plus the six-month Euribor. The final tranche of € 9,000 thousand of the original promissory note loan from 2017 was repaid in March 2024. These were refinanced by raising a loan with a volume of € 7,000 thousand. The loan was disbursed in two tranches: € 4,000 thousand in February 2024 and € 3,000 thousand in April 2024. It has a maturity until December 2028 and a fixed interest rate of 4.8%. As of December 31, 2024, the carrying value of the promissory note loans was € 32,644 thousand (previous year: € 41,834 thousand).

In addition, in May 2020, SNP took out a € 10,000 thousand loan that is refinanced by the bank KfW through KfW's entrepreneur loan program (37) as part of its 2020 special program (within the scope of the "coronavirus assistance for companies" one-off measures supported by the package of measures implemented by the German government in response to the coronavirus pandemic). Since September 2021 and until June 2025, the loan is being repaid on a quarterly basis in equal installments of € 625 thousand and at a fixed rate of 2.0% per annum.

In February 2021, SNP concluded a financing agreement with the European Investment Bank in the amount of € 20,000 thousand. The loan has a term of five years and bears interest at a fixed rate of 1.101% per annum.

The liabilities from put options of non-controlling shareholders mainly consist of future payment obligations as part of a company acquisition from 2021 and 2024. Collateral for financial liabilities is not provided. Instead, standard covenants are agreed upon that include termination options. The covenants which include termination options were all fulfilled.

25. CONTINGENT ASSETS / CONTINGENT LIABILITIES

In addition to the trade receivables listed in the balance sheet, there are no contingent receivables as of the balance sheet date.

In the 2023 fiscal year, there was a contingent claim against the community of heirs of Dr. Andreas Schneider-Neureither in the amount of € 5,196 thousand plus interest in connection with claims in connection with a property rented in the USA for which rent had been paid in advance but which was not suitable for commercial use. Due to a receivables purchase and assignment agreement with Tatiana Schneider-Neureither, which was approved by a large majority at the last Annual General Meeting, the proceedings as well as the proceedings arising from a previous lease in which the company was a defendant have been terminated from an economic point of view. A settlement payment of € 800 thousand was agreed and paid.

26. OTHER NONFINANCIAL LIABILITIES

	2024			2023		
in € thousand	Current	Noncurrent	Total	Current	Noncurrent	Total
Employee-related liabilities	31,410	669	32,079	25,151	768	25,919
Other taxes	6,375	-	6,375	5,470	-	5,470
Subsidies	7	-	7	43	7	50
Other nonfinancial liabilities	1,303	-	1,303	3,175	-	3,175
Total	**39,096**	**669**	**39,765**	**33,839**	**775**	**34,614**

Employee-related liabilities mainly relate to vacation and bonus obligations as well as obligations for employee-related social security contributions.

27. OTHER PROVISIONS

Other provisions developed as follows in the 2024 fiscal year:

in € thousand	As of 01/01/2024	Reversal	Addition	Acquisition of business enterprise	As of 12/31/2024
Archiving costs	28	-	-	5	33
Employee-related provisions	471	-	517	-	988
Provision for onerous contracts	34	34	125	-	125
Total	**533**	**34**	**642**	**5**	**1,146**

Provisions are established if an obligation exists in relation to third parties, the outflow of resources is probable and the expected obligation can be reliably estimated.

The Group expects that the costs for the overwhelming portion of the other provisions will arise within the next two fiscal years.

28. SHARE-BASED PAYMENT TRANSACTIONS

Long-term performance-related remuneration

The long-term remuneration program for the Executive Board (Performance Share Plan) was restructured in the 2023 fiscal year. The performance share plan grants plan participants multi-year performance-related variable remuneration in the form of virtual shares in annual rolling tranches.

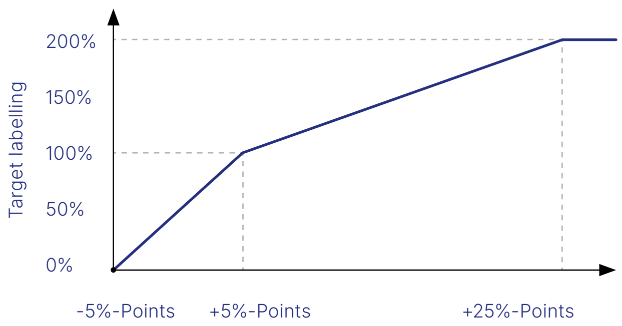
The start date of the plan and the date on which the virtual shares are allocated according to the target amount for the annual tranches is January 1 of the respective fiscal year (grant year). Every tranche of the Performance Share Plan has a term of four full fiscal years (measurement period). The plan participant will be allocated a provisional number of shares on January 1 of a grant year. For this purpose, the target amount (which is derived from the individual euro amount specified in the employment contract) is divided by the average price of an SNP share as of the time the virtual shares are allocated. The share price on allocation is calculated as the arithmetic mean of the closing prices of SNP shares on the last 60 trading days prior to the first day of the grant year. The amount to be paid out at the end of the four-year assessment period depends on the achievement of clearly defined performance targets and the performance of SNP's share price.

Key performance targets are the relative total shareholder return (relative TSR) compared with the relevant peer group companies (DAXsector Software Performance Index excl. SNP), the EBIT margin, and the achievement of one or more environmental, social, and governance (ESG) targets. The performance assessment period, within which the target achievement with regard to the relative TSR is determined, begins on January 1 of the fiscal year of allocation and covers a total of four full fiscal years. The EBIT margin is calculated as the arithmetic mean of the EBIT margins published in SNP's annual reports for the first three full years of the assessment period, although the Supervisory Board may make adjustments for one-off effects. The performance assessment period for the EBIT target is therefore three years. The performance appraisal period for the ESG target has been extended compared to the previous year and is four years (previous year: one year).

The final total number of virtual shares at the end of the measurement period is derived from the provisional number of virtual shares allocated, the target achievements determined for the performance targets and their set weightings.

The TSR is the share price performance plus notionally reinvested gross dividends. To determine the relative TSR, the difference between the TSR of SNP and the TSR of the relevant peer group is calculated over the measurement period. The difference expresses the outperformance of SNP's TSR relative to the TSR of the relevant peer group in percentage points. Target achievement of the relative TSR is calculated on the basis of the following target achievement curve:

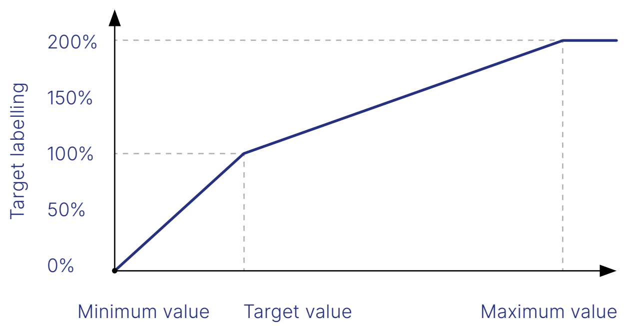
RELATIVE TSR



Target achievement is 200% on a relative TSR of plus 25 percentage points or more. A further increase of the relative TSR does not lead to a higher target achievement.

The average EBIT margin used to calculate target achievement equates to the arithmetic mean of the EBIT margins published in SNP's annual reports for the first three full years of the measurement period. Target achievement is 100% if the average EBIT margin actually achieved, including any adjustments, corresponds to the defined target value. Target achievement of the EBIT margin is calculated on the basis of the following target achievement curve:

EBIT-MARGIN



Maximum target achievement of 200% is reached if the average EBIT margin actually achieved, including any adjustments, corresponds to the defined maximum value. A further increase of the actual value does not lead to a higher target achievement.

The ESG targets are derived from SNP's Group non-financial report as well as strategic considerations and future projects. They are determined by the Supervisory Board for each tranche and communicated to the plan participant. One or more criteria from the environmental, social and governance categories are defined for the ESG targets and operationalized with specific targets. The target achievement of the ESG targets ranges from 0% to 200%.

The calculation of the final number of virtual shares incorporates the relative TSR with a weighting of 50%, the EBIT margin including any adjustments with a weighting of 30%, and the degree of achievement of the ESG targets with a weighting of 20%.

The amount to be paid out is calculated from the final number of virtual shares multiplied by the arithmetic mean of the closing prices of the SNP share on the last 60 trading days before the end of the four-year measurement period as well as the dividends paid for the SNP share during the measurement period ("dividend equivalent").

In the event that the employment contract of the Executive Board member in question is terminated during the year, the LTI due for this fiscal year is forfeited pro rata temporis or in full, depending on the type of termination of the employment contract.

