

Consolidated Financial Statements and Notes of  
DATAGROUP SE, Pliezhausen, as of 30 September 2023





# Consolidated Financial Statements

## Consolidated Income Statement

Figures in EUR	Notes	2022/2023	2021/2022
<b>Revenues</b>	II.1	<b>497,795,989.11</b>	<b>493,949,891.47</b> <sup>1)</sup>
Other own work capitalized	II.2	2,153,037.44	1,642,814.98
Change in capitalized contractual costs	II.3	-4,086,155.55	-3,580,057.74
<b>Total revenues</b>		<b>495,862,871.00</b>	<b>492,012,648.71</b>
Other operating income	II.4	16,603,775.33	13,474,062.09
Material expenses / expenses for purchased services	II.5	154,669,893.55	162,244,015.42 <sup>1)</sup>
Personnel expenses	II.6	243,639,980.59	233,439,640.14
Depreciation of property, plant and equipment and other intangible assets	II.7	34,910,863.22	35,006,945.17
Other operating expenses	II.8	33,928,283.39	33,343,597.90
<b>Operating income</b>		<b>45,317,625.58</b>	<b>41,452,512.17</b>
Financial income		1,879,610.98	1,793,084.92
Financial expenses		5,956,257.17	6,512,137.36
<b>Financial result</b>	II.9	<b>-4,076,646.19</b>	<b>-4,719,052.44</b>
<b>Earnings before taxes</b>		<b>41,240,979.39</b>	<b>36,733,459.73</b>
Taxes on income and profit	II.10	12,975,697.61	14,705,879.30
<b>Net income</b>		<b>28,265,281.78</b>	<b>22,027,580.43</b>
thereof minority interests		183,539.97	143,635.82
<b>thereof shares of DATAGROUP SE</b>		<b>28,081,741.81</b>	<b>21,883,944.61</b>
<b>EPS (in Euro)</b>		<b>3.39</b>	<b>2.64</b>

1) The accounting standards have been adjusted regarding the assessment of revenue recognition in relation to agent activities in license business. This leads to a reduction in revenue as well as in material expenses in the same amount. To guarantee comparability of the prior-year accounts revenue and material expenses of FY 2021/2022 were reduced by EUR 7,460,000.00.

## Consolidated Statement of Comprehensive Income

Figures in EUR	Notes	2022/2023	2021/2022
<b>Net income</b>		<b>28,265,281.78</b>	<b>22,027,580.43</b>
<b>Other earnings before taxes</b>			
Recalculation of defined benefit obligations		1,240,126.47	29,195,918.47
Change in balancing items from currency conversion		14,909.09	-29,994.66
<b>Other earnings before taxes</b>	II.11	<b>1,255,035.56</b>	<b>29,165,923.81</b>
<b>Income tax effects on other income</b>	II.11	<b>380,857.62</b>	<b>9,124,107.77</b>
<b>Comprehensive income</b>		<b>29,139,459.72</b>	<b>42,069,396.47</b>
thereof minority share		183,539.97	143,635.82
<b>thereof shares of DATAGROUP SE</b>		<b>28,955,919.75</b>	<b>41,925,760.65</b>

1) This is other comprehensive income which cannot be reclassified.



## Consolidated Statement of Financial Position

Figures in EUR	Notes	9/30/2023	9/30/2022
<b>Assets</b>			
<b>Long-term assets</b>			
Goodwill	III.1	157,024,968.43	151,435,872.92
Other intangible assets	III.2	44,116,068.85	48,299,746.81
Property, plant and equipment	III.3	69,803,960.65	61,779,836.67
Non-current financial assets	III.4	7,676,618.94	8,506,353.08
Capitalized contractual costs	III.5	8,229,149.35	12,400,776.21
Finance leasing receivables	III.6	16,444,872.71	18,019,382.25
Claims from pension and other obligations	III.16	4,579,784.88	4,448,503.46
Other non-current assets	III.7	977,962.20	846,827.81
Deferred taxes	III.8	11,368,224.90	12,179,457.29
		<b>320,221,610.91</b>	<b>317,916,756.50</b>
<b>Short-term assets</b>			
Inventories	III.9	4,545,437.79	8,304,674.50
Contract assets	III.10	3,065,594.62	3,013,455.06
Trade receivables	III.11	57,010,460.72	55,147,870.67
Finance leasing receivables	III.6	11,561,654.32	10,892,813.00
Current financial assets	III.4	252,338.47	280,857.25
Other current assets	III.12	46,750,858.09	40,985,932.28
Cash and cash equivalents	III.13	21,878,859.86	47,041,864.41
		<b>145,065,203.87</b>	<b>165,667,467.17</b>
		<b>465,286,814.78</b>	<b>483,584,223.67</b>
<b>Liabilities</b>			
<b>Equity</b>			
	III.14		
Subscribed capital		8,349,000.00	8,349,000.00
Capital reserves		32,337,372.27	32,337,372.27
Repayment of capital		-98,507.73	-98,507.73
Retained earnings		87,782,798.03	68,865,661.11
Accumulated other comprehensive income		19,046,410.71	18,187,141.86
Balancing item for foreign currency translation		-19,673.35	-34,582.44
Minority interests		35,701.91	-147,838.05
		<b>147,433,101.84</b>	<b>127,458,247.02</b>
<b>Long-term liabilities</b>			
Non-current financial liabilities	III.15	105,337,321.38	112,459,288.54
Pension provisions	III.16	35,883,967.06	36,102,634.43
Other provisions	III.16	1,284,500.39	1,240,557.69
Other non-current liabilities	III.19	98,026.65	83,914.65
Deferred taxes	III.8	9,185,556.78	11,592,865.89
		<b>151,789,372.26</b>	<b>161,479,261.20</b>
<b>Short-term liabilities</b>			
Current financial liabilities	III.15	57,122,549.15	72,797,075.01
Provisions	III.16	20,714,546.51	32,629,439.37
Contract liabilities	III.17	10,118,413.32	12,739,349.63
Trade payables	III.18	13,069,491.77	15,827,012.63
Income tax liabilities		17,567,377.95	13,808,853.79
Other liabilities	III.19	47,471,961.98	46,844,985.02
		<b>166,064,340.68</b>	<b>194,646,715.45</b>
		<b>465,286,814.78</b>	<b>483,584,223.67</b>



## Statement of Cash Flows

Figures in EUR	2022/2023	2021/2022
<b>Cash flows from operating activities</b>		
Net result for the period	28,265,281.78	22,027,580.43
- thereof corporate income tax repayments 1,190,035.56 EUR (previous year 5,617,964.73 EUR)		
- thereof corporate income tax payments 18.648.622,28 EUR (previous year 16.903.648,75 EUR)		
Interest received	-8,433.67	-21,040.98
Interest paid	2,830,753.43	1,351,903.11
Depreciation and amortization of non-current assets	34,910,863.22	35,006,945.17
Changes in pension provisions	1,021,458.83	1,260,588.12
Gains (-) / losses (+) on disposals of non-current assets	236,378.09	27,449.41
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	-762,609.69	-1,448,244.02
Increase (-) / decrease (+) of inventories, trade receivables and other assets	2,388,576.66	911,647.16
Increase (+) / decrease (-) of trade payables and other liabilities	-20,902,796.04	11,004,481.39
Other non-cash transactions	-1,315,465.73	132,158.08
<b>Cash flow from operating activities</b>	<b>46,664,006.88</b>	<b>70,253,467.87</b>
<b>Cash flow from investing activities</b>		
Cash inflow from sale of property, plant and equipment	458,181.67	358,464.41
Cash outflow for investment in property, plant and equipment	-11,432,974.32	-6,036,630.71
Cash inflow from intangible assets	170,087.07	537,614.54
Cash outflow for investments in intangible assets	-3,800,838.79	-2,773,783.21
Cash inflow from sale of financial assets	6,850.00	30,000.00
Cash outflow for investments in financial assets	-30,500.00	-1,192,564.22
Cash inflow from investments in fully consolidated companies	593,646.73	0.00
Cash outflow from investments in fully consolidated companies	-50,929,876.90	-35,854,684.73
Distributions received and income from investments	122,719.83	132,205.36
Interest received	8,433.67	21,040.98
<b>Net cash used in investing activities</b>	<b>-64,834,271.04</b>	<b>-44,778,337.58</b>
<b>Cash flow from financing activities</b>		
Payment for dividends paid	-9,164,604.90	-8,331,459.00
Cash inflow (+) / outflow (-) for finance lease contracts (as lessee)	-15,420,556.18	-12,788,844.29
Payments for repayment of liabilities to banks	-9,597,068.71	0.00
Received payments from proceeds from liabilities to banks	30,020,242.83	-53,045.57
Interest paid	-2,830,753.43	-1,351,903.11
<b>Net cash used in financing activities</b>	<b>-6,992,740.39</b>	<b>-22,525,251.97</b>
<b>Changes in cash and cash equivalents</b>	<b>-25,163,004.55</b>	<b>2,949,878.32</b>
Cash and cash equivalents at the beginning of the period	47,041,864.41	44,091,986.09
Cash and cash equivalents at the end of the period	21,878,859.86	47,041,864.41



## Consolidated Statement of Changes in Equity

01.10.2022 -  
30.09.2023

	Parent company								Minority shareholders		
	Subscribed capital	Capital reserves	Repayment of capital	Retained earnings	Accumulated other comprehensive income			Balancing item for foreign currency translation	Total	Minority interests	Total
					Changes without effects on net income	Result from actuarial gains and losses	Sum				
Figures in EUR											
Balance at the beginning of the fiscal year	8,349,000.00	32,337,372.27	-	68,865,661.11	-	19,812,519.07	18,187,141.86	-34,582.44	127,606,085.07	-147,838.05	127,458,247.02
Dividend payment	0.00	0.00	0.00	9,164,604.90	0.00	0.00	0.00	0.00	9,164,604.90	0.00	9,164,604.90
Consolidated profit	0.00	0.00	0.00	28,081,741.81	0.00	0.00	0.00	0.00	28,081,741.81	183,539.97	28,265,281.78
Other comprehensive income	0.00	0.00	0.00	0.00	0.00	859,268.85	859,268.85	14,909.09	874,177.94	0.00	874,177.94
<b>Balance at the end of the fiscal year</b>	<b>8,349,000.00</b>	<b>32,337,372.27</b>	<b>-</b>	<b>87,782,798.02</b>	<b>1,625,377.21</b>	<b>20,671,787.92</b>	<b>19,046,410.71</b>	<b>-19,673.35</b>	<b>147,397,399.92</b>	<b>35,701.92</b>	<b>147,433,101.84</b>



01.10.2021 -  
30.09.2022

	Parent company								Minority shareholders		
	Subscribed capital	Capital reserves	Repayment of capital	Retained earnings	Accumulated other comprehensive income			Balancing item for foreign currency translation	Total	Minority interests	Total
					Changes without effects on net income	Result from actuarial gains and losses	Sum				
Figures in EUR											
Balance at the beginning of the fiscal year	8,349,000.00	32,337,372.27	-98,507.73	55,313,175.50	1,625,377.21	-259,291.63	-1,884,668.84	-4,587.78	94,011,783.42	0.00	94,011,783.42
Changes in the scope of consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-291,473.87	-291,473.87
Dividend payment	0.00	0.00	0.00	8,331,459.00	0.00	0.00	0.00	0.00	8,331,459.00	0.00	8,331,459.00
Consolidated profit	0.00	0.00	0.00	21,883,944.61	0.00	0.00	0.00	0.00	21,883,944.61	143,635.82	22,027,580.43
Other comprehensive income	0.00	0.00	0.00	0.00	0.00	20,071,810.70	20,071,810.70	-29,994.66	20,041,816.04	0.00	20,041,816.04
<b>Balance at the end of the fiscal year</b>	<b>8,349,000.00</b>	<b>32,337,372.27</b>	<b>-98,507.73</b>	<b>68,865,661.11</b>	<b>1,625,377.21</b>	<b>19,812,519.07</b>	<b>18,187,141.86</b>	<b>-34,582.44</b>	<b>127,606,085.07</b>	<b>-147,838.05</b>	<b>127,458,247.02</b>



## Development of Fixed Assets

Acquisition and production costs

Figures in EUR	As at 01.10.2022	Exchange difference	Additions	Reclassifi- cation	Disposals	Changes in the scope of consolidation	As at 30.09.2023
<b>Goodwill</b>	<b>151,435,872.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,589,095.51</b>	<b>157,024,968.43</b>
<b>Other intangible assets</b>							
1. Order backlog	21,894,000.00	0.00	0.00	0.00	0.00	141,000.00	22,035,000.00
2. Customer bases	58,555,400.00	0.00	0.00	0.00	0.00	1,705,000.00	60,260,400.00
3. Internally developed intangible assets Software	6,112,162.48	0.00	1,333,859.25	0.00	64,900.00	0.00	7,381,121.73
4. Acquired intangible assets Software etc.	39,951,430.33	0.00	2,408,888.29	0.00	1,504,168.64	920,974.21	41,777,124.19
5. Prepayments	44,228.94	0.00	58,091.25	0.00	0.00	0.00	102,320.19
	<b>126,557,221.75</b>	<b>0.00</b>	<b>3,800,838.79</b>	<b>0.00</b>	<b>1,569,068.64</b>	<b>2,766,974.21</b>	<b>131,555,966.11</b>
<b>Property, plant and equipment</b>							
1. Land and buildings	59,179,229.15	0.00	14,517,249.25	0.00	9,234,478.51	235,169.18	64,697,169.07
2. Technical equipment and machinery	116,347.06	0.00	0.00	0.00	0.00	0.00	116,347.06
3. Other equipment, furniture and office equipment	102,302,262.00	4,468.49	16,184,030.16	77,105.94	11,679,261.76	2,024,493.31	108,913,098.14
4. Prepayments	211,675.77	-145.06	45,624.62	-77,105.94	27,210.47	0.00	152,838.92
	<b>161,809,513.98</b>	<b>4,323.43</b>	<b>30,746,904.03</b>	<b>0.00</b>	<b>20,940,950.74</b>	<b>2,259,662.49</b>	<b>173,879,453.19</b>
<b>Long-term financial assets</b>							
1. Shares in affiliated companies not included in the scope of consolidation	108,320.26	0.00	577.72	0.00	3,000.00	0.00	105,897.98
2. Investments	52,130.00	0.00	0.00	0.00	0.00	0.00	52,130.00
3. Securities	8,539,452.82	0.00	389,268.54	0.00	1,192,564.22	0.00	7,736,157.14
4. Other loans	9,383.88	0.00	0.00	0.00	6,850.00	0.00	2,533.88
	<b>8,709,286.96</b>	<b>0.00</b>	<b>389,846.26</b>	<b>0.00</b>	<b>1,202,414.22</b>	<b>0.00</b>	<b>7,896,719.00</b>
<b>Total</b>	<b>448,511,895.61</b>	<b>4,323.43</b>	<b>34,937,589.08</b>	<b>0.00</b>	<b>23,712,433.60</b>	<b>10,615,732.21</b>	<b>470,357,106.73</b>



## Accumulated depreciation and amortization

## Residual value

Figures in EUR	Accumulated depreciation and amortization						Residual value		
	As at 01.10.2022	Exchange difference	Additions	Attributions	Disposals	Changes in the scope of consolidation	As at 30.09.2023	As at 30.09.2023	As at 30.09.2022
<b>Goodwill</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>157,024,968.43</b>	<b>151,435,872.92</b>
1. Order backlog	11,989,883.67	0.00	3,264,450.00	0.00	0.00	0.00	15,254,333.67	6,780,666.33	9,904,116.33
2. Customer bases	29,890,855.50	0.00	4,177,770.02	0.00	0.00	0.00	34,068,625.52	26,191,774.48	28,664,544.50
3. Internally developed intangible assets Software	3,396,061.92	0.00	556,709.20	0.00	64,900.00	0.00	3,887,871.12	3,493,250.61	2,716,100.56
4. Acquired intangible assets Software etc.	32,980,673.85	0.00	2,538,932.46	0.00	1,326,681.57	36,142.21	34,229,066.95	7,548,057.24	6,970,756.48
5. Prepayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	102,320.19	44,228.94
	<b>78,257,474.94</b>	<b>0.00</b>	<b>10,537,861.68</b>	<b>0.00</b>	<b>1,391,581.57</b>	<b>36,142.21</b>	<b>87,439,897.26</b>	<b>44,116,068.85</b>	<b>48,299,746.81</b>
1. Land and buildings	27,680,031.28	0.00	11,476,610.71	900,000.00	9,185,927.25	0.00	29,070,714.74	35,626,454.33	31,499,197.87
2. Technical equipment and machinery	23,270.06	0.00	23,269.50	0.00	0.50	0.00	46,539.06	69,808.00	93,077.00
3. Other equipment, furniture and office equipment	72,326,375.97	3,031.64	12,873,121.33	270,206.99	10,948,152.20	974,068.99	74,958,238.74	33,954,859.40	29,975,886.03
4. Prepayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	152,838.92	211,675.77
	<b>100,029,677.31</b>	<b>3,031.64</b>	<b>24,373,001.54</b>	<b>1,170,206.99</b>	<b>20,134,079.95</b>	<b>974,068.99</b>	<b>104,075,492.54</b>	<b>69,803,960.65</b>	<b>61,779,836.67</b>
1. Shares in affiliated companies not included in the scope of consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105,897.98	108,320.26
2. Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52,130.00	52,130.00
3. Securities	202,900.00	0.00	0.00	-17,166.18	0.00	0.00	220,066.18	7,516,090.96	8,336,552.82
4. Other loans	33.88	0.00	0.00	0.00	0.00	0.00	33.88	2,500.00	9,350.00
	<b>202,933.88</b>	<b>0.00</b>	<b>0.00</b>	<b>-17,166.18</b>	<b>0.00</b>	<b>0.00</b>	<b>220,100.06</b>	<b>7,676,618.94</b>	<b>8,506,353.08</b>
<b>Total</b>	<b>178,490,086.13</b>	<b>3,031.64</b>	<b>34,910,863.22</b>	<b>1,153,040.81</b>	<b>21,525,661.52</b>	<b>1,010,211.20</b>	<b>191,735,489.86</b>	<b>278,621,616.87</b>	<b>270,021,809.48</b>



Acquisition and production costs

Figures in EUR	As at 01.10.2021	Exchange difference	Additions	Disposals	Changes in the scope of consolidation	As at 30.09.2022
<b>Goodwill</b>	<b>125,950,710.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>25,485,162.01</b>	<b>151,435,872.92</b>
1. Order backlog	18,559,000.00	0.00	0.00	0.00	3,335,000.00	21,894,000.00
2. Customer bases	56,342,400.00	0.00	0.00	0.00	2,213,000.00	58,555,400.00
3. Internally developed intangible assets Software	4,871,454.12	0.00	1,075,831.50	-164,876.86	0.00	6,112,162.48
4. Acquired intangible assets Software etc.	39,473,687.05	0.00	1,653,722.77	1,475,540.18	299,560.69	39,951,430.33
5. Prepayments	0.00	0.00	44,228.94	0.00	0.00	44,228.94
	<b>119,246,541.17</b>	<b>0.00</b>	<b>2,773,783.21</b>	<b>1,310,663.32</b>	<b>5,847,560.69</b>	<b>126,557,221.75</b>
1. Land and buildings	53,625,462.78	0.00	7,978,737.02	2,424,970.65	0.00	59,179,229.15
2. Technical equipment and machinery	13,195.10	0.00	0.00	13,195.10	116,347.06	116,347.06
3. Other equipment, furniture and office equipment	90,534,342.98	-9,923.48	11,033,755.05	693,475.42	1,437,562.87	102,302,262.00
4. Prepayments	109,467.28	0.00	107,308.49	5,100.00	0.00	211,675.77
	<b>144,282,468.14</b>	<b>-9,923.48</b>	<b>19,119,800.56</b>	<b>3,136,741.17</b>	<b>1,553,909.93</b>	<b>161,809,513.98</b>
1. Shares in affiliated companies not included in the scope of consolidation	426,562.37	0.00	10,508.89	0.00	-328,751.00	108,320.26
2. Investments	82,176.88	0.00	0.00	30,046.88	0.00	52,130.00
3. Securities	1,000,000.00	0.00	7,539,452.82	0.00	0.00	8,539,452.82
4. Other loans	9,383.88	0.00	0.00	0.00	0.00	9,383.88
	<b>1,518,123.13</b>	<b>0.00</b>	<b>7,549,961.71</b>	<b>30,046.88</b>	<b>-328,751.00</b>	<b>8,709,286.96</b>
<b>Total</b>	<b>390,997,843.35</b>	<b>-9,923.48</b>	<b>29,443,545.48</b>	<b>4,477,451.37</b>	<b>32,557,881.63</b>	<b>448,511,895.61</b>



## Accumulated depreciation and amortization

## Residual value

Figures in EUR	Accumulated depreciation and amortization						Residual value	
	As at 01.10.2021	Exchange difference	Additions	Disposals	Changes in the scope of consolidation	As at 30.09.2022	As at 30.09.2022	As at 30.09.2021
<b>Goodwill</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>151,435,872.92</b>	<b>125,950,710.91</b>
1. Order backlog	9,149,767.00	0.00	2,840,116.67	0.00	0.00	11,989,883.67	9,904,116.33	9,409,233.00
2. Customer bases	25,520,227.70	0.00	4,370,627.80	0.00	0.00	29,890,855.50	28,664,544.50	30,822,172.30
3. Internally developed intangible assets Software	2,930,172.67	0.00	465,889.25	0.00	0.00	3,396,061.92	2,716,100.56	1,941,281.45
4. Acquired intangible assets Software etc.	30,227,847.30	0.00	3,514,779.70	785,742.24	23,789.09	32,980,673.85	6,970,756.48	9,245,839.75
5. Prepayments	0.00	0.00	0.00	0.00	0.00	0.00	44,228.94	0.00
	<b>67,828,014.67</b>	<b>0.00</b>	<b>11,191,413.42</b>	<b>785,742.24</b>	<b>23,789.09</b>	<b>78,257,474.94</b>	<b>48,299,746.81</b>	<b>51,418,526.50</b>
1. Land and buildings	20,984,312.50	0.00	10,020,229.92	3,324,511.14	0.00	27,680,031.28	31,499,197.87	32,641,150.28
2. Technical equipment and machinery	0.00	0.00	9,695.34	0.00	13,574.72	23,270.06	93,077.00	13,195.10
3. Other equipment, furniture and office equipment	58,149,035.91	-6,970.56	13,785,606.49	307,369.75	706,073.88	72,326,375.97	29,975,886.03	32,385,307.07
4. Prepayments	0.00	0.00	0.00	0.00	0.00	0.00	211,675.77	109,467.28
	<b>79,133,348.41</b>	<b>-6,970.56</b>	<b>23,815,531.75</b>	<b>3,631,880.89</b>	<b>719,648.60</b>	<b>100,029,677.31</b>	<b>61,779,836.67</b>	<b>65,149,119.73</b>
1. Shares in affiliated companies not included in the scope of consolidation	0.00	0.00	0.00	0.00	0.00	0.00	108,320.26	426,562.37
2. Investments	0.00	0.00	0.00	0.00	0.00	0.00	52,130.00	82,176.88
3. Securities	-37,000.00	0.00	239,900.00	0.00	0.00	202,900.00	8,336,552.82	1,037,000.00
4. Other loans	33.88	0.00	0.00	0.00	0.00	33.88	9,350.00	9,350.00
	<b>-36,966.12</b>	<b>0.00</b>	<b>239,900.00</b>	<b>0.00</b>	<b>0.00</b>	<b>202,933.88</b>	<b>8,506,353.08</b>	<b>1,555,089.25</b>
<b>Total</b>	<b>146,924,396.96</b>	<b>-6,970.56</b>	<b>35,246,845.17</b>	<b>4,417,623.13</b>	<b>743,437.69</b>	<b>178,490,086.13</b>	<b>270,021,809.48</b>	<b>244,073,446.39</b>

# Notes to the Consolidated Financial Statements

## I. Basic Principles of the Consolidated Financial Statements

### 1. General Information

DATAGROUP SE is the parent company of the DATAGROUP Group. The company is headquartered in Wilhelm-Schickard-Straße 7, 72124 Pliezhausen/Germany and is registered in the Commercial Register of Stuttgart under HRB 758721.

The DATAGROUP Group's business activities include the operation of IT infrastructures, distribution and provision of IT services, technology consulting and the development of IT solutions. The Group's companies are divided into two segments:

- The »Services« segment comprises all subsidiaries that are primarily providing IT services. These IT services mainly include the provision of IT workstations (selection and procurement, on-site implementation, exchange, and disposal of old equipment), services of the certified DATAGROUP data centers as well as service desk services.
- The »Solutions and Consulting« segment comprises the Group companies, where the range of services offered consists of highly qualified and specialized technology and solution consultants as well as software developers.

### 2. Changes in Accounting Standards

In the year under review, DATAGROUP has reviewed and adjusted its approach to revenue recognition in relation to agent activities in license business. As far as DATAGROUP is acting as an agent for the sale of standard licenses, namely – in a simplified scheme – buys licenses from the producer and resells them to the customer in an essentially unchanged form, only the margin generated with this business is shown as revenue (agent commission). The classification of customer business as agent business has been extended in the fiscal year. For further details, please refer to the notes of the Consolidated Financial Statements, Section I.5. Basic Principles of the Consolidated Financial Statements; Accounting and Measurement Methods.



This leads to a reduction in revenue as well as in material expenses in the same amount. The adjustment did not have an effect on earnings. To guarantee comparability of the financial statements with the accounts of last year the prior-year results have been adjusted. Revenue and material expenses were both reduced by EUR 7,460,000.00. In the current fiscal year, the adjustment leads to a reduction in revenue and material expenses of EUR 3,000,000.00. The adjustment of performance indicators such as gross margin or EBIT margin looks as follows:

Figures in TEUR	before adjustment		before adjustment		after adjustment		after adjustment	
	2022/2023		2022/2023		2021/2022		2021/2022	
<b>Revenues</b>	<b>500,796</b>	<b>100.00 %</b>	<b>497,796</b>	<b>100.00 %</b>	<b>501,410</b>	<b>100.00 %</b>	<b>493,950</b>	<b>100.00 %</b>
thereof services and maintenance	406,405	81.15 %	405,005	81.36 %	405,858	80.94 %	402,518	81.49 %
thereof trade	94,237	18.82 %	92,637	18.61 %	95,291	19.00 %	91,171	18.46 %
thereof other / consolidation	154	0.03 %	154	0.03 %	262	0.05 %	262	0.05 %
Other own work capitalized	<b>2,153</b>	<b>0.43 %</b>	<b>2,153</b>	<b>0.43 %</b>	<b>1,643</b>	<b>0.33 %</b>	<b>1,643</b>	<b>0.33 %</b>
Changes in capitalized contract costs	<b>-4,086</b>	<b>-0.82 %</b>	<b>-4,086</b>	<b>-0.82 %</b>	<b>-3,580</b>	<b>-0.71 %</b>	<b>-3,580</b>	<b>-0.72 %</b>
<b>Total revenues</b>	<b>495,863</b>	<b>99.01 %</b>	<b>492,863</b>	<b>99.01 %</b>	<b>499,473</b>	<b>99.61 %</b>	<b>492,013</b>	<b>99.61 %</b>
Material expenses / Expenses for purchased services	157,670	31.48 %	154,670	31.07 %	169,704	33.85 %	162,244	32.85 %
<b>Gross profit</b>	<b>341,193</b>	<b>68.13 %</b>	<b>341,193</b>	<b>68.54 %</b>	<b>329,769</b>	<b>65.77 %</b>	<b>329,769</b>	<b>66.76 %</b>
Personnel expenses	243,640	48.65 %	243,640	48.94 %	233,440	46.56 %	233,440	47.26 %
Other income etc.	16,604	3.32 %	16,604	3.34 %	13,474	2.69 %	13,474	2.73 %
Other expenses etc.	33,928	6.77 %	33,928	6.82 %	33,344	6.65 %	33,344	6.75 %
<b>EBITDA</b>	<b>80,228</b>	<b>16.02 %</b>	<b>80,228</b>	<b>16.12 %</b>	<b>76,459</b>	<b>15.25 %</b>	<b>76,459</b>	<b>15.48 %</b>
Other depreciation	27,252	5.44 %	27,252	5.47 %	27,608	5.51 %	27,608	5.59 %
<b>EBITA</b>	<b>52,977</b>	<b>10.58 %</b>	<b>52,977</b>	<b>10.64 %</b>	<b>48,852</b>	<b>9.74 %</b>	<b>48,852</b>	<b>9.89 %</b>
Depreciation from PPA	7,659	1.53 %	7,659	1.54 %	7,399	1.48 %	7,399	1.50 %
<b>EBIT</b>	<b>45,318</b>	<b>9.05 %</b>	<b>45,318</b>	<b>9.10 %</b>	<b>41,453</b>	<b>8.27 %</b>	<b>41,453</b>	<b>8.39 %</b>
Financial result	-4,077	-0.81 %	-4,077	-0.82 %	-4,719	-0.94 %	-4,719	-0.96 %
<b>EBT</b>	<b>41,241</b>	<b>8.24 %</b>	<b>41,241</b>	<b>8.28 %</b>	<b>36,733</b>	<b>7.33 %</b>	<b>36,733</b>	<b>7.44 %</b>
Taxes on income and profit	12,976	2.59 %	12,976	2.61 %	14,587	2.91 %	14,587	2.95 %
<b>Net income</b>	<b>28,265</b>	<b>5.64 %</b>	<b>28,265</b>	<b>5.68 %</b>	<b>22,028</b>	<b>4.39 %</b>	<b>22,028</b>	<b>4.46 %</b>

### 3. Accounting Policies Under International Financial Reporting Standards

The consolidated financial statements of DATAGROUP SE for the fiscal year ending 30 September 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU). The IFRS are applied on a voluntary basis. The consolidated financial statements were submitted by the Management Board to the Supervisory Board for approval.

