



**DATAGROUP**

Consolidated Financial Statements and Notes of DATAGROUP SE,  
Pliezhausen as of September 30, 2021



IT's that simple.



# Consolidated Financial Statements

## Consolidated Statement of Financial Position

	Notes	30.09.2021 EUR	30.09.2020 EUR
<b>Assets</b>			
<b>Long-term assets</b>			
Goodwill	1	103,084,280.41	62,500,872.13
Other intangible assets	2	43,076,480.19	26,330,764.75
Property, plant and equipment	3	65,149,119.73	75,933,347.01
Long-term financial assets	4	1,555,089.25	2,342,847.92
Capitalized contractual costs	5	15,836,476.57	17,774,913.65
Finance leasing receivables	6	23,373,608.99	20,254,057.62
Claims from reinsurance coverage for pension obligations	-	4,664,533.70	4,911,696.70
Other long-term assets	7	2,373,011.80	2,516,543.17
Deferred taxes	8	17,703,996.91	11,617,131.63
		<b>276,816,597.55</b>	<b>224,182,174.58</b>
<b>Short-term assets</b>			
Inventories	9	3,770,189.52	6,952,204.55
Contract assets	10	3,475,645.71	8,235,243.13
Trade receivables	11	56,362,817.12	41,255,080.46
Finance leasing receivables	6	10,216,186.00	8,004,360.51
Short-term financial assets	4	1,674,772.65	430,124.51
Other short-term assets	12	35,374,339.64	32,355,568.51
Cash and cash equivalents	13	44,091,986.09	63,937,088.85
		<b>154,965,936.73</b>	<b>161,169,670.52</b>
		<b>431,782,534.28</b>	<b>385,351,845.10</b>



	Notes	30.09.2021	30.09.2020
		EUR	EUR
<b>Liabilities</b>			
<b>Equity</b>			
	14		
Subscribed capital		8.349.000,00	8.349.000,00
Capital reserve		32.337.372,27	32.337.372,27
Repayment of capital		-98.507,73	-98.507,73
Retained earnings		55.598.769,10	34.585.571,44
Accumulated other comprehensive income		-1.884.668,84	-9.018.219,97
Balancing item for foreign currency translation		-4.587,78	-3.620,93
		<b>94.297.377,02</b>	<b>66.151.595,08</b>
<b>Long-term liabilities</b>			
Long-term financial liabilities	15	133.540.012,90	120.827.328,36
Pension provisions	16	64.037.964,78	72.789.978,98
Other provisions	16	1.749.993,12	9.483.619,66
Other long-term liabilities	19	28.265,65	482.670,65
Deferred taxes	8	7.963.451,17	2.435.645,41
		<b>207.319.687,62</b>	<b>206.019.243,06</b>
<b>Short-term liabilities</b>			
Short-term financial liabilities	15	31.661.561,71	34.578.912,63
Provisions	16	16.426.900,08	5.992.746,10
Contract liabilities	17	13.530.734,55	14.074.212,19
Trade payables	18	11.421.574,49	12.491.040,94
Income tax liabilities	-	9.798.742,41	6.998.812,33
Other liabilities	19	47.325.956,40	39.045.282,77
		<b>130.165.469,64</b>	<b>113.181.006,96</b>
		<b>431.782.534,28</b>	<b>385.351.845,10</b>



## Consolidated Income Statement

	Notes	01.10.2020 - 30.09.2021	01.10.2019 - 30.09.2020
		EUR	EUR
<b>Revenues</b>	1	444.707.741,02	358.211.444,93
Other own work capitalised	-	1.720.035,89	1.742.666,86
Change in capitalized contractual costs	-	-1.938.437,08	7.273.675,62
<b>Total revenues</b>		<b>444.489.339,83</b>	<b>367.227.787,41</b>
Other operating income	2	12.140.000,82	19.810.722,85
Material expenses / expenses for purchased services	3	149.494.401,13	119.143.829,64
Personnel expenses	4	213.038.157,14	187.990.593,26
Depreciation of property, plant and equipment and other intangible assets	5	38.228.373,07	32.818.885,14
Other operating expenses	6	26.810.607,53	26.097.955,18
Restructuring expenses	-	0,00	12.000.000,00
<b>Operating income</b>		<b>29.057.801,78</b>	<b>8.987.247,04</b>
Financial income		1.398.126,93	795.694,54
Financial expenses		3.324.956,13	3.170.488,91
<b>Financial result</b>	7	<b>-1.926.829,21</b>	<b>-2.374.794,37</b>
<b>Earnings before taxes</b>		<b>27.130.972,57</b>	<b>6.612.452,68</b>
Taxes on income and profit	8	6.117.774,92	6.363.716,77
<b>Net income</b>		<b>21.013.197,66</b>	<b>248.735,90</b>

## Consolidated Statement of Comprehensive Income

	Notes	01.10.2020 - 30.09.2021	01.10.2019 - 30.09.2020
		EUR	EUR
<b>Net income</b>		<b>21,013,197.66</b>	<b>248,735.90</b>
<b>Other earnings before taxes<sup>1)</sup></b>			
Recalculation of defined benefit obligations		10,335,865.63	-3,319,523.00
Change in balancing items from currency conversion		-966.84	-3,621.08
<b>Other earnings before taxes</b>	9	<b>10,334,898.79</b>	<b>-3,323,144.08</b>
<b>Income tax effects on other income</b>	9	<b>3,202,314.50</b>	<b>-1,011,738.20</b>
<b>Comprehensive income</b>		<b>28,145,781.95</b>	<b>-2,062,669.98</b>

1) These are exclusively items which are not reclassified to the consolidated income statement

## Consolidated Statement of Changes in Equity

01.10.2020 to 30.09.2021	Subscribed capital	Capital reserve	Repayment of capital	Retained earnings	Accumulated other comprehensive income			Balancing item for foreign currency translation	Total
					Changes without effects on net income	Result from actuarial gains and losses	Sum		
					EUR	EUR	EUR		
Balance at the beginning of the fiscal year	8,349,000.00	32,337,372.27	-98,507.73	34,585,571.44	-1,625,377.21	-7,392,842.76	-9,018,219.97	-3,620.93	66,151,595.08
Consolidated profit	0.00	0.00	0.00	21,013,197.66	0.00	0.00	0.00	0.00	21,013,197.66
Other comprehensive income	0.00	0.00	0.00	0.00	0.00	7,133,551.13	7,133,551.13	-966.84	7,132,584.29
<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>55,598,769.10</b>	<b>-1,625,377.21</b>	<b>-259,291.63</b>	<b>-1,884,668.84</b>	<b>-4,587.77</b>	<b>94,297,377.03</b>

01.10.2019 bis 30.09.2020	Subscribed capital	Capital reserve	Repayment of capital	Retained earnings	Accumulated other comprehensive income			Balancing item for foreign currency translation	Total
					Changes without effects on net income	Result from actuarial gains and losses	Sum		
					EUR	EUR	EUR		
Balance at the beginning of the fiscal year	8,349,000.00	32,337,372.27	-98,507.73	40,168,856.84	-1,625,377.21	-5,085,057.96	-6,710,435.17	0.15	74,046,286.36
Dividend distribution	0.00	0.00	0.00	-5,832,021.30	0.00	0.00	0.00	0.00	-5,832,021.30
Consolidated profit	0.00	0.00	0.00	248,735.90	0.00	0.00	0.00	0.00	248,735.90
Other comprehensive income	0.00	0.00	0.00	0.00	0.00	-2,307,784.80	-2,307,784.80	-3,621.08	-2,311,405.88
<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>34,585,571.44</b>	<b>-1,625,377.21</b>	<b>-7,392,842.76</b>	<b>-9,018,219.97</b>	<b>-3,620.93</b>	<b>66,151,595.08</b>



## Consolidated Statement of Cash Flows

	01.10.2020 - 30.09.2021	01.10.2019 - 30.09.2020
	EUR	EUR
<b>Cash flows from operating activities</b>		
Net income for the period	21,013,197.66	248,735.90
Interest received	-907,569.26	-22,281.79
Interest paid	2,849,528.62	1,963,357.76
Depreciation and amortisation of non-current assets	38,228,373.07	32,818,885.14
Changes in pension provisions	1,554,246.82	1,451,433.79
Gains (-) / losses (+) on disposals of non-current assets	81,497.50	421,012.07
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	215,388.93	-49,202.48
Increase (-) / decrease (+) of inventories, trade receivables and other assets	-7,676,057.98	-4,537,927.85
Increase (+) / decrease (-) of trade payables and other liabilities	-5,240,936.70	1,083,863.62
Income out of business transaction	0.00	-11,570,708.49
Other non-cash transactions	-119,307.58	-122,744.65
<b>Cash flow from operating activities</b>	<b>49,998,361.09</b>	<b>21,684,423.01</b>
<b>Cash flow from investing activities</b>		
Cash inflow from sale of property, plant and equipment	529,292.11	754,130.18
Cash outflow for investment in property, plant and equipment	-7,455,096.13	-17,002,404.79
Cash inflow from intangible assets	66,297.00	22,621.79
Cash outflow for investments in intangible assets	-3,582,231.70	-5,237,681.03
Cash inflow from sale of financial assets	697,543.69	180,601.00
Cash outflow for investments in financial assets	-80,736.97	-1,799,574.55
Cash inflow from repayment of financial assets	0.00	100,011.49
Cash inflow/outflow from investments in fully consolidated companies	-35,650,919.34	35,554,765.15
Interest received	907,569.26	22,281.79
<b>Net cash used in investing activities</b>	<b>-44,568,282.09</b>	<b>12,594,751.03</b>
<b>Cash flow from financing activities</b>		
Cash outflow for dividend paid	0.00	-5,832,021.30
Cash inflow (+) / outflow (-) for finance lease contracts (as lessee)	-10,164,991.14	-1,466,523.32
Cash outflow for the repayment of liabilities to banks	-12,229,163.00	-8,416,668.00
Cash inflow from receipt of liabilities to banks	0.00	0.00
Interest paid	-2,849,528.62	-1,963,357.76
<b>Net cash used in financing activities</b>	<b>-25,243,682.76</b>	<b>-17,678,570.38</b>
<b>Changes in cash and cash equivalents</b>		
<b>Changes in cash and cash equivalents</b>	<b>-19,813,603.76</b>	<b>16,600,603.66</b>
Cash and cash equivalents at the beginning of the period	63,905,589.85	47,304,986.19
Cash and cash equivalents at the end of the period	44,091,986.09	63,905,589.85



## Development of Fixed Assets

The table below provides an overview of the performance of the intangible assets, property, plant and equipment and financial assets:

01.10.2020 to 30.09.2021	Acquisition and production costs						Accumulated depreciation and amortisation										
	As at 01.10.2020	Exchange difference	Additions	Changes in the scope of consolidation	Disposals	Reclassification	As at 30.09.2021	As at 01.10.2020	Exchange difference	Additions	Changes in the scope of consolidation	extraordinary additions	Disposals	Reclassification	As at 30.09.2021	As at 30.09.2021	As at 30.09.2021
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Goodwill</b>	<b>62,500,872.13</b>	<b>0.00</b>	<b>0.00</b>	<b>40,583,408.28</b>	<b>0.00</b>	<b>0.00</b>	<b>103,084,280.41</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>0.00</b>	<b>103,084,280.41</b>	<b>62,500,872.13</b>
<b>Other intangible assets</b>																	
1. Order backlog	13,756,000.00	0.00	0.00	4,803,000.00	0.00	0.00	18,559,000.00	6,290,104.00	0.00	2,859,663.00	0.00	0.00	0.00	0.00	9,149,767.00	9,409,233.00	7,465,896.00
2. Customer bases	30,707,400.00	0.00	0.00	16,888,000.00	0.00	0.00	47,595,400.00	22,515,193.00	0.00	2,600,081.00	0.00	0.00	0.00	0.00	25,115,274.00	22,480,126.00	8,192,207.00
3. Internally developed intangible assets Software	4,437,019.26	0.00	369,534.86	64,900.00	0.00	0.00	4,871,454.12	2,531,856.24	0.00	333,416.43	64,900.00	0.00	0.00	0.00	2,930,172.67	1,941,281.45	1,905,163.02
4. Acquired intangible assets Software etc.	38,180,806.82	0.00	3,212,696.85	1,522,331.99	3,948,410.48	506,261.87	39,473,687.05	29,413,308.10	0.00	3,467,461.00	1,292,915.80	0.00	3,882,048.48	-63,789.12	30,227,847.30	9,245,839.75	8,767,498.72
	<b>87,081,226.08</b>	<b>0.00</b>	<b>3,582,231.70</b>	<b>23,278,231.99</b>	<b>3,948,410.48</b>	<b>506,261.87</b>	<b>110,499,541.17</b>	<b>60,750,461.34</b>	<b>0.00</b>	<b>9,260,621.43</b>	<b>1,357,815.80</b>	<b>0.00</b>	<b>3,882,048.48</b>	<b>-63,789.12</b>	<b>67,423,060.97</b>	<b>43,076,480.20</b>	<b>26,330,764.74</b>
<b>Property, plant and equipment</b>																	
1. Land and buildings	46,971,801.54	0.00	7,916,213.24	394,286.67	1,656,838.68	0.00	53,625,462.78	12,135,691.09	0.00	10,504,861.64	598.44	0.00	1,656,838.68	0.00	20,984,312.50	32,641,150.28	34,836,110.45
2. Technical equipment and machinery	0.00	0.00	13,195.10	0.00	0.00	0.00	13,195.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,195.10	0.00	0.00
3. Other equipment, furniture and office equipment	103,154,583.33	331.89	9,507,668.34	3,147,951.19	27,646,755.44	2,370,563.67	90,534,342.98	65,040,558.62	94.31	18,462,890.00	1,635,984.70	0.00	27,054,280.83	63,789.12	58,149,035.91	32,385,307.06	38,114,024.71
4. Prepayments	2,983,211.85	0.00	21,330.97	0.00	18,250.00	-2,876,825.54	109,467.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109,467.28	2,983,211.85	0.00
	<b>153,109,596.72</b>	<b>331.89</b>	<b>17,458,407.65</b>	<b>3,542,237.86</b>	<b>29,321,844.12</b>	<b>-506,261.87</b>	<b>144,282,468.14</b>	<b>77,176,249.71</b>	<b>94.31</b>	<b>28,967,751.64</b>	<b>1,636,583.14</b>	<b>0.00</b>	<b>28,711,119.51</b>	<b>63,789.12</b>	<b>79,133,348.41</b>	<b>65,149,119.72</b>	<b>75,933,347.01</b>
<b>Long-term financial assets</b>																	
1. Shares in affiliated companies not included in the scope of consolidation	239,451.04	0.00	187,111.33	0.00	0.00	0.00	426,562.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	426,562.37	239,451.04	0.00
2. Loans to affiliated companies not included in the scope of consolidation	1,100,000.00	0.00	0.00	0.00	0.00	-1,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,100,000.00
3. Investments	82,046.88	0.00	0.00	130.00	0.00	0.00	82,176.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82,176.88	82,046.88	0.00
4. Securities	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	88,000.00	0.00	0.00	0.00	-125,000.00	0.00	0.00	-37,000.00	1,037,000.00	912,000.00
5. Other loans	9,383.88	0.00	0.00	697,543.69	697,543.69	0.00	9,383.88	33.88	0.00	0.00	0.00	0.00	0.00	0.00	33.88	9,350.00	9,350.00
	<b>2,430,881.80</b>	<b>0.00</b>	<b>187,111.33</b>	<b>697,673.69</b>	<b>697,543.69</b>	<b>-1,100,000.00</b>	<b>1,518,123.13</b>	<b>88,033.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-125,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-36,966.12</b>	<b>1,555,089.25</b>	<b>2,342,847.92</b>
	<b>305,122,576.73</b>	<b>331.89</b>	<b>21,227,750.68</b>	<b>68,101,551.82</b>	<b>33,967,798.29</b>	<b>-1,100,000.00</b>	<b>359,384,412.84</b>	<b>138,014,744.93</b>	<b>94.31</b>	<b>38,228,373.07</b>	<b>2,994,398.94</b>	<b>-125,000.00</b>	<b>32,593,167.99</b>	<b>0.00</b>	<b>146,519,443.26</b>	<b>212,864,969.58</b>	<b>167,107,831.80</b>

**01.10.2019 to 30.09.2020**

	Acquisition and production costs						Accumulated depreciation and amortisation								
	As at 01.10.2019	Exchange difference	Additions	Changes in the scope of consolidation	Disposals	Reclassification	As at 30.09.2020	As at 01.10.2019	Exchange difference	Additions	Changes in the scope of consolidation	Disposals	As at 30.09.2020	As at 30.09.2020	As at 30.09.2019
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Goodwill</b>	<b>64,027,252.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,526,380.80</b>	<b>62,500,872.13</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>62,500,872.13</b>	<b>64,027,252.93</b>
<b>Other intangible assets</b>															
1. Order backlog	8,288,000.00	0.00	0.00	5,468,000.00	0.00	0.00	13,756,000.00	4,140,666.00	0.00	2,149,438.00	0.00	0.00	6,290,104.00	7,465,896.00	4,147,334.00
2. Customer bases	26,894,400.00	0.00	0.00	2,284,000.00	0.00	1,529,000.00	30,707,400.00	20,200,991.00	0.00	2,314,202.00	0.00	0.00	22,515,193.00	8,192,207.00	6,693,409.00
3. Internally developed intangible assets															
Software	4,205,127.79	0.00	231,891.48	0.00	0.00	0.00	4,437,019.26	2,174,625.30	0.00	357,230.94	0.00	0.00	2,531,856.24	1,905,163.02	2,030,502.48
4. Acquired intangible assets															
Software etc.	27,878,066.95	0.00	5,005,789.55	5,413,969.14	812,263.81	695,244.99	38,180,806.82	22,127,741.02	0.00	3,155,578.96	4,853,897.14	723,909.02	29,413,308.10	8,767,498.72	5,750,325.93
	<b>67,265,594.74</b>	<b>0.00</b>	<b>5,237,681.03</b>	<b>13,165,969.14</b>	<b>812,263.81</b>	<b>2,224,244.99</b>	<b>87,081,226.08</b>	<b>48,644,023.32</b>	<b>0.00</b>	<b>7,976,449.90</b>	<b>4,853,897.14</b>	<b>723,909.02</b>	<b>60,750,461.34</b>	<b>26,330,764.74</b>	<b>18,621,571.41</b>
<b>Property, plant and equipment</b>															
1. Land and buildings	28,914,200.13	0.00	15,563,494.24	3,789,984.28	1,295,877.10	0.00	46,971,801.54	4,331,758.88	0.00	9,099,809.32	0.00	1,295,877.10	12,135,691.09	34,836,110.45	24,582,441.25
2. Technical equipment and machinery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Other equipment, furniture and office equipment	90,446,561.60	-1,104.86	13,786,510.12	40,689,138.02	44,084,604.62	2,318,083.07	103,154,583.33	56,591,437.86	-337.13	15,738,921.45	35,685,004.77	42,974,468.33	65,040,558.62	38,114,024.71	33,855,123.74
4. Prepayments	1,634,745.91	0.00	3,215,894.67	461,876.76	2,977.43	-2,326,328.06	2,983,211.85	0.00	0.00	3,704.47	0.00	3,704.47	0.00	2,983,211.85	1,634,745.91
	<b>120,995,507.63</b>	<b>-1,104.86</b>	<b>32,565,899.03</b>	<b>44,940,999.06</b>	<b>45,383,459.15</b>	<b>-8,244.99</b>	<b>153,109,596.72</b>	<b>60,923,196.73</b>	<b>-337.13</b>	<b>24,842,435.24</b>	<b>35,685,004.77</b>	<b>44,274,049.90</b>	<b>77,176,249.71</b>	<b>75,933,347.01</b>	<b>60,072,310.90</b>
<b>Long-term financial assets</b>															
1. Shares in affiliated companies not included in the scope of consolidation	1.00	0.00	239,450.04	0.00	0.00	0.00	239,451.04	0.00	0.00	0.00	0.00	0.00	0.00	239,451.04	1.00
2. Loans to affiliated companies not included in the scope of consolidation	0.00	0.00	1,100,000.00	0.00	0.00	0.00	1,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	1,100,000.00	0.00
3. Investments	52,046.88	0.00	30,000.00	0.00	0.00	0.00	82,046.88	0.00	0.00	0.00	0.00	0.00	0.00	82,046.88	52,046.88
4. Securities	1,181,962.00	0.00	0.00	0.00	181,962.00	0.00	1,000,000.00	79,261.00	0.00	10,100.00	0.00	1,361.00	88,000.00	912,000.00	1,102,701.00
5. Receivables from lessees	136,970.52	0.00	0.00	0.00	136,970.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	136,970.52
6. Other loans	9,383.88	0.00	0.00	0.00	0.00	0.00	9,383.88	33.88	0.00	0.00	0.00	0.00	33.88	9,350.00	9,350.00
	<b>1,380,364.28</b>	<b>0.00</b>	<b>269,450.04</b>	<b>0.00</b>	<b>318,932.52</b>	<b>0.00</b>	<b>1,330,881.80</b>	<b>79,294.88</b>	<b>0.00</b>	<b>10,100.00</b>	<b>0.00</b>	<b>1,361.00</b>	<b>88,033.88</b>	<b>2,342,847.92</b>	<b>1,301,069.40</b>
	<b>253,668,719.58</b>	<b>-1,104.86</b>	<b>38,073,030.10</b>	<b>58,106,968.20</b>	<b>46,514,655.48</b>	<b>689,619.20</b>	<b>304,022,576.73</b>	<b>109,646,514.94</b>	<b>-337.13</b>	<b>32,828,985.14</b>	<b>40,538,901.91</b>	<b>44,999,319.92</b>	<b>138,014,744.93</b>	<b>167,107,831.80</b>	<b>144,022,204.64</b>

6) Including receivables from lessees for which the values from 30.09.2019 are shown under "Finance leasing receivables".