SNP reserves the right to settle the payout amount in shares of SNP instead of cash. There is no current (legal or constructive) obligation for cash settlement. As a result, the accounting treatment of share-based payment transactions from the performance share plan is based on the principles of equity-settled share-based payment transactions.

To determine the fair value of the virtual shares on the grant date, a Monte Carlo simulation of the future share price performance of the SNP share and the shares of the peer group was carried out to take account of the "relative TSR" performance target. The simulation was based on the share price on the grant date, taking into account an expected volatility per company and taking into account the correlation between the future development of the SNP share price and the development of the share prices of the peer companies. The expected volatility and the correlation were derived from historical data of SNP and the peer companies. Both the EBIT target and the ESG target were taken into account in the assessment on the basis of management's expectations for the respective development within the performance assessment periods. Due to the longer performance assessment period in relation to the ESG objective, this will be taken into account in the pricing structure for the 2024 tranche when determin-ing the fair value and not only in the quantity structure as in the previous year. The risk-free interest rate was calculated on a maturity-equivalent basis using German government bonds.

ASSUMPTIONS FOR DETERMINING THE EXPENSE FROM THE PERFORMANCE SHARE PLAN

	Tranche 2024	Tranche 2023
Valuation model	Monte Carlo simulation	Monte Carlo simulation
Risk-free interest rate	1.89%	2.47%
Expected volatility of the SNP share	47.00%	50.00%
Expected volatility of peer group shares	32%-103%	30% - 57%
Expected correlation	1%-34%	1% - 68%
Remaining term as of December 31, 2024	3 years	2 years

The results of the evaluation of the 2024 and 2023 tranches of the Performance Share Plan can be found in the table below. The total expense from the performance share plan recognized in the income statement amounted to € 1,002 thousand in the fiscal year 2024 (previous year: € 1,175 thousand).

RESULTS OF THE PERFORMANCE SHARE PLAN

	Tranche 2024	Tranche 2023
Arithmetic Mean Closing Price SNP Share	€ 40.78	€ 19.89
Provisional number of virtual shares allocated	15,327	26,382
Fair value as of the valuation date	€ 53.49 per virtual share	€ 36.33 per virtual share
Final number of virtual shares allocated	18,729	35,036
Total expense in the fiscal year	€ 1,002 thousand	€ 1,175 thousand
of which TSR target and EBIT target	€ 890 thousand	€ 958 thousand
of which ESG target	€ 111 thousand	€ 217 thousand

Share Program 2023

With effect from June 2023, SNP has agreed long-term performance-related remuneration with equity instruments with one senior executive. For each tranche, the senior executive is transferred shares in the company (SNP shares) after a waiting period of two years, the number of which is determined by the achievement of certain financial key figures in the respective year of the tranche. The final long term incentive (LTI) amount that is relevant for calculating the number of shares to be issued is calculated according to the actual level of achievement of the budgeted target EBIT. In order to calculate the final amount, the base amount is multiplied by the level of target achievement for the actual EBIT figure. If the actual EBIT matches the budgeted target EBIT, the degree of target achievement is 100%. If the actual EBIT exceeds or falls short of the budgeted target EBIT, the degree of target achievement increases or decreases linearly; if the actual EBIT achieved is 120% or more, the degree of target achievement remains unchanged at 120% (“cap”). The final amount thus calculated is subsequently converted into a net amount (“final net amount”) by deducting a notional income tax rate of 45%. This is the relevant amount used to calculate the number of SNP shares to be granted. The number of SNP shares to be granted within the scope of the tranche for the year under assessment (“final number of SNP shares”) is calculated by dividing the final net amount by the SNP share price and, in order to avoid fractions, rounding the resulting amount up or down to achieve a whole number of shares. The relevant price is the volume-weighted average price of the SNP share in XETRA trading on the Frankfurt Stock Exchange over the last 20 trading days (closing price on trading day) of the year preceding the year under assessment, rounded up or down to two decimal places.

For the granting of the tranches from the share program described above, the Group has so far recognized the following personnel expenses in connection with share-based compensation transactions offset by equity instruments:

RESULTS OF THE SHARE PROGRAM 2023

	Tranche 2024	Tranche 2023
Applicable price	€ 42.77	€ 24.58
Personnel expenses from the share program	€ 50 thousand	€ 15 thousand

SNP 2020 stock option plan

In April 2020, SNP launched a stock option plan with settlement in equity instruments for certain employees of the company. By virtue of its resolution passed on May 12, 2016, the Annual General Meeting has authorized the Executive Board of the company to repurchase shares of the company and to make use of shares purchased on the basis of this same resolution of the Annual General Meeting, inter alia, within the scope of an employee profitsharing scheme, in line with the conditions prescribed therein. On the basis of this authorization, the company's Board of Directors resolved the introduction of a 2020 Stock Option Plan comprising a maximum of 60,000 options. Upon exercise, a stock option will be converted into an ordinary share in the company. Employees must pay a fee of € 50 for the exercise of options. The options do not confer either a dividend right or a voting right. The options can be exercised at any time from the time they become exercisable until they expire if the average closing price of the share on Xetra is above € 60.66 in the four weeks prior to exercise. The plan has a term of nine years, but options may not be exercised in the first four years of the waiting period. Up to the end of the vesting period on April 30, 2024, a total of 23,400 options (as of December 31, 2023: 23,500 options) had been issued within the scope of the plan at a weighted average exercise price of € 60.66. The estimated market values of the options granted as of this date total € 623 thousand (previous year: € 626 thousand). The market value of the options has been determined using a binomial model.

FAIR VALUES AND ASSUMPTIONS AS OF THE END OF 2024

Fair value of the option as of the issuance date	€ 26.64
Option pricing model	Binomial model
Risk-free interest rate	-0.62%
Expected volatility	48.4%
Expected term	6.5 years
Remaining term as of December 31, 2024	4.5 years

The expected level of volatility was determined by calculating the historical volatility of the SNP share price in the 6.5 years prior to the allocation of the shares. The expected term that has been applied in this calculation has been determined on the basis of the management's best estimate, taking into consideration the consequences of non-transferability, exercise restrictions and behavioral considerations.

RESULTS OF THE STOCK OPTION PLAN 2020

	31/12/2024	31/12/2023
Total of estimated fair market values of stock options granted	€ 623 thousand	€ 626 thousand
Personnel expenses from the share program	€ 50 thousand	€ 117 thousand

Stock Option Plan of a Subsidiary

A subsidiary of SNP launched a stock option plan with settlement in equity instruments for two executives of the company. This plan comprises 10,000 options. Upon exercise, a stock option will be converted into a nonvoting preferred share in the subsidiary. Employees must pay a fee of € 4.90 for exercising options. The options do not confer either a dividend right or a voting right. The options could and may be exercised in three equal tranches, in October 2022, October 2023 and October 2024. Their exercise is tied to various conditions relating to revenue growth, the earnings margin and the individual level of target achievement for the employee in question (performance targets). If the performance targets are not achieved or if the option is not exercised, then the options will expire. The plan has a six-year term, with the first four years being a waiting period. In the period up to December 31, 2023, a total of 10,000 options were issued within the scope of the plan at a weighted average exercise price of € 27.00. Due to the lack of market prices, the market value was calculated using the multiples approach. The estimated market values of the options granted as of this date total € 221 thousand. The market value of each of these options is € 22.10. One of the plan participants left the company in June 2023. As a result, 1,333 options have expired. These were derecognized in profit and loss. The 2023 and 2024 tranches cannot be exercised due to a lack of target achievement. As a result, 5,334 shares have expired.

For the stock option plan of a subsidiary, no personnel expenses in connection with share-based payment transactions with settlement in equity instruments were recognized in the 2024 fiscal year. In the previous year, income from personnel expenses of € 115 thousand was recognized due to the expiry of the options.

30 YEARS OF SNP STOCK GIFT

In the 2024 fiscal year, the Supervisory Board and the Executive Board decided that, on the occasion of the SNP Group's 30th anniversary, 30 SNP shares would be given to all employees worldwide who were in active employment as of August 1, 2024. The communication about the free transfer of the employee shares took place on August 8, 2024 (grant date) as part of an offer that will be sent in writing to the beneficiaries. The transfer of the shares free of charge as a non-cash benefit will take effect on June 30, 2027. Eligible employees must be in an unterminated employment relationship at that time, which can be proven to have been interrupted for a maximum of four weeks between August 1, 2024 and June 30, 2027 (vesting period).