In addition, the accounting principles set out in §315e para. 1 HGB (“Handelsgesetzbuch”, German Commercial Code) have been considered for the preparation of the consolidated financial statements. DATAGROUP has applied all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations of the International Financial Interpretations Committee (IFRIC), whose application was obligatory on the reporting date.

The consolidated financial statements of DATAGROUP SE were prepared in euro (EUR) using uniform recognition and measurement policies. For the purposes of better readability, amounts were rounded up to thousand euros (TEUR) or million euros (EUR m). The presentation of the consolidated income statement is based on total cost accounting. The information required for explanation of the balance sheet and the income statement can be found in the notes.

For details we refer to Chapter I.5. Basic Principles of the Consolidated Financial Statements; Accounting and Measurement Principles.

#### NEW ACCOUNTING STANDARDS

All valid IFRS and interpretations of IFRIC, whose application was obligatory on the reporting date, were considered provided they were of relevance to the DATAGROUP Group.

The following standards, amendments of standards, and interpretations, provided they may fundamentally be of relevance to the DATAGROUP Group, have to be applied for the first time in FY 2022/2023:

<b>New or amended standards</b>		<b>Contents</b>	<b>First time application</b>	<b>EU-Endorsed</b>	<b>Major Impact on the Group</b>
IAS 16	Amended	Earnings before intended use	Fiscal Year 2022/2023	yes	none
IAS 37	Amended	Onerous Contracts - The cost of performing a contract	Fiscal Year 2022/2023	yes	none
IFRS 3	Amended	Reference to the framework concept	Fiscal Year 2022/2023	yes	none
Various	Amended	Annual improvement concept 2018 - 2020	Fiscal Year 2022/2023	yes	none

The first-time adoption of these standards does not have any major impacts on the accounting of the DATAGROUP Group.

**ISSUED ACCOUNTING STANDARDS THAT DO NOT YET HAVE TO BE APPLIED IN THE CURRENT FISCAL YEAR**

The International Accounting Standards Board (IASB) has issued the following new standards, interpretations, and amendments to existing standards, which have not been applied yet:

<b>New or amended standards</b>		<b>Contents</b>	<b>First time application</b>	<b>EU-Endorsed</b>	<b>Major Impact on the Group</b>
IFRS 17	New	Insurance contracts	Fiscal Year 2023/2024	yes	none
IFRS 17	Amended	First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information	Fiscal Year 2023/2024	yes	none
IAS 1	Amended	Presentation of the financial statements - classification of debts as short and long term	Fiscal Year 2024/2025	no	none
IAS 1	Amended	Changes in the disclosure of accounting policies	Fiscal Year 2023/2024	yes	none
IAS 8	Amended	Changes in accounting estimates	Fiscal Year 2023/2024	yes	none
IAS 12	Amended	Changes in Deferred Taxes on Leases and Retirement Obligations	Fiscal Year 2023/2024	yes	none
IFRS 10/IAS 28	Amended	Sale or contribution of assets between an investor and an associate or joint venture	not known	no	none
IAS 7/IFRS 7	Amended	Amendment to IAS 1, IFRS 7: Supply Chain Financing	Fiscal Year 2024/2025	no	none
IFRS 16	Amended	Amendment to IFRS 16: Lease liability in a sale and leaseback transaction	Fiscal Year 2024/2025	no	none
IAS 21	Amended	Amendment to IAS 21: Lack of convertibility	Fiscal Year 2025/2026	no	none

The adoption of some standards and amendments requires their implementation within the scope of the IFRS endorsement procedure. Any new or amended standard will only be adopted if the adoption is mandatory and the endorsement procedure was implemented.

## 4. Scope of Consolidation

### DEFINITION OF THE SCOPE OF CONSOLIDATION

The consolidated financial statements include the subsidiaries on which the Group can exercise dominant control according to IFRS10. In addition to the holding company, DATAGROUP SE, 30 other domestic subsidiaries and three foreign subsidiaries have been included by full consolidation:



No.	Name and location of the company	Parent company no.	Stake in %
1	DATAGROUP SE, Pliezhausen		
2	DATAGROUP Stuttgart GmbH, Stuttgart	1	100.0
3	DATAGROUP Bremen GmbH, Bremen	1	100.0
4	DATAGROUP Offenburg GmbH, Offenburg	1	100.0
5	DATAGROUP Ludwigsburg GmbH, Ludwigsburg	1	100.0
6	DATAGROUP Hamburg GmbH, Hamburg	4	100.0
7	DATAGROUP Operate IT GmbH, Hamburg	1	100.0
8	DATAGROUP Invest 3 GmbH, Pliezhausen	1	100.0
9	DATAGROUP Köln GmbH, Köln	8	100.0
10	DATAGROUP IT Solutions GmbH, Pliezhausen	1	100.0
11	DATAGROUP Consulting Services GmbH, Mainz	1	100.0
12	DATAGROUP Business Solutions GmbH, Siegburg	1	100.0
13	DATAGROUP Inshore Services GmbH, Rostock	12	100.0
14	DATAGROUP Polska Sp. z o.o., Krakow/Poland (formerly DATAGROUP Automotive Services Sp. z o.o., Krakow/Poland)	12	100.0
15	DATAGROUP Cyber Security GmbH, Pliezhausen (formerly DATAGROUP Defense IT Services GmbH, Siegburg) <sup>1)</sup>	1	100.0
16	Almato AG, Stuttgart	1	100.0
17	Almato AI GmbH, Stuttgart <sup>2)</sup>	16	100.0
18	Almato Iberia S.L., Barcelona/Spain	16	100.0
19	DATAGROUP Frankfurt GmbH, Neu-Isenburg	1	100.0
20	DATAGROUP Ulm GmbH, Ulm	1	100.0
21	systemzwo GmbH, Ulm <sup>2)</sup>	20	100.0
22	kraftwerk 3 IT GmbH, Ulm <sup>2)</sup>	21	100.0
23	Mercoline GmbH, Berlin	1	100.0
24	DATAGROUP Invest 5 GmbH, Pliezhausen	1	100.0
25	DATAGROUP BIT Düsseldorf GmbH, Düsseldorf	24	100.0
26	DATAGROUP BIT Hamburg GmbH, Hamburg	25	100.0
27	DATAGROUP BIT Oldenburg GmbH, Hamburg	25	100.0
28	URANO Informationssysteme GmbH, Bad Kreuznach	1	100.0
29	Cloudeeter GmbH, Hamburg <sup>2)</sup>	1	51.0
30	Hövermann IT-Gruppe GmbH, Ibbenbüren <sup>3)</sup>	1	100.0
31	DATAGROUP Service Desk GmbH, Pliezhausen	1	100.0
32	DATAGROUP Operations GmbH, Frankfurt am Main	1	100.0
33	DATAGROUP Enterprise Services GmbH, Siegburg	1	100.0
34	DATAGROUP Enterprise Services Kft., Budapest/Hungary	33	100.0

1) The company was sold by DATAGROUP Business Solutions GmbH to DATAGROUP SE

2) Annual financial statements with the short financial year as of 30.09.2023

3) With effect from 01.10.2022, the companies Hövermann ERP-Consulting GmbH and Hövermann Data Center UG (haftungsbeschränkt) were merged into Hövermann IT-Gruppe GmbH

DATAGROUP SE has call option rights related to the acquisition of the outstanding 49 % of the shares in Cloudeeter GmbH, which can be exercised in the years from 2024 to 2026.

In 2021, 70 % of the shares in URANO Informationssysteme GmbH were acquired. It was also laid down in the purchase agreement that the remaining 30 % can be acquired in 2023. This was done at the beginning of 2023.

The following companies have not been fully consolidated in the consolidated financial statements despite a control according to the principle of materiality:

No.	Name and location of the company	Parent company no.	Stake in %
35	DATAGROUP Banking Operations Center s.r.o., Košice/Slovakia	26	100.0
36	DATAGROUP Invest 6 GmbH, Pliezhausen	1	100.0
37	DATAGROUP Pensions BS GmbH & Co. KG, Siegburg		
	Complementary	12	
	Limited partner	36	100.0
38	DATAGROUP Pensions FIS GmbH & Co. KG, Düsseldorf		
	Complementary	25	
	Limited partner	36	100.0

## CHANGES IN THE SCOPE OF CONSOLIDATION AND CHANGES UNDER COMPANY LAW

The following changes in the scope of consolidation occurred in FY 2022/2023:

- Acquisition of 100 % of the shares in systemzwo GmbH and its subsidiary kraftwerk 3 IT GmbH by DATAGROUP Ulm GmbH
- Acquisition of business from arago GmbH as part of an asset deal by Blitz S23-155 GmbH (now Almato AI GmbH) which was acquired beforehand
- Sale of 100 % of the shares in the non-consolidated Almato Medical Software S.L. by Almato Iberia S.L.
- Merger between Hövermann ERP-Consulting GmbH and Hövermann Rechenzentrum UG (limited liability) to form Hövermann IT-Gruppe GmbH with effect of 1 October 2022.
- “Ketteneinbringung” (conversion of sole proprietorship into GmbH, followed by contribution of assets into holding) of DATAGROUP BIT Hamburg GmbH (which had been held by DATAGROUP SE before) into DATAGROUP Invest 5 GmbH and, in a second step, of DATAGROUP Invest 5 GmbH into DATAGROUP BIT Düsseldorf GmbH.
- Sale of DATAGROUP Defense IT Solutions GmbH by DATAGROUP Business Solutions GmbH to DATAGROUP SE with the name being changed to DATAGROUP Cyber Security GmbH



## INITIAL CONSOLIDATION (FULL CONSOLIDATION) OF SYSTEMZWO GMBH AND KRAFTWERK 3 IT GMBH

Under an agreement dated 5 April 2023, DATAGROUP Ulm GmbH acquired 100 % of the shares in systemzwo GmbH (systemzwo), Ulm, as well as subsidiary kraftwerk 3 IT GmbH, Ulm. systemzwo GmbH also holds 20.1 % of the shares in citysens GmbH, Ulm

DATAGROUP Ulm GmbH achieved control of the companies after payment of the basic purchase price on 5 April 2023. The reference date for initial consolidation is 1 April 2023.

systemzwo GmbH was founded in 2007 and supports Mittelstand companies in Ulm and its surrounding area with a current headcount of 40 employees. The customer portfolio of systemzwo is a substantial addition to the existing client base of DATAGROUP in this region. DATAGROUP thus continues to expand its regional footprint in Ulm.

### ACQUIRED ASSETS AND LIABILITIES

The fair values of the identifiable assets and liabilities of the systemzwo subgroup identified at the time of acquisition on 1 April 2023 were as follows:

Figures in EUR	Book values 01.04.2023	Fair values at acquisition date 01.04.2023
<b>Assets</b>		
<b>Non-current assets</b>		
Other intangible assets	4,832.00	1,850,832.00
Property, plant and equipment	1,285,593.50	1,285,593.50
Other non-financial assets	20,358.13	20,358.13
Deferred taxes	2,369.19	2,369.19
	<b>1,313,152.82</b>	<b>3,159,152.82</b>
<b>Current assets</b>		
Inventories	832,703.39	832,703.39
Trade receivables	596,984.94	596,984.94
Current financial assets	368.63	368.63
Other current assets	78,528.47	78,528.47
Cash and cash equivalents	1,428,956.85	1,428,956.85
	<b>2,937,542.28</b>	<b>2,937,542.28</b>
	<b>4,250,695.10</b>	<b>6,096,695.10</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Non-current financial liabilities	657,734.39	657,734.39
Deferred taxes	29.56	524,755.06
	<b>657,763.95</b>	<b>1,182,489.45</b>
<b>Current liabilities</b>		
Current financial liabilities	115,449.90	115,449.90
Provisions	6,575.00	6,575.00
Contract liabilities	30,951.38	30,951.38
Trade payables	1,311,635.12	1,311,635.12
Income tax liabilities	392,203.20	392,203.20
Other liabilities	499,486.56	499,486.56
	<b>2,356,301.16</b>	<b>2,356,301.16</b>
	<b>3,014,065.11</b>	<b>3,538,790.61</b>
<b>Total Identifiable Net Assets</b>	<b>1,236,629.99</b>	<b>2,557,904.49</b>

Right of use assets were acquired at a value of EUR 279,971.50, trade receivables in the amount of EUR 596,984.94. The default risks are assessed as being non-significant. No contingent liabilities did exist on 1 April 2023.

## CONSIDERATION AND GOODWILL

The initial purchase price is EUR 5,200,000.00 and has already been paid. The other purchase price components depend on the results of calendar years 2023 and 2024. Based on the current plans of the acquired company, the consideration as well as the goodwill are as follows:

Figures in EUR	4/1/2023
<b>Base purchase price</b>	<b>5,200,000.00</b>
<b>Earn Out Obligations</b>	
Earn Out 2023	803,000.00
Earn Out 2024	833,000.00
	<b>1,636,000.00</b>
<b>Compensation</b>	<b>6,836,000.00</b>
Total Identifiable Net Assets	2,557,904.49
<b>Goodwill</b>	<b>4,278,095.51</b>

The total purchase price is limited to EUR 7,000,000.00. The earn-out payments are due ten bank working days after binding determination. The earn-out component is determined on the basis of audited statements prepared for 31 December as a reference date. Agreement on the exact amount will be sought by 31 August of the subsequent year at the latest.

The goodwill comprises the value of synergies expected from the acquisition. It is fully assigned to the cash-generating »Services« segment.

## ANALYSIS OF THE CASH OUTFLOW ASSOCIATED WITH THE ACQUISITION

The transaction resulted in the following cash flows:

Figures in EUR	4/1/2023
<b>Base purchase price</b>	
<b>Purchase price shares</b>	<b>5,200,000.00</b>
Transaction costs	
of the company acquisition	334,564.37
Net cash acquired with the subsidiary	-1,428,956.85
<b>Total</b>	<b>4,105,607.52</b>

## IMPACT ON REVENUES AND EARNINGS BEFORE TAX

In the period just ended, systemzwo GmbH and subsidiary kraftwerk 3 IT contributed EUR 6,391,235.38 to revenue and EUR 589,742.58 to consolidated earnings (before taxes). If the merger had taken place at the beginning of the fiscal year, revenue from the continuing operations would have amounted to some EUR 12,500,000.



## **ACQUISITION OF BUSINESS FROM ARAGO GMBH AS PART OF AN ASSET DEAL BY BLITZ S23-155 GMBH (NOW ALMATO AI GMBH) WHICH WAS ACQUIRED BEFOREHAND**

In the run up to the acquisition of business from arago GmbH, 100 % of the shares in Blitz S23-155 GmbH (now Almato AI GmbH) were acquired by DATAGROUP's entity Almato AG under an agreement dated 23 June 2023. The transfer date was 23 June 2023. The fully paid share capital and the acquired cash amounted to EUR 25,000.00 each, the purchase price was EUR 29,000.00. Consequently, the purchase price is EUR 4,000.00 higher than the identified net income. Goodwill of EUR 4,000.00 is assigned to the cash-generating »Solutions and Consulting« segment.

Under a purchase and transfer agreement dated 19 July 2023, Almato AI GmbH acquired various tangible and predominantly intangible assets, mainly the HIRO software. The employment contracts of the remaining employees of arago GmbH at the time of contract signing were taken over by Almato AI GmbH or other DATAGROUP companies.

The acquired HIRO software solution combines an AI-based automation engine with a deep learning-based knowledge management technology, which provides framework for formalizing company knowledge and automating IT and work processes. The acquired AI technology helps to automate unstructured operational tasks in non-standardized areas of a company's system landscapes, which offers significant additional efficiency gains in day-to-day business. This new technology is designed to address corporate IT processes beyond the classical combination of standardization and automation.

This acquisition is aimed at using artificial intelligence for internal purposes but also as an additional service for customers.

The transaction is classified as acquisition of business in the sense of IFRS 3. The transfer date was 19 July 2023. The company was initially consolidated on 1 August 2023.

## **ACQUIRED ASSETS AND LIABILITIES**

The fair value of the acquired and identifiable asset, namely the HIRO software solution, is EUR 880,000.00.

Agreements with customers and suppliers of the company were also transferred, but conditional on the request of acquirer Almato AI GmbH. It is not certain, which customer relationship can and will be continued in whatever form and volume. For this reason, it is currently not possible to arrive at a final conclusion regarding a valuation of customer relationships. The purchase price allocation must be classified as preliminary.

## **CONSIDERATION AND GOODWILL**

Based on the concluded purchase agreement, a basis purchase price of EUR 1,500,000.00 was paid to arago GmbH. Furthermore, the parties agreed on a contingent consideration depending on turnover with customers, as defined in the agreement, within a period of twelve months after transfer date (earn out). The fair value of this contingent consideration at the time of acquisition was EUR 687,000.00 based on the current planning of the acquired company. Under consideration of the identified net income of EUR 880,000.00, the goodwill was EUR 1,307,000.00:

Figures in EUR	8/1/2023
<b>Base purchase price</b>	
Purchase price shares	1,500,000.00
<b>Earn Out Obligations</b>	
Earn Out 2024	687,000.00
<b>Compensation</b>	<b>2,187,000.00</b>
Total Identifiable Net Assets	880,000.00
<b>Goodwill</b>	<b>1,307,000.00</b>

The goodwill of EUR 1,307,000.00 is assigned to the cash-generating »Solutions and Consulting« segment.

#### ANALYSIS OF THE CASH OUTFLOW ASSOCIATED WITH THE ACQUISITION

The transaction resulted in the following cash flows:

Figures in EUR	8/1/2023
Base purchase price	
Purchase price shares	1,500,000.00
Transaction costs	
of the company acquisition	140,695.28
Net cash acquired with the subsidiary	0.00
<b>Total</b>	<b>1,640,695.28</b>

#### IMPACT ON REVENUES AND EARNINGS BEFORE TAX

In the period just ended, Almato AI GmbH contributed an amount of EUR 18,333.00 to revenue and EUR - 1,111,670.87 to consolidated earnings (before taxes).

#### SALE OF 100 % OF THE SHARES IN NON-CONSOLIDATED ALMATO MEDICAL SOFTWARE S.L. BY ALMATO IBERIA S.L.

Almato Medical Software S.L., which was founded on 26 April 2022, was sold at a price of EUR 593,646.73 under an agreement dated 26 June 2023. Disposal proceeds amounted to EUR 590,646.73. The transfer date was 01. July 2023.

It had already been planned to sell the company at the time of its foundation.

#### MERGER BETWEEN HÖVERMANN ERP-CONSULTING GMBH AND HÖVERMANN RECHENZENTRUM UG (LIMITED LIABILITY) TO FORM HÖVERMANN IT-GRUPPE GMBH WITH EFFECT OF 1 OCTOBER 2022.

A merger agreement has been signed dated 16 May 2023 between Hövermann Rechenzentrum UG as the transferring entity and Hövermann IT-Gruppe GmbH as the absorbing entity. Concurrently, a merger



agreement has been signed between Hövermann ERP-Consulting GmbH as the transferring entity and Hövermann IT-Gruppe GmbH as the absorbing entity. The effective merger date is 1 October 2022 in each case. The purpose of these transactions was to adjust and streamline the Group structure. This does not necessitate an adjustment of goodwill.

**“KETTENEINBRINGUNG” (CONVERSION OF SOLE PROPRIETORSHIP INTO GMBH, FOLLOWED BY CONTRIBUTION OF ASSETS INTO HOLDING) OF DATAGROUP BIT HAMBURG GMBH (WHICH HAD BEEN HELD BY DATAGROUP SE BEFORE) INTO DATAGROUP INVEST 5 GMBH AND, IN A SECOND STEP, OF DATAGROUP INVEST 5 GMBH INTO DATAGROUP BIT DÜSSELDORF GMBH.**

Under an agreement dated 28 September 2023 and with effect from the date of this agreement, DATAGROUP SE has integrated DATAGROUP BIT Hamburg GmbH into subsidiary DATAGROUP Invest 5 GmbH as part of a capital increase. Subsequently, DATAGROUP Invest 5 GmbH has integrated DATAGROUP BIT Hamburg GmbH into its subsidiary DATAGROUP BIT Düsseldorf GmbH (so-called “Ketteneinbringung”). The shares of DATAGROUP BIT Hamburg GmbH are now fully owned by DATAGROUP BIT Düsseldorf GmbH. This measure has bundled the “Banking and Insurance (BIT)” business segment and strengthened the equity of DATAGROUP BIT Düsseldorf GmbH. This does not necessitate an adjustment of goodwill.

**SALE OF DATAGROUP DEFENSE IT SERVICES GMBH BY DATAGROUP BUSINESS SOLUTIONS GMBH TO DATAGROUP SE WITH THE NAME BEING CHANGED TO DATAGROUP CYBER SECURITY GMBH**

Additionally, DATAGROUP Business Solutions GmbH sold 100 % of the shares in DATAGROUP Defense IT Services GmbH to DATAGROUP SE – by contract and with effect of 24 August 2023. DATAGROUP Defense IT Services GmbH has also changed its name to DATAGROUP Cyber Security GmbH. The purpose of the transaction was to achieve a specialized position for cyber security solutions and services. This does not necessitate an adjustment of goodwill.

## 5. Accounting and Measurement Methods

### 1. CONSOLIDATION PRINCIPLES

The balance sheet date of the fully consolidated subsidiaries is the balance sheet date of the Consolidated Financial Statements. Almato AI GmbH, systemzwo GmbH and kraftwerk 3 IT GmbH, the newly acquired companies, as well as Cloudeteer GmbH, which was initially consolidated last year, had short fiscal years with 30.09.2023 as the balance sheet date because of their integration into the processes and structures of DATAGROUP.

Company mergers are recognized in accordance with the acquisition method. The purchase price of the acquired subsidiary is allocated to the acquired assets, liabilities, and contingent liabilities. In this respect, the decisive factors are the value ratios at the time on which control of the subsidiary was achieved. The recognizable assets and the acquired liabilities and contingent liabilities initially are fully measured at their fair value. Any remaining difference on the assets side is then recognized as goodwill. Goodwill is subject to an impairment test at least once a year, which may lead to depreciation requirements. Any remaining



difference on the liabilities side is then recognized in the income statement following another review. A subsidiary's income and expenses are included in the consolidated financial statements from the date of acquisition. A subsidiary's income and expenses will be consolidated until the date on which the parent company's control ends.

As part of the debt consolidation, receivables are offset against the respective liabilities between the fully consolidated companies. The elimination of intra-company results is applied to the intragroup resale of property, plant, and equipment as well as inventories. The consolidation of income and expenses sets off revenue, other operating income, interest, and similar income against the expenses related to them.

## 2. ACCOUNTING AND MEASUREMENT PRINCIPLES

Several standards and amendments of standards had to be adopted for the first time in this fiscal year. This did not necessitate a major adjustment of the accounting and measurement methods.

### ESTIMATES AND ASSUMPTIONS

Preparing the consolidated financial statements necessitated discretionary decisions and to a certain extent estimates had to be made as well. These estimates and assumptions had an impact on the amount and disclosure of the recognized assets, liabilities, and contingent liabilities. Management assumes that existing risks are sufficiently covered by the assumptions and judgments made. These estimates and assumptions are based on experiences made in the past and other sources of information that are considered reasonable under current conditions. The estimates and assumptions are subject to permanent review. Actual results and developments may differ from these estimates and assumptions. Changes are recognized in the income statement when better information is available.

The discretionary decisions, estimates and assumptions taken are of particular significance for the following assets and liabilities:

- Intangible assets
- Capitalized contract costs
- Contract Assets
- Receivables from finance lease
- Trade receivables
- Deferred taxes
- Earn-out obligations and other purchase price obligations
- Provisions
- Accounting of leases according to IFRS 16

The purchase method applicable to the accounting for business combinations uses estimated values for the determination of the fair values, particularly of intangible assets such as brands, order backlog and customer relationships and of earn-out obligations at the date of acquisition. In some cases, the purchase agreements contain earn-out or comparable clauses according to which the purchase price increases in dependence of the achievement of fixed targets. Both the expected useful life of the assets determined as part of the purchase price allocation and the fair values are based on management estimates. When assessing the fair values of



intangible assets and earn-out obligations, estimates of future cash flows play a major role. The identified intangible assets were recorded in the balance sheet at a book value of EUR 33,287,307.48 (previous year EUR 39,100,327.50), goodwill stood at EUR 157,024,968.43 on 30 September 2023 (previous year EUR 151,435,872.92). Higher goodwill is attributable to the initial consolidation of the systemzwo Group with EUR 4,278,095.51 and of Almato AI GmbH with EUR 1,311,000.00. Earn-out obligations, i.e. purchase price payments still outstanding, which are dependent on the results of the acquired company, stand at EUR 10,830,719.00 (previous year: EUR 54,529,391.99).

Although this is not a share deal, DATAGROUP believes that all contracts signed as part of the acquisition of the HIRO software as well as all tangible and intangible assets are an acquisition of business in the sense of IFRS 3. The decision was based on a detailed investigation of the facts in respect of the requirements of IFRS 3 regarding the definition of business.

Recoverability of capitalized contract costs undergoes regular checks (most recently on 30.09.2023) and depends on management's assessments with regard to the future development of the corresponding agreements with customers. These assessments are highly dependent on estimates and assumptions. Capitalized contract costs of EUR 5,335,000.00 were devalued in 2020. There was no further revaluation. The provisions for long-term agreements with customers set up in 2020 and increased in 2022 were used in the amount of EUR 5,459,000.00. They amount to EUR 4,692,000.00 as of 30 September 2023.

Project orders (mostly contractually agreed service contracts) which are not yet concluded are recognized over time – provided the respective conditions are met. The degree of completion is determined on the basis of input-oriented methods and has to be made by management with a certain level of discretion.

When accounting for receivables from finance lease, assumptions are made on the profitability of the relevant contracts and the individual service obligations.

The risk of potential losses arising from the insolvency of customers was hedged by setting up valuation allowances for doubtful accounts. The valuation allowances were set up using an expected loss model according to IFRS 9.

The capitalization of deferred tax assets on tax losses carried forward requires estimates and assumptions, in particular corporate tax planning which is the basis of the assessment.

A provision is a present obligation resulting from an obligating event in the past, which is uncertain as to the date and/or amount of the outflow of resources. For the recognition of provisions of EUR 57,883,013.96 (previous year EUR 69,972,631.49) assumptions and estimates had to be made by the management on the magnitude and likelihood of occurrence of an outflow of resources.

The assessment of right of use assets and lease liabilities related to agreements for buildings is subject to assumptions as to the contract period as well as cancellation and extension options.

The estimates and assumptions above are subject to regular reviews.

## **BASIS OF CURRENCY TRANSLATION**

The reporting currency is euro, which is also the functional currency of the parent company. Foreign currency transactions are translated with their current prices at the date of transaction. Monetary assets and liabilities denominated in foreign currency are converted into the functional currency using the exchange rate of the reporting date. The translation differences determined on the reporting date are reported in the income statement.