# Notes to the Consolidated Financial Statements

## 1 Basic Principles of the Consolidated Financial Statements

### 1.1 General Information

DATAGROUP SE is the holding company of the DATAGROUP Group. The company is located 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 subdivided into two segments:

- The "Services" segment comprises all subsidiaries primarily providing IT services. In particular, these IT services 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, whose service offering consists of highly qualified and specialized technology and solutions consultants as well as software developers.

### 1.2 Accounting Policies Under International Financial Reporting Standards (IFRS)

The consolidated financial statements of DATAGROUP SE for the fiscal year ending September 30, 2021, 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 for approval to the Supervisory Board by the Management Board.

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 at the balance sheet 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 1.4 Accounting and Measurement Principles

## **NEW ACCOUNTING STANDARDS**

DATAGROUP has taken into account all valid International Financial Reporting Standards and interpretations of the International Financial Reporting Interpretations Committee, whose application was obligatory at the balance sheet date, 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 2020/2021:

<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 3	Amended	Definition of a business operation	Fiscal Year 2020/2021	yes	none
IAS 1 and IAS 8	Amended	Defintion of Materiality	Fiscal Year 2020/2021	yes	none
Various	Amended	Changes to references to the Framework in IFRS standards	Fiscal Year 2020/2021	yes	none
IAS 39, IFRS 9 and IFRS 7	Amended	Reform of the reference interest rates	Fiscal Year 2020/2021	yes	none

The first-time application 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:



New or amended standards		Contents	First time application	EU-Endorsed	Major Impact on the Group
Various	Amended	Amendments to the standards IFRS 9, IAS 39, IFRS 7, IFRS 4 und IFRS 16: Interest Rate Benchmark Reform	Fiscal Year 2021/2022	yes	none
IFRS 16	Amended	Change to extend the period of application of the exemption from assessing whether a rental concession related to the coronavirus pandemic is a leasing	Fiscal Year 2021/2022	yes	none
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
IFRS 17	New	Insurance contracts	Fiscal Year 2023/2024	yes	none
IAS 1	Amended	Presentation of the financial statements - classification of debts as short and long term	Fiscal Year 2023/2024	no	none
IAS 1	Amended	Changes in the disclosure of accounting policies	Fiscal Year 2023/2024	no	none
IAS 8	Amended	Changes in accounting estimates	Fiscal Year 2023/2024	no	none
IAS 12	Amended	Changes in Deferred Taxes on Leases and Retirement Obligations	Fiscal Year 2023/2024	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.

## 1.3 Scope of Consolidation

### 1.3.1 Definition of the scope of consolidation

The consolidated financial statements include the subsidiaries on which the Group is able to exercise dominant control according to IFRS10. In addition to the holding company, DATAGROUP SE, 25 other domestic subsidiaries and two foreign subsidiaries were included by full consolidation:

No.	Name and location of the company	Stake in %
1	DATAGROUP SE, Pliezhausen	100.0
2	DATAGROUP Stuttgart GmbH, Stuttgart	100.0
3	DATAGROUP Bremen GmbH, Bremen	100.0
4	DATAGROUP Offenburg GmbH, Offenburg	100.0
5	DATAGROUP Ludwigsburg GmbH, Ludwigsburg	100.0
6	DATAGROUP Hamburg GmbH, Hamburg	100.0
7	DATAGROUP Operate IT GmbH, Hamburg	100.0
8	DATAGROUP Invest 3 GmbH, Pliezhausen	100.0
9	DATAGROUP Köln GmbH, Köln	100.0
10	DATAGROUP IT Solutions GmbH, Pliezhausen	100.0
11	DATAGROUP Consulting Services GmbH, Mainz	100.0
12	DATAGROUP Business Solutions GmbH, Siegburg	100.0
13	DATAGROUP Inshore Services GmbH, Rostock	100.0
14	DATAGROUP Automotive Services Sp. z o.o., Krakow/Polen	100.0
15	DATAGROUP Invest 5 GmbH, Pliezhausen	100.0
16	DATAGROUP BIT Düsseldorf GmbH, Düsseldorf	100.0
17	Almato AG, Stuttgart	100.0
18	DATAGROUP Service Desk GmbH, Pliezhausen	100.0
19	DATAGROUP Operations GmbH, Frankfurt am Main	100.0
20	DATAGROUP Enterprise Services GmbH, Siegburg	100.0
21	DATAGROUP Enterprise Service Kft., Budapest/Ungarn	100.0
22	DATAGROUP Defense IT Services GmbH, Siegburg	100.0
23	DATAGROUP Frankfurt GmbH, Neu-Isenburg	100.0
24	DATAGROUP Ulm GmbH, Ulm	100.0
25	Mercoline GmbH, Berlin	100.0
26	DATAGROUP BIT Hamburg GmbH, Hamburg	100.0
27	dna Gesellschaft für IT Services mbH, Hamburg	100.0
28	URANO Informationssysteme GmbH, Bad Kreuznach	70.0

DATAGROUP initially acquired 70 % of the shares in URANO Informationssysteme GmbH. The purchase agreement also stipulated that the remaining 30 % will be acquired with effect 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	Stake in %
29	Almato Iberia S.L., Barcelona/Spain	100.0
30	DATAGROUP Banking Operations Center s.r.o., Košice/Slovakia	100.0
31	Cloudeteer GmbH, Hamburg	24.0
32	DATAGROUP Invest 6 GmbH, Pliezhausen	100.0
33	DATAGROUP Pensions BS GmbH & Co. KG, Siegburg	100.0
34	DATAGROUP Pensions FIS GmbH & Co. KG, Düsseldorf	100.0

They were recognized at fair value.

At the time of acquisition, DATAGROUP had agreed on purchase options for further shares in Cloudeteer GmbH. It is therefore assumed that DATAGROUP exercises dominant control.

#### **CHANGES IN THE SCOPE OF CONSOLIDATION**

The following changes in the scope of consolidation occurred in FY 2020/2021:

- Acquisition of 70 % of the shares in URANO Informationssysteme GmbH
- Acquisition of 100 % of the shares in dna Gesellschaft für IT Services mbH
- Acquisition of all outstanding shares (7 %) in DATAGROUP BIT Hamburg GmbH (previously Portavis GmbH)
- Merger of DATAGROUP Consulting GmbH into DATAGROUP IT Solutions GmbH
- Foundation of DATAGROUP Banking Operations Center s.r.o.
- Change of name of the following companies:
  - Portavis GmbH into DATAGROUP BIT Hamburg GmbH
  - DATAGROUP Financial IT Services GmbH into DATAGROUP BIT Düsseldorf GmbH
  - Enterprise IT Service Hungary Kft into DATAGROUP Enterprise Service Kft.

The purchase price allocations for URANO Informationssysteme GmbH and for dna Gesellschaft für IT Services mbH that have to be carried out at the time of the initial consolidation will be classified as provisional.

#### **ACQUISITION OF 70 % OF THE SHARES IN URANO INFORMATIONSSYSTEME GMBH**

Under a purchase agreement dated May 6, 2021, DATAGROUP SE has acquired 100 % of the shares in URANO Informationssysteme GmbH (URANO). 70 % of the shares were acquired with immediate effect, the remaining 30 % will be transferred in 2023.

DATAGROUP SE achieved control of the company after having paid the basic purchase price for the 70 % stake on May 8, 2021.



The purchase price for the 30 % stake, the amount of which has not yet been determined, will be shown under non-current financial liabilities.

URANO has roughly 300 employees providing IT services for private sector and public sector organizations. URANO serves a variety of customers headquartered in Germany. For many years, the company has been a reliable partner for public authorities in Rhineland-Palatinate and Hesse and recently provided significant support in setting up and running the vaccination centers in Hesse.

## ACQUIRED ASSETS AND LIABILITIES

The fair values of the identifiable assets and liabilities of URANO Informationssysteme GmbH at the time of the acquisition were as follows:

	Carrying amounts	Fair values on acquisition
	EUR	EUR
<b>Assets</b>		
Intangible assets	229,415.19	14,326,415.19
Property, plant and equipment	1,835,249.92	1,835,249.92
Long-term financial assets	697,673.69	697,673.69
Inventories	880,555.24	880,555.24
Trade receivables	10,744,293.57	10,744,293.57
Other assets	1,657,427.56	1,657,427.56
Cash and cash equivalents	1,246,466.01	1,246,466.01
Deferred taxes	47,822.80	0.00
	<b>17,338,903.98</b>	<b>31,388,081.18</b>
<b>Liabilities</b>		
Financial liabilities	2,386,102.38	2,386,102.38
Pension provisions	29,604.61	29,604.61
Other provisions	349,537.62	349,537.62
Contract liabilities	2,646,930.94	2,646,930.94
Trade payables	5,323,300.53	5,323,300.53
Income tax liabilities	986,532.19	986,532.19
Other liabilities	2,660,218.95	2,660,218.95
Deferred taxes	0.00	4,107,267.95
	<b>14,382,227.22</b>	<b>18,489,495.17</b>
<b>Balance of acquired assets</b>	<b>2,956,676.76</b>	<b>12,898,586.01</b>

## CONSIDERATION

The basic purchase price for the 70 % stake, which has already been paid, is EUR 23,222,928.92. The other purchase price components depend on the results in the calendar years 2021 and 2022. Based on the current plans of the acquired company, the consideration is as follows:



	EUR
Base purchase price 70%	23,222,928.92
Adjustment of the basic purchase price 70 % (based on EBITDA 2021)	12,336,734.24
Purchase price 30 % (as of 01.01.2023)	15,256,674.14
<b>Compensation</b>	<b>50,816,337.30</b>

## GOODWILL

The goodwill of EUR 37,917,751.29 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:

	EUR	EUR
Base purchase price 70%		23,222,928.92
Transaction costs of company acquisition		117,823.80
Cash acquired with the subsidiary Cash		
Financial liabilities, immediately due	-1,246,466.01	
Total	672,867.62	-573,598.39
		<b>22,767,154.33</b>

## IMPACT ON REVENUES AND EARNINGS BEFORE TAX

In the reporting period just ended, URANO Informationssysteme GmbH contributed an amount of EUR 27,663,225.12 to revenues and EUR 4,363,007.25 to consolidated earnings (before taxes). If the merger had taken place at the beginning of the fiscal year, revenue from continuing operations would have amounted to some EUR 60,000,000.