The fair value of the obligation from the 30-year stock gift at the valuation date is determined by multiplying the number of shares to be issued (number of eligible employees multiplied by 30 shares) by the market price of the SNP share on the grant date. The expenses are recognized in profit and loss as personnel expenses over the vesting period. The vesting condition is a minimum service condition of the beneficiaries from the grant date, i.e. there is no market-dependent exercise condition. Accordingly, changes in the fair value of the obligation result exclusively from changes in the number of beneficiaries, e.g. due to resignation. The estimate of eligible employees took into account the average turnover of employees in the SNP Group.

ASSUMPTIONS 30 YEARS OF SNP STOCK GIFT

Grant Date	August 8, 2024
Vesting period	August 8, 2024 until June 30 2027
SNP share closing price on grant date	€ 53.80

RESULTS 30 YEARS OF SNP STOCK GIFT

	31/12/2024
Number of eligible employees	1,427
Number of shares granted	42,810
Turnover	10.00%
Personnel expenses from the share program	€ 296 thousand

29. PROVISIONS FOR PENSIONS

The Group maintains **defined benefit plans** for eligible employees in Germany, Austria and Switzerland. At 85% of the DBO and 98% of the fair value of plan assets, the defined benefit plans in Switzerland account for the majority of defined benefit plans in the SNP Group.

Under the defined benefit plans in Germany, retirement, disability and surviving dependents' pensions are granted as fixed-amount commitments. The contractual age limit is the age of 60 or 65.

In Austria, the provision results from the statutory provisions on severance obligations for blue-collar and white-collar employees. The amount of severance pay depends on the length of service and the salary in the last month of employment.

In Switzerland, employee benefits must be provided by a pension fund separate from the employer, whereby the law prescribes a minimum level of benefits. SNP (Switzerland) Ltd. insures its employees against the economic consequences of old age, disability and death as part of its occupational pension scheme. On December 31, 2023, the existing contract with the Baloise Collective Foundation BVG was terminated. Since January 1, 2024, employees have been covered by the FUTURA Pension Fund. The supreme body of the collective foundation consists of an equal number of employee and employer representatives. Employer and employee contributions are defined as a percentage of the insured salary. The retirement pension is calculated from the retirement assets available at the time of retirement multiplied by the conversion rates specified in the regulations. The employee has the option of drawing the retirement benefits as a lump sum. The disability and spouse's pensions are defined as a percentage of the insured salary. Under the plan, benefits are promised in excess of the statutory mandatory minimum benefits. The assets are invested under the reinsurance contract with the FUTURA pension fund. In Switzerland, there were plan changes in the fiscal year due to adjustments to the conversion rates. The effect is reported as past service cost in the amount of € 648 thousand (previous year: € -180 thousand).

Current pension payments were made in Switzerland, Austria and Germany during the 2024 fiscal year.

In Germany and Switzerland, there are plan assets that comprise reinsurance policies that are pledged in favor of the beneficiaries and whose fair values are not based on prices quoted on active markets.

The consolidated financial statements include the following amounts from defined benefit plans for post-employment benefits:

in € thousand	2024	2023
Defined benefit obligation (DBO)	9,904	8,454
Fair value of plan assets	7,746	6,496
Net carrying amount of defined benefit plans	**2,158**	**1,957**

The costs for defined benefit plans break down as follows:

in € thousand	2024	2023
Current service cost	278	246
Past service cost	648	-180
Net interest cost [1]	55	53
Expenses for defined benefit plans recognized in the consolidated income statement	**982**	**119**
Actuarial gains (-) / losses (+)	485	378
Gains (-) / losses (+) from plan assets (not including interest income)	-824	98
Remeasurement of defined benefit plans recognized in the consolidated statement of comprehensive income	**-339**	**476**
Costs for defined benefit plans	**643**	**595**

[1] Disclosed in the income statement under "Other financial expenses."

The following table presents the development of the DBO in detail:

in € thousand	2024	2023
DBO as of the beginning of the fiscal year	**8,454**	**6,706**
Current service cost	278	246
Past service cost	648	-180
Interest expense	164	159
Remeasurement	-	-
Actuarial gains (-) / losses (+) due to:	485	378
Changes in demographic assumptions	-	0
Changes in financial assumptions	434	215
Adjustments based on past experience	51	163
Benefit payments	127	703
Foreign currency effects	-253	442
DBO as of the end of the fiscal year	**9,904**	**8,454**

The following table shows the detailed reconciliation of changes in the fair value of plan assets:

in € thousand	2024	2023
Fair value of plan assets as of the beginning of the fiscal year	**6,496**	**5,143**
Interest income	109	106
Remeasurement		
Gains (+) / losses (-) from plan assets without amounts contained in net interest expense and income	824	-98
Employer contributions	-135	732
Employee contributions	269	245
Foreign currency effects	182	368
Fair value of plan assets as of the end of the fiscal year	**7,746**	**6,496**

	2024	2023
Discount rate	1.0% to 3.6%	1.5% to 3.5%
Salary trends	0% to 3.2%	0% to 3.6%
Pension trends	0% to 2.0%	0% to 2.0%
Average turnover [1]	0%	0%

[1] Depending on years of service.

The calculation is based on actuarial studies prepared annually taking into account biometric data.

Sensitivity Analysis

A change in the fundamental assumptions above, with other assumptions remaining unchanged, would have increased or reduced the DBO as of December 31, 2024, as follows:

	Defined benefit obligation			
	Increase		Decrease	
Basic assumption in € thousand	2024	2023	2024	2023
Discount rate (1% change)	-467	-388	518	435
Future pension trend (1% change)	218	203	-202	-187
Future income trend (1% change)	66	-9	-68	-125
Future mortality (-10% change)	187	138	-	-

As of December 31, 2024, the weighted average term of the defined benefit obligations was approximately 16 years (previous year: 14 years).

The employer contributions to plan assets expected for 2025 and the subsequent nine years amount to an average of € 342 thousand per year.

The benefit payments expected in the next few years involve provisions for severance payments for employees of SNP Austria GmbH and pension payments for employees of SNP Deutschland GmbH and EXA AG. The actual payments depend on other criteria being fulfilled. An aver-age annual payment of € 202 thousand is expected for the next ten years.

30. CURRENT TAX ASSETS, TAX LIABILITIES AND DEFERRED TAXES

Current tax assets and tax liabilities relate to receivables and payables from current income taxes.

Income Taxes

Income taxes are comprised as follows:

in € thousand	2024	2023
Expenses for current taxes		
Current income taxes, reporting year	8,127	3,259
Current income taxes for prior periods	-236	392
	7,891	3,651
Expense from deferred taxes		
Change in timing differences, year under review	708	-712
Change in timing differences, prior periods	-3,122	-526
Change in tax assets from tax loss carryforwards	-273	569
	-2,687	-669
	5,204	**2,982**

As of the reporting date, the expected tax burden on taxable income is 30.00%, as in the previous year. This is comprised as follows:

Trade tax at a rate of assessment of 415%	14.53%
Corporate tax	15.00%
Solidarity surcharge (5.5% of the corporate tax amount)	0.82%
Applicable tax rate	30.35%
Rounded rate	30.00%

The deferred taxes recognized directly in equity under other components of equity can be seen in the statement of comprehensive income and are presented below:

	2024			2023		
in € thousand	Before Taxes	Taxes	After taxes	Before Taxes	Taxes	After taxes
Remeasurement of defined benefit obligations	340	-63	276	-477	101	-376

Tax Reconciliation

The following table shows the reconciliation of the expected tax expense and the tax expense actually reported:

in € thousand	2024	2023
Earnings before taxes (EBT)	**25,315**	**8,847**
Expected tax income/expense at a rate of 30%	7,595	2,654
Effect of different tax rates	-1,747	-1,014
Effects of changes in tax rates	-30	56
Non-period current income taxes	-236	392
Non-period deferred taxes	-3,122	-526
Foreign withholding tax	167	104
Expenses/income not affecting taxes	2,886	693
Addition to valuation allowance on loss carryforwards	115	185
Waiver of capitalization of loss carryforwards in current year	1,234	932
Use of loss carryforwards not capitalized in current year	-1,622	-548
Other factors	-36	54
Actual income taxes	**5,204**	**2,982**