The assets and liabilities of foreign subsidiaries, whose functional currency is not euro, will be converted using the current rate method. Equity transactions are converted with historical rates at the time of the transaction. The items of the income statement, however, are converted using the average exchange rate of the fiscal year. Translation differences are reported in the adjustment item for exchange rate difference in equity.

## **RECOGNITION OF INCOME / REVENUE**

Revenue is recognized when control of the goods or services is passed to the customer. Control can be passed either over time or at a point in time.

Revenue from the sale of goods is recognized for a point in time. The invoice is regularly issued upon delivery or directly thereafter.

DATAGROUP makes certain assets available to customers under finance lease agreements. Due to the nature of the agreements, revenue from these agreements is recognized over time as soon as the assets made available to the customers are ready for use and have been accepted by the customer.

When software is handed over to the customers, DATAGROUP usually acts as a principal. DATAGROUP acts as contact in the relationship with the customer, bears the major technical as well as economic risks and has the pricing power. In this case, the amounts allocated to the customer are recognized as revenues and the related purchase costs are recognized as material expenses. If DATAGROUP has handed over the software as an agent, the difference between the amount allocated to the customer and the amount invoiced by the supplier is recognized as revenue (commission revenue).

When services are provided, revenue is realized over time, as the customer simultaneously receives the benefit provided in the respective period.

Service revenues are based on orders in the form of work or service contracts. Services on the basis of service contracts are usually invoiced retrospectively at the end of the month on the basis of hours worked or an agreed volume-dependent service charge. Services provided within the scope of service contracts are invoiced after (partial) acceptance; interim payments are customary. Fixed fees for maintenance and other services are usually invoiced in advance on a monthly or quarterly basis.

In terms of project orders on the basis of service contracts which are not yet concluded, DATAGROUP provides a customized asset without an alternative use and has a claim for payment at any time. Revenue thus is recognized over time according to IFRS 15.35c. The degree of completion is mainly determined on the basis of input-oriented methods.

Some contracts are designed in such a way that DATAGROUP performs activities at the beginning, which are not related to the fulfilment of performance obligations towards customers in the sense of IFRS 15. This mainly applies to large-scale changeover projects with a transition phase. For this reason, no revenue will be recognized for these contracts at first; the costs incurred will be capitalized as costs for the fulfilment of a contract. Revenue will be recognized when the performance obligation towards the customer is fulfilled in a later phase of the respective project. Payments that may have been received from the customer prior to the delivery of services, if any, will be carried as advance payments on the liabilities side.

Multi-component agreements, which include the supply of products or provision of services within a complete service portfolio, have to be separated into separately identifiable performance obligations, where a separate revenue contribution must be determined for every performance obligation which will then be recognized as revenue once the agreement is fulfilled.



The costs of contract initiation are recognized in profit and loss in the year they originated.

Interest income is recognized over time under consideration of the effective interest rate.

## **PRINCIPAL VS. AGENT DECISION IN THE CONTEXT OF REVENUE RECOGNITION**

The assessment whether DATAGROUP is acting as a principal or an agent in certain sales transactions is an issue which is extremely discretionary. For this reason, DATAGROUP had drawn up certain rules in the past (accounting guideline) for the treatment of this issue. This accounting guideline was reviewed and adjusted in fiscal year 2022/2023.

If more than one party is involved in providing goods or services to a customer, DATAGROUP must assess the nature of its promise towards the customer, pursuant to IFRS 15, to decide whether it is acting as a principal or an agent to this transaction. If DATAGROUP performs the obligations under the agreement itself, the entity is acting as a principal. Otherwise, DATAGROUP does not control the specified goods or services and is acting as an agent.

The indicators below suggest that DATAGROUP must be considered a principal:

- DATAGROUP is primarily responsible for fulfilling the promise to provide the specified good or service.
- DATAGROUP has the inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer (e.g. customer has a right of return).
- DATAGROUP has discretion in establishing the price for the specified good or service.

The correct identification of the specified good or service is an important step in determining whether DATAGROUP is acting as a principal or an agent in a transaction. In numerous transactions, specifically those involving tangible goods, the specified good or service can be clearly identified. However, this assessment may require a high degree of discretion, e.g. if deliverables in tangible goods also include deliverables in intangible goods. In this case it is decisive to ascertain which promise the customer has expected. Especially if the specified good or service is provided in a bundle that also involves another party. When allocating the control of a bundled good or service it is decisive to determine who had the control over the specified good or service before it has been transferred to a customer. When arriving at the conclusion that the bundled deliverable has not been controlled by the other party – in line with the provision in IFRS 15.33 – before it has been transferred to a customer, it can be concluded that the entity is acting as a principal to this transaction. If this is not the case, the entity is acting as an agent. If a company provides a significant integration service involving a bundle of goods and/or services to satisfy a customer's expectation regarding the contractual performance obligation, this company controls the bundle of goods and/or services according to IFRS 15.B35A(c) before it is transferred to the customer. This is because the company initially obtains control of the individual goods and/or services from other parties (third-party integration services), which it then combines with other goods and/or services to satisfy a customer's contractual performance obligation. In this respect, account should be taken of the scale and importance of third-party integration services in relation to the bundle of goods and/or services.

In the light of the considerations above, DATAGROUP has identified the following performance obligations which required a more detailed examination concerning the role of DATAGROUP as a principal or agent:

- Provision of warranty, maintenance and guarantee for the customer
- Provision of standard software for the customer



## PROVISION OF WARRANTY, MAINTENANCE AND GUARANTEE FOR THE CUSTOMER

As far as the provision of warranty, maintenance or guarantee is an independent performance obligation, the role of DATAGROUP is assessed according to the following criterium: Whenever the service provided by DATAGROUP itself, either in full or for the most part, DATAGROUP is acting as a principal. In all other cases, the role of DATAGROUP is considered to be that of an agent.

## PROVISION OF STANDARD SOFTWARE LICENSES FOR THE CUSTOMER

DATAGROUP often provides its customers with a bundle of services, which also includes the provision of intangible assets, especially different software licenses. When dealing with the issue of principal versus agent in the context of these customer agreements, DATAGROUP is required to make very discretionary decisions. This mainly applies to the accrual of the performance obligations and the assessment of different integration services carried out by DATAGROUP under these customer agreements.

Having reviewed the accounting guideline in fiscal year 2022/2023, DATAGROUP always sees itself in the role of an agent in respect of the provision of standard software licenses, provided the company does not significantly modify (refine) the software made available to the customer.

If DATAGROUP is acting as a principal, revenues are recognized gross (in the item "Revenue", with material expenses or expenses for purchased services on the opposite side), and DATAGROUP controls the goods or services before they are transferred to the customer.

If DATAGROUP is acting as an agent, revenues are recognized net (only fees or commission is recorded for brokerage services) and must ensure that the goods or services are provided by another company.



**IMPAIRMENT MODEL ACCORDING TO IFRS 9**

Financial instruments are classified as follows:

	Valued at amortized cost	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income
<b>Assets</b>			
Financial assets	x	x	
Finance leasing receivables	x		
Contract assets	x		
Trade receivables	x		
Cash and cash equivalents	x		
Other (financial) assets			
Securities		x	
Other	x		
<b>Financial assets</b>			
<b>Liabilities</b>			
Finance lease liabilities	x		
Contract liabilities	x		
Trade payables	x		
Liabilities to financial institutions	x		
Other (financial) liabilities	x		
<b>Financial liabilities</b>			

Contract assets and receivables from finance lease contracts with customers are mainly generated in the project business. The expected credit losses for these assets are determined using a two-stage approach. Where customer ratings are available, they are used to determine the probability of default (step 1). If this is not the case, the calculation is based on the expected losses of actual bad debt losses in the past (step 2).

Step 1 resulted in probabilities of default of less than 0.01 %. The actual losses incurred in the past, determined in step two, did not result in any probability of default for the remaining positions. Overall, the Group did not recognize a loss allowance owing to the lack of materiality.

The probability of default for trade receivables was determined on the basis of actual historical bad debt losses. The measurement based on individual companies did not result in any differences to the devaluation determined to date. The expected probability of default is less than 0.1 %; a loss allowance of EUR 430.005,89 (previous year: EUR 435,102.87) was recognized for expected losses in trade receivables. Furthermore, the Group has recognized an allowance of EUR 2.919.766,45 for the year under review (previous year: EUR 3,736,611.52) related to individual facts, where the actual circumstances lead to very high probability of default.

No significant allowances were recognized for cash and other assets. The expected credit losses for cash and other assets are determined on the basis of available ratings. If no ratings exist, expected credit losses are processed on the basis of historical losses. No material probabilities of default have been determined for cash and other assets, so the Group did not recognize a loss allowance.



## EARNINGS PER SHARE

Earnings per share are a key figure showing a public limited company's earnings divided by the average number of shares outstanding. Undiluted earnings per share show the net income attributable to the ordinary shareholders of DATAGROUP SE divided by the weighted average number of common shares outstanding.

## MERGERS AND GOODWILL

Mergers are recognized in accordance with the acquisition method. Goodwill that may arise is measured at amortized cost. The acquisition costs of goodwill correspond to the excess of the consideration transferred, measured at fair value at the time of acquisition, and the value of the non-controlling interest in the acquired company with the help of the acquired identifiable assets on the one hand, and the acquired liabilities of the acquired company on the other hand.

On first-time adoption, goodwill is valued at acquisition cost. If the total consideration (initial purchase price, value of earn-out and other obligations) is below the fair value of the acquired subsidiary's net assets, the difference will be recognized in the income statement after a renewed review.

Goodwill changes over time were as follows:

Figures in EUR	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019
<b>Services</b>	136,244,053.49	121,123,924.42	72,813,608.96	32,230,200.68	33,756,581.48
<b>Solutions and Consulting</b>	20,780,914.94	30,311,948.50	30,270,671.45	30,270,671.45	30,270,671.45
<b>Goodwill</b>	<b>157,024,968.43</b>	<b>151,435,872.92</b>	<b>103,084,280.41</b>	<b>62,500,872.13</b>	<b>64,027,252.93</b>

Based on the management approach, segmentation as well as definition of the cash-generating units has been adjusted in fiscal year 2022/2023. The business segments of DATAGROUP Business Solutions GmbH, namely DATAGROUP Berlin, DATAGROUP München and DATAGROUP Defense IT Services have now been assigned to the Services segment unlike the previous year. This reclassification leads to a "redistribution" of goodwill in the amount of EUR 10,842,033.56 from the "Solutions and Consulting" segment to the "Services" segment.

After initial recognition, goodwill is valued at acquisition cost minus accumulated impairment losses. For the purposes of an impairment test, goodwill acquired through a merger is allocated to the cash generating units of the Group which are expected to benefit from it and is recognized from the time of acquisition. This is irrespective of whether other assets or liabilities of the acquired company are allocated to these cash-generating units.

Recoverability of goodwill and intangible assets with indefinite useful life is reviewed once a year (prior to 30 September on the basis of the consolidated financial statements as of 30 June). Additionally, a test must be conducted if circumstances indicate that the value may be impaired.

The impairment loss is determined by calculating the recoverable amount of the cash-generating units to which goodwill has been assigned. If the recoverable amount of the cash-generating unit is lower than the book value of this unit, an impairment loss will be recognized. A recorded impairment loss on goodwill may not be reversed in the subsequent reporting periods.



## IMPAIRMENT TESTS FOR GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Goodwill acquired through mergers and intangible assets with indefinite useful life were allocated to the following cash-generating units to test the recoverability:

- The cash-generating »Services« unit comprises all subsidiaries primarily providing IT services.
- The cash-generating »Solutions and Consulting« unit comprises the Group companies, whose range of services offered consists of highly qualified and specialized technology and solutions consultants as well as software developers.

The recoverable amount of all cash-generating units is determined by calculating the fair value with the help of a discounted cash flow model. The underlying cash flows are based on a budget planning which was adopted by management for the subsequent year. A growth rate of 2 % was taken as a basis to extrapolate the cash flow projections for future years. If specific evidence is available that justifies a deviation (positive as well as negative) from this assumption, an individual midterm planning has been used in these cases. This analysis did not provide any indications for an impairment loss.

The basic assumptions for the calculation of the fair value refer to the discount rates and the growth rate which were taken as a basis for the extrapolation of the cash flow projections for multi-annual planning.

## DISCOUNT RATES

The risk-adjusted discount rates are determined on the basis of peer group information for beta factors, cost of debt and debt ratio. The discount rate thus considers the risks of the Group and its segments and companies, which would arise from a comparable investment on the capital market. The weighted average cost of capital (WACC) was 8.55 % on the valuation date (6.63 % in the previous year).

## SENSITIVITY OF THE UNDERLYING ASSUMPTIONS

DATAGROUP has prepared scenario analyses with deviating assumptions in the context of the impairment tests. For instance, comparative calculations were made with the discount rate fluctuating by 100 basis points and the growth rate by 1.0 %. The book value did not exceed the fair value in any of the scenarios considered possible.

## OTHER INTANGIBLE ASSETS

The other intangible assets mainly include brands, order backlog, customer bases, internally developed and acquired software, licenses as well as non-competition obligations.

Acquired intangible assets with definite useful life are recognized at the cost of acquisition or production less the cumulative straight-line depreciation and under consideration of any unscheduled impairment. The expected economic useful life within the DATAGROUP Group is between three and fifteen years. Depreciation is determined using the straight-line method.

Brands acquired as part of company acquisitions are recognized to the extent of the benefit resulting from their brand rights. In connection with the DATAGROUP umbrella brand strategy it is generally assumed that acquired companies will be given the company name "DATAGROUP" in the medium term. For this reason, the acquired brand's useful life is assumed to be limited. The acquisition costs for the capitalized brands are depreciated on a straight-line basis in accordance with their useful life.



Order backlogs and customer bases as well as non-competition obligations are measured at fair value. The valuation of order backlogs and customer bases as well as non-competition obligations linked to company acquisitions is based on the benefit for the acquiring company. The useful life is assumed to be between three and fifteen years.

Internally developed intangible assets are capitalized provided the conditions under IAS 38.57 are met. Internally developed intangible assets with a definite useful life are recognized at the cost of production less the cumulative straight-line depreciation and under consideration of any unscheduled impairment. The cost of production includes all directly attributable costs needed to bring the asset in the condition required for its intended operational use. Research expenses are recorded as expense in the period in which they occur. The expected economic useful life within the DATAGROUP Group is between three and ten years. Depreciation is determined using the straight-line method.

Given that intangible assets with an indefinite useful life are not subject to scheduled depreciation, recoverability is proven by an impairment test at least once a year. If it is not possible to attribute separate cash flows to the individual assets, recoverability is tested on the basis of the superior cash-generating unit of assets.

If the reasons for the previously recorded impairment loss cease to apply in whole or in part, a reversal of impairment is recognized in the income statement up to the amortized acquisition or production costs.

## **PROPERTY, PLANT AND EQUIPMENT**

Property, plant, and equipment are recognized at amortized acquisition or production costs. They are depreciated according to their probable useful economic live using the straight-line method. The expected economic useful life within the DATAGROUP Group generally is between one and fifteen years. Depreciation is determined using the straight-line method.

If there are indications of impairment, an impairment test is carried out. When the recoverable amount is lower than the amortized acquisition or production costs, property, plant, and equipment are depreciated on a non-scheduled basis. As soon as the reasons for an unscheduled depreciation made in the previous years cease to apply, a write-up is recognized up to the amortized acquisition costs.

Based on the single lessee accounting model, the lessee has to capitalize a right of use asset in the lease asset and recognize a lease liability in the amount of the present value of future leasing payments. The costs at initial recognition are decisive for the initial measurement of the right of use asset. These costs include the initial lease liability, the lease payments made less incentives received, and the initial direct costs related to the acquisition of the lease. The lease liability results from the present value of the lease payments during the term of the contract. This mainly relates to real estate and car as well as bicycle leasing agreements.

## **CAPITALIZED CONTRACT COSTS**

The costs for the fulfillment of a contract incurred during the transition phase of customer contracts and distributed over the operating phase are recognized as expense under this item. The Group only capitalizes accrued costs, a (proportional) capitalization of contribution margins will not be recognized.

The amounts charged to the customers during the transition phase are not treated in this position but are deferred and recognized as a contract liability. The reversal of deferred credit leads to revenue which is distributed over the contractually agreed operating phase.



The capitalized contract costs are subject to regular impairment tests. If the remaining amount of the consideration still to be received exceeds the directly allocated costs, an impairment loss will be recognized.

Such an impairment test was performed in the year under review in connection with a large-scale project in the financial services sector, where the costs planned for future periods were higher than the expected consideration.

Capitalized contract costs of EUR 5,335,000.00 were devalued in 2020. They were related to the Services segment.

## **RECEIVABLES FROM FINANCE LEASE**

This item shows the receivables from customers arising from sell-side finance lease agreements. Due to the nature of the agreements, revenue from these agreements is regularly recognized as soon as the assets made available to the customers are ready for use and have been accepted by the customer. This leads to the capitalization of the relevant loans receivable, which are reduced over the term of the underlying contract (annuity loan).

## **INVENTORIES**

Inventories are measured at the lower of acquisition or production costs and the net realizable value. The purchase and production costs are determined on the basis of the weighted average cost of capital. The net realizable value is defined as the expected sales proceeds less the costs incurred until the sale.

The inventory changes of work in progress are recognized in revenue.

## **CONTRACT ASSETS**

Contract assets are recognized if revenue was recorded due the fulfillment of a contractual performance obligation before the customer has made any payments or – independent of the maturity – the conditions for invoicing and thus for recognizing a liability are in place.

As far as the outcome of a construction contract can be reliably estimated and as far as the conditions under IFRS 15.35c are met (no alternative use by the customer, right to payment for performance completed including adequate margin), overall revenues expected for the individual contract are capitalized in accordance with the percentage of completion method, i.e. the relation between total costs already paid and the expected overall costs of the individual project. Change requests are included in the assessment of the capitalized construction contracts. Identifiable losses are immediately and fully recognized as an expense. Advance payments already received are deducted from the construction contracts. If the result cannot be reliably assessed, the incurred acquisition and production costs are capitalized. An expected loss is recognized as an expense. As well as the initial amount of revenues agreed in the contract, payments for change requests are also considered when determining the overall revenues.

## **FINANCIAL INSTRUMENTS**

Financial instruments are contracts which result in a financial asset with one company and a financial liability or an equity instrument with another. On the one hand, financial instruments comprise primary financing instruments such as receivables and trade payables or also financial receivables and financial liabilities. On

the other hand, they also include derivative financial instruments such as options, forwards as well as interest rate swaps and currency swaps.

Financial assets and liabilities are categorized as follows:

1. Assets and liabilities measured at amortized cost
2. Asset and liabilities measured at fair value through profit or loss
3. Asset and liabilities measured at fair value through other comprehensive income

A financial asset or a financial liability is initially measured at fair value plus, in the case of the first category, transaction costs.

The subsequent measurement of financial assets and liabilities of the first category is made at amortized cost or by using the effective interest method at the lower of the fair value. Risks are covered by impairment losses, which are recognized and reversed affecting net income.

Financial assets and liabilities of the second category are measured at fair value on the balance sheet date. Market fluctuations must be recognized in the income statement.

Pursuant to IFRS 7.25 the fair value for each class of financial instrument has to be disclosed.

The fair values which have to be disclosed for each class of financial instrument consistently correspond with the book values. This applies directly to assets and liabilities in categories 2 and 3 (assets and liabilities that are recognized at their fair value). The book value can be considered a sufficient approximate value to the fair value for assets and liabilities of the category 1 (assets measured at amortized cost).

To determine the effectiveness of the fair value of the financial instruments there are three different levels:

Stage 1: Valuation is based on quoted unchanged prices on active markets for identical assets and liabilities.

Stage 2: Valuation is made on the basis of input factors that can be observed for the asset or the liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Stage 3: Valuation of assets and liabilities is not based on observable market data.

## **DERIVATIVE FINANCIAL INSTRUMENTS**

Both initial recognition and subsequent measurement are made at fair value. Changes in fair value either can be included in the income statement or directly in equity – shown in the statement of comprehensive income. The decisive factor in this respect is whether the derivative financial instrument is included in an effective hedging relationship. If there is no effective hedging relationship between the hedge and the hedged item (ineffective part), changes in fair value are recognized in the income statement.

## **OTHER ASSETS**

Other receivables and other assets are recognized at the lower of amortized cost or market value. Account is taken of all identifiable individual risks and general default risks by means of appropriate value reductions. Specific cases of default lead to the receivable in question being written off.



## **PENSION PROVISIONS**

Provisions for defined benefit plans are determined using the projected unit credit method according to IAS 19 »Employee Benefits«. The pension commitment is calculated in accordance with actuarial principles and also accounts for an increase in salaries and pensions to be expected in future. Plan assets are offset with the pension obligations at market value. Actuarial gains or losses are recorded in equity with no effect on net income after having considered deferred taxes and are shown in the statement of comprehensive income.

## **OTHER PROVISIONS**

Provisions are recognized for current uncertain obligations arising from past events if these obligations are likely to give rise to a future outflow of resources. The amount of the obligation has to be reliably estimated and takes into account all recognizable risks. The valuation is based on the best possible estimate of the amount to be paid; possible rights of recourse are not offset against provisions. Long-term provisions, provided the effect is material, are recorded at their discounted net present value with matching maturity. If it is not possible to make a reliable estimation, no provision will be made but a contingent liability will be disclosed in the notes to the consolidated financial statements.

## **CONTRACT LIABILITIES**

A contract liability is recognized when a payment for customer is due (or already received, whichever is earlier) before the related performance obligation is satisfied and thus revenue was recognized.

Contract liabilities also include the amounts charged to customers for the transition phase which are due during the transition phase of customer contracts. The reversal of deferred credit leads to revenue which is distributed over the contractually agreed operating phase.

## **OTHER LIABILITIES**

Other liabilities are initially recognized at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method.

## **TAXES**

The actual income tax expense is calculated on the basis of the taxable income using the tax rates applicable to the individual company. Actual tax assets and actual tax liabilities are recognized at the amount expected.

Pursuant to IAS 12 »Income Taxes«, deferred taxes are calculated using the balance sheet liability method for all temporary and quasi-permanent differences between the tax balance sheet and the consolidated statement of financial position. Additionally, deferred tax liabilities are recognized on tax losses carried forward that have not yet been used, provided that future taxable income will likely be generated against which the unused tax losses can be utilized. Deferred taxes are determined using the company-specific tax rate. This tax rate corresponds to the expected tax rate for the period in which an asset is recognized or a liability settled. Deferred tax assets and tax liabilities are only offset against each other if there is an identity of the tax creditor.



## LEASES, RIGHT OF USE ASSETS

At the beginning of the lease contract, the lessee recognizes assets at the fair value of the leased item and liabilities at the lower present value of the minimum lease payments in the sense of IFRS 16. In the subsequent periods, leasing payments are divided into an interest portion and a portion to be deducted from receivables to determine the loans carried in the balance sheet. Financing costs shall be distributed over the term of the contract such that there is a constant interest rate on the respective remaining debt. The asset's value which was capitalized at the beginning is amortized on a straight-line basis over the term of the contract under consideration of a remaining value that may have been agreed. The lessor, in turn, capitalizes a receivable in the amount of the present value of the minimum lease payment at the beginning of the lease contract. Incoming leasing rates are divided into an interest portion to be deducted from receivables, similar to the lessee.

Based on the single lessee accounting model, the lessee has to capitalize a right of use asset in the lease asset and recognize a lease liability in the amount of the present value of future leasing payments. This mainly relates to real estate, car and bicycle leasing agreements as well as software and hardware.

The costs at initial recognition are decisive for the initial measurement of the right of use asset. The acquisition costs correspond to the amount of the lease liability initially recognized. The lease liability results from the present value of the lease payments during the term of the contract.

The determination of lease payments takes account of fixed payments, including de facto lease payments as well as variable payments that depend on an index or rate. Payments prior to the commencement date of the lease cannot be allocated to the leasing liability as they do not create a liability. The leasing payments are discounted with a rate which is based on the leases. If the rate cannot be determined, the Group uses its incremental borrowing rate, which is based on comparable financings.

The right of use asset is subsequently measured at amortized cost. Depreciation and amortization as well as changes in the fair value of the lease liability are taken into account.

The term of the leasing contract is defined as non-terminable period of time which can include purchase options, extension options or termination rights. To be able to consider these options and rights when the term of the contract is determined, the lessee must be reasonably certain to exercise them or not. To assess the probability of an exercise or non-exercise, all important facts and circumstances have to be examined as to whether they provide a reasonable economic incentive for the lessee.

The term of a leasing contract must be remeasured when the non-terminable period of time has changed. The revaluation of the contract term also includes relevant events which had an impact on the probability of exercise options.

DATAGROUP made partial use of the facilitations pursuant to IFRS 16.5 for short-term leases and low-value assets. Leases with a maximum term of one year are classified as short term; the value limit for the classification as low-value asset is EUR 4,000.

## GOVERNMENT GRANTS

Government grants are recognized in the income statement as other operating income in the period in which the expenses to be compensated through the respective grants are incurred. They are not recognized as income if it cannot be guaranteed with reasonable assurance that the conditions for the subsidies to be granted can be met.

## II. Notes to the Consolidated Income Statement

### 1. Revenue

Revenue is divided as follows:

Figures in EUR	2022/2023	2021/2022 <sup>1)</sup>
Service and maintenance	405,005,370.93	405,857,607.28
Trade	92,636,732.85	87,830,782.94
Others	153,885.33	261,501.25
<b>Revenues</b>	<b>497,795,989.11</b>	<b>493,949,891.47</b>

1) Revenue of the previous year was adjusted by EUR 7,460,000. For more detailed information on this, please refer to the notes of the Consolidated Financial Statements, Section 1.2 Basic Principles of the Consolidated Financial Statements, Changes in Accounting Standards.

Revenues of DATAGROUP have seen a lateral movement and are slightly above the adjusted prior-year level (around 0.78 %).

DATAGROUP generates most of the revenue (81.4 %, previous year: 81.5 %) with services and maintenance contracts which is in line with the strategic focus of the Group. The proportion of commercial revenue in total revenue increased from 18.5 % in the previous year to 18.6 %.

Foreign business still plays a minor role for the DATAGROUP Group.

### 2. Other Own Work Capitalized

Other own work capitalized refers to services provided by DATAGROUP employees, especially for the development of own software solutions.

### 3. Changes in Capitalized Contract Costs

Changes in capitalized contract costs show a reduction in input costs and personnel expenses of EUR 1,501,970.44 (previous year EUR 48,916.93) (transition phase) and the increase from input costs and personnel expenses of EUR 5,789,497.26 (previous year EUR 3,435,717.65) (operating phase).

## 4. Other Operating Income

Other operating income is composed as follows:

Figures in EUR	2022/2023	2021/2022
Income from offsetting remuneration in kind	4,237,702.91	4,001,939.75
Income from reversal of provisions and liabilities	5,146,492.50	5,307,161.20
Income from revaluation of assets and liabilities	1,693,392.80	34,593.20
Rental income	665,651.36	411,420.41
Income from insurance compensation	1,030,231.09	127,831.17
Income from the sale of financial assets	590,646.73	0.00
Others	3,239,657.94	3,591,116.36
<b>Other operating income</b>	<b>16,603,775.33</b>	<b>13,474,062.09</b>

Income from the sale of financial assets refer to a stake held in a company where at the time of foundation the intention was to sell it again.

In fiscal year 2022/2023, DATAGROUP has initially received government grants in the sense of IAS 20.39a, which amounted to EUR 111,500.00 and refer to the purchase of electrical vehicles.

An exchange rate difference of EUR 11,566.96 was recognized (previous year EUR 15,040.85).

## 5. Material Expenses / Expenses for Purchased Services

Material expenses are composed as follows:

Figures in EUR	2022/2023	2021/2022 <sup>1)</sup>
Material expenses	83,286,435.95	76,796,755.65
Expenses for purchased services	71,383,457.60	85,447,259.77
<b>Material expenses / expenses for purchase services</b>	<b>154,669,893.55</b>	<b>162,244,015.42</b>

1) Material expenses of the previous year were adjusted by EUR 7,460,000. For more detailed information on this, please refer to the notes of the Consolidated Financial Statements, Section I.2 Basic Principles of the Consolidated Financial Statements, Changes in Accounting Standards.

Expenses for purchased services were reduced as the company has increasingly relied on internal resources. As a consequence, material expenses / expenses for purchased services decreased by 4.67 % compared to the prior year.