## ACQUISITION OF 100 % OF THE SHARES IN DNA GESELLSCHAFT FÜR IT SERVICES MBH

Under a purchase agreement dated December 23, 2020, DATAGROUP has acquired 100 % of the shares in dna Gesellschaft für IT Services (dna). The agreement was signed under the suspensive condition that the substantially negotiated framework agreement with the Company's main customer is concluded at the beginning of 2021. After fulfilment of the condition and payment of the basic purchase price DATAGROUP SE has obtained control of the company on May 6, 2021.

The acquisition of dna serves to complement the existing activities around IT services for the financial services sector. The company's expertise lies in the area of IT administration. This includes network management, managed client services, application operation and user administration as well as industry-specific technical assistance. The company's offering is rounded off by consulting services for integration processes to implement new systems and applications and by support services for software development processes of customers and serviced institutes.



## ACQUIRED ASSETS AND LIABILITIES

The fair values of the identifiable assets and liabilities of dna Gesellschaft für IT Services mbH at the time of the acquisition were as follows:

	Carrying amounts	Fair values on acquisition
	EUR	EUR
<b>Assets</b>		
Intangible assets	1.00	7,594,001.00
Property, plant and equipment	70,404.80	70,404.80
Trade receivables	354,627.60	354,627.60
Other assets	1,306,330.12	1,306,330.12
Cash and cash equivalents	1,138,799.02	1,138,799.02
	<b>2,870,162.54</b>	<b>10,464,162.54</b>
<b>Liabilities</b>		
Financial liabilities	615,932.76	615,932.76
Other provisions	9,115.00	9,115.00
Contract liabilities	100,000.00	100,000.00
Trade payables	271,852.51	271,852.51
Income tax liabilities	115,106.25	115,106.25
Other liabilities	71,183.41	71,183.41
Deferred taxes	0.00	2,450,963.50
	<b>1,183,189.93</b>	<b>3,634,153.43</b>
<b>Balance of acquired assets</b>	<b>1,686,972.61</b>	<b>6,830,009.11</b>

## CONSIDERATION

Based on the concluded purchase agreement, a basic purchase price of EUR 7,250,000.00 was paid to the former owners of dna Gesellschaft für IT Services mbH. Additionally, the parties agreed on a contingent consideration which depends on the development of earnings in the years 2020 and 2021 (earn-out). The fair value of this contingent consideration at the time of acquisition was EUR 2,245,666.10 based on the current plans of the acquired company:

	EUR
Base purchase price	7,250,000.00
Value of Earn Out Commitments	
Earn Out 2020	1,235,910.52
Earn Out 2021	1,009,755.58
<b>Compensation</b>	<b>9,495,666.10</b>

## GOODWILL

The goodwill of EUR 2,665,656.99 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:

	EUR	EUR
Base purchase price		7,250,000.00
Earn Out 2020		0.00
Transaction costs of company acquisition		56,119.50
Cash acquired with the subsidiary		
Cash	-1,138,799.02	
Financial liabilities, immediately due	570,938.41	-567,860.61
<b>Total</b>		<b>6,738,258.89</b>

## IMPACT ON REVENUES AND EARNINGS BEFORE TAX

In the period just ended, dna Gesellschaft für IT Services mbH contributed EUR 3,486,979.06 to revenue and EUR 1,099,475.46 to consolidated earnings (before taxes). If the merger had taken place at the beginning of the fiscal year, revenue from continuing operations would have amounted to some EUR 8,000,000.

## ACQUISITION OF ALL OUTSTANDING SHARES (7 %) IN DATAGROUP BIT HAMBURG GMBH (PREVIOUSLY PORTAVIS GMBH)

Under an agreement dated December 21, 2020, DATAGROUP SE acquired the remaining outstanding shares of DATAGROUP BIT Hamburg GmbH in the amount of 7 % from Die Sparkasse Bremen AG. The purchase price was EUR 1,382,377.40

The initial purchase agreement dated January 17, 2020, included an option agreement concerning the 7 % stake held by Die Sparkasse Bremen AG. DATAGROUP SE considered this option agreement to be a standstill obligation and a debt financing instrument. The relevant amount of EUR 1,382,377.40 which was accounted for in current financial liabilities had been fixed in the purchase agreement dated January 17, 2020. The revaluation of the purchase price did not result in any changes.

## MERGER OF DATAGROUP CONSULTING GMBH INTO DATAGROUP IT SOLUTIONS GMBH

Under an agreement dated December 8, 2020, DATAGROUP Consulting GmbH was merged with the incorporating legal entity, DATAGROUP IT Solutions GmbH, with effect of October 1, 2020. The shareholder meetings of DATAGROUP Consulting GmbH and DATAGROUP IT Solutions GmbH, which were both held on December 8, 2020, have approved this merger agreement. The employment status of all employees of DATAGROUP Consulting GmbH employed at that time were assigned to DATAGROUP IT Solutions GmbH with all rights and duties as part of the transfer of undertakings according to § 613a BGB.

The merger was entered into the commercial register on December 21, 2020.

## FOUNDATION OF DATAGROUP BANKING OPERATIONS CENTER S.R.O.

By deed dated June 15, 2020, DATAGROUP Banking Operations Center s.r.o. based in Košice, Slovakia, was founded by DATAGROUP BIT Hamburg GmbH. The company provides IT services for financial services

companies. DATAGROUP Banking Operations Center s.r.o. has acquired Slovakian employees which previously had been working for customers of DATAGROUP BIT Hamburg GmbH.

## 1.4 Accounting and Measurement Methods

### 1.4.1 Consolidation Principles

The balance sheet date of the fully consolidated subsidiaries is the balance sheet date of the consolidated financial statements. The recently acquired URANO Informationssysteme GmbH and dna Gesellschaft für IT Services mbH had a short fiscal year with September 30, 2021, 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 profits is applied to intra-company resales of property, plant and equipment and customer orders. The consolidation of income and expenses sets off revenue, other operating income, interest and similar income against the expenses related to them.

### 1.4.2 Accounting and Measurement Principles

Several standards and amendments of standards had to be adopted for the first time in this fiscal year. However, 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
- 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 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 32,365,359.00 (previous year EUR 16,302,103.00), goodwill stood at EUR 103,084,280.41 on September 30, 2021 (previous year EUR 62,500,872.13). The increase in goodwill is due to the initial consolidation of URANO Informationssysteme GmbH (accounting for EUR 37,917,751.29) and of dna Gesellschaft für IT Services mbH (accounting for EUR 2,665,656.99). Earn-out obligations, i.e. purchase price payments still to be made that are dependent on the performance of the acquired company, amount to EUR 29,839,074.48 (previous year EUR 0.00).

Recoverability of capitalized contract costs undergoes regular checks 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. The devaluation of capitalized contract costs of EUR 5,335,000.00 in the last year has not been adjusted in the current fiscal year and will continue to exist in this magnitude. EUR 2,000,000.00 of the provisions for long-term agreements with customers in the amount of EUR 6,665,000.00 that were set up in the previous year have been utilized. The current amount stands at EUR 4,665,000.00 on September 30, 2021.

Project orders (mostly contractually agreed service contracts) which are not yet completed 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 taxes on tax-loss carry-forwards is associated with estimates and assumptions, especially regarding the corporate tax planning on which the valuation is based.

A provision must be recognized for 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 82,214,857.98 (previous year EUR 88,266,344.74) 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 has been handed over to the customer, DATAGROUP usually acts as a principal. DATAGROUP acts as a 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 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 the volume-related service lump sum agreed upon. Services provided within the scope of service contracts are



# DATAGROUP

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 completed, 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 fulfillment 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 fulfillment 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.

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



## IMPAIRMENT MODEL ACCORDING TO IFRS 9

Financial instruments are classified as follows:

	Valued at amortized cost	Valued at fair value through profit or loss	Valued at fair value through in equity
	EUR	EUR	EUR
<b>AKTIVA</b>			
Financial assets	x	x	
Receivables from			
finance lease contracts	x		
Contract assets	x		
Trade receivables	x		
Cash and cash equivalents	x		
Other (financial) assets			
Securities		x	
Other	x		
<b>Financial receivables</b>			
<b>LIABILITIES</b>			
Liabilities from			
finance lease contracts	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 losses for these assets were determined using a two-stage approach. If there are ratings available for customers, 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 in the past, which were 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 280,506.24 (previous year EUR 199,900.95) was recognized for expected losses in trade receivables. Furthermore, the Group has recognized an allowance of EUR 578,289.56 for the year under review (previous year EUR 540,789.52) 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 are calculated as 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 application, 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.

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 tested once a year (on September 30 of any given year). Additionally, a test has to 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 unit “Services” comprises all subsidiaries primarily providing IT services.
- The cash-generating unit “Solutions and Consulting” comprises the group companies, whose range of services offered consists of highly qualified and specialized technology and solutions consultants as well as software developers.

## GOODWILL OF CASH-GENERATING UNITS:

	30.09.2021	30.09.2020	30.09.2019	30.09.2018	30.09.2017
	EUR	EUR	EUR	EUR	EUR
Services segment	72,813,608.96	32,230,200.68	33,756,581.48	17,437,871.20	17,437,871.20
Solutions and Consulting segment	30,270,671.45	30,270,671.45	30,270,671.45	29,117,974.14	22,192,268.03
<b>Goodwill</b>	<b>103,084,280.41</b>	<b>62,500,872.13</b>	<b>64,027,252.93</b>	<b>46,555,845.34</b>	<b>39,630,139.23</b>

The recoverable amount of all cash-generating units is determined by calculating the fair value less cost to sell with the help of a discounted cash flow model. The underlying cash flows are based on a budget planning which was adopted by management. A growth rate of 1 % was taken as a basis to extrapolate the cash flow projections for future years. This growth rate is in line with the long-term growth rate for the IT services sector as expected by the management. This analysis did not provide any indications for an impairment loss.

The basic assumptions for the calculation of the fair value less cost to sell 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 discount rates reflect the current market estimates with regard to the risks allocated to the cash-generating units, taking into account the interest effect and the specific risks of the assets. The discount rate considers the Group's and its segments' and affiliated companies' risk which would arise from a comparable investment on the capital market and is based on the weighted average cost of capital (WACC). A uniform discount rate of 5.60 % (previous year: 5.42 %) was applied for the calculation of the fair value.

## 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 0.5 %. 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 eight 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 life using the straight-line method. The expected economic useful life within the DATAGROUP Group generally is between one and 15 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 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 the previous reporting period. 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 related loan assets which are repaid 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.

## **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.

If the outcome of a construction contract can be reliably estimated, 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.

## **PROVISIONS FOR PENSIONS**

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 if the customer has made a payment or a receivable from the customer becomes due before the underlying contractual performance obligation has been fulfilled and revenue has been 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 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, USE OF RIGHT ASSETS**

At the beginning of the lease contract, the lessee recognizes assets and liabilities in the same amount, i.e. at fair value of the leased item or at the lower present value of the minimum lease payments for leases 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. The financing costs are to be distributed over the term of the contract in such a way that a constant interest rate on the respective remaining debt is created. 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 and car leasing agreements.