Deferred tax assets and deferred tax liabilities from temporary differences between the carrying amounts and the tax valuations of assets and liabilities are presented in the table below:

in € thousand	31/12/2024	31/12/2023
Deferred tax liabilities		
Intangible assets	-5,143	-4,646
Property, Plant and Equipment	-122	-68
Right-of-use assets	-3,479	-3,316
Receivables/contract assets	-6,056	-2,486
Other nonfinancial assets	-1,471	-3,167
Liabilities/contract liabilities	-233	-301
Pension obligations	-89	-87
Other financial liabilities	-75	-111
Other nonfinancial liabilities	-279	-712
Deferred income	-93	-108
Deferred tax liabilities	-17,040	-15,002
Offsetting	9,709	9,633
Total deferred tax liabilities	**-7,331**	**-5,369**

in € thousand	31/12/2024	31/12/2023
Deferred tax assets		
Intangible assets	766	793
Property, Plant and Equipment	32	35
Right-of-use assets	8	1,043
Tax loss carryforwards	4,155	1,234
Other tax benefits	37	26
Receivables/contract assets	269	253
Liabilities/contract liabilities	2,369	2,132
Inventories	4,164	3,001
Pension obligations	525	489
Noncurrent financial liabilities	2,655	2,640
Current financial liabilities	1,148	1,515
Non-current non-financial liabilities	104	99
Current non-financial liabilities	2,580	2,303
Deferred tax assets	18,812	15,563
Offsetting	-9,709	-9,633
Total deferred tax assets	**9,103**	**5,930**

The capitalization of deferred taxes on tax loss carryforwards in the 2024 fiscal year relates to the following companies:

in € thousand	Capitalized loss carryforwards
SSNP Transformations, Inc., Jersey City, NJ, USA	3,633
ADP Consultores S.A.S., Bogotá, Colombia	180
Qingdao SNP Data Technology Co., Ltd., Qingdao, China	170
SNP Transformations SEA Pte. Ltd., Singapore, Singapore	87
SNP Transformations Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	59
SNP Transformations ME FZ-LLC, Dubai, United Arab	26
	4,155

The loss carryforwards in Germany, Singapore, the USA and the United Arab Emirates can be used without any time limit. In Colombia, the tax losses can be carried forward over a period of twelve years from when they occur. In Japan and Mexico, the tax losses can be carried forward over a period of ten years from when they occur. In Switzerland, the tax losses can be carried forward over a period of seven years from when they occur. In China, the tax losses can be carried forward over a period of five years from when they occur.

These tax loss carryforwards decreased in the 2024 fiscal year. Plans assume positive taxable income in subsequent years. Therefore, it is expected that the tax loss carryforwards will be further reduced in the coming years. As regards the use of the tax benefits recognized due to loss carryforwards, because of the positive order outlook, in the future, the Group's individual companies are expected to generate sufficient taxable income. The subsidiaries in the USA, China, Singapore and Australia as well as the domestic SNP Innovation Lab GmbH have a history of tax losses. Due to factors including the positive revenue forecasts in the Software and Services business segments, an expected higher level of capacity utilization due to an expansion of the SAP S4/HANA project volume, together with increased use of near-shoring and a strengthened management and governance structure in the Group's regions and central management functions, the company expects to see taxable income that will match the tax loss carryforwards reported for the foreseeable future. The other tax benefits (€ 37,000 thousand) relate to ADP Consultores S.R.L., Buenos Aires, Argentina; the inflation-based adjustment made for tax purposes that must be offset against taxable profits in subsequent years.

An asset item for tax loss carryforwards will only be capitalized insofar as it appears probable within a planning horizon of four years that taxable income will be available that can be offset in the future. Overall, no deferred tax assets have been established for the tax loss carryforwards in the amount of € 14,969 thousand (previous year: € 28,007 thousand) that arose in previous years and in the year under review.

The non-capitalized tax loss carryforwards are subject to the following expiry dates:

in € thousand	31/12/2024	31/12/2023
up to 5 years	3,412	3,292
5–10 years	860	101
unlimited	10,697	24,613
	14,969	**28,006**

31. SUBSCRIBED CAPITAL

As of December 31, 2024, the share capital of the company amounted to € 7,385,780.00 (previous year: € 7,385,780.00) and was comprised of 7,385,780 (previ-ous year: 7,385,780) ordinary no-par-value bearer shares of SNP Schneider-Neureither & Partner SE, each with a nominal value of € 1.00.

32. CAPITAL POSITION

Authorized Capital

The Annual General Meeting on June 6, 2019, authorized the Board of Directors (Supervisory Board from October 2023) to increase the company's share capital on one or more occasions until June 5, 2024, by up to a total of € 3,301,223.00 in return for cash or non-cash contributions by issuing new no-par value bearer shares (Authorized Capital 2019). In the event of cash contributions, the new shares may be taken over by one or more banks or companies within the meaning of Section 186 (5) (1) of the AktG with the obligation to offer them to shareholders for purchase (indirect subscription right). The Supervisory Board is authorized to exclude shareholders' subscription rights in order to exclude fractional amounts from shareholders' subscription rights; in the case of capital increases against cash contributions, in order to issue the new shares at an issue price that is not significantly lower than the stock market price (Sections 203 (1) and (2), 186 (3) sentence 4 of the AktG) and where the number of shares issued does not exceed 10% of the share capital at the time the authorization becomes effective or – if this value is lower – at the time the authorization is exercised (ten percent limit); in the case of capital increases against contributions in kind, in particular for the purpose of directly or indirectly acquiring companies, businesses or interests in companies or industrial property rights, licenses, patents or other product rights or other assets; to the extent necessary to grant the holders of warrants, convertible bonds and convertible profit participation rights issued by the company and its subsidiaries a subscription right to new shares to the extent to which they are entitled after exercising the option or conversion right to which they are or would be entitled after exercising the option or conversion right. The authorization was partially exercised through the capital increase in July 2020, through the issuance of 610,000 shares. The authorization was also partially exercised in July 2021, within the scope of a capital increase against a contribution in kind in the context of the acquisition of the Datavard Group, through the issuance of 173,333 new shares. Following this partial use, the authorized capital as of December 31, 2023, amounted to € 2,517,890.00. Since the authorized capital has not been drawn down by June 5, 2024, it amounts to € 0 as of December 31, 2024.

Contingent Capital

The share capital is conditionally increased by up to € 3,606,223.00, divided into up to 3,606,223 no-par-value shares (2021 Contingent Capital). The contingent capital increase will be executed only to the extent that the owners or creditors of warrant or conversion rights, or persons subject to conversion obligations, exercise their warrant or conversion rights or fulfill their conversion obligations, if applicable, arising from warrant-linked bonds or convertible bonds that are issued for cash or inkind contributions and that are issued or guaranteed by the company until June 16, 2026 – by virtue of the authorization of the Board of Directors (October 2023 onwards: Supervisory Board) and the resolution passed by the Annual General Meeting on June 17, 2021 – or if the company exercises an option to grant shares in the company in whole or in part instead of paying the amount of money due unless a cash settlement is permitted or the company's treasury shares are used for this purpose. The new shares will be issued in accordance with the aforementioned authorization at option and conversion prices to be determined. The new shares participate in profits from the beginning of the fiscal year in which they arise. The Supervisory Board is authorized to determine the further details of the implementation of the conditional capital increase and to amend the wording of the Articles of Association to reflect the issue of shares from the conditional capital. No use was made of this option in the 2024 and 2023 fiscal years.

Treasury Shares

In the period from 2011 to 2013, the company purchased a total of 21,882 shares at a cost of € 414,650.19. In the period from 2019 to 2021, a further 90,820 shares were purchased at a cost of € 4,477,563.91 as part of an additional buyback program. Overall, as of December 31, 2021, the company held 112,702 shares with a value of € 4,892,214.13.

In April 2022 and June 2023, a total of 10,042 shares were transferred from treasury shares to the former Managing Directors as part of the LTI program. This transfer was made at the average share price of the company's treasury shares of € 43.41 per share and offset its capital reserves.

As of December 31, 2024, the company holds, unchanged from the previous year, a total of 102,660 treasury shares with a value of € 4,456,291.18.

On June 30, 2020, the Annual General Meeting authorized the company to acquire for the coming five years treasury shares up to a total of 10% of the outstanding share capital at the time of the resolution.

Acquired treasury shares have been recognized at cost and deducted from subscribed capital.

The security identification number for the shares is 720 370, ISIN: DE0007203705.

33. RETAINED EARNINGS AND CAPITAL RESERVES

Please see the consolidated statement of changes in equity for changes in retained earnings.

The capital reserves increased to € 99,488,340.50 (previous year: € 98,097,971.47). The increase results from the obligations to issue equity instruments from the Performance Share Plan, the 2023 share program, the SNP stock option plan 2020 amounting to € 1,390 thousand (previous year: € 1,301 thousand) less the issue of 4,895 shares as part of the LTI program amounting to € 212 thousand and the reduction in the stock option plan of a subsidiary amounting to € 115 thousand. Please see item 28 Share-Based Payment Transactions for further information.