## 6. Personnel Expenses

Personnel expenses are composed as follows:

Figures in EUR	2022/2023	2021/2022
Wages and salaries	206,935,835.49	197,460,514.84
Social contributions	34,818,144.36	32,715,994.06
Expenses for pensions and other benefit	1,886,000.74	3,263,131.24
<b>Personnel expenses</b>	<b>243,639,980.59</b>	<b>233,439,640.14</b>

The increase in personnel expenses is mainly due to acquisitions and salary adjustments.

## 7. Depreciation and Amortization

Depreciation and amortization refer to the following assets:

Figures in EUR	2022/2023	2021/2022
On intangible assets		
internally developed	556,709.20	465,889.25
purchased	9,981,152.48	10,725,524.17
On property, plant and equipment	24,373,001.54	23,815,531.75
<b>Depreciation and amortisation</b>	<b>34,910,863.22</b>	<b>35,006,945.17</b>

Amortization of disclosed hidden reserves and charges as part of the purchase price allocation amounts to EUR 7,659,020.02 (previous year: EUR 7,399,077.80).

Depreciation and amortization of EUR 17,083,005.59 are related to right of use assets (previous year: EUR 12,448,170.30).

## 8. Other Operating Expenses

Other operating expenses are as follows:

Figures in EUR	2022/2023	2021/2022
Travel and vehicle expenses	6,095,409.07	4,862,611.92
Occupancy costs	3,428,606.98	3,298,876.33
Ancillary personnel expenses	5,044,963.74	4,954,511.60
Administration expenses	8,649,698.06	8,657,097.50
Advertising expenses	3,606,997.23	2,431,380.10
Legal and advisory costs	1,907,574.86	4,167,864.53
Insurance and other contributions, fees and bank charges	2,122,462.52	2,073,786.95
Others	3,072,570.93	2,897,468.97
<b>Other operating expenses</b>	<b>33,928,283.39</b>	<b>33,343,597.90</b>

The office rents mainly include incidental rental costs.

Travel and vehicle expenses include, amongst others, non-leasing components from car leasing agreements, e.g. service charges. The decline in travel expenses in fiscal year 2021/2022 was initially due to Covid-19. Following the end of measures taken to manage Covid-19, physical meetings were held again which in turn led to an increase of expenses in fiscal year 2022/2023.

Based on the higher number of face-to-face meetings, advertising costs also increased in fiscal year 2022/2023.

Expenses for research and development of the DATAGROUP Group had a manageable extent in fiscal year 2022/2023. Regarding development activities of the DATAGROUP Group, reference is made to the

explanations in the consolidated management report under section 8. Other information – Research and development activities. There were no directly attributable expenses recognized in this fiscal year.

The item »Others« mainly includes expenses from the sale of assets, the increase in reserves for warranties and specific valuation allowances as well as bad debts.

An exchange rate difference of EUR 61,305.64 was recognized (previous year EUR 38,460.16).

## 9. Financial Result

The financial result is as follows:

Figures in EUR	2022/2023	2021/2022
<b>Financial Income</b>		
Investment Income	122,719.83	127,005.36
Interest income from		
Finance lease	751,899.75	812,661.55
Financial investments to secure personnel obligations	5,743.00	796,177.00
Others	999,248.40	52,041.01
Other financial income	0.00	5,200.00
	<b>1,879,610.98</b>	<b>1,793,084.92</b>
<b>Financial expenses</b>		
Bank loans	2,336,344.71	967,650.20
Finance lease	1,224,783.65	993,806.37
Expenses for compounding pensions and similar obligations	3,165,134.02	2,295,948.44
Interest income from financial investments to secure personnel obligations	-1,725,373.00	0.00
Factoring	737,126.80	427,551.25
Others	173,470.99	87,281.10
Adjustment of purchase price obligations from the acquisition of subsidiaries	0.00	1,500,000.00
Depreciation on financial assets	44,770.00	239,900.00
	<b>5,956,257.17</b>	<b>6,512,137.36</b>
<b>Financial result</b>	<b>-4,076,646.19</b>	<b>-4,719,052.44</b>

Interest income and interest expenses for interests on pension provisions and financial assets used for their reinsurance were not netted in the previous fiscal year under financial income and financial expenses. In the current fiscal year, their net amount was recognized under financial expenses.

Expenses from the remeasurement of purchase price obligations in the previous year are related to the acquisition of URANO Informationssysteme GmbH.

The raise of the key interest rate by the European Central Bank (ECB) had a major impact on the financial result in the fiscal year 2022/2023. Despite the non-recurrence of a one-time effect from the adjustment of

the purchase price obligation in the previous year, financing expenses (not including interest income for the interest portion of pension and similar obligations) were up 18.9 %.

## 10. Income Taxes

In addition to actual taxes on income and profit, deferred taxes are reported as income taxes as well:

Figures in EUR	2022/2023	2021/2022
Actual taxes	15,475,018.58	18,943,136.30
Deferred taxes		
from different times of valuation	1,435,157.80	568,692.91
from losses carried forward	-3,934,478.77	-4,805,949.91
	-2,499,320.97	-4,237,257.00
<b>Income taxes</b>	<b>12,975,697.61</b>	<b>14,705,879.30</b>

Deferred taxes arising from temporary differences in valuation are taxes on amortization of assets capitalized as part of company acquisitions in the amount of EUR 2,249,086.00 (previous year EUR 2,232,212.70).

The DATAGROUP entities have paid taxes on income and profit mainly in Germany so far. The individual tax rates – depending on the trade tax of the different municipalities – are between 27.900 % and 34.025 % (previous year between 27.900 % and 33.850 %). The Group-wide tax rate was derived from the weighted average and stands at 31.6 % as in the previous year. When taking this group-wide tax rate as a basis the expected calculated tax rate expenses can be reconciled to the actual tax result as follows:

Figures in EUR	2022/2023	2021/2022
<b>Earnings before taxes</b>	<b>41,240,979.39</b>	<b>36,733,459.73</b>
Group tax rate: 31.60 % (LFY 31.60%)		
<b>Expected tax expenses</b>	<b>13,032,149.49</b>	<b>11,607,773.27</b>
Tax expenses and income of earlier years	1,038,772.94	-69,224.29
Non-deductible operating expenses as well as trade tax additions and reductions	-410,398.08	732,962.39
Non-recognized deferred taxes on permanent differences	205,253.04	239,408.75
Differences to local tax rates	75,398.28	-255,213.27
Impact from the revaluation and the non-capitalization of tax losses carried forward	-965,478.06	2,450,172.45
<b>Actual tax expense</b>	<b>12,975,697.61</b>	<b>14,705,879.30</b>
Actual tax rate: 31.5 % (LFY 40.0 %) (corresponds to the relations between actual tax expenses and earnings before taxes)		

Tax expenses were characterized by special effects in FY 2022/2023 and in the previous fiscal year. The high tax expenses of the prior fiscal year were attributable to the non-capitalization of deferred taxes on tax-loss carry-forwards.



In fiscal year 2022/2023, DATAGROUP capitalized deferred taxes on tax-loss carry-forwards, which were previously measured at EUR 0.00, in connection with a so-called “Ketteneinbringung” (conversion of sole proprietorship into GmbH, followed by contribution of assets into holding) of DATAGROUP BIT Hamburg GmbH into DATAGROUP BIT Düsseldorf GmbH and the targeted conclusion of a profit and loss transfer agreement between the two companies.

Non-capitalized deferred taxes on tax-loss carry-forwards amounted to EUR 6,700,000.00 in the fiscal year.

## 11. Other Comprehensive Income

Figures in EUR	2022/2023	2021/2022
Other earnings before taxes		
Recalculation of defined benefit obligations	1,240,126.47	29,195,918.47
Change in balancing items from currency conversion	14,909.09	-29,994.66
<b>Other earnings before taxes</b>	<b>1,255,035.56</b>	<b>29,165,923.81</b>
Income tax effects on other income	380,857.62	9,124,107.77
<b>Comprehensive income</b>	<b>874,177.94</b>	<b>20,041,816.04</b>

The positive effect from the recalculation of defined benefit obligations is related to the measurement of pension provisions (actuarial gain) and is mainly due to an increase in the underlying actuarial interest used for calculation of the provision in comparison to 30 September 2022.

# III. Notes to the Consolidated Statement of Financial Position

## 1. Goodwill

Goodwill changes in the fiscal year were as follows:

Figures in EUR	2022/2023	2021/2022
<b>Services</b>		
Opening balance	121,123,924.42	95,680,039.46
Addition	4,278,095.51	25,443,884.96
Reclassification	10,842,033.56	0.00
Closing balance	<b>136,244,053.49</b>	<b>121,123,924.42</b>
<b>Solutions und Consulting</b>		
Opening balance	30,311,948.50	30,270,671.45
Addition	1,311,000.00	41,277.05
Reclassification	-10,842,033.56	0.00
Closing balance	<b>20,780,914.94</b>	<b>30,311,948.50</b>
<b>Goodwill</b>	<b>157,024,968.43</b>	<b>151,435,872.92</b>

Higher goodwill is attributable to the acquisition of the systemzwo Group (EUR 4,278,095.41) and of Almato AI GmbH (EUR 1,311,000.00).

In adherence to the management approach, segmentation as well as definition of the cash-generating units has been adjusted in fiscal year 2022/2023. The business segments of DATAGROUP Business Solutions GmbH, namely DATAGROUP Berlin, DATAGROUP München and DATAGROUP Defense IT Services have now been assigned to the “Services” segment unlike the previous year. This reclassification leads to a “redistribution” of goodwill in the amount of EUR 10,842,033.56 from the “Solutions and Consulting” segment to the “Services” segment.

## 2. Other Intangible Assets

In a comparison with last year's reporting date, other intangible assets are composed as follows:

Figures in EUR	9/30/2023	9/30/2022
Customer bases and customer bases	32,973,140.81	38,568,660.83
Internally developed intangible assets	3,493,250.61	2,716,100.56
Purchased intangible assets	7,547,357.24	6,970,756.48
Advance payments charged	102,320.19	44,228.94
<b>Other intangible assets</b>	<b>44,116,068.85</b>	<b>48,299,746.81</b>

An economic useful life of between two and five years was determined for the capitalized order backlog. Customer relationships have useful lives of between three and ten years, in individual cases up to fifteen years. The acquired intangible assets are generally amortized over a period of between three and five years, in some cases also up to 15 years. Internally developed intangible assets have useful lives of between three and ten years.

Expenses for research and development of the DATAGROUP Group had a manageable extent in the fiscal year. Regarding development activities of the DATAGROUP Group, reference is made to the explanations in the consolidated management report under section 8. Other information – Research and development activities. There were no directly attributable expenses recognized in this fiscal year.

## 3. Property, Plant, and Equipment

Figures in EUR	9/30/2023	9/30/2022
Land and buildings	35,626,454.33	31,499,197.87
Technical equipment	69,808.00	93,077.00
Furniture and office equipment	33,954,859.40	29,975,886.03
Advance payments charged	152,838.92	211,675.77
<b>Property, plant and equipment</b>	<b>69,803,960.65</b>	<b>61,779,836.67</b>

Capitalized right of use assets of property, plant and equipment are recognized as follows according to IFRS 16:

Figures in EUR	9/30/2023	9/30/2022
Buildings	35,578,438.84	31,444,473.38
Automotive	4,205,476.21	3,252,906.03
Job Bikes	818,561.60	0.00
<b>Rights of use</b>	<b>40,602,476.65</b>	<b>34,697,379.41</b>

Investments in property, plant, and equipment and in intangible assets were EUR 15,233,813.11 (previous year EUR 8,810,413.92) excluding right of use assets under IFRS 16.

The useful lives of property, plant and equipment are usually between one and fifteen years, in some cases up to 23 years.

A reversal of impairment by EUR 900,000 to EUR 100,000 was recognized this year in right of use assets for buildings (previous year impairment of EUR 1,000,000).

## 4. Non-Current and Current Financial Assets

Financial assets are composed as follows:

	9/30/2023	9/30/2023	9/30/2023	9/30/2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Shares in affiliated companies	0.00	0.00	105,897.98	105,897.98
Receivables from affiliated companies, Loans to affiliated companies	252,338.47	0.00	0.00	252,338.47
Entities	0.00	0.00	52,130.00	52,130.00
Securities	0.00	0.00	7,516,090.96	7,516,090.96
Other loans	0.00	0.00	2,500.00	2,500.00
<b>Financial assets</b>	<b>252,338.47</b>	<b>0.00</b>	<b>7,676,618.94</b>	<b>7,928,957.41</b>

	9/30/2022	9/30/2022	9/30/2022	9/30/2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Shares in affiliated companies	0.00	0.00	108,320.26	108,320.26
Receivables from affiliated companies, Loans to affiliated companies	280,857.25	0.00	0.00	280,857.25
Entities	0.00	0.00	52,130.00	52,130.00
Securities	0.00	0.00	8,336,552.82	8,336,552.82
Other loans	0.00	0.00	9,350.00	9,350.00
<b>Financial assets</b>	<b>280,857.25</b>	<b>0.00</b>	<b>8,506,353.08</b>	<b>8,787,210.33</b>

Loans to affiliated are related to loans to affiliated but non-consolidated companies.

## 5. Capitalized Contract Costs

This item includes the costs for the fulfillment of a contract incurred during the transition phase. The costs are capitalized when they are incurred and distributed as expense over the operating phase. Changes in capitalized contract costs are shown separately – as an individual item within total revenues.

The Group only capitalizes accrued costs, a (proportional) capitalization of contribution margins will not be recognized. Recoverability of capitalized contract costs undergoes regular checks (most recently on 30 September 2023) and depends on management's assessments with regard to the future development of the corresponding agreements with customers. The devaluation of capitalized contract costs in the amount of EUR 5,335,000.00 made in 2020 leads to a proportional reduction of the item "Changes in capitalized contract costs" in the subsequent years until 30 September 2029. There was no further revaluation.

The capitalized contract costs are mainly related to several customer contracts in the banking environment. The amounts charged to the customers during the transition phase are not treated in this position but are deferred and recognized as a contract liability. The reversal of deferred credit leads to revenue which is distributed over the operating phase.

## 6. Non-current and Current Receivables from Finance Lease

Receivables from finance lease are composed as follows:

	9/30/2023	9/30/2023	9/30/2023	9/30/2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Receivables from customer lease	11,561,654.32	14,725,492.91	1,719,379.80	28,006,527.03
<b>Finance leasing receivables</b>	<b>11,561,654.32</b>	<b>14,725,492.91</b>	<b>1,719,379.80</b>	<b>28,006,527.03</b>

	9/30/2022	9/30/2022	9/30/2022	9/30/2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Receivables from customer lease	10,892,813.00	16,729,828.57	1,289,553.68	28,912,195.26
<b>Finance leasing receivables</b>	<b>10,892,813.00</b>	<b>16,729,828.57</b>	<b>1,289,553.68</b>	<b>28,912,195.26</b>

Receivables from customer leasing mainly relate to projects in the financial services sector. The IT goods that were purchase and provided to the customer are pre-financed and will be settled by the customer over their lifetime as part of Managed Services.

In FY 2022/2023, the financial income from finance lease was EUR 735,575.65 (previous year EUR 790,191.03). No income was earned from variable lease payments (previous year EUR 0.00).

## 7. Other non-financial Assets

	9/30/2023	9/30/2022
Figures in EUR		
Deposits	911,892.43	763,099.65
Others	66,069.77	83,728.16
<b>Other non-current assets</b>	<b>977,962.20</b>	<b>846,827.81</b>



## 8. Deferred Taxes

Figures in EUR	9/30/2023	9/30/2022
<b>Deferred tax assets on</b>		
Losses carried forward	9,780,949.48	5,846,470.71
Other intangible assets	1,007,938.99	866,173.06
Property, plant and equipment	7,750,299.76	8,013,882.14
Financial assets	5,356,645.87	4,660,542.33
Contract assets	216,881.25	56,547.89
Provisions	22,380,420.92	23,466,584.12
Contract liabilities	525,421.52	62,883.79
Financial liabilities	4,578,755.26	3,968,781.36
Other liabilities	10,362,913.29	8,591,114.37
	<b>61,960,226.34</b>	<b>55,532,979.77</b>
Balancing	-50,592,001.44	-43,353,522.48
<b>Deferred tax assets</b>	<b>11,368,224.90</b>	<b>12,179,457.29</b>
Figures in EUR	9/30/2023	9/30/2022
<b>Deferred tax liabilities on</b>		
Other intangible assets	11,380,055.14	12,809,991.24
Property, plant and equipment	16,547,859.71	12,805,691.66
Financial assets	3,877,250.00	5,708,948.97
Inventories	138,286.75	0.00
Contract assets	42,722.42	50,912.24
Other assets	9,341,637.38	8,966,367.55
Provisions	12,583,794.66	8,440,291.84
Trade payables	173,059.03	0.00
Contract liabilities	724,248.39	326,095.56
Financial liabilities	-405,278.90	0.00
Other liabilities	5,373,923.64	5,838,089.31
	<b>59,777,558.22</b>	<b>54,946,388.37</b>
Balancing	-50,592,001.44	-43,353,522.48
<b>Deferred tax liabilities</b>	<b>9,185,556.78</b>	<b>11,592,865.89</b>

Deferred taxes on losses carried forward, but also on temporary differences in valuation, are subject to a regular impairment test. It is examined whether and to which extent existing losses carried forward are expected to be offset against the positive results of the individual Group companies within the next five years. Deferred taxes of c. EUR 6.7m are currently unused. The measurement of deferred taxes on tax-loss carry-forwards led to a significant distortion in the tax result of the prior year and, in consequence, to a tax rate of 40.0 %. At 31.5 %, the tax rate has returned to the usual level in fiscal year 2022/2023.



Of the deferred taxes reported in the balance sheet, a total of EUR 380,857.62 (previous year: EUR 9,124,107.77 reducing equity) was recorded with a resulting decrease in equity, without influencing the income statement. They relate to the revaluation of defined benefit commitments.

## 9. Inventories

The following assets are recorded under inventories:

Figures in EUR	9/30/2023	9/30/2022
Raw materials and supplies gross	1,000.00	1,000.00
Work in progress	123,221.98	505,307.21
Finished goods and merchandise gross	4,421,215.81	7,760,159.11
Prepayments	0.00	38,208.18
<b>Inventories</b>	<b>4,545,437.79</b>	<b>8,304,674.50</b>

The item »Finished goods and merchandise« mainly comprises hardware and software. Of the inventories, a total of EUR 550,611.73 (previous year: EUR 807,153.06) was pledged as collateral for loan liabilities to banks. The respective credit facility has not been utilized as at 30.09.2023.

Devaluations were of minor significance.

## 10. Contract Assets

Figures in EUR	9/30/2023	9/30/2022
Construction contracts gross	3,171,791.70	1,909,404.03
Prepayments received	2,293,739.96	1,032,765.04
<b>Construction contracts net</b>	<b>878,051.74</b>	<b>876,638.99</b>
Claims on customers - Service provided but not yet invoiced	2,187,542.88	2,136,816.07
<b>Short-term contract assets</b>	<b>3,065,594.62</b>	<b>3,013,455.06</b>

## 11. Trade Receivables

At the balance sheet date, trade receivables were as follows:

Figures in EUR	9/30/2023	9/30/2022
Trade receivables gross	60,360,233.06	59,319,585.06
Valuation allowance	-3,349,772.34	-4,171,714.39
<b>Trade receivables</b>	<b>57,010,460.72</b>	<b>55,147,870.67</b>
Factoring volume	13,018,413.62	12,271,635.09

Over the course of the fiscal year – also in comparison to the previous year – valuation allowances developed as follows:

	2022/2023	2022/2023	2022/2023	2022/2023
Figures in EUR	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
<b>Opening Balance</b>	<b>3,736,611.52</b>	<b>435,102.87</b>	<b>4,171,714.39</b>	<b>59,319,585.06</b>
Entry consolidation scope	0.00	130.00	130.00	
Consumption	977,841.07	16,600.00	994,441.07	
Reversal	1,169,420.32	56,562.64	1,225,982.96	
Addition	1,330,416.32	67,935.66	1,398,351.98	
<b>Ending Balance</b>	<b>2,919,766.45</b>	<b>430,005.89</b>	<b>3,349,772.34</b>	<b>60,360,233.06</b>

	2021/2022	2021/2022	2021/2022	2021/2022
Figures in EUR	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
<b>Opening Balance</b>	<b>578,289.56</b>	<b>280,506.24</b>	<b>858,795.80</b>	<b>57,221,612.92</b>
Consumption	13,200.00	49,000.00	62,200.00	
Reversal	152,200.00	56,649.65	208,849.65	
Addition	3,323,721.96	260,246.28	3,583,968.24	
<b>Ending Balance</b>	<b>3,736,611.52</b>	<b>435,102.87</b>	<b>4,171,714.39</b>	<b>59,319,585.06</b>

Specific valuation allowances have significantly decreased as per 30 September 2023. This relates to one concrete customer situation.

With the exception of retention of title – agreed in commercial transactions to some extent – trade receivables are not collateralized. Hence, the DATAGROUP Group is exposed to the risk that bad debts may arise in an amount equal to the book values. This was taken into account by recognizing specific valuation allowances and entering further reductions to factor in expected impairments that may exceed this figure.

## 12. Other Current Assets

Other assets shown under current assets are composed as follows:

Figures in EUR	9/30/2023	9/30/2022
Receivables from affiliated companies	0.00	358,597.52
Receivables from companies in which participating interests are held	98,700.00	208,800.00
Receivables from tax authorities	21,143,038.78	13,063,988.07
Receivables from factoring	4,955,874.83	7,653,435.30
Advance payments for services relating to subsequent periods	16,939,720.91	14,162,312.87
Others	3,613,523.57	5,538,798.52
<b>Other current assets</b>	<b>46,750,858.09</b>	<b>40,985,932.28</b>

The increase in receivables from tax authorities mainly refers to withholding taxes from dividend payments in the fiscal year.

## 13. Cash and Cash Equivalents

Cash and cash equivalents only include bank deposits and cash:

Figures in EUR	9/30/2023	9/30/2022
Bank deposits	21,853,137.57	47,022,988.06
Cash on hand	25,722.29	18,876.35
<b>Cash and cash equivalents</b>	<b>21,878,859.86</b>	<b>47,041,864.41</b>

## 14. Equity

The equity development is shown in the overviews of the consolidated statement of changes in equity.

### SUBSCRIBED CAPITAL

The company's share capital amounts to EUR 8,349,000.00 and is distributed in 8,349,000 no-par value bearer shares. The pro rata amount of the share capital is EUR 1.00 per no-par share.

### CAPITAL RESERVE

The capital reserve mainly refers to capital payments before and in relation to the IPO in 2006 as well as premiums from various cash capital increase and capital increases by way of contribution in kind.

### AUTHORIZED CAPITAL

The Management Board is authorized by a resolution of the Annual General Meeting of 9.3.2023, with the consent of the Supervisory Board, to increase the company's share capital once or several times up to a nominal amount of EUR 4,174,500.00 until 8.3.2028 by issuing new no-par value bearer shares with a pro rata amount of the share capital of EUR 1.00 per no-par share against contributions in cash and/or in kind (authorized capital 2023). The Management Board has made no use of this authorization to date.

The Management Board is authorized by a resolution of the Annual General Meeting of 9 March 2023, with the consent of the Supervisory Board, to issue, once or several times, options or convertible bonds in the name of the bearer, profit participation rights or profit participating bonds, or a combination of these instruments (collectively "bonds") up to a total nominal value of EUR 560,000.000.00 until 8 March 2028 with or without maturity date and to grant or impose on holders or creditors of the equally privileged bonds option rights or obligations or conversion rights or obligations relating to new no-par value bearer shares of DATAGROUP SE with a pro rata amount of the share capital up to a total of EUR 4,174,500.00, according to the conditions attached to these bonds. The bonds may feature a fixed or variable interest rate. Furthermore, the interest rate may fully or partially depend on the dividend amount of DATAGROUP SE, as is also the



case for a participating bond. The bonds may also be issued by a subordinate group company; in this case, the Management Board is authorized, subject to the consent of the Supervisory Board, to assume the guarantee for such bonds on behalf of DATAGROUP SE and to grant to or impose upon the holders or creditors option or conversion rights or obligations relating to no par value bearer shares of DATAGROUP SE.

## **RETAINED EARNINGS**

At the Annual General Meeting on 9.3.2023 it was resolved to distribute a dividend of EUR 1.10 per no-par share entitled to dividend for FY 2021 / 2022. The amount paid for 8,331,459 no-par shares totaled EUR 9,164,604.90.

The management board will propose to distribute a dividend of EUR 1.50 per no-par share entitled to dividend from the retained earnings of EUR 75,845,069.99. The remaining amount is to be carried forward.

## **EARNINGS PER SHARE**

In the fiscal year, the company generated earnings per share of 339 cents. This figure was 264 cents per share in the previous year.

The calculation for earnings per share is based on the average weighted number of ordinary shares outstanding during the period under review. This number consistently stood at 8,331,459 during FY 2022/2023 and the previous year 2021/2022.

## **ACCUMULATED OTHER COMPREHENSIVE INCOME**

Beyond the consolidated net income of EUR 28,265,281.78 (previous year EUR 22,027,580.43) generated in the fiscal year, accumulated other comprehensive income of EUR 874,177.94 (previous year EUR 20,041,816.04) was generated. Other comprehensive income relates to actuarial gains from the valuation of pension provisions of EUR 1,240,126.47, which are reduced by deferred taxes on this item in the amount of EUR 380,857.62.

Another effect is due to the changes in the balancing item arising from the currency translation of financial statements prepared in foreign currencies using the exchange rate on the balance sheet date in the amount of EUR 14,909.09 (previous year: EUR -29,994.66).

## **REPAYMENT OF CAPITAL/TREASURY SHARES**

The company was authorized at the Annual General Meeting on 9 March 2023 to acquire treasury shares which in aggregate account for 10 % of the share capital existing at the time of the adoption of the resolution on 7 March 2023, or – if this value is lower – of the existing share capital registered at the time the shares are acquired. The shares acquired under this authorization together with other shares of the company which it has already acquired and still holds, or which are to be assigned to the company pursuant to §§ 71 et seq. of the German Stock Corporation Act (Aktiengesetz) may not, at any time, exceed 10 % of the respective share capital. The authorization shall apply for the acquisition of treasury shares until (and including) 8 March 2028.

Treasury shares are mainly acquired with the aim to use them as consideration within the context of the acquisition of companies, parts of companies, share or other interests in companies.

In the fiscal year, the company's shares held in treasury remained unchanged at 17,541 shares or nominally EUR 17,541.00. This corresponds to 0.21 % of the share capital.

## 15. Non-Current and Current Financial Liabilities

The tables below show the composition and maturity of the financial liabilities on 30.09.2023 and on 30.09.2022:

Figures in EUR	9/30/2023	9/30/2023	9/30/2023	2022/2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Liabilities to financial institutions	33,747,771.13	65,902,859.59	0.00	99,650,630.72
Liabilities as a lessee and from rights of use	18,564,778.02	27,164,987.12	6,248,755.67	51,978,520.81
Liabilities from the acquisition of subsidiaries (earn out and similar obligations)	4,810,000.00	6,020,719.00	0.00	10,830,719.00
<b>Financial liabilities</b>	<b>57,122,549.15</b>	<b>99,088,565.71</b>	<b>6,248,755.67</b>	<b>162,459,870.53</b>

Figures in EUR	9/30/2022	9/30/2022	9/30/2022	2021/2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Liabilities to financial institutions	9,007,976.31	69,225,042.77	0.00	78,233,019.08
Liabilities as a lessee and from rights of use	18,051,506.70	29,437,288.85	5,005,156.93	52,493,952.48
Liabilities from the acquisition of subsidiaries (earn out and similar obligations)	45,737,592.00	8,791,799.99	0.00	54,529,391.99
<b>Financial liabilities</b>	<b>72,797,075.01</b>	<b>107,454,131.61</b>	<b>5,005,156.93</b>	<b>185,256,363.55</b>

## 16. Non-Current and Current Provisions

Provisions are composed as follows:

Figures in EUR	9/30/2023	9/30/2023	9/30/2023	9/30/2022
	Current	Non-current	Total	Total
<b>Pension provisions</b>	0.00	35,883,967.06	35,883,967.06	36,102,634.43
<b>Other provisions</b>				
from unfavorable contractual relationships	4,692,000.00	0.00	4,692,000.00	3,225,400.00
for restructuring	1,802,101.38	0.00	1,802,101.38	12,153,826.13
for other personnel costs	6,641,666.67	1,061,063.88	7,702,730.55	10,115,229.54
for warranties	1,404,474.97	0.00	1,404,474.97	671,164.71
for other obligations	6,174,303.49	223,436.51	6,397,740.00	7,704,376.68
<b>Provisions</b>	<b>20,714,546.51</b>	<b>37,168,467.45</b>	<b>57,883,013.96</b>	<b>69,972,631.49</b>



The item “other provisions” includes provisions for invoices outstanding, e.g. for consultants and external service providers, in the amount of EUR 2,488,782.60. As far as they are specified, they are shown under trade payables.