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.

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. This requires taking into account depreciation and amortization as well as changes in the fair value of the lease liability.

The lease term is defined as a 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, they must be exercised or not exercised by the lessee with reasonable certainty. 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.

A reassessment of the lease is required whenever there is a change in the non-terminable period. Relevant events that have an impact on the likelihood of the options being exercised must also be included in the reassessment of the contract term.

## 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.

# 2 Notes to the Consolidated Income Statement

## 2.1 Revenue

Revenue is divided as follows:

	2020/2021	2019/2020
	EUR	EUR
Service and maintenance	375,241,199.93	304,717,268.93
Trade	69,026,516.02	52,898,867.64
Others	440,025.07	595,308.36
<b>Revenue</b>	<b>444,707,741.02</b>	<b>358,211,444.93</b>

As in the previous years, DATAGROUP's revenue increased significantly (by 24.1 %). This increase has been generated both organically and inorganically. Organic growth is 7.7 %. The companies acquired during the fiscal year were not taken into account for the determination of organic growth.

DATAGROUP generates the majority of its revenue (84.4 %, previous year: 85.1 %) with services and maintenance contracts which is in line with the strategic focus of the Group. The proportion of revenue from retail business in total revenue increased from 14.8 % in the previous year to 15.5 %.

Foreign business still only plays a minor role for the DATAGROUP Group; 0.9 % (previous year 0.8 %) of revenue was generated abroad.

More detailed information on the revenue development can be found in the Management Report under section 3. Net assets, financial position and results of operations of the DATAGROUP Group.

## 2.2 Other Operating Income

Other operating income is composed as follows:

	2020/2021	2019/2020
	EUR	EUR
Income from offsetting remuneration in kind	3,310,588.68	2,414,804.57
Income from reversal of provisions and liabilities	5,346,358.66	2,465,818.84
Income from revaluation of assets and liabilities	177,106.15	630,129.46
Rental income	243,557.73	232,291.73
Income from insurance compensation	197,566.45	56,443.71
Income from acquisition of business operations	0.00	11,570,708.49
Decrease accrual item Upfront-Payment from HPE-transaction	469,405.00	526,800.00
Others	2,395,418.15	1,913,726.05
<b>Other operating income</b>	<b>12,140,000.82</b>	<b>19,810,722.85</b>

In the previous year, the acquisition of DATAGROUP BIT Hamburg GmbH (previously Portavis GmbH) led to the recognition of a one-time negative difference from the purchase price allocation (lucky buy) in the amount of EUR 11,570,708.49 under other operating income.

## 2.3 Material Expenses / Expenses for Purchased Services

Material expenses are composed as follows:

	2020/2021	2019/2020
	EUR	EUR
Material expenses	62,350,846.51	49,998,137.56
Expenses for purchased services	87,143,554.61	69,145,692.09
<b>Material expenses / expenses for purchased services</b>	<b>149,494,401.13</b>	<b>119,143,829.64</b>

The increase of expenses for purchased services is primarily due to the initial consolidation of URANO Informationssysteme GmbH.



## 2.4 Personnel Expenses

Personnel expenses are composed as follows:

	2020/2021	2019/2020
	EUR	EUR
Wages and salaries	179,747,937.17	159,446,581.73
Social contributions	29,709,343.84	26,085,412.80
Expenses for pensions and other other benefits	3,580,876.13	2,458,598.73
<b>Personnel expenses</b>	<b>213,038,157.14</b>	<b>187,990,593.26</b>

## 2.5 Depreciation and Amortization

Depreciation and amortization refer to the following assets:

	2020/2021	2019/2020
	EUR	EUR
On intangible assets		
internally developed	333,416.43	357,230.94
purchased	8,927,205.00	7,619,218.96
On property, plant and equipment	28,967,751.64	24,842,435.24
<b>Depreciation and amortisation</b>	<b>38,228,373.07</b>	<b>32,818,885.14</b>
thereof depreciation for PPA-goods	5,627,744.00	4,185,904.00
thereof depreciation rights of use	11,678,371.52	7,006,478.92

This item includes extraordinary depreciation in the amount of EUR 3,150,000.00 in FY 2020/2021.

Amortization of disclosed hidden reserves and charges as part of the purchase price allocation amounts to EUR 5,627,744.00 (previous year: EUR 4,672,540.00).

Depreciation and amortization of EUR 11,678,371.52 are related to use of right assets (previous year: EUR 10,853,364.45).

## 2.6 Other Operating Expenses

Other operating expenses are as follows:

	2020/2021	2019/2020
	EUR	EUR
Travel and vehicle expenses	3,124,510.05	4,089,921.64
Occupancy costs	3,115,471.71	2,270,662.68
Ancillary personnel expenses	4,733,136.11	3,875,766.45
Administration expenses	6,792,455.34	6,887,745.24
Advertising expenses	1,721,653.69	2,203,903.80
Legal and advisory costs	2,827,115.03	3,824,825.54
Insurance and other contributions, fees and bank charges	2,025,670.63	1,550,120.28
Others	2,470,594.96	1,395,009.57
<b>Other operating expenses</b>	<b>26,810,607.53</b>	<b>26,097,955.18</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 further decline in travel expenses in the fiscal year 2020/2021 is due to Covid-19.

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.

The item “Others” mainly includes expenses from the sale of assets, the increase in reserves for warranties and bad debts.



## 2.7 Financial Result

The financial result is as follows:

	2020/2021	2019/2020
	EUR	EUR
<b>Financial income</b>		
Investment income	123,965.81	110,252.44
Interest income from		
finance lease	800,817.21	569,133.80
Others	473,343.91	112,722.30
Other financial income	0.00	3,586.00
	<b>1,398,126.93</b>	<b>795,694.54</b>
<b>Financial expenses</b>		
Bank loans	988,350.22	1,222,534.42
Finance lease	1,061,116.18	884,172.27
Effective interest method	643,119.60	563,899.75
Factoring	404,210.20	325,548.12
Others	228,159.93	174,334.35
	<b>3,324,956.13</b>	<b>3,170,488.91</b>
<b>Financial result</b>	<b>-1,926,829.21</b>	<b>-2,374,794.37</b>

Financial expenses for bank loans declined by ca. 19 % in the fiscal year. This decline is mainly attributable to the repayment of a tranche of promissory note loans in the amount of EUR 12,000,000.00.



## 2.8 Income Taxes

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

	2020/2021	2019/2020
	EUR	EUR
Actual taxes	<b>15,804,141.43</b>	<b>7,958,767.12</b>
Deferred taxes		
from different times of valuation	-5,555,001.51	-1,785,686.35
from losses carried forward	-4,131,365.00	190,636.00
	<b>-9,686,366.51</b>	<b>-1,595,050.35</b>
<b>Income taxes</b>	<b>6,117,774.92</b>	<b>6,363,716.77</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 1,830,382.62 (previous year EUR 1,454,094.44). They result in a decrease of the tax burden.

The DATAGROUP entities have so far paid taxes on income and profit mainly in Germany. The individual tax rates – depending on the trade tax of the different municipalities – are between 27.900 % and 33.850 % (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:

	2020/2021	2019/2020
	EUR	
<b>Earning before taxes</b>	27,130,972.57	6,612,452.68
Group tax rate: 31.60% (LFY 31.60% )		
<b>Expected tax expenses</b>	8,573,387.33	2,089,535.05
Tax expenses and income of earlier years	1,496,954.52	-543,675.38
Non-deductible operating expenses as well as trade tax additions and reductions	367,461.88	563,327.13
Non-recognised deferred taxes on permanent differences	-15,743.95	-3,644,056.49
Tax rate change for deferred taxes	-92,843.99	-0.93
Differences to local tax rates	45,701.67	74,485.25
Effects of the revaluation of deferred tax assets (deviations between tax and IFRS balance sheet)	-2,081,146.25	2,081,146.25
Impact from the revaluation and the non-capitalization of tax losses carried forward	-2,175,996.31	5,742,955.89
<b>Actual tax expense</b>	<b>6,117,774.92</b>	<b>6,363,716.77</b>
Actual tax rate: 22.55% (LFY 96.24% )		
(corresponds to the relations between actual tax expenses and earnings before taxes)		



In FY 2020/2021, the actual tax rate is 22.55 % after 96.24 % in the previous year.

Tax expenses in the current and in the previous fiscal year were characterized by significant special effects.

In connection with the acquisition of dna Gesellschaft für IT Services mbH by DATAGROUP BIT Düsseldorf GmbH (previously DATAGROUP Financial IT Services GmbH) and the conclusion of a profit and loss transfer agreement between the two companies, DATAGROUP was able to capitalize deferred taxes on tax-loss carry-forwards and on temporary differences in valuation, which were previously measured at EUR 0.00. This has reduced the tax rate by approx. 15 percentage points. Tax expenses from the previous year had an opposite effect.

The strong increase in the previous year 2019/2020 is due to special effects from the non-capitalization of deferred taxes on tax-loss carry-forwards, the non-recognition for tax purposes of the provisions for onerous contracts that were set up as part of risk provisioning, and to the adjustment of permanent differences in valuation that are not subject to taxation. The latter relates to the lucky buy in connection with the acquisition of DATAGROUP BIT Hamburg GmbH (previously Portavis GmbH) as well as to the losses and risk provisions in the financial services sector. Earnings (EBT) resulting from these two circumstances were processed without deferred taxes.

## 2.9 Other Comprehensive Income

	2020/2021	2019/2020
	EUR	EUR
<b>Other earnings before taxes</b>		
<b>Recalculation of defined benefit obligations</b>		
<b>of pensions provisions</b>	10,335,865.63	-3,319,523.00
Change in balancing items from		
currency conversion	-966.84	-3,621.08
<b>Other earnings before taxes</b>	<b>10,334,898.79</b>	<b>-3,323,144.08</b>
<b>Income tax effects on other income</b>	3,202,314.50	-1,011,738.20
<b>Comprehensive income</b>	<b>7,132,584.29</b>	<b>-2,311,405.88</b>

The positive effect of EUR 10,335,865.63 from the assessment of pension provisions (actuarial gain) is mainly due to an increase in the underlying actuarial interest used for the calculation of the provision in comparison to September 30, 2020.

## 3 Notes to the Consolidated Statement of Financial Position

### 3.1 Goodwill

Goodwill changes in the fiscal year were as follows:

	2020/2021	2019/2020
	EUR	EUR
<b>Services</b>		
Opening balance	32,230,200.68	33,756,581.48
Additions	40,583,408.28	0.00
Reclassification	0.00	-1,526,380.80
	<b>72,813,608.96</b>	<b>32,230,200.68</b>
<b>Solutions and Consulting</b>	<b>30,270,671.45</b>	<b>30,270,671.45</b>
<b>Goodwill</b>	<b>103,084,280.41</b>	<b>62,500,872.13</b>

The strong increase in goodwill results from the companies acquired during the year, namely dna Gesellschaft für IT Services mbH and URANO Informationssysteme GmbH.