All in all, costs associated with capital increases of € 4,158,352.34, less deferred tax liabilities of € 1,247,505.71, have been offset in the capital reserves.

34. NONCONTROLLING INTERESTS

The item involves 19% minority interests in the subsidiaries SNP Transformations SEA Pte. Ltd. and SNP Transformations Malaysia Sdn. Bhd., which were consolidated for the first time in the 2016 fiscal year. 0.64% minority interests are held in the subsidiary EXA AG, which resulted due to the exercise of stock options in the 2022 fiscal year.

The following disclosures relate to all of the companies in which the Group holds minority interests. The disclosures involve information prior to the elimination performed among other companies of the Group.

2024 in € thousand	**SNP Transformations SEA and Malaysia**	**EXA**	**Total**
Revenue	7,545	17,821	25,366
Result	-847	7,134	6,287
Income attributable to noncontrolling interests	-165	32	-133
Other comprehensive income	-99	44	-55
Comprehensive income	-946	7,178	6,232
Comprehensive income attributable to noncontrolling interests	-184	33	-151
Current assets	9,514	14,764	24,278
Noncurrent assets	420	888	1,308
Current liabilities	12,866	4,769	17,635
Noncurrent liabilities	2,947	1,256	4,203
Net assets	-5,879	9,627	3,748
Net assets attributable to noncontrolling interests	-1,117	62	-1,055
Cash flow from operating activities	504	3,069	3,573
Cash flow from investing activities	-21	-89	-110
Cash flow from financing activities	-120	-2,200	-2,320
Net increase in cash and cash equivalents	363	780	1,143
Dividends paid during the year to noncontrolling interests		14	14

35. FINANCIAL INSTRUMENTS

Objectives and Methods of Financial Risk Management

In the 2024 fiscal year, SNP used liquid funds in addition to new and replacement investments in property, plant and equipment and intangible assets primarily for the repayment of loans and the repayment of purchase price installments from company acquisitions and lease liabilities. These investments were financed by operating cash flow and the payment of a purchase price installment in connection with the sale of SNP Poland.

The management monitors and manages the Group's financing and capital structure on an ongoing basis. For this it uses parameters such as the net debt ratio and the equity ratio. The Group can adjust dividend payments to shareholders in order to maintain or adjust its capital structure. As of December 31, 2024, and December 31, 2023, no changes were made to the objectives, policies or procedures for monitoring financing and managing the capital structure.

The possible risks arising from financial instruments included interest rate-related cash flow risks as well as liquidity, foreign currency and credit risks. The Group monitors these risks on an ongoing basis and compares individual risks to total risk exposure in order to determine risk concentrations. If necessary, the Group's management decides on strategies and procedures to manage individual types of risks, as presented below.

Credit Risk

The Group enters into transactions with creditworthy third parties. All customers wishing to conduct business with the company on a credit basis are subject to a credit check. In addition, the receivables portfolio is continuously monitored so that the Group is not exposed to any significant default risks. No credit is granted without prior review and approval according to the current regulations put in place by the Executive Board. The Group has no significant credit risk concentrations.

For cash and cash equivalents, receivables and other financial assets of the Group, the maximum credit risk in case of default by a counterparty corresponds to the carrying amount of these instruments.

We apply the IFRS 9 simplified impairment model in order to determine the impairment for trade receivables and contract assets. Please see the comments under item 9, Key Accounting Policies for further information.

The following table shows the credit and default risk based on an impairment matrix as of December 31, 2024:

CREDIT RISK AS OF DECEMEBER 31, 2024

Classification	Loss rate in %	Carrying amounts in € thousand	Impairment in € thousand
Risk class 1 (Germany, Austria, Switzerland, USA, Australia and Singapore)	0.02	78,260	16
Risk class 2 (United Kingdom and United Arab Emirates)	0.00	11,054	0
Risk class 3 (Slovakia, China, Japan, Malaysia and Chile)	0.20	9,957	20
Risk class 4 (Mexico, Colombia, India and Brazil)	0.20	3,653	7
Risk class 5 (Argentina)	0.20	4,733	9
Risk class 6 (Loss)	100.00	41	41
Total		**107,698**	**93**

The following table shows the credit and default risk on the basis of an impairment matrix as of December 31, 2023:

Classification	Loss rate in %	Carrying amounts in € thousand	Impairment in € thousand
Risk class 1 (Germany, Austria, Switzerland, USA, Australia and Singapore)	0.02	81,366	17
Risk class 2 (United Kingdom)	0.00	8,045	0
Risk class 3 (Slovakia, China, Japan, Malaysia and Chile)	0.25	8,851	22
Risk class 4 (Mexico, Colombia and India)	0.25	1,182	3
Risk class 5 (Argentina)	0.25	3,277	8
Risk class 6 (Loss)	100.00	239	239
Total		**102,960**	**289**

The following table shows the development of impairment in relation to trade receivables and contract assets:

in € thousand	Trade receivables	Contract assets	Total
As of January 1, 2023	**600**	**15**	**615**
Amounts written off	-831	-	-831
Net remeasurement of impairment	507	-2	505
As of December 31, 2023 / January 1, 2024	**276**	**13**	**289**
Amounts written off	-558	-	-558
Net remeasurement of impairment	360	3	362
As of December 31, 2024	**77**	**16**	**93**

The following significant changes to the gross carrying amounts of trade receivables contributed to the changes to impairment losses in 2024:

- Lower loss rate for certain risk classes.
- Higher carrying amounts due to increase in trade receivables.
- Lower carrying amounts in risk class 6 due to write-down of irrecoverable receivables.

Liquidity Risk

The Group monitors the risk of a possible liquidity squeeze through ongoing cash flow planning and monitoring. The key goal is to ensure a minimum level of liquidity in order to guarantee solvency at all times. A high volume of cash therefore serves as a strategic reserve, which helps to keep SNP flexible, solvent and independent. As well as effective management of capital employed and liquid assets, SNP has reduced the liquidity risk that results from normal business activity and fulfillment of financial obligations by establishing appropriate lines of credit with various credit institutions, which it may draw upon in case of need.

Cash flows from the Group's financial liabilities had the following maturity dates:

	12/31/2024				
in € thousand	Up to 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Promissory note loans	1,492	1,483	33,242	-	36,217
Liabilities to banks	3,534	22,026	3,689	-	29,249
Derivatives	13	53	26	-	92
Trade payables	8,869	-	-	-	8,869
Lease liabilities	5,350	4,370	6,420	959	17,099
Liabilities from put options attributable to non-controlling interests	10,600	-	4,312	-	14,912
Purchase price obligations	-	-	539	-	539
Shareholder loans from partnerships	3,267	-	-	-	3,267
Other financial liabilities	152	143	23	-	318
	33,277	**28,075**	**48,251**	**959**	**110,562**

in € thousand	12/31/2023 Up to 1 year	1 to 2 years	3 to 5 years	More than 5 years	Total
Promissory note loans	11,017	1,827	35,240	-	48,084
Liabilities to banks	2,789	1,479	20,055	-	24,323
Derivatives	-	-	-	-	-
Trade payables	10,108	-	-	-	10,108
Lease liabilities	5,132	3,500	6,022	1,955	16,609
Liabilities from put options attributable to non-controlling interests	-	7,882	-	-	7,882
Purchase price obligations	-	-	-	-	-
Disbursement of shareholder loans from partner-ships	-	-	-	-	-
Other financial liabilities	54	7	-	-	61
	29,100	**14,695**	**61,317**	**1,955**	**107,067**

Financial liabilities that can be repaid at any time are assigned to the earliest possible time period. Cash flows for floating rate liabilities were estimated using spot interest rates applicable at the end of the period. Foreign currency amounts were translated at the exchange rates on the reporting date.