Provisions in the fiscal year developed as follows:

	10/1/2022	2022/2023	2022/2023	2022/2023
Figures in EUR	As at	Exchange rate difference	Changes in the scope of consolidation	Consumption
<b>Pension provisions</b>	<b>36,102,634.43</b>	<b>0.00</b>	<b>0.00</b>	<b>1,842,134.00</b>
<b>Other provisions</b>				
from unfavorable contractual relationships	3,225,400.00	0.00	0.00	5,459,000.00
for restructuring	12,153,826.13	0.00	0.00	10,608,881.50
for other personnel costs	10,115,229.54	0.00	5,075.00	4,906,879.03
for warranties	671,164.71	0.00	0.00	118,443.00
for other obligations	7,704,376.68	433.12	1,500.00	5,803,129.34
<b>Provisions</b>	<b>69,972,631.49</b>	<b>433.12</b>	<b>6,575.00</b>	<b>28,738,466.87</b>

	2022/2023	2022/2023	2022/2023	9/30/2023
Figures in EUR	Reversal	Allocation of interest	Allocation	As at
<b>Pension provisions</b>	<b>1,513,243.20</b>	<b>1,362,339.00</b>	<b>1,774,370.83</b>	<b>35,883,967.06</b>
<b>Other provisions</b>				
from unfavorable contractual relationships	0.00	0.00	6,925,600.00	4,692,000.00
for restructuring	37,727.25	0.00	294,884.00	1,802,101.38
for other personnel costs	327,013.15	17,958.00	2,798,360.19	7,702,730.55
for warranties	194,557.74	0.00	1,046,311.00	1,404,474.97
for other obligations	1,095,022.81	0.00	5,590,448.59	6,397,740.00
<b>Provisions</b>	<b>3,167,564.15</b>	<b>1,380,297.00</b>	<b>18,429,974.61</b>	<b>57,883,013.96</b>

## PROVISIONS FOR PENSIONS

Provisions for pensions are set up to cover defined benefit commitments made to individual – partially former – employees of DATAGROUP BIT Hamburg GmbH, DATAGROUP Enterprise Services GmbH, DATAGROUP Business Solutions GmbH, DATAGROUP BIT Düsseldorf GmbH, DATAGROUP Operations GmbH, URANO Informationssysteme GmbH and DATAGROUP Stuttgart GmbH.

Part of the financial funds that are necessary to cover the pension obligations of DATAGROUP Enterprise Services GmbH, DATAGROUP BIT Düsseldorf GmbH and DATAGROUP Operations GmbH are managed by a trustee, other pension obligations of DATAGROUP Enterprise Services GmbH, DATAGROUP Business Solutions GmbH and URANO Informationssysteme GmbH are partially covered by reinsurance policies. The pension obligations of DATAGROUP BIT Hamburg GmbH and DATAGROUP Stuttgart GmbH do not have reinsurance cover.



The DATAGROUP entities have both defined contribution and defined benefit pension obligations.

Defined contribution obligations mainly exist in the context of the statutory pension obligation. In FY 2022/2023, employer contributions to statutory pension insurance amounted to EUR 16,186,335.11 (previous year ca. EUR 15,500,000.00) in the DATAGROUP Group.

Defined benefit obligations are based on individual pension commitments, which to some extent were acquired following the transfer of undertakings pursuant to § 613a German Civil Code (Bürgerliches Gesetzbuch, BGB). All of these are closed pension schemes; it is currently not planned that other active employees can acquire entitlements. There are obligations for employees, pensioners and also for individual former employees with vested pension entitlement.

Based on the existing pension schemes, old-age pensions, invalidity pensions as well as widow's and orphan's pensions are granted. The magnitude of pension obligations generally depends on the years of service and the salary of the eligible person. A one-off payment in the event of death is granted for part of the pension commitments provided that death occurs before the person reaches retirement age. In the event of survival, i.e. retirement age is reached, the pensioner can choose between a regular monthly payment or a one-off disbursement.

To cover the pension commitments, the company partially has signed trust agreements to secure the accrued trust assets as well as reinsurance policies. The trust assets available at the balance sheet date are fully netted out against pension provisions. Entitlements arising from the reinsurance policies are only netted out if they are pledged to the pension beneficiaries.

The provision is calculated with the projected unit credit method on the basis of the Heubeck actuarial charts 2018 G using the following parameters:

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH
Actuarial interest	4.30	4.25	4.25	4.30	4.30	4.25	4.25
Pension trend	2.25	2.25	2.25	2,25 / 1 / 0	2,25 / 1	2.25	0.00
Remuneration trend	2.00	0.00	3.00	2,5 / 2,5 / 0	2,5 / 2,5	0.00	0.00
	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH
Actuarial interest	4.00	3.85	3.85	3.95	4.00	3.90	3.85
Pension trend	1.75	1.75	1.75	1,75 / 1 / 0	1,75 / 1	1.75	0.00
Remuneration trend	2.00	0.00	3.00	2,5 / 2,5 / 0	2,5 / 2,5	0.00	0.00

In view of the divergent inventory structure, different actuarial interest rates were chosen for drawing up the reports of the individual Group companies. While DATAGROUP Enterprise Services GmbH, DATAGROUP BIT Düsseldorf GmbH and DATAGROUP Operations GmbH almost entirely have an active inventory, the other DATAGROUP entities have mixed inventories.

Part of the pension obligations do not depend on salary.



The projected benefit obligation of the defined benefit obligation and the fair values of the plan assets arising from trust assets and reinsurance policies can be extrapolated as follows:

Figures in EUR	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>30.09.2020</b>	<b>30.09.2019</b>
Projected benefit obligation					
of the defined benefit obligation	82,593,838.73	79,533,192.90	118,118,006.85	122,957,879.53	90,897,809.53
Fair value of the plan assets	46,709,871.67	43,430,558.47	54,080,042.07	50,167,900.55	53,196,154.55
<b>Provisions for pensions</b>	<b>35,883,967.06</b>	<b>36,102,634.43</b>	<b>64,037,964.78</b>	<b>72,789,978.98</b>	<b>37,701,654.98</b>



Over the course of the fiscal year, the projected benefit obligation for the pension obligations has developed as follows:

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH	Summe
Figures in EUR								
<b>Projected benefit obligation on 01.10.</b>	<b>39,050,139.86</b>	<b>9,854,322.88</b>	<b>22,286,306.00</b>	<b>7,272,760.73</b>	<b>622,515.17</b>	<b>265,743.00</b>	<b>181,405.00</b>	<b>79,533,192.64</b>
Current service cost	993,041.00	0.00	397,285.00	64,729.53	41,029.83	1,151.00	0.00	1,497,236.36
Pension payments	159,142.00	745,060.00	901,164.00	237,480.00	0.00	16,317.00	0.00	2,059,163.00
Interest expenses	1,558,823.00	364,713.00	844,334.00	282,643.00	25,912.00	10,046.00	6,984.00	3,093,455.00
<b>Expected projected benefit obligation on 30.09.</b>	<b>41,442,861.86</b>	<b>9,473,975.88</b>	<b>22,626,761.00</b>	<b>7,382,653.26</b>	<b>689,457.00</b>	<b>260,623.00</b>	<b>188,389.00</b>	<b>82,064,721.00</b>
<b>Actuarial gains and losses</b>								
from changes in financial mathematical assumptions	115,440.00	69,698.99	-330,565.00	-10,652.26	-6,055.00	2,836.00	-7,600.00	-166,897.27
from changes based on experience	168,672.00	90,691.00	141,107.00	164,491.00	133,178.00	-2,206.00	82.00	696,015.00
<b>Total</b>	<b>284,112.00</b>	<b>160,389.99</b>	<b>-189,458.00</b>	<b>153,838.74</b>	<b>127,123.00</b>	<b>630.00</b>	<b>-7,518.00</b>	<b>529,117.73</b>
<b>Projected benefit obligation on 30.09.</b>	<b>41,726,973.86</b>	<b>9,634,365.87</b>	<b>22,437,303.00</b>	<b>7,536,492.00</b>	<b>816,580.00</b>	<b>261,253.00</b>	<b>180,871.00</b>	<b>82,593,838.73</b>



In the previous year, the projected benefit obligations have developed as follows:

	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH	Summe
Figures in EUR								
<b>Projected benefit obligation on 01.10.</b>	<b>61,939,978.97</b>	<b>13,762,103.88</b>	<b>29,066,088.00</b>	<b>11,590,847.00</b>	<b>1,093,700.00</b>	<b>416,894.00</b>	<b>248,395.00</b>	<b>118,118,006.85</b>
Current service cost	1,366,912.89	0.00	543,305.00	171,176.26	34,747.17	3,626.00	0.00	2,119,767.32
Pension payments	124,848.00	706,606.00	628,355.00	219,414.00	0.00	14,881.00	0.00	1,694,104.00
Interest expenses	928,163.00	134,088.00	288,009.00	154,973.00	16,405.00	4,709.00	2,484.00	1,528,831.00
<b>Expected projected benefit obligation on 30.09.</b>	<b>64,110,206.86</b>	<b>13,189,585.88</b>	<b>29,269,047.00</b>	<b>11,697,582.26</b>	<b>1,144,852.17</b>	<b>410,348.00</b>	<b>250,879.00</b>	<b>120,072,501.17</b>
<b>Actuarial gains and losses</b>								
from changes in financial mathematical assumptions	-26,018,203.00	-3,394,218.01	-7,201,989.00	-4,424,821.26	-522,337.00	-102,827.00	-69,799.00	-41,734,194.27
from changes based on experience	958,136.00	58,955.00	219,248.00	0.00	0.00	-41,778.00	325.00	1,194,886.00
<b>Total</b>	<b>-25,060,067.00</b>	<b>-3,335,263.01</b>	<b>-6,982,741.00</b>	<b>-4,424,821.26</b>	<b>-522,337.00</b>	<b>-144,605.00</b>	<b>-69,474.00</b>	<b>-40,539,308.27</b>
<b>Projected benefit obligation on 30.09.</b>	<b>39,050,139.86</b>	<b>9,854,322.87</b>	<b>22,286,306.00</b>	<b>7,272,761.00</b>	<b>622,515.17</b>	<b>265,743.00</b>	<b>181,405.00</b>	<b>79,533,192.90</b>



The projected benefit obligations are distributed among the pension beneficiaries as follows:

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
Figures in EUR	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informationssysteme GmbH	Summe
Active employees	30,308,713.00	11,314.00	14,858,513.00	1,634,600.00	743,361.00	38,431.00	180,871.00	47,775,803.00
Former employees with vested pension entitlement	5,914,345.00	412,144.00	2,316,598.00	2,220,094.00	73,219.00	30,365.00	0.00	10,966,765.00
Pensioners	5,503,915.86	9,210,907.87	5,262,192.00	3,459,146.00	0.00	143,997.00	0.00	23,580,158.73
Widows and orphans	0.00	0.00	0.00	222,652.00	0.00	48,460.00	0.00	271,112.00
<b>Projected benefit obligations on 30.09.</b>	<b>41,726,973.86</b>	<b>9,634,365.87</b>	<b>22,437,303.00</b>	<b>7,536,492.00</b>	<b>816,580.00</b>	<b>261,253.00</b>	<b>180,871.00</b>	<b>82,593,838.73</b>

In the previous year, the distribution among pension beneficiaries was as follows:

	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
Figures in EUR	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informationssysteme GmbH	Summe
Active employees	31,994,124.89	30,445.87	15,236,557.00	1,548,597.00	548,333.17	38,392.00	181,405.00	49,577,854.93
Former employees with vested pension entitlement	4,421,708.00	495,786.00	2,462,453.00	2,148,892.00	74,182.00	28,829.00	0.00	9,631,850.00
Pensioners	2,634,306.97	9,328,091.00	4,587,296.00	3,376,906.00	0.00	149,210.00	0.00	20,075,809.97
Widows and orphans	0.00	0.00	0.00	198,366.00	0.00	49,312.00	0.00	247,678.00
<b>Projected benefit obligations on 30.09.</b>	<b>39,050,139.86</b>	<b>9,854,322.87</b>	<b>22,286,306.00</b>	<b>7,272,761.00</b>	<b>622,515.17</b>	<b>265,743.00</b>	<b>181,405.00</b>	<b>79,533,192.90</b>



# DATAGROUP

Over the course of the fiscal year, the fair value of the plan assets has developed as follows:

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH	Summe
Figures in EUR								
<b>Fair value of plan assets on 01.10.</b>	<b>36,189,442.00</b>	<b>1,678,585.00</b>	<b>0.00</b>	<b>4,916,813.47</b>	<b>496,559.00</b>	<b>0.00</b>	<b>149,159.00</b>	<b>43,430,558.47</b>
Additions to plan assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payments from plan assets	0.00	127,173.00	0.00	89,856.27	0.00	0.00	0.00	217,029.27
Expected income or expenses from plan assets	1,447,578.00	61,842.00	0.00	195,762.00	16,173.00	0.00	5,743.00	1,727,098.00
<b>Expected fair value of plan assets on 30.09.</b>	<b>37,637,020.00</b>	<b>1,613,254.00</b>	<b>0.00</b>	<b>5,022,719.20</b>	<b>512,732.00</b>	<b>0.00</b>	<b>154,902.00</b>	<b>44,940,627.20</b>
Actuarial gains and losses	1,550,439.00	-5,122.00	0.00	210,201.47	20,148.00	0.00	-6,422.00	1,769,244.47
<b>Fair value of plan assets on 30.09.</b>	<b>39,187,459.00</b>	<b>1,608,132.00</b>	<b>0.00</b>	<b>5,232,920.67</b>	<b>532,880.00</b>	<b>0.00</b>	<b>148,480.00</b>	<b>46,709,871.67</b>



# DATAGROUP

In the previous year, the plan assets have developed as follows:

	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH	Summe
Figures in EUR								
<b>Fair value of plan assets on 01.10.</b>	<b>45,366,316.00</b>	<b>1,706,634.07</b>	<b>0.00</b>	<b>6,265,598.00</b>	<b>512,889.00</b>	<b>0.00</b>	<b>228,605.00</b>	<b>54,080,042.07</b>
Additions to plan assets	0.00	0.00	0.00	-99,102.73	103,121.00	0.00	0.00	4,018.27
Payments from plan assets	0.00	92,342.07	0.00	9,929.00	0.00	0.00	0.00	102,271.07
Expected income or expenses from plan assets	680,495.00	16,605.00	0.00	84,862.00	7,911.00	0.00	2,286.00	792,159.00
<b>Expected fair value of plan assets on 30.09.</b>	<b>46,046,811.00</b>	<b>1,630,897.00</b>	<b>0.00</b>	<b>6,241,428.27</b>	<b>623,921.00</b>	<b>0.00</b>	<b>230,891.00</b>	<b>54,773,948.27</b>
Actuarial gains and losses	-9,857,369.00	47,688.00	0.00	-1,324,614.80	-127,362.00	0.00	-81,732.00	-11,343,389.80
<b>Fair value of plan assets on 30.09.</b>	<b>36,189,442.00</b>	<b>1,678,585.00</b>	<b>0.00</b>	<b>4,916,813.47</b>	<b>496,559.00</b>	<b>0.00</b>	<b>149,159.00</b>	<b>43,430,558.47</b>

The plan assets refer to trust assets and claims resulting from insurance policies.

Pension expenses are reflected in the income statement as follows:

Figures in EUR	2022/2023	2021/2022
Current service		
= Personnel expenses	1,497,236.36	1,789,666.80
Interest income	1,727,098.00	590,883.38
Interest expenses	3,093,455.00	1,278,227.40

The revaluation of the defined benefit obligations is recognized in the other income and amounts to EUR 1,240,126.47 (previous year: EUR 29,195,918.47). The positive effect from the assessment of pension provisions results from an increase in the actuarial interest in comparison to 30 September 2022.

To illustrate the range of possible fluctuations in the provision resulting from a change in the calculation of the underlying parameters a sensitivity analysis was conducted with different scenarios. To this end, the most important parameters for the calculation of the provision have changed in two directions each. Only one parameter was adjusted in every single scenario, the other remained unchanged. The adjustment of the most important parameters led to the following results:

	2022/2023	2021/2022	2022/2023	2022/2023
	Increase or decrease of projected benefit obligation	Increase or decrease of projected benefit obligation	Increase or decrease of projected benefit obligation	The expected present value of the alternative scenario
	%	%	EUR	EUR
Interest -0.5%	7.31	7.60	6,035,926.27	88,629,765.00
Interest +0.5%	-6.51	-6.69	-5,375,582.73	77,218,256.00
Pension trend -0.5%	-4.17	-4.09	-3,447,745.73	79,146,093.00
Pension trend +0.5%	4.56	4.55	3,770,404.27	86,364,243.00
Life expectancy -1 year	-1.93	-1.83	-1,595,985.73	80,997,853.00
Life expectancy +1 year	1.90	1.86	1,568,512.27	84,162,351.00

The following cash inflows and outflows for pension obligations can be expected in the next fiscal year (- = inflows):

Figures in EUR	2023/2024
Pension payments	2,212,637.00
Employer's contribution	
for plan assets	159,873.00
<b>Total</b>	<b>2,372,510.00</b>

The average remaining time to maturity of the obligations (duration) is approximately twelve years.



## 17. Contract Liabilities

Contract liabilities are composed as follows:

Figures in EUR	9/30/2023	9/30/2022
Payments received		
on transition projects	5,406,373.85	6,101,924.75
on production orders	208,727.75	4,636.30
other	1,854,823.27	837,076.17
<b>Payments received</b>	<b>7,469,924.87</b>	<b>6,943,637.22</b>
Deferred income as far as customer relationship regarding	2,648,488.45	5,795,712.41
<b>Contract liabilities</b>	<b>10,118,413.32</b>	<b>12,739,349.63</b>

The received prepayments and advance payments of customers for services which are provided in the subsequent periods are reported under contract liabilities.

This position – shown as »Prepayments received for transition projects« – also includes the amounts invoiced to customers for the transition. The pro-rata reversal of the liability item leads to revenue which is distributed over the contractually agreed operating phase of the customer order.

## 18. Trade Payables

Trade payables can be fully classified as current. If liabilities are related to deliveries, they are partially subject to the customary retention of title.

## 19. Other Liabilities

Other liabilities are composed as follows:

Figures in EUR	9/30/2023	9/30/2023	9/30/2023	9/30/2022
	Current	Non-current	Total	Total
Liabilities to affiliated companies	168,322.38	0.00	168,322.38	335,375.28
Liabilities from companies in which participating interests are held	543,369.49	0.00	543,369.49	1,635,847.71
Liabilities to tax authorities	4,968,951.18	0.00	4,968,951.18	6,097,365.05
Liabilities to personnel	27,916,303.18	0.00	27,916,303.18	21,902,594.31
Liabilities related to outstanding invoices	8,627,033.76	0.00	8,627,033.76	11,818,375.73
Other liabilities	5,017,365.65	98,026.65	5,115,392.30	4,659,886.87
Advance payments for services rendered in subsequent periods	230,616.34	0.00	230,616.34	479,454.72
<b>Other liabilities</b>	<b>47,471,961.98</b>	<b>98,026.65</b>	<b>47,569,988.63</b>	<b>46,928,899.67</b>



## IV. Supplementary Disclosures on Financial Instruments

### CLASSIFICATION OF FINANCIAL INSTRUMENTS

The financial instruments of the DATAGROUP Group can be classified as follows:

Category	9/30/2023	9/30/2023	9/30/2023
	I	II	
	Valued at amortized cost	Valued at fair value through profit or loss	Total
Figures in EUR			
<b>Assets</b>			
Financial assets	160,527.98	7,516,090.96	7,676,618.94
Receivables from finance lease contracts	28,006,527.03	0.00	28,006,527.03
Contract assets	3,065,594.62	0.00	3,065,594.62
Trade receivables	57,010,460.72	0.00	57,010,460.72
Cash and cash equivalents	21,878,859.86	0.00	21,878,859.86
Other (financial) assets	8,406,398.31	0.00	8,406,398.31
<b>Financial receivables</b>	<b>118,528,368.52</b>	<b>7,516,090.96</b>	<b>126,044,459.48</b>
<b>Liabilities</b>			
Liabilities from finance lease contracts	51,978,520.81	0.00	51,978,520.81
Contract liabilities	10,118,413.32	0.00	10,118,413.32
Trade payables	13,069,491.77	0.00	13,069,491.77
Liabilities to financial institutions	99,650,630.72	0.00	99,650,630.72
Other liabilities	4,604,616.98	0.00	4,604,616.98
<b>Financial liabilities</b>	<b>179,421,673.60</b>	<b>0.00</b>	<b>179,421,673.60</b>



Category	9/30/2022	9/30/2022	9/30/2022
	I	II	
Figures in EUR	Valued at amortized cost	Valued at fair value through profit or loss	Total
<b>Assets</b>			
Financial assets	169,800.26	8,336,552.82	8,506,353.08
Receivables from finance lease contracts	28,912,195.25	0.00	28,912,195.25
Contract assets	3,013,455.06	0.00	3,013,455.06
Trade receivables	55,147,870.67	0.00	55,147,870.67
Cash and cash equivalents	47,041,864.41	0.00	47,041,864.41
Other (financial) assets	13,592,300.80	0.00	13,592,300.80
<b>Financial receivables</b>	<b>147,877,486.45</b>	<b>8,336,552.82</b>	<b>156,214,039.27</b>
<b>Liabilities</b>			
Liabilities from finance lease contracts	52,493,952.48	0.00	52,493,952.48
Contract liabilities	12,739,349.63	0.00	12,739,349.63
Trade payables	15,827,012.63	0.00	15,827,012.63
Liabilities to financial institutions	78,233,019.08	0.00	78,233,019.08
Other liabilities	5,515,744.49	0.00	5,515,744.49
<b>Financial liabilities</b>	<b>164,809,078.31</b>	<b>0.00</b>	<b>164,809,078.31</b>

Category II »Measured at fair value through profit or loss«, according to IFRS 9, includes shares in affiliated companies and fixed interest securities payable to the holder. They are recognized at their fair value. As the securities are all listed, the fair value corresponds to the share price at the respective balance sheet date (Level 1). The book value corresponds to the fair value of the shares in affiliated companies. No hidden reserves have to be disclosed.

Financial instruments which have been allocated to category I according to IFRS 9 are valued at amortized cost. This value approach is considered a sufficient approximate value to the fair value (Level 3), so there is no need for a fair value disclosure.

There are no financial instruments that are allocated to category III »measured at fair value through other comprehensive income« in the current or in the previous fiscal year.

Net income from financial instruments is composed as follows (in comparison to the previous year):



	2022/2023	2022/2023	2022/2023
Figures in EUR	valued at amortized cost	valued at fair value through profit or loss	Total
<b>Net result</b>			
Interest income	759,502.32	0.00	759,502.32
Interest expense	-4,448,006.15	0.00	-4,448,006.15
<b>Interest result</b>	<b>-3,688,503.83</b>	<b>0.00</b>	<b>-3,688,503.83</b>
Dividends	122,719.83	0.00	122,719.83
Currency translation	-49,738.68	0.00	-49,738.68
Result from valuation through profit or loss at fair value	0.00	17,166.18	17,166.18
Value adjustment and gain / loss on disposal	0.00	0.00	0.00
	<b>-3,615,522.68</b>	<b>17,166.18</b>	<b>-3,598,356.50</b>

	2021/2022	2021/2022	2021/2022
Figures in EUR	valued at amortized cost	valued at fair value through profit or loss	Total
<b>Net result</b>			
Interest income	833,702.53	0.00	833,702.53
Interest expense	-2,471,271.78	0.00	-2,471,271.78
<b>Interest result</b>	<b>-1,637,569.25</b>	<b>0.00</b>	<b>-1,637,569.25</b>
Dividends	132,205.36	0.00	132,205.36
Currency translation	-23,419.31	0.00	-23,419.31
Result from valuation through profit or loss at fair value	0.00	-239,900.00	-239,900.00
Value adjustment and gain / loss on disposal	0.00	0.00	0.00
	<b>-1,528,783.20</b>	<b>-239,900.00</b>	<b>-1,768,683.20</b>

Interest expenses include factoring costs of EUR 298,050.10 (previous year: EUR 280,462.14).

## RISK MANAGEMENT

The DATAGROUP Group mainly has to face – related to the financial instruments – default, liquidity and interest rate risks. The currency risk is virtually insignificant, as the companies of the Group are all located in Germany and purchase and/or deliver goods and services from or to non-euro countries only to a negligible extent.

The central tool of the DATAGROUP Group to control financial opportunities and risks is a so-called rolling forecast system for sales planning and monitoring of revenues and contribution margins. In connection with a monthly income statement, this system allows a very precise statement on revenues, which is always up to date. Current costs and investments are adjusted on the basis of these monthly data to be able to meet the



planned corporate results. Furthermore, a simplified consolidated statement of financial position is prepared on a monthly basis.

Liquidity planning, which is prepared on a monthly basis for the entire Group, serves to provide an overview of the liquidity level determined within the DATAGROUP Group and the individual Group companies, as well as the control of the expected liquidity development. Medium-term planning of financial resources exceeding this horizon is prepared as needs arise.

For a more detailed description of the financial risks of the DATAGROUP Group we refer to the Group management report, section 5. Risks and opportunities.

## LIQUIDITY RISKS

A liquidity risk is the risk of not being able to fulfill payment obligations or raise the required funds. The key determinant to minimize the liquidity risks is the earnings power of the DATAGROUP Group, i.e. the ability to always generate sufficient operating cash flows. In this respect, we refer to the consolidated statement of cash flows statement. The excess cash flows from the operations of the DATAGROUP entities are the basis to fulfill any future repayment and interest payment obligations, particularly those arising from existing loan and finance lease agreements. Interest payment and repayment obligations as at 30.09./2023 – also in a yoy comparison with 30.09.2022 – can be summarized as follows:

Figures in EUR	<b>Book value</b>	Cashflow	Cashflow	Cashflow	Cashflow	Cashflow
	<b>9/30/2023</b>	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028ff.
<b>Total (interest and redemption payments)</b>						
Liabilities from finance lease contracts	51,978,520.81	19,530,582.33	13,418,838.63	9,739,080.19	7,314,187.75	5,022,318.06
Contract liabilities	10,118,413.32	10,118,413.32	0.00	0.00	0.00	0.00
Trade payables	13,069,491.77	13,069,491.77	0.00	0.00	0.00	0.00
Liabilities to financial institutions	99,650,630.72	36,533,501.19	2,355,730.00	37,536,000.00	1,660,000.00	30,830,000.00
Other liabilities	14,652,651.56	14,652,651.56	0.00	0.00	0.00	0.00
	<b>189,469,708.18</b>	<b>93,904,640.17</b>	<b>15,774,568.63</b>	<b>47,275,080.19</b>	<b>8,974,187.75</b>	<b>35,852,318.06</b>
<b>thereof interest payments</b>						
Liabilities from finance lease contracts		965,804.31	739,217.42	517,228.72	343,511.01	480,724.69
Liabilities to financial institutions		2,910,812.74	2,355,730.00	2,036,000.00	1,660,000.00	830,000.00
Other liabilities		0.00	0.00	0.00	0.00	0.00
		<b>3,876,617.05</b>	<b>3,094,947.42</b>	<b>2,553,228.72</b>	<b>2,003,511.01</b>	<b>1,310,724.69</b>



## INTEREST RATE RISKS

The DATAGROUP Group has to face the risk that higher cost of capital has to be raised for the required loans when the interest rate level increases. The Group's financing requirements result from both current business and acquisition activities.

To minimize the risk, liquidity requirements expected in the medium-term – not only related to the expansion of the Group – are financed by placing promissory note bonds and signing medium-term loan agreements, generally at fixed interest rates. In this context, DATAGROUP has taken up promissory note loans, which currently have a volume of EUR 99,000,000.00. The promissory note loans have a maturity of up to seven years with fixed and variable interest rates and are linked to the performance of the 6-month Euribor. An increase in the interest level by 100 basis points would have deteriorated the pre-tax profit of the DATAGROUP Group by EUR 380,000.00 (previous year EUR 354,000.00), a decrease by 100 basis points would have improved it by 380,000.00 (previous year EUR 89,000.00).