### 3.2 Other Intangible Assets

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

	30.09.2021	30.09.2020
	EUR	EUR
Order backlog /		
customer bases	31,889,359.00	15,658,103.00
Internally developed intangible		
assets		
Software	1,941,281.45	1,905,163.02
Purchased intangible		
assets	9,245,839.75	8,767,498.72
<b>Other intangible</b>		
<b>assets</b>	<b>43,076,480.20</b>	<b>26,330,764.74</b>

An economic useful life of between two and five years was determined for the capitalized order backlog; customer relationships normally have useful lives of between three and eight years, and up to fifteen years in individual cases. 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.

The strong increase in order backlog / customer relationships is due to the acquisition of dna Gesellschaft für IT Services mbH and of URANO Informationssysteme GmbH during the fiscal year.

### 3.3 Property, Plant and Equipment

	30.09.2021	30.09.2020
	EUR	EUR
Land and buildings	32,641,150.28	34,836,110.45
Technical equipment	13,195.10	0.00
Furniture and office equipment	32,385,307.06	38,114,024.71
Advance payments charged	109,467.28	2,983,211.85
<b>PPE</b>	<b>65,149,119.72</b>	<b>75,933,347.01</b>

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

	30.09.2021	30.09.2020
	EUR	EUR
Buildings	32,579,886.13	34,836,110.45
Automotive	3,689,718.65	2,930,489.73
<b>Rights of use</b>	<b>36,269,604.78</b>	<b>37,766,600.18</b>

Investments in property, plant and equipment and intangible assets amounted to EUR 11,037,327.83 (previous year EUR 22,240,085.82) without taking into account rights of use pursuant to IFRS 16.

The useful lives of property, plant and equipment are between one and fifteen years.



### 3.4 Non-Current and Current Financial Assets

Financial assets are composed as follows:

	30.09.2021 Remaining term up to 1 year	30.09.2021 Remaining term 1 to 5 years	30.09.2021 Remaining term over 5 years	30.09.2021 Total
	EUR	EUR	EUR	EUR
Shares in affiliated companies	0.00	0.00	426,562.37	426,562.37
Investments	0.00	0.00	82,176.88	82,176.88
Securities	0.00	0.00	1,037,000.00	1,037,000.00
Other loans	1,674,772.65	0.00	9,350.00	1,684,122.65
<b>Financial assets</b>	<b>1,674,772.65</b>	<b>0.00</b>	<b>1,555,089.25</b>	<b>3,229,861.90</b>

	30.09.2020 Remaining term up to 1 year	30.09.2020 Remaining term 1 to 5 years	30.09.2020 Remaining term over 5 years	30.09.2020 Total
	EUR	EUR	EUR	EUR
Shares in affiliated companies	0.00	0.00	239,451.04	239,451.04
Investments	0.00	0.00	82,046.88	82,046.88
Securities	0.00	0.00	912,000.00	912,000.00
Other loans	430,124.51	1,100,000.00	9,350.00	1,539,474.51
<b>Financial assets</b>	<b>430,124.51</b>	<b>1,100,000.00</b>	<b>1,242,847.92</b>	<b>2,772,972.43</b>

Other loans are related to loans granted to an affiliated but non-consolidated company.

### 3.5 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 occur and distributed as expense over the operating phase. Changes in capitalized contract costs have been 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. In the previous year 2019/2020, the devaluation of capitalized contract costs was EUR 5,335,000.00.

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.



### 3.6 Non-Current and Current Receivables from Finance Lease

Receivables from finance lease are composed as follows:

	30.09.2021 Remaining term up to 1 year EUR	30.09.2021 Remaining term 1 to 5 years EUR	30.09.2021 Remaining term over 5 years EUR	30.09.2021 Total EUR
Receivables from customer lease	10,216,186.00	21,846,794.72	1,526,814.27	33,589,795.00
<b>Receivables from customer lease</b>	<b>10,216,186.00</b>	<b>21,846,794.72</b>	<b>1,526,814.27</b>	<b>33,589,795.00</b>

	30.09.2020 Remaining term up to 1 year EUR	30.09.2020 Remaining term 1 to 5 years EUR	30.09.2020 Remaining term over 5 years EUR	30.09.2020 Total EUR
Receivables from customer lease	8,004,360.51	19,750,076.61	503,981.01	28,258,418.13
<b>Receivables from customer lease</b>	<b>8,004,360.51</b>	<b>19,750,076.61</b>	<b>503,981.01</b>	<b>28,258,418.13</b>

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

### 3.7 Other Non-financial Assets

	30.09.2021 EUR	30.09.2020 EUR
Receivables from tax authorities	1,498,009.07	798,364.26
Deposits	807,703.25	599,956.51
Others	67,299.48	1,118,222.40
<b>Other non-current assets</b>	<b>2,373,011.80</b>	<b>2,516,543.17</b>



### 3.8 Deferred Taxes

	30.09.2021	30.09.2020
	EUR	EUR
<b>Deferred tax assets on</b>		
Losses carried forward	6,153,520.00	2,905,644.00
Provisions	20,895,499.90	22,231,310.09
Contract liabilities	1,929,739.00	1,679,144.11
Financial liabilities	13,265,120.89	13,692,899.19
	<b>42,243,879.79</b>	<b>40,508,997.39</b>
Balancing	-24,539,882.88	-28,891,865.76
<b>Deferred tax assets</b>	<b>17,703,996.91</b>	<b>11,617,131.63</b>

	30.09.2021	30.09.2020
	EUR	EUR
<b>Deferred tax liabilities on</b>		
Other intangible assets	9,603,891.54	5,132,904.00
Property, plant and equipment	3,013,389.88	4,702,371.88
Financial assets	9,577,358.64	8,215,786.63
Inventories	0.00	1,030,714.02
Trade receivables	61,634.67	0.00
Contract assets	1,744,798.58	1,731,148.41
Other assets	30,283.99	1,475,124.45
Other liabilities	8,471,976.75	9,039,461.78
	<b>32,503,334.05</b>	<b>31,327,511.17</b>
Balancing	-24,539,882.88	-28,891,865.76
<b>Deferred tax liabilities</b>	<b>7,963,451.17</b>	<b>2,435,645.41</b>

Deferred taxes on tax-loss carry-forwards 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 an individual group company within the next five years.

In the current and in the previous fiscal year, deferred taxes capitalized on losses carried forward were largely recognized without a need for valuation allowance. Only some of the deferred taxes on tax-loss carry-forwards of DATAGROUP BIT Düsseldorf GmbH (previously DATAGROUP Financial IT Services GmbH) were categorized as non-recoverable in 2020/2021, and were fully categorized as non-recoverable in FY 2019/2020. This leads to a significant distortion in the tax result with tax rates of 22.6 % in FY 2020/2021 and of 96.2 % in FY 2019/2020.

Of the deferred taxes reported in the balance sheet, a total of EUR 3,202,314.50 were recorded with a resulting reduction in equity (previous year EUR 1,011,738.20 with an increase in equity) without influencing the income statement. They relate to the revaluation of defined benefit commitments.



### 3.9 Inventories

The following assets are recorded under inventories:

	30.09.2021	30.09.2020
	EUR	EUR
Raw materials and supplies,		
gross	1,000.00	0.00
Work in progress	183,929.60	77,629.06
Finished goods and		
merchandise, gross	3,576,111.51	6,873,654.68
Prepayments	9,148.41	920.81
<b>Inventories</b>	<b>3,770,189.52</b>	<b>6,952,204.55</b>

The item "Finished goods and merchandise" mainly comprises hardware and software. Of the inventories, a total of EUR 763,848.12 (previous year: EUR 288,458.44) were pledged as collateral for loan liabilities to banks. The respective credit facility has not been utilized as at 30.09.2021.

### 3.10 Contract Assets

	30.09.2021	30.09.2020
	EUR	EUR
Construction contracts		
gross	4,825,393.31	4,822,703.84
Prepayments received	2,362,576.10	1,455,461.69
Construction contracts net	2,462,817.21	3,367,242.15
Claims on customers - Service		
provided but not yet invoiced	1,012,828.50	4,868,000.98
<b>Short-term</b>		
<b>  contract assets</b>	<b>3,475,645.71</b>	<b>8,235,243.13</b>

### 3.11 Trade Receivables

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

	30.09.2021	30.09.2020
	EUR	EUR
Trade receivables		
gross	57,221,612.92	41,995,770.93
Valuation allowance	-858,795.80	-740,690.47
<b>Trade receivables</b>	<b>56,362,817.12</b>	<b>41,255,080.46</b>
Factoring volume	11,513,424.62	14,269,825.81

Over the course of the fiscal year, valuation allowances developed as follows:

	2020/2021	2020/2021	2020/2021	2020/2021
	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
	EUR	EUR	EUR	EUR
<b>Opening balance</b>	<b>540,789.52</b>	<b>199,900.95</b>	<b>740,690.47</b>	<b>41,995,770.93</b>
Additions through changes in				
the scope of consolidation	2,772.60	90,200.00	92,972.60	
Consumption	100,022.60	25,100.00	125,122.60	
Reversal	0.00	28,274.36	28,274.36	
Additions	134,750.04	43,779.65	178,529.69	
<b>Closing balance</b>	<b>578,289.56</b>	<b>280,506.24</b>	<b>858,795.80</b>	<b>57,221,612.92</b>

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.

### 3.12 Other Current Assets

Other assets shown under current assets are composed as follows:

	30.09.2021	30.09.2020
	EUR	EUR
Receivables from		
affiliated companies	12,083.32	5,165.49
Receivables from companies		
in which participating		
interests are held	185,567.00	335,456.39
Receivables from tax		
authorities	12,039,492.47	9,117,692.35
Receivables from factoring	4,721,061.96	3,777,312.38
Others	18,416,134.90	19,119,941.90
<b>Other current</b>		
<b>assets</b>	<b>35,374,339.64</b>	<b>32,355,568.51</b>

The item "Others" mainly includes deferred charges.

### 3.13 Cash and Cash Equivalents

Cash and cash equivalents only include bank deposits and cash:

	30.09.2021	30.09.2020
	EUR	EUR
Bank deposits	44,076,228.62	63,921,412.58
Cash on hand	15,757.47	15,676.27
<b>Cash and cash equivalents</b>	<b>44,091,986.09</b>	<b>63,937,088.85</b>



## 3.14 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.

### **AUTHORIZED CAPITAL**

The Management Board is authorized by a resolution of the Annual General Meeting of March 8, 2018, 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 3,339,600.00 until March 7, 2023, 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 I 2018). 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 March 8, 2018, 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 834,900.00 until March 7, 2023, 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 II 2018). The Management Board has made no use of this authorization to date.