Fair Value

Our financial instruments are primarily classified at amortized cost. The following table shows the carrying amounts and fair values of all financial instruments recognized in the consolidated financial statements:

in € thousand		12/31/2024		12/31/2023	
Financial assets	**IFRS 9 category**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair Value**
Cash and cash equivalents	Amortized cost	72,473	72,473	40,313	40,313
Purchase price receivable	Amortized cost	-	-	4,859	4,859
Trade receivables	Amortized cost	88,867	88,867	92,073	92,073
Other financial assets	Amortized cost	1,862	1,862	1,280	1,280
Total		**163,202**	**163,202**	**138,525**	**138,525**

in € thousand Financial liabilities	IFRS 9 category	12/31/2024 Carrying amount	12/31/2024 Fair value	12/31/2023 Carrying amount	12/31/2023 Fair Value
Trade receivables	Amortized cost	8,869	8,869	10,108	10,108
Financial liabilities	Amortized cost	60,818	60,585	65,390	64,588
Derivatives	Fair value (profit or loss)	238	238	-	-
Liabilities from put options attributable to noncon-trolling interests	Amortized cost	14,376	14,499	7,828	7,524
Purchase price obligations	Amortized cost	471	493	-	-
Shareholder loans from partnerships	Amortized cost	3,267	3,267	-	-
Lease liabilities		15,770	15,770	15,548	15,548
Other financial liabilities	Amortized cost	300	300	61	61
Total		**104,109**	**104,021**	**98,935**	**97,829**

Summary as per IFRS 9 category

in € thousand	12/31/2024 Carrying amount	12/31/2023 Carrying amount
Financial assets measured at amortized cost	163,202	138,525
Financial liabilities measured at amortized cost	88,100	83,387
Financial liabilities measured at fair value through profit or loss	238	-

Cash and cash equivalents, trade receivables measured at amortized cost, trade payables, shareholder loans from partnerships and other financial assets and liabilities have predominantly short remaining terms. For these short-term financial instruments, the carrying amount is a reasonable approximation of fair value. The step used to determine the fair value is not disclosed separately for these financial instruments.

The fair value of financial liabilities is measured on the basis of the yield curve while taking credit spreads into consideration. They have therefore been assigned to level 2 in the valuation hierarchy.

The fair value of derivatives is determined using bank valuation models based on current parameters such as yield curve and credit spreads. They are assigned to level 2 in the valuation hierarchy.

The fair value of liabilities arising from non-controlling companies' put options in the amount of € 10,575 thousand (previous year: €0 thousand) and purchase price obligations is determined in accordance with generally accepted valuation procedures based on discounted cash flow analyses using the credit risk-adjusted yield curve. They have therefore been assigned to level 2 in the valuation hierarchy. In the case of liabilities from put options of non-controlling shareholders in the amount of € 3,801 thousand (previous year: € 7,828 thousand), expectations regarding the relevant earnings figures specified in the purchase agreements represent a further key input parameter. This led to an assignment to level 3 in the valuation hierarchy.

The changes to the financial instruments measured at fair value level 3 are as follows:

in € thousand	Purchase price receivables
Opening balance as of January 1, 2023	**524**
Payments	-435
Income recognized on the income statement	-89
Closing balance as of December 31, 2023 / Opening balance as of January 1, 2024	**-**
Payments	-
Income recognized on the income statement	-
Closing balance as of December 31, 2024	**-**

In the 2023 fiscal year, € 100 thousand of the income recognized in the income statement related to the termination of the contingent purchase price obligation. This amount resulted from the final calculation of the earnings figures defined in the purchase agreements and was reported in other operating income. A further € 11 thousand related to currency effects recognized in other operating income.

The Group determines at the end of each reporting period whether transfers have occurred between hierarchy levels by reviewing the classification (based on the input of the lowest level that is significant to the fair value measurement as a whole).

The general responsibility for monitoring all significant measurements of fair value, including level 3 fair values, belongs to the finance department, which reports directly to the CFO. Selected external valuers are used, where necessary, to determine the fair value of significant assets and liabilities. The selection criteria include market knowledge, reputation, independence and compliance with professional standards. The finance department decides which valuation techniques and inputs apply in each individual case in discussion with the external valuers.

The net gains or losses of the individual IFRS 9 categories are as follows:

in € thousand	31/12/2024	31/12/2023
From financial assets measured at amortized cost	-3,100	79
From financial liabilities measured at amortized cost	-5,449	-2,902
From financial liabilities measured at fair value through profit or loss	-63	89

Net gains and net losses from financial instruments recognized at fair value in profit and loss result from changes in the fair value and from net interest payments.

For the assets measured at amortized cost, net gains and net losses include income from interest, expenses and income for expected credit losses, effects of currency translation, gains and losses on disposal and income from receipts on receivables written off.

Net gains and net losses from liabilities measured at amortized cost include expenses for interest, effects resulting from changes to the estimates for the measurement of the liability resulting from the put option attributable to the non-controlling interest, and effects from currency translation.

Interest income from financial assets measured at amortized cost amounts to € 1,025 thousand (previous year: € 935 thousand).

Interest expense from financial liabilities measured at amortized cost amounts to € 2,739 thousand (previous year: € 2,560 thousand).

Market Price Risk

Interest Rate Risk Management

The Group is financed in part through its operating cash flow. In order to finance organic and inorganic growth, SNP has also borrowed interest-bearing capital in the form of various bank loans and promissory note loans.

The bank loans have a fixed basic interest rate.

The yield on the various tranches of the promissory note loans consists of fixed and variable interest. The variable interest is based on Euribor. The variable portion of the promissory note loans amounts to € 32,500 thousand (previous year: € 32,500 thousand). To hedge half of this variable component against interest rate risk, a fixed-rate payer swap was concluded in 2024. In July 2019, the Belgian Financial Services and Markets Authority granted an authorization for Euribor in accordance with the European Union Benchmarks Regulation. This enables market participants to continue to use Euribor for new and existing agreements. The Group assumes that Euribor will continue to be used as a benchmark rate for the foreseeable future. The floating-rate promissory note loan raised in 2022 includes a detailed reversionary clause that clearly refers to the alternative reference interest rate and to the trigger events that will activate this clause. The fallback clause of the German Framework Agreement for Financial Futures Transactions applies to the fixed-interest swap.

Changes in market interest rates for the promissory note loan and the fixed-rate payer swap may affect the Group's profit before taxes. A 100 basis point increase (reduction) in interest rates, which was considered possible as of the balance sheet date of December 31, 2024, would have increased (decreased) the result for the period before taxes by € 0.1 million. A 50 basis point increase (reduction) in interest rates, which was considered possible as of the comparative reporting date of December 31, 2023, would have led to a reduction (increase) in the result for the period before taxes of € 0.2 million. The sensitivity analysis assumes that all other variables (except for the market interest rate) will remain unchanged. Management continuously monitors the development of market interest rates and the necessity of appropriate hedging measures.

Currency Risk

Group companies conduct their operating business in their respective functional currency, so the corresponding foreign exchange risk is regarded as moderate. Currency risks result primarily from intragroup business relationships.

Currency Risk Management

The euro is the functional currency of the parent company and the reporting currency of the consolidated financial statements. A result of the Group's increasing internationalization outside the eurozone is that its operating business and financial transactions involve fluctuations in exchange rates. Exchange rate risks, which arise from orders from, and loans to, subsidiaries outside the eurozone, relate primarily to the absolute amount of the key figures reported in euros. Management continuously monitors the development of exchange rates and the necessity of appropriate hedging measures.

A sensitivity analysis has been carried out in order to be able to quantify the possible effects of exchange rate fluctuations on Group earnings. The key currency risk for the Group relates to transactions denominated in the US dollar. A 10% stronger euro compared to the US dollar as at the balance sheet date would lead to a € 1,707 thousand lower pre-tax result for the period (pre-vious year: € 1,271 thousand). If the euro had been 10% weaker against the US dollar as of the balance sheet date, the pre-tax result for the period would have been € 2,087 thousand higher (previous year: € 1,554 thousand).

Due to the inclusion of subsidiaries, the Group also reports assets and liabilities outside the eurozone that are denominated in local currencies. Fluctuations in exchange rates may result in changes in value at the conversion of these assets into euros. The changes in these net assets are reflected in the Group's equity through other comprehensive income.

36. CAPITAL MANAGEMENT

	12/31/2024		12/31/2023		Delta as %
	€ thousand	As % of the total volume of equity and liabilities	€ thousand	As % of the total volume of equity and liabilities	Total
Equity	138,023	44	108,639	41	27
Current liabilities	84,960	27	69,553	27	22
Noncurrent liabilities	90,300	29	83,595	32	8
Liabilities	175,260	56	153,147	59	14
Total equity and liabilities	**313,283**	**100**	**261,787**	**100**	**20**

The Group pursues the goal of safeguarding its long-term corporate survival and preserving the interests of shareholders, employees and all others who read the financial statements.

The management of the capital structure is based on changes in the macroeconomic environment and risks from the assets being held.

The Group's strategy is directed toward the continuous and sustainable increase in the company's value.

As of December 31, 2024, the equity ratio had increased to 44.1% (previous year: 41.5%).