In the previous year, it was taken into account that there is a floor rule at the reporting date in relation to the 6-month Euribor reference rate of 0 % for interest-sensitive liabilities to banks. For this reason, the interest income would only have been adversely affected if the Euribor base rate exceeds the zero threshold again and turns positive. The floor rules also led to the fact that a further decline in the interest rate level would only have a limited positive impact on the interest income of DATAGROUP as there is no interest sensitivity when the Euribor rates are negative. The floor rule has lost in significance in view of the current interest rate level.

Additionally, DATAGROUP has to face the risk of higher savings efforts in case of a declining interest level and therefore decreasing interest income, to be able to fulfil the medium to long-term obligations of pension payments. In the last years, this risk has been accounted for in the balance sheet by an increase in pension provisions. Pension provisions were reduced again in the current fiscal year in view of the slight increase in the interest level. An increase in pension provisions due to the actuarial interest rate is not reflected in the financial result but directly reduces equity as it is recognized in other income. There are no additional impacts on equity resulting in either profit or loss.

## DEFAULT RISKS

DATAGROUP faces the risk of not being able to satisfy justified claims, particularly those arising in the operating business. There is a risk that individual customers may become insolvent. This risk is minimized by a broad spectrum of customers and regular credit checks, particularly when business is taken up.

Specific valuation allowances of EUR 2,580,000.00 were recognized for one customer situation (previous year EUR 3,185,000.00 for three customer situations). Apart from this, DATAGROUP did not have to take any other high impairments on trade receivables in the current fiscal year.



Impairments on trade receivables developed as follows in the fiscal year and the previous year:

	2022/2023	2022/2023	2022/2023	2022/2023
Figures in EUR	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
<b>Opening Balance</b>	<b>3,736,611.52</b>	<b>435,102.87</b>	<b>4,171,714.39</b>	<b>59,319,585.06</b>
Entry consolidation scope	0.00	130.00	130.00	
Consumption	977,841.07	16,600.00	994,441.07	
Reversal	1,169,420.32	56,562.64	1,225,982.96	
Addition	1,330,416.32	67,935.66	1,398,351.98	
<b>Ending Balance</b>	<b>2,919,766.45</b>	<b>430,005.89</b>	<b>3,349,772.34</b>	<b>60,360,233.06</b>

	2021/2022	2021/2022	2021/2022	2021/2022
Figures in EUR	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
<b>Opening Balance</b>	<b>578,289.56</b>	<b>280,506.24</b>	<b>858,795.80</b>	<b>57,221,612.92</b>
Consumption	13,200.00	49,000.00	62,200.00	
Reversal	152,200.00	56,649.65	208,849.65	
Addition	3,323,721.96	260,246.28	3,583,968.24	
<b>Ending Balance</b>	<b>3,736,611.52</b>	<b>435,102.87</b>	<b>4,171,714.39</b>	<b>59,319,585.06</b>

The default risk is also reduced by way of non-notification factoring of accounts receivables. DATAGROUP is still liable for the validity of the account receivables but the del credere risk is passed to the factoring company once the receivable is sold.

## V. Capital Management

As part of the capital management process, the DATAGROUP Group primarily aims at optimizing the existing capital structure and having sufficient liquidity to ensure the necessary scope for organic growth and further company acquisitions.

In connection with taking up promissory loan bonds, the DATAGROUP Group is also obligated to maintain the financial ratio (covenant) calculated as total net debt to EBITDA:

The covenant is below these requirements at the balance sheet date and is therefore complied with.

The management board is regularly informed about the development of this ratio. The DATAGROUP Group is not subject to any other external minimum capital requirements.



## VI. Notes to the Cash Flow Statement

The cash flow statement shows the change in cash and cash equivalents (financial resource fund) during the period under review. The financial resource fund comprises cash, sight deposits and short-term, highly liquid financial investments that can be converted to cash immediately and are subject to only minor price fluctuation risks. A financial investment is only allocated to the financial resource fund when the residual term does not exceed a period of three months. Bank overdrafts are not allocated to the financial resource fund.

Cash flows are determined in accordance with the indirect method.

### **CASH FLOW FROM OPERATING ACTIVITIES**

In the period under review, cash flow from operating activities amounted to EUR 46,664,006.88 (previous year EUR 70,253,467.84), primarily driven by the reduction in provisions as well as trade payables.

### **CASH FLOW FROM INVESTING ACTIVITIES**

In FY 2022/2023, the cash outflow from investment activities was EUR 64,834,271.04 (previous year: cash outflow of EUR 44,778,337.58). This development is attributable to the acquisitions of systemzwo GmbH and arago GmbH during the year and the earn-out payments for Hövermann IT-Gruppe GmbH and URANO Informationssysteme GmbH. A total amount of EUR 50,929,876.90 (previous year: EUR 35,854,684.73) was paid as investments in fully consolidated companies. CAPEX increased from EUR 8,810,413.92 in the previous year to EUR 15,233,813.11. The investment ratio (CAPEX to revenue) rose from 1.8 % in the previous year to 3.1 % in FY 2022/2023.

### **CASH FLOW FROM FINANCING ACTIVITIES**

Net cash outflows amounted to EUR 6,992,740.39 in the fiscal year after EUR 22,525,251.97 in the previous year. A tranche of the promissory note loans in the amount of EUR 9,000,000.00 was repaid in the fiscal year, and a tranche of EUR 30,000,000.00 was taken up. Overall, bank loans of EUR 9,597,068.71 were paid in fiscal year 2022/2023 (previous year EUR 0.00). DATAGROUP paid dividends of EUR 9,164,604.90 in FY 2022/2023 (previous year: EUR 8,331,459.00).

## VII. Segment Information

The operating subsidiaries in the DATAGROUP Group are divided into the two segments »Services« and »Solutions and Consulting«. These segments are based on the service portfolio on which the respective companies are focused:

- The »Services« segment comprises all subsidiaries primarily providing IT services. These IT services primarily include the provision of IT workplaces (selection and procurement, on-site implementation, exchange, and disposal of old equipment), services of the certified DATAGROUP data centers as well as service desk services.
- The »Solutions and Consulting« segment comprises the Group companies, where the range of services offered consists of highly qualified and specialized technology and solutions consultants as well as software developers.

The registered offices and branches of the DATAGROUP entities are exclusively based in Germany. For this reason, a regional reporting is only helpful to a limited extent.

Segment reporting was prepared in accordance with IFRS 8 »Operating segments« and is based on the so-called »management approach«, i.e. it is oriented towards the internal reporting in the DATAGROUP Group. Internal reporting, which is updated on a monthly basis, is subject to the same accounting and measurement principles as external reporting in the consolidated financial statements. Financial result, taxes and depreciation resulting from purchase price allocation are only shown at Group level and not allocated to individual segments. Transactions undertaken between the segments are calculated at market prices.

The segments were redefined to a certain extent in relation to the adjustment of the intragroup reporting system. The business segments of DATAGROUP Business Solutions GmbH, namely DATAGROUP Berlin, DATAGROUP München and DATAGROUP Defense IT Services have now been assigned to the Services segment unlike the previous year. The prior-year results have been adjusted to allow for an effective comparison with the prior year.



SEGMENT REPORTING BY BUSINESS SEGMENTS

	Services	Solutions & Consulting	Others & Consolidation	Total	Services	Solutions & Consulting	Others & Consolidation	Total
Figures in EUR	2022/2023	2022/2023	2022/2023	2022/2023	2021/2022	2021/2022	2021/2022	2021/2022
Revenues with external customers	433,992,179.17	63,558,834.60	244,975.34	497,795,989.11	427,853,310.54	1) <sup>1)</sup> 65,071,247.17	1,025,333.76	493,949,891.47
Revenues with other segment	10,610,131.37	15,076,987.06	-25,687,118.43	0.00	10,818,396.54	13,409,054.16	-24,227,450.70	0.00
<b>Revenue of the segment</b>	<b>457,602,310.54</b>	<b>78,635,821.66</b>	<b>-38,442,143.09</b>	<b>497,795,989.11</b>	<b>448,026,626.06</b>	<b>1)<sup>1)</sup> 69,125,382.35</b>	<b>-23,202,116.94</b>	<b>493,949,891.47</b>
Material expenses / expenses for purchased services	171,333,550.83	12,396,157.08	-29,059,814.36	154,669,893.55	169,380,663.51	1) <sup>1)</sup> 11,480,823.33	-18,617,471.42	162,244,015.42
Personnel expenses	191,083,195.36	43,740,002.98	8,816,782.25	243,639,980.59	185,609,013.78	38,629,453.26	9,201,173.10	233,439,640.14
Regular depreciation and amortization	31,318,360.79	2,236,221.80	1,356,280.63	34,910,863.22	31,589,316.44	2,312,925.89	1,104,702.84	35,006,945.17
<b>Operating income</b>	<b>38,806,479.95</b>	<b>14,561,239.04</b>	<b>-8,050,093.41</b>	<b>45,317,625.58</b>	<b>38,263,038.56</b>	<b>10,552,727.95</b>	<b>-7,363,254.34</b>	<b>41,452,512.17</b>
Financial income	6,133,987.98	417,204.27	-4,671,581.27	1,879,610.98	3,271,090.30	115,966.11	-1,593,971.49	1,793,084.92
Financial expenses	6,674,358.40	279,417.56	-997,518.79	5,956,257.17	4,686,282.20	161,055.89	1,664,799.27	6,512,137.36
<b>Earnings before taxes</b>	<b>38,266,109.53</b>	<b>14,699,025.75</b>	<b>-11,724,155.89</b>	<b>41,240,979.39</b>	<b>36,847,846.66</b>	<b>10,507,638.17</b>	<b>-10,622,025.10</b>	<b>36,733,459.73</b>
Taxes on income and profit	10,368,802.88	4,680,027.06	-2,073,132.33	12,975,697.61	12,419,905.21	2,990,725.12	-704,751.03	14,705,879.30
<b>Net income for the period</b>	<b>27,897,306.65</b>	<b>10,018,998.69</b>	<b>-9,651,023.56</b>	<b>28,265,281.78</b>	<b>24,427,941.45</b>	<b>7,516,913.05</b>	<b>-9,917,274.07</b>	<b>22,027,580.43</b>
<b>Headcount on reporting date</b>	<b>2,841</b>	<b>600</b>	<b>98</b>	<b>3,539</b>	<b>2,629</b>	<b>401</b>	<b>87</b>	<b>3,117</b>
<b>Investments</b>	<b>29,211,545.49</b>	<b>2,800,094.42</b>	<b>2,536,102.91</b>	<b>34,547,742.82</b>	<b>18,377,774.62</b>	<b>2,449,350.04</b>	<b>1,066,459.11</b>	<b>21,893,583.77</b>
<b>Investments from changes in the scope of consolidation</b>	<b>8,428,732.21</b>	<b>2,187,000.00</b>	<b>0.00</b>	<b>10,615,732.21</b>	<b>32,858,083.70</b>	<b>28,548.93</b>	<b>0.00</b>	<b>32,886,632.63</b>
<b>Assets total segment</b>	<b>388,523,150.06</b>	<b>25,515,524.20</b>	<b>423,331,271.90</b>	<b>837,369,946.16</b>	<b>391,298,435.92</b>	<b>17,715,954.31</b>	<b>363,098,317.93</b>	<b>772,112,708.16</b>
intersegment capital consolidation	117,427,570.62	17,226,289.25	292,325,274.56	157,671,414.69	117,427,570.62	17,226,289.25	237,117,533.44	102,463,673.57
intersegment debt consolidation	112,549,993.85	-8,358,384.69	-93,503,176.03	214,411,554.57	102,677,329.99	-5,540,648.72	-77,846,832.21	186,064,810.92
<b>Assets</b>	<b>393,400,726.83</b>	<b>34,383,428.76</b>	<b>37,502,659.19</b>	<b>465,286,814.78</b>	<b>406,048,676.55</b>	<b>29,401,594.84</b>	<b>48,133,952.28</b>	<b>483,584,223.67</b>
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Liabilities total segment</b>	<b>372,854,520.01</b>	<b>28,209,680.30</b>	<b>131,201,067.20</b>	<b>532,265,267.51</b>	<b>365,533,851.86</b>	<b>20,953,956.24</b>	<b>155,702,979.47</b>	<b>542,190,787.57</b>
intersegment debt consolidation	-91,468,880.59	-4,648,320.18	118,294,353.80	214,411,554.57	-73,414,947.09	-2,031,984.84	110,617,878.99	186,064,810.92
<b>Liabilities</b>	<b>281,385,639.42</b>	<b>23,561,360.12</b>	<b>12,906,713.40</b>	<b>317,853,712.94</b>	<b>292,118,904.77</b>	<b>18,921,971.40</b>	<b>45,085,100.48</b>	<b>356,125,976.65</b>



**SEGMENT REPORTING BY GEOGRAPHIES**

	<u>Germany</u>	<u>EU countries</u>	<u>Third country</u>	<b>Total</b>	<u>Germany</u>	<u>EU countries</u>	<u>Third country</u>	<u>Total</u>
Figures in EUR	<u>2022/2023</u>	<u>2022/2023</u>	<u>2022/2023</u>	<u>2022/2023</u>	<u>2021/2022</u>	<u>2021/2022</u>	<u>2021/2022</u>	<u>2021/2022</u>
<b>Revenues with external customers</b>	<b>484,259,435.22</b>	<b>12,073,956.80</b>	<b>1,462,597.09</b>	<b>497,795,989.11</b>	<b>496,765,868.15</b>	<b>3,942,069.79</b>	<b>701,953.53</b>	<b>501,409,891.47</b>



The »Services« segment generated revenues of EUR 444,602,310.54 in the fiscal year. This is EUR 3,424,315.52 or 0.8 % less than in FY 2021/2022. EBITDA was EUR 70,124,840.74 (previous year EUR 69,852,355.00). The EBITDA margin stood at 15.8 % (previous year 15.6 %).

Revenues in the »Solutions and Consulting« segment rose by 8.2 % to EUR 78,635,821.66. The EBITDA margin of this segment was 21.4 % after 18.6 % in the previous year.

Revenues in the »Others & Consolidation« segment are related to services provided to other Group companies, particularly by DATAGROUP SE, as well as countervailing consolidation entries.

The adjustment of the segment structure led to a shift in revenue of EUR 37,950,809.08, in material expenses of EUR 24,877,370.99 and in earnings before taxes (EBT) of EUR 4,247,308.96 from the »Solutions and Consulting« segment to the »Services« segment. Personnel expenses of EUR 13,168,808.73 were reclassified. This applied to 158 employees.



## VIII. Events After the Reporting Period

Under an agreement dated 14 December 2023, DATAGROUP SE has acquired 100 % of the limited partner's shares in CONSYS ERP GmbH & Co. KG as well as 100 % of its unlimited partner CONSYS ERP-Verwaltungs GmbH and, additionally, of cplus Informationssysteme und -beratung GmbH and its subsidiary CONPLUS Mittelstandslösungen GmbH (altogether CONPLUS group) with locations in Ahrensburg near Hamburg and in Mönchengladbach. The group is an SAP Business One expert and therefore complements DATAGROUP's SME segment, which has been built up since 2022 with the acquisition of IT service provider Hövermenn.

The CONPLUS group has 22 employees and provides services around SAP Business One, the SAP solution for small and medium-sized companies. CONPLUS has years of management and consulting experience in this segment and received the SAP Award several times. As an SAP Gold Partner, CONPLUS offers a complete portfolio of services around SAP Business One: from consulting and license sale to implementation, individualization as well as maintenance and support. CONPLUS generates annual revenue of some EUR 6m and is profitable.

## IX. Other Information

### 1. Employees

In FY 2022/2023 DATAGROUP employed on average 3,250 people (previous year 2021/2022 3,091) (only consolidated companies). On 30 September 2023, the number of employees totaled 3,341 (3,117 on 30 September 2022).

Including management, apprentices, and other employees (e.g. in parental leave, early retirement, and non-consolidated companies), the headcount totaled 3,607 on 30 September 2023 (previous year 2021/2022 3,340).

On 30 September 2023, DATAGROUP employed 157 apprentices and students (German »Duales System«) (149 on 30 September 2022).

### 2. Management Board

The members of the company's management board are:

Andreas Baresel  
Chief Executive Officer  
Chief Production Officer

Dr. Sabine Laukemann  
Chief Human Resources Officer, Strategy and Organization

Oliver Thome  
Chief Financial Officer, Investor Relations and M&A

### 3. Supervisory Board

The members of the company's Supervisory Board are:

Mr. Heinz Hilgert  
Managing Director of TransVise GmbH  
Chairman

Mr. Hubert Deutsch  
CEO of Synth Group GmbH  
Deputy Chairman

Mr. Hans-Hermann Schaber  
Managing Director of HHS Verwaltungs GmbH



## 4. Total Remuneration of the Members of the Management Board

The total remuneration of the members of the management board added up to EUR 1,917,435.00. This amount includes variable remuneration of EUR 470,732.00.

## 5. Total Remuneration of the Members of the Supervisory Board

The total remuneration of the members of the supervisory board amounted to EUR 259,838.21 in the fiscal year.

## 6. Transactions with Affiliated and Associated Companies and/or Persons

The management board members and managing directors of the individual DATAGROUP entities, their close family members, HHS Verwaltungs GmbH, HHS Grundstücks- und Beteiligungsgesellschaft mbH & Co. KG, HHS Beteiligungsgesellschaft mbH and their subsidiaries as well as the limited partners of HHS Grundstücks- und Beteiligungsgesellschaft mbH & Co. KG were identified as affiliated and associated companies and/or persons.

Transactions with affiliated and associated companies and persons mainly relate to clearing transactions, current account and loan relationships as well as service contracts.

DATAGROUP SE received services from HHS Beteiligungsgesellschaft mbH in the amount of EUR 219,892.66 (previous year EUR 78,921.66).

In the year under review, DATAGROUP SE received goods or services from subsidiaries of HHS Beteiligungsgesellschaft mbH in the amount of EUR 12,501.90 (previous year EUR 420,241.00). DATAGROUP SE provided services to several subsidiaries of HHS Beteiligungsgesellschaft mbH totaling EUR 56,490.33 in the year under review (previous year EUR 0.00).

All transactions above were settled at fair market conditions.

## 7. Leases

The DATAGROUP Group is both a lessor and a lessee and has signed operating lease as well as finance lease contracts. In particular, the DATAGROUP entities signed rental and lease contracts for using or financing data centers, for hardware and software, as well as for buildings, cars, and bicycles. Various companies of the DATAGROUP Group offer their major customers also financing solutions for the procurement of their IT infrastructure as a total package along with services and maintenance services.

The right of use assets are assets related to lease agreements for buildings, cars, or bicycles:

Figures in EUR	9/30/2023	9/30/2023	9/30/2023	30.09.2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
<b>Leasing obligations</b>				
Minimum leasing payments	18,582,241.61	33,941,889.64	6,520,304.45	59,044,435.70
Present value	18,564,778.02	27,650,743.75	5,762,999.04	51,978,520.81
<b>Leasing claims</b>				
Minimum leasing payments	12,136,773.07	15,756,514.98	1,481,677.78	29,374,965.83
Present value	11,561,654.32	13,926,463.32	1,309,587.26	26,797,704.90

DATAGROUP has incurred costs for leased goods to an insignificant extent, which are below the materiality limit due to their short-term nature (maximum period of twelve months) or low acquisition costs under EUR 4,000).

The commercial properties used by the DATAGROUP companies are sublet in parts. This led to rental income of EUR 670,675.52 (previous year: EUR 421,200.64).

The book values = present values as well as minimum leasing payments can be depicted as shown below:

Figures in EUR	9/30/2022	9/30/2022	9/30/2022	30.09.2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
<b>Leasing obligations</b>				
Minimum leasing payments	18,087,723.90	30,207,784.79	5,151,006.87	53,446,515.56
Present value	18,051,506.70	29,437,288.85	5,005,156.93	52,493,952.48
<b>Leasing claims</b>				
Minimum leasing payments	11,489,610.03	17,433,645.30	1,326,903.01	30,250,158.35
Present value	10,892,813.00	16,846,593.33	1,172,788.92	28,912,195.25

The contracts with customers (with DATAGROUP entities as a lessor) do not have any non-guaranteed residual values.

DATAGROUP has entered into agreements as a lessee in the amount of EUR 4,754,009.17, which will start after 30 September 2023 (previous year EUR 0.00).

The leasing contracts for software and hardware – with DATAGROUP companies both as a lessor and a lessee – have terms to maturity of between 36 and 60 months, and up to 120 months in individual cases. The incremental borrowing rates on which the leasing relationships are based are mainly between 1.5 % and 4.5 %. Lease agreements for buildings may have terms of up to twelve years. Vehicle leasing contracts usually have a term of between three and four years, and up to five years in individual cases. Bicycle leasing agreements have terms of up to three years.

## 8. Transactions Not Included in the Balance Sheet

There are no transactions that are not included in the balance sheet.

## 9. Auditors' Fees

BANSBACH GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, (BANSBACH) was commissioned to perform the audit of the accounts. The annual financial statements include the following expenses for the services of BANSBACH:

Figures in EUR	2022/2023	2021/2022
Fees for audit services	433,553.25	401,633.67
Tax advisory services	220,888.55	221,759.37
Other services	104,419.92	154,526.81
<b>Auditors' fees</b>	<b>758,861.72</b>	<b>777,919.85</b>

Of these expenses, EUR 731,811.00 (previous year EUR 751,000.000) were deferred at the balance sheet date. The result from the settlement of the provision created in the previous year was EUR 45,152.13 (previous year EUR 20,086.00).

## 10. Inclusion in the Consolidated Financial Statement of HHS Verwaltungs GmbH

The company will be included in the consolidated financial statement of HHS Verwaltungs GmbH, Pliezhausen, on 30 September 2023 (largest scope of consolidation). This company is entered in the commercial register of Stuttgart under HRB 768480. The consolidated financial statement is to be published in the German Electronic Federal Gazette (Bundesanzeiger).

## 11. Notification from Shareholders (Pursuant to § 20 para. 4 AktG)

In a letter dated 22 January 2006, HHS Beteiligungsgesellschaft mbH (previously DATAGROUP GmbH), Pliezhausen, notified DATAGROUP SE (previously DATAGROUP IT Services Holding AG), Pliezhausen, as follows: »DATAGROUP GmbH, Pliezhausen, informs you in accordance with § 20 para.1, clause 3 in connection with § 16 para. 1 AktG (German Stock Corporation Act) that the company directly holds a majority share in DATAGROUP IT Services Holding AG.«

## 12. Exemption Pursuant to § 264 para. 3 HGB (German Commercial Code)

The shareholder meetings of DATAGROUP Stuttgart GmbH, DATAGROUP Bremen GmbH and DATAGROUP IT Solutions GmbH as well as the Annual General Meeting of Almato AG decided to make use of the exemption under § 264 para. 3 HGB and suspend the preparation and publication of the notes

and the management report on 30 September 2023. The resolutions were disclosed in the German Electronic Federal Gazette in accordance with § 325 HGB.

### 13. Proposal for the Appropriation of Net Income

The management board will propose to the Annual General Meeting to distribute a dividend of EUR 1.50 per no-par share entitled to dividend from the retained earnings of EUR 75,845,069.99. The remaining amount is to be carried forward.

### 14. Authorization to Disclose the Consolidated Financial Statement of the Previous Year

The authorization to disclose the consolidated financial statements of the previous year ending 30.09.2022 was granted by the management board on 19.12.2022. Disclosure was made on the DATAGROUP website in January 2023 and in the electronic commercial register on 19 October 2023.

Pliezhausen, 18 December 2023

DATAGROUP SE



Andreas Baresel  
Chief Executive Officer



Dr. Sabine Laukemann  
Chief Human Resources Officer,  
Strategy and Organization



Oliver Thome  
Chief Financial Officer, Investor  
Relations and M&A

# GROUP MANAGEMENT REPORT



# 1 Group Overview



DATAGROUP Group<sup>1</sup>

## ORGANIZATIONAL AND LEGAL STRUCTURE OF THE DATAGROUP GROUP

DATAGROUP SE is the holding company of IT service provider DATAGROUP (hereinafter »DATAGROUP« refers to the DATAGROUP Group), which is active throughout Germany. DATAGROUP SE mainly includes the entities listed in the diagram above.

<sup>1</sup> The DATAGROUP Business Solutions divisions DATAGROUP Munich, DATAGROUP Berlin and DATAGROUP Defense IT Services are assigned to the "Services" segment, another remaining business unit to the "Solutions and Consulting" segment. This allocation was adjusted in the fiscal year.

The operating subsidiaries under the umbrella of DATAGROUP SE are divided into two segments: Services as well as Solutions and Consulting. The central supply units, DATAGROUP Operations, DATAGROUP Enterprise Services, DATAGROUP Service Desk, and DATAGROUP Inshore Services are specialized production units, providing services for the DATAGROUP market units as internal competence and service centers within the DATAGROUP Group.

#### CENTRALIZATION WHERE NECESSARY, REGIONALITY WHERE POSSIBLE

DATAGROUP pursues the strategy of an optimal combination of decentral and central approaches regarding the Group's organization. This approach allows for regional, collaborative partnerships with customers, enables us to preserve agility and quickly respond to regional characteristics. However, customers will see the same DATAGROUP at every point, and the individual companies benefit from the common brand.

Furthermore, some services are centralized to benefit from synergies. In addition to the central supply units for the individual companies, DATAGROUP SE also provides central controlling, financing and management functions well as central services such as IT, accounting, and human resources.

DATAGROUP SE also provides human resources services for the main shareholder, HHS Beteiligungsgesellschaft mbH and its subsidiaries against payment of customary compensation.<sup>2</sup>

#### ACQUISITION STRATEGY HAS BEEN CONTINUED

Since the IPO in 2006, DATAGROUP SE has acquired 31 companies/company groups. The acquisition strategy focuses on IT service companies headquartered in Germany. DATAGROUP's acquisition strategy is based on four growth targets: Strengthening the regional footprint, expanding the customer portfolio, recruiting sought-after specialists, and extending the services portfolio. DATAGROUP has two strategic approaches concerning the types of companies integrated: »buy-and-build« (i.e. the companies complement or strengthen DATAGROUP's existing service portfolio) and »buy-and-turnaround« (i.e. the acquired companies are in turnaround situations and in need of strategic restructuring).

DATAGROUP generally integrates the acquired companies into the Group. In this process, the individual companies usually remain unchanged to maintain the agility of a mid-sized company as well as the customer relationships that to some extent have been existing for decades. The companies are generally managed under the uniform DATAGROUP brand and newly acquired companies are renamed after a transition period.

One company has joined the DATAGROUP family in this fiscal year: In April 2023, DATAGROUP acquired systemzwo GmbH, an Ulm-based IT system house. systemzwo GmbH was founded in 2007 and supports Mittelstand companies in Ulm with a headcount of roughly 40 employees. Its customer portfolio is a substantial addition to the existing client base of DATAGROUP in this region. The IT service provider thus continues to expand its regional presence in the Ulm metropolitan region and strengthens its business with its CORBOX IT service portfolio.

Furthermore, DATAGROUP has increased its stake in URANO Informationssysteme GmbH from 70 % to 100 % in April 2023. The first stake in the Bad Kreuznach-based IT service provider was acquired in May 2021. At that time, the agreement included an option to buy the remaining 30 % of the shares in two years' time. This step marks the end of the two-year transition phase. Founded in 1990, URANO

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<sup>2</sup> HHS Beteiligungsgesellschaft mbH is the asset-managing investment holding of the company founder of DATAGROUP SE, Max H.-H. Schaber. The company is fully owned by Mr. Schaber and his family. HHS Beteiligungsgesellschaft mbH holds approx. 54.5 % in DATAGROUP SE. HHS Beteiligungsgesellschaft mbH is also invested in other companies which, however, are not in competition with DATAGROUP.

Informationssysteme GmbH has 300 employees providing IT services for customers from the private and public sectors.

In July 2023, DATAGROUP also acquired the assets of arago GmbH, primarily those of the HIRO AI technology. This contributes to the further automation of the CORBOX IT service production with AI so as to reach the next level of innovative IT operations.