### **RETAINED EARNINGS**

At the Annual General Meeting on March 4, 2021, it was resolved to not pay a dividend for FY 2019/2020.

The management board will propose to pay a dividend of EUR 1.00 per no-par share entitled to dividend from the retained earnings of EUR 37,784,756.84. The remaining amount is to be carried forward.

### **EARNINGS PER SHARE**

In the fiscal year, the company generated earnings per share of 252 cents. Prior-year earnings amounted to 3 cents per share. Earnings per share would have been 147 cents per share when excluding the risk provisions in the financial services sector.

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 2020/2021 and the previous year 2019/2020.

### **ACCUMULATED OTHER COMPREHENSIVE INCOME**

Beyond the consolidated net income of EUR 21,013,197.66 (previous year EUR 248,735.90) generated in the fiscal year, accumulated other comprehensive income of EUR 7,133,551.13 (previous year EUR - 2,307,784.80) was generated. Other comprehensive income relates to actuarial gains from the valuation of pension provisions of EUR 10,335,865.63, which are reduced by deferred taxes on this item in the amount of EUR 3,202,314.50.



In summary, the development of the accumulated other comprehensive income in FY 2020 / 2021 compared to FY 2019 /2020 is as follows:

	2020/2021	2019/2020
	EUR	EUR
<b>As at 01.10.</b>	<b>-9,018,219.97</b>	<b>-6,710,435.17</b>
Other result	7,133,551.13	-2,307,784.80
<b>As at 30.09.</b>	<b>-1,884,668.84</b>	<b>-9,018,219.97</b>

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 -966.84 (previous year: EUR -3,621.08).

## REPAYMENT OF CAPITAL/TREASURY SHARES

The company was authorized by the Annual General Meeting on March 22, 2017, 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 March 22, 2017, 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. This authorization is valid until March 21, 2022.

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.



### 3.15 Non-Current and Current Financial Liabilities

The tables below show the composition and maturity of the financial liabilities on 30.09.2021 and on 30.09.2020:

	30.09.2021	30.09.2021	30.09.2021	30.09.2021
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
	EUR	EUR	EUR	EUR
Liabilities to financial institutions	0.00	78,224,397.04	0.00	78,224,397.04
Liabilities from finance lease	17,079,161.37	32,201,062.46	7,857,879.26	57,138,103.09
Liabilities from the earn out and from other obligations for the acquisition of subsidiaries	14,582,400.34	15,256,674.14	0.00	29,839,074.48
<b>Financial liabilities</b>	<b>31,661,561.71</b>	<b>125,682,133.64</b>	<b>7,857,879.26</b>	<b>165,201,574.61</b>

	30.09.2020	30.09.2020	30.09.2020	30.09.2020
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
	EUR	EUR	EUR	EUR
Liabilities to financial institutions	12,314,275.69	42,472,620.25	35,690,853.73	90,477,749.67
Liabilities from finance lease	15,945,187.52	33,744,515.10	8,919,339.28	58,609,041.90
Liabilities from the acquisition of Portavis GmbH	6,319,449.42	0.00	0.00	6,319,449.42
<b>Financial liabilities</b>	<b>34,578,912.63</b>	<b>76,217,135.35</b>	<b>44,610,193.01</b>	<b>155,406,240.99</b>

Liabilities arising from acquisitions in connection with the payment of earn-outs and for the outstanding shares (30 %) in URANO Informationssysteme GmbH stood at EUR 29,839,074.48 on September 30, 2021 (EUR 0.00 on September 30, 2020).



### 3.16 Non-Current and Current Provisions

Provisions are composed as follows:

	30.09.2021	30.09.2021	30.09.2021	30.09.2020
	Short-term	Long-term	Total	Total
	EUR	EUR	EUR	EUR
<b>Provisions for</b>				
<b>pensions</b>	0.00	64,037,964.78	64,037,964.78	72,789,978.98
<b>Other provisions</b>				
from unfavourable contractual				
relationships	2,314,400.00	0.00	2,314,400.00	0.00
for restructuring	7,413,643.07	0.00	7,413,643.07	8,472,993.94
for other personnel costs	770,775.64	1,547,557.22	2,318,332.86	3,108,251.02
for warranties	985,481.07	0.00	985,481.07	437,946.44
for other obligations	4,942,600.30	202,435.90	5,145,036.20	3,457,174.36
<b>Provisions</b>	<b>16,426,900.08</b>	<b>65,787,957.90</b>	<b>82,214,857.98</b>	<b>88,266,344.74</b>

Provisions in the fiscal year developed as follows:

	01.10.2020	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	30.09.2021
	As at	Exchange rate difference	Changes in the scope of consolidation	Consumption	Reversal	Allocation of interest	Allocation	As at
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Provisions for</b>								
<b>Pensions</b>	72,789,978.98	0.00	29,604.61	10,833,655.48	1,203,494.00	687,344.02	2,568,185.85	64,037,964.78
<b>Other provisions</b>								
for unfavourable								
contracts	0.00	0.00	0.00	0.00	0.00	0.00	2,314,400.00	2,314,400.00
for restructuring	8,472,993.94	0.00	0.00	3,069,499.00	2,007.94	0.00	2,012,156.07	7,413,643.07
for other personnel costs	3,108,251.02	0.00	47,325.00	1,653,335.19	243,206.96	351.00	1,058,947.99	2,318,332.86
for warranties	437,946.44	0.00	55,698.40	264,645.44	90,050.00	0.00	846,531.67	985,481.07
for other obligations	3,457,174.36	0.00	255,629.22	2,287,625.10	1,299,487.01	0.00	5,019,344.73	5,145,036.20
<b>Provisions</b>	<b>88,266,344.74</b>	<b>0.00</b>	<b>388,257.23</b>	<b>18,108,760.21</b>	<b>2,838,245.91</b>	<b>687,695.02</b>	<b>13,819,566.31</b>	<b>82,214,857.98</b>

#### PROVISIONS FOR PENSIONS

Provisions for pensions have been 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. The strong decline in pension obligations as of September 30, 2021, is due to changes of actuarial assumptions.

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



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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 2020/2021, employer contributions to statutory pension insurance amounted to EUR 14,100,000.00 (previous year ca. EUR 12,500,000.00) 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:

	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021
	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
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Actuarial interest	1.50	1.00	1.00	1.35	1.50	1.15	1.00
Pension trend	1.75	1.75	1.75	1,75 / 1,00 / 0,00	1,75 / 1,00	1.75	0.00
Remuneration trend	2.00	0.00	3.00	2,50 / 0,00	2.50	0.00	0.00

	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP Financial IT Services GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH
	%	%	%	%	%	%
Actuarial interest	1.20	0.80	0.80	1.10	1.20	0.95
Pension trend	1.75	1.75	1.75	1,75 / 1,00 / 0,00	1,75 / 1,00	1.75
Remuneration trend	2.00	0.00	3.00	2,50 / 0,00	2.50	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 exclusively have an active inventory, the other DATAGROUP entities have mixed inventories.

Some 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:

	30.09.2021	30.09.2020	30.09.2019	30.09.2018	30.09.2017
	EUR	EUR	EUR	EUR	EUR
Projected benefit obligation of the defined benefit obligation	118,118,006.85	122,957,879.53	90,897,809.53	69,714,205.36	66,503,433.62
Fair value of the plan assets	54,080,042.07	50,167,900.55	53,196,154.55	29,104,598.00	28,910,245.69
<b>Provisions for pensions</b>	<b>64,037,964.78</b>	<b>72,789,978.98</b>	<b>37,701,654.98</b>	<b>40,609,607.36</b>	<b>37,593,187.93</b>



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

	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	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	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP Financial IT Services GmbH	DATAGROUP Operations GmbH	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
<b>Projected benefit obligation on 01.10.</b>	<b>64,542,142.00</b>	<b>14,636,926.36</b>	<b>30,036,383.00</b>	<b>12,352,462.00</b>	<b>954,090.17</b>	<b>435,876.00</b>	<b>0.00</b>	<b>122,957,879.53</b>	<b>62,668,713.00</b>	<b>15,249,682.36</b>	<b>0.00</b>	<b>11,699,268.00</b>	<b>831,234.17</b>	
Additions out of changes in the scope of consolidation/														
out of transfer of employees														
Current service cost	795,739.97		593,414.00	326,895.00	69,874.83	3,743.00		1,789,666.80	1,468,237.00	37,305.00	395,654.79	292,883.00	43,387.00	
Pension payments	47,668.00	675,148.48	696,463.00	187,382.00		13,610.00		1,620,271.48	37,036.00	642,699.00	247,052.00	191,064.00	0.00	
Interest expenses	774,220.00	114,394.00	237,505.00	132,685.00	13,807.00	4,076.00	1,540.40	1,278,227.40	720,459.00	111,962.00	140,787.00	116,038.00	9,559.00	
Reclassification	689,541.00			-196,536.00	196,536.00			689,541.00	0.00	0.00	0.00	0.00	0.00	
<b>Expected projected benefit obligation on 30.09.</b>	<b>66,753,974.97</b>	<b>14,076,171.88</b>	<b>30,170,839.00</b>	<b>12,428,124.00</b>	<b>1,234,308.00</b>	<b>430,085.00</b>	<b>252,984.63</b>	<b>125,346,487.48</b>	<b>64,820,373.00</b>	<b>14,756,250.36</b>	<b>30,606,757.00</b>	<b>11,917,125.00</b>	<b>884,180.17</b>	
Actuarial gains and losses														
from changes in financial														
mathematical assumptions	-4,813,996.00	-314,068.00	-700,446.00	-597,294.00	-140,608.00	-12,607.00	-4,589.63	-6,583,608.63	-278,231.00	-91,056.00	4,771.00	161,968.00	37,570.00	
from changes based on														
experience			-404,305.00	-239,983.00		-584.00		-644,872.00	0.00	-28,268.00	-575,145.00	273,369.00	32,340.00	
<b>Total</b>	<b>-4,813,996.00</b>	<b>-314,068.00</b>	<b>-1,104,751.00</b>	<b>-837,277.00</b>	<b>-140,608.00</b>	<b>-13,191.00</b>	<b>-4,589.63</b>	<b>-7,228,480.63</b>	<b>-278,231.00</b>	<b>-119,324.00</b>	<b>-570,374.00</b>	<b>435,337.00</b>	<b>69,910.00</b>	
<b>Projected benefit obligation on 30.09.</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>	<b>64,542,142.00</b>	<b>14,636,926.36</b>	<b>30,036,383.00</b>	<b>12,352,462.00</b>	<b>954,090.17</b>	