Notes to the Consolidated Income Statement

37. OTHER OPERATING INCOME

Other operating income breaks down as follows:

in € thousand	2024	2023
Exchange rate differences	6,437	5,942
Income Settlement Community of Heirs	3,568	-
Advertising subsidies	745	686
Reversal of provisions and derecognition of liabilities	311	683
Proceeds from the disposal of assets	201	241
Rental income	244	171
Insurance compensation	206	169
Other subsidies	44	118
Revaluation of earn-out obligations	-	72
Rent concessions	-	9
Other	417	349
Total	**12,172**	**8,440**

This increase in other operating income is mainly due to the receivables purchase and assignment agreement entered into between SNP SE and Tatiana Schneider-Neureither in June 2024 to settle a legal dispute with the community of heirs and led to other operating income totaling € 3,568 thousand (previous year: € 0 thousand).

38. COST OF MATERIALS

This involves costs for purchasing external consultants to carry out projects (cost of purchased services) and for purchasing third-party licenses for resale.

39. PERSONNEL COSTS

pension plans of € 1,588 thousand (previous year: € 880 thousand), not including insurance contributions to statutory pension plans. Contributions to statutory pension plans amounted to € 8,945 thousand (previous year: € 6,660 thousand).

Personnel costs include severance expenses of € 651 thousand (previous year: € 945 thousand).

In the 2024 fiscal year, the average number of employees in the Group was 1,442 (previous year (adjusted): 1,278 employees). In addition, the Group employed an average of 35 trainees (previous year: 37) in the 2024 fiscal year.

40. OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

in € thousand	2024	2023
Services	8,488	8,159
Advertising, representation	6,275	4,681
Foreign exchange losses	5,279	10,050
Travel costs	4,104	3,224
Rent, leases	4,019	3,807
Losses on receivables	3,962	333
Other personnel costs	3,824	3,090
Occupancy costs, energy	2,728	2,075
Remeasurement of liabilities from put options attributable to non-controlling interests	2,701	328
Legal and consulting costs	2,415	2,576
Vehicles	1,933	1,692
Communications	1,144	1,059
Insurance policies, contributions	834	712
Office supplies	282	190
Board of Directors/ Supervisory Board	277	343
Payment transaction costs	152	202
Expense associated with the disposal of assets	57	76
Other	506	371
Total	**48,979**	**42,968**

41. NET FINANCIAL INCOME

Net financial income is as follows:

in € thousand **Other financial income**	**2024**	**2023**
Compounding on receivables	618	696
Term deposit investment	405	191
Staff payables	112	109
Derivative	264	-
Other interest income	1	51
Total	**1,401**	**1,047**

in € thousand **Other financial expenses**	**2024**	**2023**
Interest for promissory note loans	1,799	1,803
Bank interest	648	657
Leases	560	513
Derivative	327	-
Staff payables	192	198
Sale of receivables	-	55
Compounding on liabilities from put options attributable to non-controlling interests	180	43
Compounding on purchase price obligations	17	-
Payment to shareholders of EXA AG	295	42
Result of the shareholders of Trigon Cosulting GmbH & Co. KG	596	-
Other interest expenses	95	5
Total	**4,709**	**3,316**

The result of the shareholders of Trigon Consulting GmbH & Co. KG represent the minority shareholder's share of earnings.

Other Notes

42. STATEMENT OF CASH FLOWS

The cash flow from operating activities includes the following items: interest paid of € 2,551 thousand (previous year: € 2,020 thousand), interest received of € 582 thousand(previous year: € 243 thousand), income taxes paid of € 4,627 thousand (previous year: € 3,171 thousand) and income taxes received of € 424 thousand (previous year: € 1,769 thousand).

Cash flow from investing activities includes payments for company acquisitions of € 2,442 thousand (previous year: € 475 thousand). These are purchase price payments in connection with the acquisition of the Trigon Group and payments to shareholders of EXA AG. The proceeds from the sale of consolidated companies and other business units relate to the payment of the last purchase price installment for the sale of the former SNP Poland Sp. z o.o., Suchy Las, Poland in 2021.

NON-CASH INCOME AND EXPENSES

in € thousand	2024	2023
Currency effects	-417	3,074
Personnel expense for stock option programs	1,390	1,186
Accrued interest	95	321
Reassessment of earn-out liability	2,700	256
Derivatives	238	-
Disposal of assets	-144	-165
Remeasurement of defined benefit obligations	340	-477
Deferred taxes	-2,693	-574
Other	191	-105
Total	**1,700**	**3,516**

DEVELOPMENT OF LIABILITIES FROM FINANCING ACTIVITIES:

in € thousand	Promissory note loans	Other loans	Lease liabilities	Total
As of January 1, 2023	**41,608**	**30,500**	**16,729**	**88,837**
New leasing additions	-	-	4,079	4,079
Repaid	-	-7,043	-5,081	-12,124
Other payments	-1,577	-	-	-1,577
Noncash deferrals	1,803	132	-	1,935
Exchange rate fluctuations	-	-26	-179	-205
As of December 31, 2022 / January 1, 2024	**41,834**	**23,563**	**15,548**	**80,945**
Borrowed	-	7,111	-	7,111
New leasing additions	-	-	5,441	5,441
Addition from company acquisitions	-	-	147	147
Repaid	-9,000	-2,625	-5,497	-17,122
Other payments	-1,989	-	-	-1,989
Noncash deferrals	1,799	124	-	1,923
Exchange rate fluctuations	-	-	131	131
As of December 31, 2024	**32,644**	**28,173**	**15,770**	**-4,358**

43. MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Since the introduction of the dualistic management system consisting of the Executive Board and the Supervisory Board in the 2023 fiscal year, the Executive Board has been managing the company and conducting its business. The Executive Board is not bound by instructions. The Supervisory Board is responsible for appointing, dismissing and monitoring the Executive Board.

Throughout the entire 2024 fiscal year, the Executive Board consisted of Dr. Jens Amail (CEO) and Andreas Röderer (CFO).

The composition of the Supervisory Board was also unchanged during the 2024 fiscal year. The three-member Supervisory Board consisted of Dr. Karl Benedikt Biesinger (Chairman), Prof. Dr. Thorsten Grenz (Deputy Chairman) and Peter Maier.

44. RELATED PARTY TRANSACTIONS AND DISCLOSURES

According to IAS 24 "Related Party Disclosures," transac-tions with persons or companies that may be influenced by the reporting company or could influence the company must be disclosed unless they have not already been included as a consolidated company in the consolidated financial statements. Related parties within the meaning of IAS 24 are individuals and companies where one of the parties has control or significant influence over the other.

Majority shareholder and voluntary public takeover offer of the Carlyle Group

As of the reporting date, the Heidelberg businessman Wolfgang Marguerre holds 65.19% of the total voting rights and is thus a significant shareholder of the company. Due to the relationship of control, he is accordingly classified as a related party. No transactions took place between Wolfgang Marguerre and SNP in the fiscal year.

As part of a voluntary public takeover offer, Succession German Bidco GmbH, a subsidiary of The Carlyle Group Inc., entered into a share purchase agreement on December 23, 2024, with Mr. Wolfgang Marguerre as seller for the acquisition of 4,814,674 SNP shares at a purchase price of € 61.00 per SNP share. The purchase agreement is subject to the same conditions as the above-mentioned takeover offer. The contractual provisions also stipulate that the above-mentioned shares will not be tendered as part of the takeover offer and are otherwise blocked by a custody account blocking agreement. The company has issued a statement pursuant to Section 27 of the German Securities Acquisition and Takeover Act (WpÜG).

Provisions for Pension Commitments to a Former Board Member

The company has pension commitments to Ms. Petra Neureither (CFO until May 19, 2011). A reinsurance policy was arranged for the pension obligations. The net obligation from the pension commitment amounted to € 45 thousand as of the balance sheet date (previous year: € 48 thousand) and is included in the pension provisions.

Other Transactions

A sublease agreement exists between SNP Deutschland GmbH as landlord and OORCCA GmbH, Heidelberg, Germany, as tenant, an associated company of SNP, of which a Supervisory Board member is Managing Director and shareholder. In the 2024 fiscal year, rental income of € 6 thousand was realized (previous year: € 5 thousand), and as of December 31, 2024 there were no outstanding receivables (previous year: € 0 thousand)

Salary payments, including non-cash and fringe benefits, were made between SNP Deutschland GmbH and a related person of a Supervisory Board member on the basis of an employment contract. In the 2024 reporting year, related expenses amounted to € 219 thousand (previous year: € 166 thousand). As of December 31, 2024, outstanding receivables amounted to € 0 thousand (previous year: € 0 thousand) and outstanding liabilities to € 73 thousand (previous year: € 65 thousand).