## **FOCUS OF ACTIVITY, SALES MARKETS AND COMPETITIVE POSITION OF DATAGROUP**

DATAGROUP is one of the leading IT service providers for German Mittelstand companies. DATAGROUP is regularly among the Top 10 in relevant studies, including those of Lünendonk & Hossenfelder on the market for IT Consulting and IT Services in Germany, the Whitelane and Navisco study on Customer Satisfaction in IT Outsourcing in Germany, and the study by business magazine *brand eins* in cooperation with Statista on the best IT service providers in Germany.

DATAGROUP works exclusively for business customers and is mainly focused on German Mittelstand and large companies as well as public authorities. Personal closeness and contact at eye level with its customers distinguishes DATAGROUP as an IT partner.

## **CORBOX: IT AS A SERVICE**

The CORBOX (corporate IT out of the box) is the heart of the DATAGROUP portfolio. With this service portfolio, DATAGROUP provides customers with IT as a Service: From the modular service offering, which covers the entire range of a company's IT, customers choose those services which perfectly fit their company requirements: Whether security services, management of a wide range of applications or different cloud operating models, from hybrid to public. »IT's that simple.« is the motto which DATAGROUP pursues with the CORBOX. DATAGROUP takes care of the customers' IT so that they can focus on their core business.

Defined service level agreements guarantee maximum performance and cost transparency. The security of all centralized CORBOX services is guaranteed by ISO 27001-certified DATAGROUP data centers (a tenant in so-called colocation centers) in Germany (Frankfurt am Main and Düsseldorf). Continuous monitoring of performance, capacities and security status guarantees high availability of the services.

## **CERTIFICATIONS AND CERTIFICATES**

Since September 2012, DATAGROUP has been continuously certified according to ISO 20000 – the highest possible ISO certification for professional IT service management. DATAGROUP undergoes the extensive testing procedure on a regular basis to have the IT services aligned to industry standards and to improve them consistently. To this end, "DATAGROUP IT Service Management", the management system for the comprehensive business process, is reviewed once a year in internal and external audits according to the international standard ISO 20000. This includes all major services in the service catalog with all its processes and functions. The most recent recertification by TÜV Süd Management Services GmbH was successfully completed in July 2023.

All CORBOX services are based on ISO 20000-certified processes according to ITIL® and meet the quality criteria of industrial production. Customers benefit from a consistently high process quality, service quality and security, making corporate IT a reliable and efficient means of production for success in business.

The basis of the CORBOX is a holistic IT service management which in its core includes a state-of-the-art information security management system (ISMS). DATAGROUP ISMS is certified for selected DATAGROUP companies and services according to ISO/IEC 27001 and expanded by ISO/IEC 27018 with a focus on the protection of personal data in cloud environments. Additionally, the CORBOX services and the required IT operations management provided by DATAGROUP Operations GmbH are certified according to ISO 27001 on the basis of IT Grundschutz (BSI) and audited according to C5. Furthermore, DATAGROUP and individual subsidiaries are certified according to ISO 9001, ISO 14001, TISAX, TSI.Standard V4.1 Level 3 and audited according to IDW PS 951 and ISAE 3402.

The central CORBOX cloud platforms are operated in a so-called colocation model in redundant data centers in Frankfurt and Düsseldorf. DATAGROUP has rented space at data center operators which provide the corresponding specific expertise. These data centers have state-of-the-art equipment in terms of security, building technology, access control, fire protection and emergency power supply. They are made available by DATAGROUP as a complete service package. This approach reduces the capital intensity of the business, while it ensures the highest possible standard for the basic infrastructure of the Data Center. DATAGROUP operates its own hardware and software for the CORBOX cloud services in these data centers.

## 2 Basic Conditions

### **ECONOMY STILL FRAGILE**

The German economy has not recovered significantly in 2023. The ifo economic forecasts expect the price-adjusted gross domestic product to shrink by 0.4 % in Germany in 2023 in comparison to the prior year. Prospects remain subdued for the years ahead as well. The ifo Institute foresees growth of 1.4 % in 2024 and of 1.2 % in 2025.

The German economy was grappling with the still high inflation rate which has significantly affected the purchasing power of consumers. Equally, the increase in base rates by the world's central banks had an adverse effect on consumption as well as on the economy, as real household incomes fell and financing costs rose. In consequence of the global economy's downturn, the German industry was faced with reduced demand.

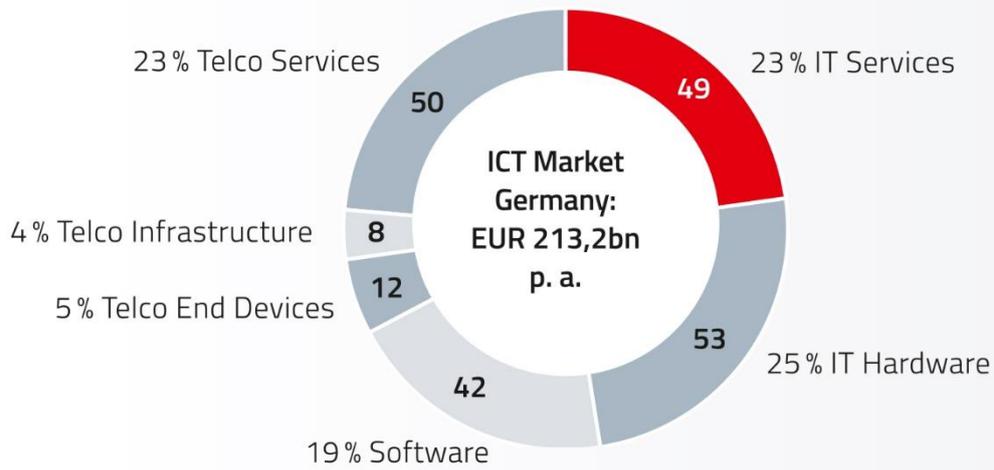
The ifo Business Climate index reflected the pessimistic mood in companies in Germany over the course of the fiscal year: The index initially grew from 86.9 points in November 2022 to 93.2 points in April 2023, but subsequently fell continuously over the following months to 85.8 points in August 2023. In September 2023, the assessment of the current business situation reached its lowest level since August 2020.

### **DIGITAL INDUSTRY AT A HIGHER LEVEL THAN THE OVERALL ECONOMY**

According to the Bitkom-ifo-digital index on business climate, the digital industry also improved initially to 25.3 points in April 2023 before it fell to 5.9 points in September. However, the ITC industry remained at a much higher level than the overall economy. According to industry association Bitkom, sales will grow to over EUR 200bn for the first time in 2023. In comparison to the prior year, sales are expected to grow by 2.1 % to EUR 213.2bn. The software segment is projected to have the strongest growth rate, up by 9.6 % to EUR 41.5bn. In this respect, platforms for artificial intelligence (41.8 % to EUR 1.1bn), collaborative applications (15.6 % to EUR 1.6bn) and security software (11.4 % to EUR 3.3bn) are set to grow at a particularly high rate. Investments in IT services are likely to increase by 5.3 % to EUR 49.4bn.

### **DIGITIZATION DECISIVE FOR COMPETITIVENESS**

In a survey of industry association Bitkom, 60 % of the companies said that competitors focusing on digitization are ahead of them. Concurrently, 64 % of the companies see themselves as digital latecomers. 53 % of the companies want to invest more in their digitization in 2023. The main obstacles for digitization are data protection, skills shortage, requirements related to IT security, limited time, and financial resources. For instance, 72 % of the companies surveyed believe that artificial intelligence is decisive for the future of the German economy, but only 15 % are actually using AI.



ICT Market in Germany in EUR bn, Source: Bitkom, July 2023

# 3 Net Assets, Financial Position and Results of Operations of the DATAGROUP Group

## 3.1 Results of Operations

**Revenue at the upper end of the adjusted guidance – EBITDA exceeds forecast:** Revenues increased by 0.7 % or TEUR 3,846 to TEUR 497,796 in the past fiscal year, which is slightly above the previous year (TEUR 493,950). The revenue guidance for the fiscal year was adjusted to a range of EUR 485–500m. Initially, the guidance was EUR 520–540m. Prior-year revenues amounted to TEUR 501,410 before the adjustment of revenue, which had been necessary to reflect agent activities in license business (for further details, please refer to the notes of the consolidated financial statements, Section I.2. Changes in Accounting Standards as well as Section I.5. Accounting and Measurement Methods). The adjustment of revenue and material expenses in order to reflect agent activities in license business did not have an effect on the earnings for the period. The reported figures relate to the adjusted results.

Gross profit increased by 3.5 % to TEUR 341,193 (previous year TEUR 329,769). EBITDA was up 4.9 % or TEUR 3,769 to TEUR 80,228 (previous year TEUR 76,459) and thus slightly exceeded the guidance of EUR 76–80m. EBIT was TEUR 45,318 (previous year TEUR 41,453), which is an increase of 9.3 % and is in line with expectations (EUR 45–48m).

### NET INCOME AND EARNINGS FIGURES

#### Net income grows substantially:

EBITDA – earnings before taxes, financing, depreciation and amortization – rose to TEUR 80,228 (+4.9 % compared to TEUR 76,459 in the previous year), the EBITDA margin was 16.1 % (previous year 15.5 %).

Depreciation and amortization were slightly down to TEUR 34,911 in FY 2022/2023 (previous year TEUR 35,007). As a result of new acquisitions, amortization of order backlog, customer portfolios and other assets capitalized as part of the purchase price allocation increased by TEUR 260 to TEUR 7,659 after TEUR 7,399 in the previous year. Other depreciation dropped by TEUR 356 to TEUR 27,252 after TEUR 27,608 in the previous year.

No goodwill amortization was necessary in FY 2022/2023 or in the previous years. The goodwill impairment test carried out did not point to any need for amortization.

EBIT – earnings before taxes and financing – grew substantially by TEUR 3,865 to TEUR 45,318 (previous year TEUR 41,453), an increase of 9.3 %. At 9.1 %, the EBIT margin exceeded the midterm target of 9 % (previous year 8.4 %).

In FY 2022/2023, the financial result was TEUR -4,077 (previous year TEUR -4,719).

Earnings before taxes (EBT) were up 12.3 % to TEUR 41,241 (previous year TEUR 36,733). Tax expenses dropped to TEUR 12,976 (previous year TEUR 14,706). The high tax expenses of the previous year

2021/2022 were mainly attributable to the non-capitalization of deferred taxes on tax-loss carry-forwards. Consequently, the tax rate declined to 31.5 % (previous year 40.0 %) and net income increased significantly by 28.3 % to TEUR 28,265 (previous year TEUR 22,028). Earnings per share were EUR 3.39 after EUR 2.64 in the previous year.

The Management and Supervisory Boards of DATAGROUP SE will propose to the Annual General Meeting held on 14 March 2024 to distribute a dividend of EUR 1.50 per no-par share entitled to dividend from the retained earnings of EUR 75,845,069.99. The remaining amount is to be carried forward.

## REVENUE AND ORDERS

**Revenue development burdened by special effects:** In fiscal year 2022/2023, revenues grew slightly by 0.7 % to TEUR 497,796 (previous year TEUR 493,950). The change in accounting treatment relative to the license business resulted in a reduction of revenue pursuant to IFRS 15 (principal agent) for both fiscal years.

The revenue development was mainly affected by special effects which reduced revenue and were compensated for by organic growth in the core business: Firstly, the Covid-19-related exceptional boom that had driven revenues in the prior year slowed down earlier. The vaccination centers, for instance, closed earlier than anticipated at the beginning of the fiscal year which also meant a premature end to the related IT services provided by DATAGROUP. Furthermore, existing contracts from earlier acquisitions outside the CORBOX core business had expired in the fiscal year just ended. On a full-year basis, these aspects led to negative sales effects of c. EUR 40m, which have been compensated for by growth in the CORBOX core business and the business with solutions. That said, DATAGROUP's potential for growth is demonstrated by the compensation.

The proportion of services in revenue is 81.4 % in the fiscal year (previous year 81.5 %). In the past fiscal year, 20 new CORBOX contracts were signed, 24 contracts expanded, and 33 existing customers have either extended or renewed their contracts.

On 3 April 2023, DATAGROUP acquired the remaining 30 % of the shares in URANO Informationssysteme GmbH, Bad Kreuznach. The company had already been fully consolidated in the consolidated financial statements of DATAGROUP based on the majority interest. In April 2023, DATAGROUP also acquired systemzwo GmbH in Ulm. The company has been fully consolidated in the consolidated financial statements of DATAGROUP since 1 April 2023.

As in the previous years, the business activities of the DATAGROUP Group primarily focus on Germany.

While DATAGROUP predominantly enters medium and long-term contractual relationships in the service business leading to mostly well predictable revenues, the commercial business and project business have a stronger focus on short-term contractual relationships and are therefore subject to mostly larger fluctuations. As such, revenues and earnings from individual contracts are also subject to fluctuations given the dynamic market environment.

## GROSS PROFIT

Gross profit grew by 3.5 % yoy to TEUR 341,193 after TEUR 329,769 in the previous year. The gross profit margin increased to 68.5 % after 66.8 % in the previous year.

## PERSONNEL EXPENSES

Personnel expenses totaled TEUR 243,640 in the fiscal year, an increase of 4.4 % compared to TEUR 233,440 in the previous year. The personnel expense ratio thus stood at 48.9 % after 47.3 % in the previous year.

## 3.2 Financial and Asset Position

Figures in TEUR	30.09.2023	30.09.2022	30.09.2021	30.09.2020	30.09.2019
<b>ASSETS</b>					
Non-current assets	320,222	317,917	308,025	224,182	187,150
Current assets	145,065	165,667	154,966	161,170	132,927
	<b>465,287</b>	<b>483,584</b>	<b>462,991</b>	<b>385,352</b>	<b>320,077</b>
<b>LIABILITIES</b>					
Equity	147,433	127,458	94,012	66,152	74,046
Non-current liabilities	151,789	161,479	237,352	206,019	157,009
Current liabilities	166,064	194,647	131,627	113,181	89,022
	<b>465,287</b>	<b>483,584</b>	<b>462,991</b>	<b>385,352</b>	<b>320,077</b>

A well-regulated financial and asset situation of the DATAGROUP Group is the basic condition for the feasibility of the declared acquisition and growth strategy. This is the main reason why DATAGROUP's corporate management is focused on financial management.

Financial management objectives include tracking liquidity to secure the group's constant liquidity. To this end, the liquidity status of both the individual group companies and the overall Group are examined on a weekly basis and short to medium-term liquidity projections are drawn up. Medium-term planning and controlling of the results and liquidity situation of the group companies ensures that financing of the DATAGROUP Group is guaranteed in the long term as well. The financial resources used, e.g. issue of promissory note loans, taking out and extending bank loans, finance lease and factoring, are subject to constant review and are optimized and adjusted as necessary.

Furthermore, the DATAGROUP Group has a tight debtor management to shorten the average collection period and prevent payment defaults.

At the end of the fiscal year, on 30 September 2023, the balance sheet total of DATAGROUP amounted to TEUR 465,287, which was TEUR 18,297 below the prior-year figure (TEUR 483,584). This reduction in the balance sheet is attributable to an improved financial management with a repayment of the Group's working capital lines. In March 2023, DATAGROUP issued new promissory note loans of EUR 30m and signed a new agreement for working capital lines of EUR 40m. The new financial resources of EUR 70m in total are

planned to be used for future growth and acquisitions. Overall, financial liabilities amounted to TEUR 162,460 at the balance sheet date, which is TEUR 22,796 below the previous year (TEUR 185,256). Of these, TEUR 105,337 (previous year TEUR 112,459) were non-current financial liabilities and TEUR 57,123 (previous year TEUR 72,797) were current financial liabilities. Total net debt stood at TEUR 112,574 after TEUR 109,302 in the previous year. Cash and cash equivalents amounted to EUR 21.8m in comparison to EUR 47.0m on the balance sheet date of the previous year, which is mainly attributable to an active cash management.

Provisions totaled TEUR 57,883 after TEUR 69,973 in the previous year. This item predominantly includes provisions for pension obligations of TEUR 35,884 (previous year TEUR 36,103) and other current provisions of TEUR 20,715 (previous year TEUR 32,629).

Trade payables were TEUR 13,069 (previous year TEUR 15,827).

Equity increased to TEUR 147,433 (previous year TEUR 127,458) mainly as a result of the Group's positive income, the equity rate rose significantly from 26.4 % to 31.7 %.

Non-current assets amounted to TEUR 320,222 after TEUR 317,917 in the previous year. They include goodwill, which has grown to TEUR 157,025 (previous year 151,436) as a result of the companies acquired in the fiscal year 2022/2023. The goodwill to equity ratio was 106.5 % after 118.8 % in the previous year. This also includes other intangible assets of TEUR 44,116 (previous year TEUR 48,230), property, plant and equipment of TEUR 69,804 (previous year TEUR 61,780) as well as receivables from finance lease of TEUR 16,445 (previous year TEUR 18,019).

The acquisition of systemzwo added another TEUR 1,846 to order backlog and customer base in the fiscal year. This was offset by depreciation and amortization of TEUR 34,911, TEUR 7,659 thereof for PPA assets.

Inventories were TEUR 4,545, which is well below the prior-year level (TEUR 8,305). Trade receivables rose to TEUR 57,010 after TEUR 55,148 in the previous year.

Other assets grew by TEUR 5,765 to TEUR 46,751, mainly because of reclaimed withholding taxes from dividend payments of subsidiaries.

## **LIQUIDITY DEVELOPMENT**

Cash flow from operating activities declined from TEUR 70,253 to TEUR 46,664. This decline was due to the significant reduction in operating liabilities despite a net income that was much higher than in the previous year. Additionally, tax payments in the fiscal year resulted in an additional burden of EUR 6.2m in comparison to the previous year.

At the same time, CAPEX was higher than in the year before. Investments in property, plant, and equipment and in intangible assets were TEUR 15,234 (previous year TEUR 8,810) excluding right of use assets under IFRS 16, the investment ratio rose from 1.8% of revenue in the prior year to 3.1 % in the year under review and thus is within the planning horizon. Investments of TEUR 50,930 relate to the transactions of systemzwo and arago and earn-out payments were made for Hövermann IT and URANO. Accordingly, the cash flow from investment activities totaled TEUR -64,834, which is significantly higher than in the previous year (previous year TEUR -44,778).

Cash flow from financing activities was TEUR -6,993 (previous year TEUR -22,525) and mainly includes liabilities to banks of TEUR 30,020. It also includes the dividend payment of TEUR 9,165 (previous year TEUR 8,332). Cash outflow for the repayment of bank liabilities amounted to TEUR 9,597 (previous year 0).

Cash and cash equivalents amounted to EUR 21.8m in comparison to EUR 47.0m on the balance sheet date of the previous year, which is mainly attributable to an active cash management. The Group's financing is guaranteed in the long term and provides sufficient scope for further investments in acquisitions and refinancing.

## **OVERALL STATEMENT**

The management believes that the profitability of the DATAGROUP core business continues to provide the Group with the necessary scope for a sustainable implementation of the long-term growth strategy. Importantly, the company's focus on outsourcing and cloud services as well as on the future fields of AI and IT security presents major growth opportunities also with a view to the future. The key figures determined from the balance sheet show a good asset position in the current fiscal year as well.

# 4 Stock



Development of the DATAGROUP shares and the DAX in a comparison from 1 October 2022 to 3 December 2023 (source: Bloomberg)

## DEVELOPMENT OF THE DATAGROUP SHARES

The German stock indices showed a positive trend in fiscal year 2022/2023. The DAX has grown by 26.0 % between 1 October 2022 and 30 September 2023. The MDAX rose by 15.0 %, the SDAX by 20.9 %. Conversely, the price of the DATAGROUP shares dropped from EUR 54.60 to EUR 45.30 over the same period, which is a decline of 15.6 %.

Worries over power supply bottlenecks caused by the Russian war against Ukraine still had a strong impact on the stock exchanges worldwide in the third calendar quarter of 2022. Hopes were raised when it became apparent that there would be no energy shortage in the winter and China had eased its policies. This led to a counter movement at the stock exchange in the fourth calendar quarter of 2022. Although the DAX initially fell from 12,209 points to reach its all-time-low of 12,172 points at the beginning of the fiscal year on 3 October 2022, it subsequently rose to 14,541 points by 24 November 2022. In view of the subdued economic outlook and a forecasted downturn in Germany, the index then fell again and closed the year 2022 at 13,924 points.

In the first half of 2023, the German economy marked time. The high inflation undermined the purchasing power of private households and prompted the European Central Bank to notably raise the base rates. This hit both consumption and construction activities, as the real household incomes fell and financing costs rose. But the industrial activity ran out of steam as well. In the past months, sentiment again deteriorated considerably across almost all German economic sectors. Unlike expected in the summer of 2023, recovery is likely to remain absent in the second half of the year and the economic slowdown is expected to continue. Notwithstanding the above, the German stock index climbed to its all-year high of 16,470 points by 28 July

2023 and subsequently fell again. At the end of the fiscal year, on 30 September 2023, the index stood at 15,387 points.

The DATAGROUP share price rose from EUR 54.60 on 3 October 2022 to EUR 70.10 on 30 November 2022 and fell to EUR 63.35 at the end of 2022. On 24 January 2023, the stock stood at EUR 74.30, which was the highest price during the fiscal year 2022/2023. After that, the price of the DATAGROUP shares fell to an all-year low of EUR 44.50 on 21 September 2023. At the end of the fiscal year, on 30 September 2023, the stock traded at a price of EUR 45.30.

Sales and earnings of DATAGROUP are based on a broadly diversified customer portfolio and high proportion of long-term contracts with regular turnover. Whilst the earnings margins increased, revenues remained below the level of the previous year because of special effects.

Alongside the normal course of operating business, discussions with investors mainly focused on the topic of IT security. To maintain the future capacity for growth and secure competitive advantages DATAGROUP will continue to heavily expand its expertise in this area as well as in AI and cloud. DATAGROUP continuously develops its Security Services with these new technologies to minimize the growing risks for the customers' digitization caused by cyber-attacks. Furthermore, artificial intelligence will be used in IT service production in the future and thus will be an efficiency lever as well as an important response to addressing the growing skills shortage.

DATAGROUP's market capitalization amounted to EUR 378.2m at the end of the fiscal year compared to EUR 448.3m at the end of FY 2021/2022.

## **SHARE PERFORMANCE AFTER THE END OF THE FISCAL YEAR**

Since the beginning of the new fiscal year on 1 October 2023, the share price of DATAGROUP has slightly climbed again. The stock closed at a price of EUR 53.10 on 30 November 2023 in a very volatile market environment.

## **IN A DIALOG WITH THE SHAREHOLDERS**

Transparent and continuous communication with the shareholders is an important concern for DATAGROUP. For this reason, DATAGROUP does not only seek to meet but to significantly exceed the disclosure requirements of the »SCALE«, the segment for smaller and medium-sized companies in the "Basic Board" of the Deutsche Börse AG. For instance, DATAGROUP publishes comprehensive quarterly information and also communicates through many media channels in German and English. The latter is intended as a special service to address international investors, since a corresponding interest in DATAGROUP is perceived. On the occasion of the publication of quarterly and annual results, regular conference calls are held and stakeholders informed about the current business performance.

The Management Board and the investor relations team of DATAGROUP maintain an extensive exchange with investors, analysts, and representatives of the financial media. Investors are given the opportunity to inform themselves on the company's current course of business on a regular basis at conferences, at public presentations or individual meetings. In the past fiscal year, DATAGROUP participated in different roadshows as well as numerous conferences of different banks, including the CF&B European Midcap Event (Paris), German Equity Forum (Frankfurt), Berenberg European Conference in Pennyhill Park (London), ODDO BHF Forum (Lyon), Metzler Small and Micro Cap Day (Frankfurt), Munich Capital Markt Conference, Equity Forum Spring Conference (Frankfurt), Quirin Champions Conference (Frankfurt), Stifel International

Technology Conference (New York), Berenberg and Goldman Sachs German Corporate Conference (Munich) and Baader Investment Conference (Munich).

DATAGROUP provides its shareholders with comprehensive information on the company’s website. Corporate news is also distributed internationally through the EQS News financial news services.

## ESG REPORTING

The English abbreviation »ESG« stands for three key areas, which are assessed in an analysis of a company’s sustainability performance: environment, social, and governance. Investors are increasingly concerned to only invest in companies which comply to social standards, act sustainable and environmentally conscious, and which observe the principles of corporate governance, as recommended by the German Corporate Governance Code for instance. DATAGROUP has published an ESG Report since 2020. This report deals with the different aspects of lived corporate responsibility in human resources, environmental, and social areas. Interested readers can find the ESG Report on the company’s website under [datagroup.de/esg](https://datagroup.de/esg).

Social and environmental responsibility is at the heart of DATAGROUP not only since the increasing spread of »ESG investing«. Countless initiatives for social and cultural commitment, for energy-efficient management and sustainable governance have been initiated by DATAGROUP as well as by its employees already in the past years. On its 40th anniversary, DATAGROUP has initiated a special sustainability project on 1 October 2023, the day of the company’s foundation: In collaboration with ForstBW, the DATAGROUP FOREST, a “Forest of the Future” will be planted on an area of disused woodland in the Black Forest. The aim is to plant at least 4,000 trees.

For this campaign, DATAGROUP relies on the commitment of its employees and the support from customers, business partners, investors and other persons associated with the company: They can all collect points for their commitment and “good deeds” during the anniversary year. The more points are collected, the more trees will be planted in the Forest of the Future.

## ANALYST RECOMMENDATIONS

The DATAGROUP shares are covered by a number of research analysts. DATAGROUP is currently covered by the analysts of Baader Bank, Berenberg Bank, Hauck & Aufhäuser, M.M. Warburg Bank, Quirin Bank, Metzler Capital Markets as well as Stifel Europe.

Bank	Analyst	Recommendation	Target Price	Latest Change
Baader Helvea	Knut Woller	buy	85,00 EUR	24.11.2023
Berenberg	Gustav Froberg	buy	80,00 EUR	01.06.2023
Hauck & Aufhäuser	Tim Wunderlich	buy	73,00 EUR	22.11.2023
Metzler Capital Markets	Oliver Frey	buy	86,00 EUR	29.08.2023
M.M.Warburg Co.	Andreas Wolf	buy	86,00 EUR	24.08.2023
Quirin Privatbank AG	Sebastian Droste	buy	113,50 EUR	24.05.2023
Stifel	Yannik Siering	buy	72,00 EUR	29.08.2023

Overview of analyst ratings, as of 24.11.2023

## SHAREHOLDER STRUCTURE AND DIRECTOR'S DEALINGS

In addition to the long-standing main shareholder, HHS Beteiligungsgesellschaft mbH – the asset-managing investment holding of the family of Max H.-H. Schaber, the founder of DATAGROUP – the free float is mainly comprised of well-known institutional investors, family offices, and private investors.

The following reportable transactions ("Director's Dealings") took place in the fiscal year just ended:

Date	Name	Position	Nature of the transaction	Price in EUR	Units
28.11.2022	Dr. Sabine Laukemann	Management Board	Purchase	20.820,00	300
27.03.2023	HHS Beteiligungsgesellschaft mbH	Management Holding of Supervisory Board Member Max H.-H. Schaber	Purchase	5.624.000,00	80.000
05.04.2023	Dr. Sabine Laukemann	Management Board	Purchase	17.250,00	250
24.04.2023	Andreas Baresel	Management Board	Purchase	36.774,00	540
24.05.2023	Andreas Baresel	Management Board	Purchase	27.976,00	500
24.05.2023	Dr. Sabine Laukemann	Management Board	Purchase	957,10	17
29.08.2023	Nicolai Baresel	Notifying party is closely related to Andreas Baresel	Purchase	216,00	4
30.08.2023	Nicolai Baresel	Notifying party is closely related to Andreas Baresel	Purchase	5.126,40	96

## ANNUAL GENERAL MEETING AND DIVIDEND

The Annual General Meeting took place on 9 March 2023 at the company's headquarters in Pliezhausen. Supervisory Board and Management Board answered questions from the shareholders, explained the course of the last fiscal year and gave an outlook on the medium and long-term corporate goals.

All items on the agenda were approved, and it was decided to distribute a dividend of EUR 1.10 per share. The company distributed a total amount of EUR 9,164,604.90 to its shareholders<sup>3</sup>. The Management Board intends to continue the existing policy in the future, which is characterized by dividend continuity and the objective to distribute a ratio of up to 40 % of the net profit.

For comprehensive information on the topic »Annual General Meeting« please visit the section »Annual General Meeting« on the DATAGROUP website ([datagroup.de/agm](https://datagroup.de/agm)). The Annual General Meeting for FY 2022/2023 is scheduled for 14 March 2024.