REMUNERATION OF THE EXECUTIVE BOARD AND THE FORMER MANAGING DIRECTORS

	Executive Board members/ Managing Director1*		Former Managing Directors	
in € thousand	2024	2023	2024	2023
Benefits due in the short term	**1,489**	**1,269**	**-**	**598**
of which fixed remuneration	720	536	-	400
of which fringe benefits	40	24	-	33
of which defined benefit	590	686	-	164
of which defined contribution	139	23	-	1
Share-based payment transactions	**1,002**	**1,175**	**-**	**127**
Multi-year variable remuneration	1,002	1,175	-	127
Subtotal	**2,491**	**2,445**	**-**	**725**
Termination benefits	**-**	**-**	**-**	**612**
Total	**2,491**	**2,445**	**-**	**1,337**

[1] Serving Executive Board members who were previously Managing Directors under the monistic system

SHARE-BASED REMUNERATION OF THE EXECUTIVE BOARD

	2024	2023
Number of shares granted	**18,729**	**35,036**
Total expense (in € thousand)	1,002	1,175

FULL-YEAR REMUNERATION OF THE SUPERVISORY BOARD

in € thousand	2024	2023
Total remuneration	**270**	**332**
Of which fixed remuneration	270	290
Of which attendance fees (incl. committee meetings)	-	42

In 2023, including total remuneration of former members of the Board of Directors.

45. RISKS RESULTING FROM LEGAL DISPUTES

As part of its ordinary business activities, SNP is confronted with lawsuits and court proceedings. As of the reporting date of December 31, 2024, pending legal disputes mainly relate to proceedings with current and former employees.

The employment law proceedings primarily relate to disputes over termination of employment. SNP reviews these cases in great detail and conducts the proceedings in line with the compliance requirements and taking the litigation risk into account. The legal consequence could include legal defense costs and compensation claims. The company has made provisions for expected costs.

The company had filed claims against the community of heirs of Dr. Andreas Schneider-Neureither in connection with a property rented in the USA for which rent had been paid in advance but which was not suitable for commercial use. Due to a receivables purchase and assignment agreement with Tatiana Schneider-Neureither, which was approved by a large majority at the last Annual General Meeting, the proceedings as well as the proceedings arising from a previous lease in which the company was a defendant have been terminated from an economic point of view. The above agreement with the buyer of the receivables stipulates that the latter will indemnify the company from any claims arising from the lease agreement.

46. AUDITING AND CONSULTING FEES

In the fiscal year, the Group auditor's fees for the audit of the financial statements amounted to € 402 thousand (previous year: € 305 thousand) and € 76 thousand (previous year: € 54 thousand) for other assurance services.

47. SUBSEQUENT EVENTS

As part of a voluntary public takeover offer, Succession German Bidco GmbH, Munich, a subsidiary of The Carlyle Group Inc., entered into a share purchase agreement on December 23, 2024, with Mr. Wolfgang Marguerre as seller for the acquisition of 4,814,674 SNP shares at a purchase price of € 61.00 per SNP share. The purchase agreement is subject to the same conditions as the above-mentioned takeover offer. The contractual provisions also stipulate that the above-mentioned shares will not be tendered as part of the takeover offer and are otherwise blocked by a custody account blocking agreement. The company has issued a statement pursuant to Section 27 of the German Securities Acquisition and Takeover Act (WpÜG).

On March 3, 2025, the Company was informed that all offer conditions for the takeover offer of Succession German Bidco GmbH have now been met.

48. CORPORATE GOVERNANCE

The Executive Board and the Supervisory Board have issued the declaration on the German Corporate Governance Code. This has been made available on the company's website at https://www.snpgroup.com/en/corporate-governance.

Heidelberg, March 21, 2025

The Executive Board

Dr. Jens Amail　　Andreas Röderer

Success Story

Steiff

„Bringing SNP on board was the perfect decision for this important project. I can therefore recommend SNP to any company planning to convert to S/4HANA. I was particularly impressed with the close and collaborative working relationship with our team.“

Dirk Petermann,
CEO Margarete Steiff GmbH

Scan the QR code
and learn more about
the successful project.

Success Story

Vossloh

„With the seamless integration implemented by SNP, we have connected Matrix42 and SAP Solution Manager. Our business users and IT department can work with their valued tools enjoying all the tool specific benefits. SNP has done an outstanding job!"

Dietmar Blome,
IT Project Manager, Vossloh AG

Scan the QR code
and learn more about
the successful project.

Annual Financial Statements

SNP Schneider-Neureither & Partner SE, Heidelberg

BALANCE SHEET (HGB)
as of December 31, 2024

ASSETS

in € thousand		2024	2023
A. Assets			
I. Intangible assets			
Concessions, industrial property rights and similar rights and values such as licenses to such rights and values	1,024		1,233
		1,024	1,233
II. Fixed assets			
1. Land, rights equivalent to property and buildings including buildings on third-party land	718		836
2. Other fixed assets and office equipment	2,159		1,964
3. Payments on account	12		0
		2,889	2,800
III, Financial assets			
1. Shares in affiliated companies	107,844		108,064
2. Loans in affiliated companies	14,892		4,087
3. Participations	228		228
		122,964	112,379
		126,877	116,412
B. Current assets			
I. Inventories			
Work in progress	90	90	265
II. Receivables and other assets			
1. Trade receivables	4,760		17,237
2. Receivables from affiliated companies	54,751		74,533
3. Other assets	2,148		6,086
		61,659	97,856
III. Cash on hand and bank balances		19,548	4,402
C. Deferred items		1,342	1,073
		209,516	**220,008**

EQUITY & LIABILITIES

in € thousand		**2024**	**2023**
A. Equity			
I. Subscribed capital	7,386		7,386
1. Subscribed capital	-103		-103
2. Nominal value of own shares			
		7,283	7,283
II. Capital reserves		101,405	100,360
III. Retained earnings			
1. Statutory reserves	19		19
2. Other retained earnings	426		426
		445	445
IV. Retained earnings		15,486	16,881
		124,620	124,970
B. Provisions			
1. Provisions for pensions and similar obligations	391		407
2. Other provisions	6,194		6,435
		6,585	6,842
C. Liabilities			
1. Liabilities to banks	61,076		65,797
2. Trade payables	1,814		2,387
3. Liabilities to affiliated companies	11,941		15,470
4. Other liabilities	2,936		3,972
		77,768	87,626
D. Deferred items		544	570
		209,516	**220,008**

SNP Schneider-Neureither & Partner SE, Heidelberg

PROFIT AND LOSS ACCOUNT (HGB)

for the period from January 1 to December 31, 2024

in € thousand		2024	2023
1. Sales revenue		37,635	38,155
2. Decrease in inventories of unfinished goods		-176	-1,347
3. Other operating income – Of which expenses from foreign currency conversion: T€ 1,114 (previous year: T€ 394)		3,508	1,705
4. Material costs			
Expenses for licences	-3		-
Expenses for purchased services	-866		-479
		-869	-479
5. Personnel costs			
a) Wages and salaries	-21,610		-19,549
b) Social security and expenses for pensions and related employee benefits – Of which expenses for pensions: T€ 215 (previous year: T€ 108)	-2,824		-2,462
		-24,434	-22,011
6. Depreciation Of intangible assets and property, plant and equipment		-1,198	-1,216
7. Other operating expenses – Of which expenses from foreign currency conversion: T€ 730 (previous year: T€ 203)		-30,050	-24,355
8. Income from participations – Of which from affiliated companies: T€ 312 (previous year: T€ 1,249)		3,212	1,249
9. Received profits due to a profit transfer agreement		12,636	12,280
10. Income from loans of financial assets – Of which from affiliated companies: T€ 1,015 (previous year: T€ 127)		1,015	127
11. Other interest and similar income – Of which from affiliated companies: T€ 688 (previous year: T€ 434)		1,125	702
12. Depreciation on financial assets		-2,692	-2,040
13. Appreciation on financial assets		1,572	0
14. Interest and similar expenses – Of which from affiliated companies: T€ 95 (previous year: T€ 147)		-2,670	-2,223
15. Taxes on income		-6	-958
16. Income after taxes		**-1,391**	**-411**
17. Other taxes		-4	-1
18. Net loss		**-1,395**	**-412**
19. Profit carries forward from previous year		16,881	17,294
20. Net profit		**15,486**	**16,881**

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CONTACT

Do you have questions or need more information? We are at your disposal for further advice and information.

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This Annual Report is also available in German.
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