<sup>3</sup> Treasury shares held by the company are not eligible for dividend payment pursuant to § 71b AktG. Accordingly, there was no dividend paid for the company's 17,541 treasury shares.

## KEY TRADING DATA OF DATAGROUP

Stock Exchange Segment	Open Market and Scale segment of the Frankfurt stock exchange
Ticker Symbol	D6H
WKN	A0JC8S
ISIN	DE000A0JC8S7
Reuters	D6HG
Bloomberg	D6H GR
Stock Exchanges	Frankfurt, XETRA, Stuttgart, Munich, Düsseldorf, Berlin-Bremen
Designated Sponsor	Hauck & Aufhäuser Privatbankiers
Total No. of Shares	8,349,000
Amount of the Share Capital	EUR 8,349,000.00
Opening Price	14 September 2006:
Issue Price	EUR 3.20
Share value (as of 30 November 2023)	EUR 53.10
Market capitalization (as of 30 November 2023)	EUR 443.3m

## IN A DIALOGUE WITH THE FINANCIAL MEDIA

A large number of journalists have reported on the DATAGROUP stock and the company in the last fiscal year as well, for instance *Handelsblatt*, *Frankfurter Allgemeine Zeitung*, *Focus Money*, *Der Aktionär*, *Börse Online*, *Nebenwerte Journal*, *Euro*, *Euro am Sonntag*, *Effecten-Spiegel* as well as IT trade press and regional media.

## 5 Risks and Opportunities

DATAGROUP SE has a group-wide risk management for early identification of major corporate risks or those jeopardizing the company's continued existence and continuously updates the risk report. Management Board and Supervisory Board are regularly and promptly informed about any identifiable risk. Risk management is based on uniform risk catalogs, regular risk communication through risk reports and finally, central risk management and risk control. Risk management includes monitoring and control measures in order to be able to promptly implement measures for the prevention and handling of risks as well as pre-defined action plans should a risk event occur. It is the aim of risk management to identify risks at an early stage, to assess and control them and to reduce them with targeted measures. For this reason, every business decision is taken against the background of the possible risks and opportunities associated with it.

### **RISK MANAGEMENT SYSTEM**

It is the task of risk management to systematically assess risks with the help of a uniform risk catalog, regular risk communication through risk reports and finally, central risk management and risk control. Risk management includes monitoring and control measures to be able to implement measures for the prevention and handling of risks in a timely manner. Based on standardized early warning systems, the operating entities regularly compile standardized risk reports according to uniform risk catalogs. Risks are identified with the help of the risk catalog and assessed according to their extent and probability of occurrence. The consolidation of the risk reports, the assessment of risks and the development of measures are centrally managed by the parent company. The early warning systems include sales planning, liquidity planning, short-term income statement and a qualitative management summary. A separate risk assessment takes account of the specific risks arising from the acquisition of companies. The management is responsible for the implementation of the measures documented as part of the assessment at the level of the operating companies, while the Management Board is responsible at the level of the parent company.

Alongside the risk factors mentioned in the »Risks« section, risks that are not yet known or risks that are currently assessed as being less significant could have an adverse effect on business activities.

### **OPPORTUNITIES MANAGEMENT**

#### **OPPORTUNITIES ARISING FROM THE MARKET ENVIRONMENT**

DATAGROUP is active in the market for IT services. As its competitors, the company therefore is subject to the economic trends of the industry and the overall market. An overall positive economic development opens up opportunities for successful growth in sales and earnings. But DATAGROUP can also benefit from a stagnating or negative economic trend – for instance by consolidating competitors. Digital transformation drives demand for IT in general, but also for IT services in particular. The strong national footprint in twelve federal states, a comprehensive solutions portfolio and the customers' diversity are a good basis for the further development of DATAGROUP. On top, the markets addressed by the company still offer major growth potential.

## OPPORTUNITIES ARISING FROM TECHNICAL TRENDS

In view of a globalized economy which asks for ever greater profitability and process efficiency, the general relevance of information technology is growing. IT is an essential part of the added value in companies and generally also a certain factor of success of entrepreneurial activity. The IT market is characterized by a high pace of innovation and relatively short product cycles. The complexity of the products as well as the time and effort necessary to keep IT infrastructure up-to-date prompts many companies to outsource the operation of their IT systems, in whole or in part, to competent partners. Furthermore, the maintenance of secure IT operations poses a challenge to the Mittelstand companies addressed by DATAGROUP in the context of the growing global threat of cyber-attacks. Additionally, the skills shortage in IT, which is expected to increase in the years to come, will intensify the trend and the necessity for outsourcing, which will have a positive impact on DATAGROUP's business.

The modular service portfolio of the CORBOX covers the full breadth of corporate IT operations. This includes high-quality services such as managed or cloud services, but also IT security. The number of cyber-attacks against companies and public-sector organizations has been growing for years and the attacks are more sophisticated than ever before. This is why the service portfolio of CORBOX Security has been expanded by a broad range of information security services. The DATAGROUP IT security services provide reliable protection against any kinds of threats thanks to modern and effective security concepts that are always one step ahead of attackers.

## OPPORTUNITIES ARISING FROM AN INCREASING DIGITIZATION

Opportunities for DATAGROUP mainly arise from the continuing trend towards digitization. The Covid-19 pandemic has enforced decentral work in many areas and has permanently changed the way we work with the help of cloud-based collaboration solutions – both in private and public sectors. The ongoing skills shortage has also added to the need of digitization and IT-supported automation solutions. Finally, digitization is key for companies to remain competitive internationally. This development is an opportunity for DATAGROUP to offer additional services to existing customers or acquire new customers for the comprehensive CORBOX service portfolio. The DATAGROUP CORBOX services are continually adjusted to the changing needs of the customers.

## OPPORTUNITIES ARISING FROM COMPANY ACQUISITIONS

The market for IT services for Mittelstand companies is still strongly fragmented. This is a factor, which DATAGROUP is actively making use of. Business owners are seeking security and stability and a safe harbor enabling them to integrate life's work in a meaningful way and develop it further. DATAGROUP offers a sustainable perspective in a strong network of affiliated companies, especially for mid-market IT companies. DATAGROUP continuously checks takeover offers which are directly brought to the attention of the company by M&A consultants or by business owners themselves. Additionally, DATAGROUP specifically addresses companies which may complement the portfolio. Based on the great financial strength and good reputation, DATAGROUP has successfully acquired 31 companies/company groups since the IPO in 2006 and with it has continuously expanded its market position in Germany. Against the backdrop of the progressing market consolidation and the still very good financial situation and resources, chances are good that DATAGROUP will continue to consolidate the market position with the help of acquisitions or an expansion of the product and services portfolio.

## OPPORTUNITIES ARISING FROM THE CUSTOMER STRUCTURE

DATAGROUP has a broad customer portfolio both from the mid-market private and public sectors. The economic development of individual industries or regions as well as changes of the general investment-related conditions may have an impact on the business development of DATAGROUP. However, the highly diversified customer base provides DATAGROUP with the opportunity to at least compensate for the weaker development of individual industries or regions with the stronger development of others so that DATAGROUP's success is not jeopardized.

The investment behavior of public authorities is less susceptible to economic trends and often even anticyclical, especially in periods of economic trouble. Having specialized in the requirements and taking into account the special procurement practice of this customer segment provides DATAGROUP with the opportunity to have a solid order intake here in periods of weaker economic activity. Independent of this, the legislative requirements for the further digitization of public authorities are expected to lead to a general increase in demand in this customer segment.

## OPPORTUNITIES FROM SUSTAINABILITY

The ecological and social challenges of our time are huge. They span from aspects of environmental and climate protection, IT security and supply chain resilience to aspects of corporate governance. As a responsible company, we take these challenges seriously and would like to make a positive contribution with our efforts in the area of sustainability. Our annual ESG report gives an overview of these activities.

DATAGROUP as a company strives for long-term and sustainable success. Offering technologies and services which support the digital and ecological transformation of the economy and society are an opportunity for DATAGROUP to position itself as an innovative IT company. This represents the expectations of our customers and is an important criterium to recruit new employees and promote their loyalty.

## BUSINESS-RELATED RISKS

Economic activity is associated with risks and opportunities. The risks described below are subject to the early risk detection system and are regularly monitored and controlled.

### MARKET AND COMPETITIVE RISKS

The market for information technology has been characterized by intense competition for years, which may further intensify over the next few years. Alongside a large number of companies operating regionally or Germany-wide, major international companies provide IT services as well.

An intensification of competitive pressure on the market for information technology may lead to a squeeze-out of DATAGROUP by competitors, which would then lead to sales losses. A strengthening of customer relationships and customer satisfaction, successful sales efforts and high quality requirements to the company's own service portfolio are to secure DATAGROUP's position in the market. Overall, the risk arising from the competitive situation on the IT market is still considered as negligible.

## RISKS FROM RUSSIA'S WAR OF AGGRESSION AGAINST UKRAINE AND OTHER GEOPOLITICAL RISKS

The Russian invasion of Ukraine continues to burden the prospects for the world economy and is also associated with political uncertainties in particular. The consequences may be sustained high prices for energy and commodities. Economic growth could weaken further in the countries of the European Union. The global economic development had been robust before the outbreak of war. Russia's war of aggression against Ukraine and the sanctions taken against Russia now intensify the disruptions of global supply chains and increase inflationary pressure. Additionally, the high geo-political uncertainties will add a further burden on the real economy and the financial markets.

The uncertainty about the economic impacts of the tense geopolitical situation is currently still high, especially due to the ongoing war in Ukraine and the conflict in the Middle East. Germany's high dependency on energy imports and intact supply chains is a risk that still has to be observed despite the precautions implemented by policy actions. This is significantly influenced by the developments above, the impact of existing and of possible further sanctions as well as further factors such as the development of commodity prices and intact supply chains.

In view of the current political situation, there is a risk for the current forecast that the adverse economic effects will increase further if the geopolitical environment continues to be difficult, such as an intensification of the tensions between the West and Russia and an escalation of the conflict in the Middle East.

There is an increased risk that the high inflation rates will persist. Despite the past monetary policy responses, there is still the risk of a decoupling of inflation expectations in a worst-case scenario or strong second-round effects or even a wage-price spiral caused by high increases in prices for labor.

## TECHNICAL AVAILABILITY OF THE SERVICES OFFERED

Business activities are supported by using modern information technologies. As such, the availability of the IT systems and the services offered by DATAGROUP as a provider of operational IT services are of particular importance. In a worst-case scenario, the vulnerability or failure of infrastructure components may bring operational procedures to a standstill at DATAGROUP, one of its subsidiaries or a customer. If DATAGROUP were not – or not sufficiently – able to meet its delivery and service obligations in the future, there may be the risk of having to pay for damages from liability and warranty or penalties arising from breach of contract.

The performance quality and the proper order processing is reviewed on a regular basis by an ongoing internal project monitoring and control. Stringent organization of the IT service production and the use of suitable architectures ensure the highest possible degree of availability.

DATAGROUP has a holistic IT service management which in its core includes a state-of-the-art information security management system (ISMS). DATAGROUP ISMS is certified for selected DATAGROUP companies and services according to ISO/IEC 27001 and expanded by ISO/IEC 27018 with a focus on the protection of personal data in cloud environments. Additionally, the IT Operations Management of DATAGROUP Operations GmbH is certified according to ISO 27001 on the basis of IT Grundschutz (BSI). All central IT platforms are operated in a so-called colocation model in mirrored data centers in Frankfurt and Düsseldorf. The data centers in Frankfurt and Düsseldorf as well as all DATAGROUP locations within the scope are audited on an annual basis according to ISO 27001, the internationally recognized standard. "DATAGROUP IT Service Management", the management system for the comprehensive business process, is reviewed

once a year in internal and external audits according to the international standard ISO 20000. This includes all services in the service catalog with all its processes and functions. The most recent recertification by TÜV Süd Management Services GmbH was successfully completed in September 2021.

For the sake of additional protection against business risks there is a sufficient insurance protection for business interruptions both for our own company and for customers, which is regularly assessed for relevance by management.

## IT SECURITY

Based on a large increase in the number of cyber-attacks, DATAGROUP continuously strengthens its efforts to protect its resources, systems, and data both in relation to the proprietary IT and the operated customer systems. In addition to regular penetration tests, DATAGROUP has massively expanded the technical measures for protection and attack detection as well as the IT Service Management structure and the embedded security mechanisms over the last years. A fraudulent or malicious endangerment to IT security or a cyber-attack to the systems of DATAGROUP, one of its subsidiaries or one of the customer systems looked after by DATAGROUP cannot be guaranteed and may have considerable adverse effects on DATAGROUP and its customer and performance relationships as well as on its reputation and may also result in massive legal and financial risks.

## RISKS ARISING FROM TECHNOLOGICAL CHANGES

The technological environment in which DATAGROUP is active is subject to constant changes, particularly caused by the development of new technologies, e.g. the provisioning of infrastructure services or of software with the help of Cloud technologies and AI. The portfolio of applications and solutions used by customers is continuously expanded. DATAGROUP is constantly working on adding new technologies to its service portfolio, tailoring it to the customers' changing needs, and adapting the corresponding qualifications of the employees as well. The risk of a disruptive change of the technological environment to which DATAGROUP cannot respond in time with its own service portfolio is currently regarded as negligible.

## FINANCIAL RISKS

The major financial risks include liquidity and bad debt losses as well as interest rate risks.

DATAGROUP hedges its solvency and financial flexibility through liquidity reserves in the form of cash and credit lines. A regular liquidity planning ensures that enough financial funds are available. All subsidiaries are part of a central liquidity planning securing the Group's solvency. Liquidity risks are estimated to be low. At the balance sheet date, DATAGROUP had cash and cash equivalents of TEUR 21,879.

The Group's default risks associated with receivables are closely monitored at any time, especially under consideration of the current economic developments. These risks are currently classified as manageable, especially since a major part of revenue is generated with public authorities as well as other customers which the Management Board considers as solid and solvent. Additionally, the default risk is secured by credit assessment programs. The customers go through the credit assessment program – as a result of which the bad debt losses are at low levels. Bad debt losses amounted to TEUR 139 in the fiscal year.

In view of the recent interest rate increases by the central banks, the development of the interest rate level can have an impact on the financing costs of DATAGROUP. To secure the favorable interest level

DATAGROUP placed promissory note loans with an overall volume of TEUR 69,000 in April 2019, which have a term of up to seven years and fixed interest rates for the most part. The financing structure existing since March 2023 expands the former one by another promissory note loan of TEUR 30,000 and additional working capital lines of TEUR 40,000. It has a flexible design and “breathes” in line with the concrete liquidity needs and interest rate movements. This additional promissory note loan has a term of four years and variable interest rates. They were placed at the lower end of the interest margin. With this placement, DATAGROUP ensures a high level of planning security and financial stability. The new financing structure creates more and very flexible scope for DATAGROUP’s organic growth as well as for investments and acquisitions. Furthermore, DATAGROUP is in a regular exchange with financing partners to ensure flexible responses with possible financing instruments in line with the market. The financing partners have a major interest in supporting the growth of DATAGROUP with further attractive financing resources.

Helped by the strong cash flows, liabilities can be reduced in the next few years as well. Pension obligations carried as liabilities represent a long-term obligation which will lead to a significant cash outflow in periods to come. The Group will have to provide these liquid funds at a given time. Based on the long-term nature and the complexity of the assessment, these pension obligations are subject to a large number of estimates and assumptions. This in turn leads to the risk of having to increase the obligation going forward.

#### RISKS ARISING FROM THE CUSTOMER STRUCTURE

In the past, DATAGROUP successfully concluded transactions with major customers. A risk arises from the dependence on important major customers and their business development. These risks are primarily associated with the DATAGROUP companies that are active in the financial services sector. This risk is controlled by a special key account management which allows early identification of negative trends in the customer relationship and taking countermeasures. Furthermore, a target-oriented marketing strategy and the launch of innovative new products and services aim to broaden the customer base. Additionally, DATAGROUP focuses on a heterogeneous customer structure across all industries.

#### SUPPLIER RISK

As an IT service provider offering IT products, DATAGROUP cooperates with suppliers of technical components and other service providers.

Supply bottlenecks cannot be excluded when taking into account that supply chains are still disrupted globally in some sectors. These supply bottlenecks may adversely affect the availability of hardware components and may lead to longer delivery times, price increases, changes in the product strategy or other negative effects for DATAGROUP. DATAGROUP mainly addresses these issues with increased capacity reserves of the hardware resources used.

In the context of the disrupted supply chains, risks arising from a lack of quality of the hardware and software components used have also increased. Errors contained in new software versions – whose use currently is mandatory for reasons of IT security – can have adverse effects on the operational stability of IT services. DATAGROUP mitigates this risk by expanding the test possibilities in advance as well as the change approach when installing new software versions.

Delivery risks as a whole are hedged by a professional procurement management and a contractual protection of the delivery and service chain, so the risk – particularly in view of an increasing proportion of services in the DATAGROUP Group – can be regarded as low.

## HUMAN RESOURCES RISKS

Risks may result from potential fluctuations of employees and managers in key positions. The undesired resignation of managers and employees can have an adverse effect on DATAGROUP, one of its subsidiaries or on customer relationships unless measures are taken to attract qualified and suitable candidates in due course and at fair market conditions. For this reason, the employees' motivation, retention, and development are important targets of employee management and the personnel policy within the DATAGROUP Group. The risk of a material adverse impact on the business development caused by the loss of top performers is currently regarded as low because of the high staff retention in the past years.

Other risks related to personnel management may result from the lack of qualified personnel in the IT industry with a corresponding increase in wage costs. Digitization in the German economy and administration still drives demand for qualified staff. Lastly, there is the risk that the rising prices and inflation tendencies, which are felt to an increasing extent, will lead to a general wage inflation. With a view to these developments, DATAGROUP and its consolidated companies continue to use their best efforts to retain employees over the long term. To this end, the company has developed the so-called DATAGROUP Career Box. It summarizes the pathways to join as well as the development and career options at DATAGROUP and points out opportunities for advancement for all employees. This is a key element to maintain and continuously improve the performance of DATAGROUP.

## LEGAL RISKS

The entities of the DATAGROUP Group may have to face judicial and extrajudicial third-party claims within the scope of business operations. At present, there are no current or foreseeable legal or arbitration proceedings that may influence the economic position of the Group. Overall, the legal risks are regarded as low.

## RISKS ARISING FROM A GLOBAL PANDEMIC

A renewed deterioration of the Covid-19 pandemic, the occurrence of new variants or other viruses may also present latent risks for DATAGROUP. DATAGROUP has taken numerous sustainable measures during the Covid-19 pandemic to protect customers and employees and to maintain business continuity and has adequately adapted these measures on a regular basis to the respective occurrence of infection. Thanks to the high degree of digitization within the company, DATAGROUP has been and still is able to continue business without any restrictions even in phases of lockdown. A major part of the DATAGROUP employees have the possibility to work from home and to carry out their tasks without any changes. Consequently, the economic impacts of the pandemic waves are low.

## OVERALL ASSESSMENT OF THE RISK SITUATION

There were no risks to the continued existence of DATAGROUP in FY 2022/2023. From the current standpoint, there is also no indication of future risks that could jeopardize the continued existence of the company or have a sustainable negative impact on net assets, financial position, and results of operations.

# 6 Outlook

## **DEVELOPMENT OF THE MACRO-ECONOMIC ENVIRONMENT**

Private consumption is expected to gradually recover in the second half of 2023 according to the ifo Institute experts. The drop in gas and electricity prices, in particular, should lead to a rise in available household incomes. The prices of commodities were up 3.8 % in October 2023 in comparison to the prior month according to the Federal Statistical Office.

In October 2023, the ifo Business Climate index rose for the first time since April 2023. The outlook for the next few months has brightened up according to the experts. The industry will benefit from the terms-of-trade gains and from a rebound in consumer economy. Demand for German commodities is likely to increase again, also because the global interest cycle is said to have reached its peak. Additionally, the shortage of material in the German industry has significantly declined. In October, 18.2 % of the companies surveyed reported bottlenecks after 24.0 % in September.

However, the manufacturing sector is expected to still lack economic momentum according to the ifo Institute. Demand for industrial products in all key sales markets will remain weak and is not expected to rise again before the turn of the year 2023. Price increases among labor-intensive service providers will only decline slowly as the price pressure is kept high by rising wage costs.

According to the ifo economic forecast, the gross domestic product (GDP) in Germany is expected to shrink by 0.4 % in 2023. An increase of 1.4 % is expected for 2024. The German government likewise expects the GDP to decline by 0.4 % in this year and to increase by 1.3 % in the next. These price increases are expected to decline further from an average of 6.0 % in 2023 to 2.6 % in 2024 and 2.0 % in 2025.

## **BUSINESS DEVELOPMENT AND STRATEGY**

The Management Board believes that DATAGROUP is very well positioned with its CORBOX full outsourcing offer and the consulting and solutions specialists to continue to grow profitably. DATAGROUP combines a highly standardized service production at the highest quality level, which is certified according to ISO 20000, with the personal proximity and reliability of a large Mittelstand company. This combination is appreciated particularly by customers of upper Mittelstand companies and results in a high competitiveness. In the next fiscal year, DATAGROUP will maintain its objective to further expand its position as a leading IT service provider for German Mittelstand companies with the highest customer satisfaction. DATAGROUP continues its steady investments in the further development and renewal of the CORBOX portfolio, for instance to meet the demand for data-sovereign and secure cloud solutions and for multi-cloud models.

Additionally, DATAGROUP continues to expand its own expertise and capacities in AI, cybersecurity, and cloud to maintain the future capacity for growth and to secure competitive advantages. Artificial intelligence is said to play an ever-greater role in IT service production amongst others, since its use makes many processes more efficient and can reduce the employees' routine work. This is also important in light of the skills shortage. Since the number of cyber-attacks against companies has strongly increased around the globe, the topic of IT security is gaining in importance. DATAGROUP uses new technologies to continue to develop the CORBOX Security Services to minimize the risk of successful cyber-attacks for its customers.

Thanks to the centralization and standardization of the production units and the further digitization and automation of production and business processes, DATAGROUP expects to achieve cost savings and to further improve and harmonize the production processes.

DATAGROUP will continue to examine possibilities for the acquisition of companies. The focus primarily lies on smaller Mittelstand service providers which complement the company's existing footprint due to their local presence to strengthen the customer portfolio. Acquisitions are also conceivable to complement the existing range of services from a reasonable technological perspective. The Management Board will examine takeover possibilities with great care.

## **FINANCIAL DEVELOPMENT**

Looking ahead to the new fiscal year, the Management Board of DATAGROUP is cautiously optimistic. Apart from the manifold uncertainties in relation to the economic uncertainties above, the risk-adverse approach of DATAGROUP will continue to ensure the continuation of a consistent and profitable management. Long-term service contracts for IT operations continue to be one of the major strategies of DATAGROUP for sustainable business: Cyclical project business that is fraught with risks as well as cluster risks in the customer structure are being avoided. The corporate structure with numerous regional companies helps DATAGROUP to remain close to the customer. Business is focused on recurring IT operating services with solid Mittelstand companies and public authorities in long-term contract relationships. By investing in the future fields of artificial intelligence, cloud, and cybersecurity, DATAGROUP plans to expand its services portfolio and considers this to provide growth opportunities for the company's future. Even though the macro-economic environment is still subject to uncertainties at the moment, the management currently anticipates for the next fiscal year 2023/2024 a slight increase in revenue and a slight improvement in profitability in absolute terms and thus of EBITDA and EBIT in comparison to the previous year.

## **HISTORIC DEVELOPMENT OF FORECASTS**

DATAGROUP's Management Board is constantly monitoring the progress of ongoing activities, the development in the IT sector as well as the general macro-economic situation. Taking account of the opportunities and risks that are currently relevant for the company is another component of the forecast development.

This is the basis on which the Management Board traditionally provides a first outlook for the next fiscal year at the Annual General Meeting. If the Management Board gains knowledge of any changes during the fiscal year that may have a substantial impact on the company's forecast, it will be adjusted accordingly by the management. The next forecast is expected to be announced at the Annual General Meeting on 14 March 2024.

At the Annual General Meeting on 9 March 2023, the Management Board announced a revenue target of EUR 520–540m, EBITDA of EUR 76–80m and EBIT of EUR 45–48m. The management's outlook was met in terms of EBIT and surpassed in terms of EBITDA. On release of the nine-month results, the revenue outlook was reduced to a range of EUR 485–500 because of the special effects above. Having generated revenue of EUR 497.8m, this adjusted guidance was reached at the upper end.

# 7 Internal Corporate Management System

The key instrument for the Group's corporate management is a so-called »rolling forecast« system for sales planning and monitoring of revenues and contribution margins. In connection with a monthly income statement, this system generally allows a sufficiently accurate prediction of the projectable revenue situation. Current projectable costs and investments are adjusted on the basis of these monthly data to be able to meet the planned corporate results. Furthermore, consolidated accounts are prepared in a simplified form every month.

Liquidity planning, which is prepared on a weekly basis for the entire Group, serves to provide an overview of the liquidity level determined within the DATAGROUP Group and the individual group companies, as well as the control of the expected liquidity development. Weekly liquidity planning is based on a planning horizon of at least one month. Medium-term planning of financial resources exceeding this horizon is prepared as needs arise.

## 8 Other Information

### EMPLOYEES

In FY 2022/2023 DATAGROUP employed on average 3,250 people (previous year 2021/2022 3,091) (only consolidated companies). On 30 September 2023, the number of employees totaled 3,341 (3,117 on 30 September 2022).

Including management, apprentices, and other employees (e.g. in parental leave, early retirement, and non-consolidated companies), the headcount totaled 3,607 on 30 September 2023.

DATAGROUP traditionally is very committed to recruit and support junior employees. On 30 September 2023, the company employed a total of 151 apprentices and students (German »Duales System«) (149 on 30 September 2022), particularly in the apprenticeship occupations of qualified IT specialist for system integration and application development, as well as management assistant in IT systems.

### RESEARCH AND DEVELOPMENT ACTIVITIES

Experience and specific expertise gained in customer projects and through active observation of IT markets are used in a value-added way for the development of internal customized innovations. DATAGROUP reacts sensitively to new requirements from customers and the market.

### ADJUSTMENTS TO THE GROUP STRUCTURE

In the period under review, the scope of consolidation has been further expanded by the acquisitions of systemzwo and the business operations of arago GmbH.

Under an agreement dated 5 April 2023, DATAGROUP Ulm GmbH acquired 100 % of the shares in systemzwo GmbH (systemzwo), Ulm, as well as subsidiary kraftwerk 3 IT GmbH, Ulm. DATAGROUP Ulm GmbH achieved control of the companies after payment of the basic purchase price on 5 April 2023. The reference date for initial consolidation is 1 April 2023.

systemzwo GmbH was founded in 2007 and supports Mittelstand companies in Ulm and its surrounding area with a current headcount of 40 employees. The customer portfolio of systemzwo is a substantial addition to the existing client base of DATAGROUP in this region. DATAGROUP thus continues to expand its regional footprint in Ulm.

Under a purchase and transfer agreement dated 19 July 2023, newly founded Almato AI GmbH acquired the internally developed software HIRO from the insolvent arago GmbH. The employment contracts of the remaining employees of arago GmbH at the time of contract signing were taken over by Almato AI GmbH or other DATAGROUP companies.

The acquired HIRO software solution combines an AI-based automation engine with a deep learning-based knowledge management technology, which provides framework for formalizing company knowledge and automating IT and work processes. The acquired AI technology helps to automate unstructured operational tasks in non-standardized areas of a company's system landscapes, which offers significant additional efficiency gains in day-to-day business. This new technology is designed to address corporate IT processes beyond the classical combination of standardization and automation.

This acquisition is aimed at using artificial intelligence for internal purposes but also as an additional service for customers.

The transfer date was 19 July 2023. The company was initially consolidated on 1 August 2023.

## DEPENDENCY REPORT

The Management Board compiled a report for FY 2022/2023 about relationships to affiliated companies in accordance with section 312 of the German Companies Act (AktG), which contains the following conclusion:

“We declare that according to the circumstances known to us at the time the legal transaction was executed, or the measure was implemented or omitted, our company received appropriate consideration for every legal transaction and has not been disadvantaged by the implementation or omission of any measure.«

Pliezhausen, 18 December 2023

DATAGROUP SE

Management Board



Andreas Baresel  
Chief Executive Officer



Dr. Sabine Laukemann  
Chief Human Resources Officer,  
Strategy and Organization



Oliver Thome  
Chief Financial Officer,  
Investor Relations and M&A