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

	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	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	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP Financial IT Services GmbH	DATAGROUP Operations GmbH	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	
<b>Active employees</b>	<b>52,921,693.00</b>	<b>42,810.88</b>	<b>19,124,830.00</b>	<b>3,302,729.00</b>	<b>1,053,682.00</b>	<b>125,763.00</b>	<b>248,395.00</b>	<b>76,819,902.88</b>	<b>57,613,815.00</b>	<b>345,579.00</b>	<b>20,673,924.00</b>	<b>5,342,244.00</b>	<b>911,315.17</b>	
Former employees														
with vested pension entitlement	6,020,905.00	734,626.00	4,861,230.00	3,767,810.00	40,018.00	46,464.00	0.00	15,471,053.00	5,269,134.00	1,261,123.00	5,399,004.00	2,867,008.00	42,775.00	
Pensioners	2,997,380.97	12,984,667.00	5,080,028.00	4,213,038.00	0.00	201,759.00	0.00	25,476,872.97	1,659,193.00	13,030,224.36	3,963,455.00	3,815,808.00	0.00	
Widows and orphans	0.00	0.00	0.00	307,270.00	0.00	42,908.00	0.00	350,178.00	0.00	0.00	0.00	327,402.00	0.00	
<b>Projected benefit obligations on 30.09.</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>	<b>64,542,142.00</b>	<b>14,636,926.36</b>	<b>30,036,383.00</b>	<b>12,352,462.00</b>	<b>954,090.17</b>	



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Over the course of the fiscal year, the fair value of the plan assets has developed as follows: 2017/2018

	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2020/2021	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	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	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP Financial IT Services GmbH	DATAGROUP Operations GmbH
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Fair value of</b>													
<b>plan assets on 01.10.</b>	<b>42,183,942.00</b>	<b>1,738,680.55</b>	<b>0.00</b>	<b>5,768,237.00</b>	<b>477,041.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,167,900.55</b>	<b>45,508,823.00</b>	<b>1,736,962.55</b>	<b>0.00</b>	<b>5,522,487.00</b>	<b>427,882.00</b>
<b>Additions out of changes in the scope of consolidation/ out of transfer of employees</b>													
						0.00	221,839.62	<b>221,839.62</b>	0.00	0.00	0.00	0.00	0.00
<b>Additions to plan assets</b>		13,818.52		67,242.00		0.00		<b>81,060.52</b>	3,216.00	18,716.00	0.00	146,981.00	43,876.00
<b>Payments from plan assets</b>		92,339.00				0.00		<b>92,339.00</b>	0.00	92,339.00	0.00	0.00	0.00
<b>Expected income or expenses</b>													
from plan assets	506,207.00	13,606.00		63,902.00	5,807.00	0.00	1,361.38	<b>590,883.38</b>	566,728.00	12,739.00	0.00	55,914.00	5,103.00
Reclassification	3,312.00					0.00		<b>3,312.00</b>	0.00	0.00	0.00	0.00	0.00
<b>Expected fair value of</b>													
<b>plan assets on 30.09.</b>	<b>42,690,149.00</b>	<b>1,673,766.07</b>	<b>0.00</b>	<b>5,899,381.00</b>	<b>482,848.00</b>	<b>0.00</b>	<b>223,201.00</b>	<b>50,969,345.07</b>	<b>46,078,767.00</b>	<b>1,676,078.55</b>	<b>0.00</b>	<b>5,725,382.00</b>	<b>476,861.00</b>
<b>Actuarial gains and losses</b>	<b>2,672,855.00</b>	<b>32,868.00</b>	<b>0.00</b>	<b>366,217.00</b>	<b>30,041.00</b>	<b>0.00</b>	<b>5,404.00</b>	<b>3,107,385.00</b>	<b>-3,894,825.00</b>	<b>62,602.00</b>	<b>0.00</b>	<b>42,855.00</b>	<b>180.00</b>
<b>Fair value</b>													
<b>of plan assets on 30.09.</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>	<b>42,183,942.00</b>	<b>1,738,680.55</b>	<b>0.00</b>	<b>5,768,237.00</b>	<b>477,041.00</b>



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

Pension expenses are reflected in the income statement as follows:

	2020/2021	2019/2020
	EUR	EUR
Current service		
= Personnel expenses	1,789,666.80	2,241,265.79
Interest income	590,883.38	640,484.00
Interest expenses	1,278,227.40	1,102,563.00

The revaluation of the defined benefit obligations is recognized in the other income with an amount of EUR 10,335,865.63 (previous year EUR -3,319,523.00). The positive effect from the assessment of pension provisions results from an increase in the actuarial interest compared to September 30, 2020.

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:

	2020/2021	2019/2020
	Increase or decrease of projected benefit obligation	Increase or decrease of projected benefit obligation
	%	%
Interest -0.5%	8.41	10.60
Interest +0.5%	-8.76	-9.33
Pension trend -0.5%	-5.24	-5.73
Pension trend +0.5%	5.80	6.15
Life expectancy -1 year	-2.66	-2.83
Life expectancy +1 year	2.66	2.64

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

	2021/2022
	EUR
Pension payments	1,586,263.00
Employer's contribution	
for plan assets	54,224.00
<b>Total</b>	<b>1,640,487.00</b>

The average remaining time to maturity of the obligations (duration) is approximately 16 years.



### 3.17 Contract Liabilities

Contract liabilities are composed as follows:

	30.09.2021	30.09.2020
	EUR	EUR
Payments received		
on transition projects	6,762,342.72	6,157,817.73
on production orders	4,636.30	67,511.68
Other	881,965.51	2,304,879.16
Payments received	7,648,944.53	8,530,208.57
Deferred income as far as		
customer relationship regarding	5,881,790.02	5,544,003.62
<b>Short-term</b>		
<b>contract liabilities</b>	<b>13,530,734.55</b>	<b>14,074,212.19</b>

The received prepayments and the deferred credit, provided they result from contracts with customers, 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 deferred credit leads to revenue which is distributed over the operating phase of the customer contract.

### 3.18 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.



### 3.19 Other Liabilities

Other liabilities are composed as follows:

	30.09.2021	30.09.2021	30.09.2021	30.09.2020
	Short-term	Long-term	Total	Total
	EUR	EUR	EUR	EUR
Liabilities to				
affiliated companies	897,852.83	0.00	897,852.83	197,766.46
Liabilities to companies				
in which participating				
interests are held	857,176.19	0.00	857,176.19	1,234,235.19
Liabilities to				
tax authorities	8,335,099.42	0.00	8,335,099.42	4,498,259.04
Liabilities to				
personnel	21,449,742.48	0.00	21,449,742.48	18,765,083.30
Liabilities related to				
outstanding invoices	13,615,815.24	0.00	13,615,815.24	11,900,783.97
Other liabilities	2,170,270.24	28,265.65	2,198,535.89	2,931,825.46
<b>Other</b>				
<b>liabilities</b>	<b>47,325,956.40</b>	<b>28,265.65</b>	<b>47,354,222.05</b>	<b>39,527,953.42</b>



## 4 Supplementary Disclosures on Financial Instruments

### 4.1.1 Classification of Financial Instruments

The financial instruments of the DATAGROUP Group can be classified according to IFRS 9 as follows:

Category	30.09.2021	30.09.2021	30.09.2021
	I	II	
	Valued at amortized cost	Valued at fair value through profit or loss	Total
	EUR	EUR	EUR
<b>ASSETS</b>			
Financial assets	2,192,861.90	1,037,000.00	3,229,861.90
Receivables from			
finance lease contracts	33,589,795.00	0.00	33,589,795.00
Contract assets	3,475,645.71	0.00	3,475,645.71
Trade receivables	56,362,817.12	0.00	56,362,817.12
Cash and cash equivalents	44,091,986.09	0.00	44,091,986.09
Other (financial) assets	7,887,210.11	0.00	7,887,210.11
<b>Financial receivables</b>	<b>147,600,315.93</b>	<b>1,037,000.00</b>	<b>148,637,315.93</b>
<b>LIABILITIES</b>			
Liabilities from			
finance lease contracts	19,160,771.41	0.00	19,160,771.41
Contract liabilities	13,530,734.55	0.00	13,530,734.55
Trade payables	11,421,574.49	0.00	11,421,574.49
Liabilities to			
financial institutions	78,224,397.04	0.00	78,224,397.04
Other (financial) liabilities	45,361,583.66	0.00	45,361,583.66
<b>Financial liabilities</b>	<b>167,699,061.15</b>	<b>0.00</b>	<b>167,699,061.15</b>



Category	30.09.2020	30.09.2020	30.09.2020
	I	II	
	Valued at amortized cost	Valued at fair value through profit or loss	Total
	EUR	EUR	EUR
<b>ASSETS</b>			
Financial assets	1,860,972.43	912,000.00	2,772,972.43
Receivables from			
finance lease contracts	28,258,418.14	0.00	28,258,418.14
Contract assets	8,235,243.13	0.00	8,235,243.13
Trade receivables	41,255,080.46	0.00	41,255,080.46
Cash and cash equivalents	63,937,088.85	0.00	63,937,088.85
Other (financial) assets	5,879,128.12	0.00	5,879,128.12
<b>Financial receivables</b>	<b>149,425,931.13</b>	<b>912,000.00</b>	<b>150,337,931.13</b>
<b>LIABILITIES</b>			
Liabilities from			
finance lease contracts	20,392,283.73	0.00	20,392,283.73
Contract liabilities	14,074,212.19	0.00	14,074,212.19
Trade payables	12,491,040.94	0.00	12,491,040.94
Liabilities to			
financial institutions	90,477,749.67	0.00	90,477,749.67
Other (financial) liabilities	20,212,715.91	0.00	20,212,715.91
<b>Financial liabilities</b>	<b>157,648,002.44</b>	<b>0.00</b>	<b>157,648,002.44</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. Hidden reserves do not 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):

	2020/2021	2020/2021	2020/2021
	Valued at amortized cost	Valued at fair value through profit or loss	Total
	EUR	EUR	EUR
<b>Net result</b>			
Interest result			
interest income	1,017,781.69	0.00	1,017,781.69
interest expense	-1,967,956.33	0.00	-1,967,956.33
Currency translation	-12,154.48	0.00	-12,154.48
Result from valuation			
through profit or loss			
at fair value	0.00	125,000.00	125,000.00
Value adjustment and			
Gain /loss on disposal	81,914.80	0.00	81,914.80
	<b>-880,414.33</b>	<b>125,000.00</b>	<b>-755,414.33</b>

	2019/2020	2019/2020	2019/2020
	Valued at amortized cost	Valued at fair value through profit or loss	Total
	EUR	EUR	EUR
<b>Net result</b>			
Interest result			
interest income	602,314.60	6,537.50	608,852.10
interest expense	-1,836,675.38	0.00	-1,836,675.38
Currency translation	-12,532.23	0.00	-12,532.23
Result from valuation			
through profit or loss			
at fair value	0.00	-10,114.00	-10,114.00
Value adjustment and			
Gain /loss on disposal	369,379.60	0.00	369,379.60
	<b>-877,513.41</b>	<b>-3,576.50</b>	<b>-881,089.91</b>



**DATAGROUP**

## 4.1.2 Risk Management

With regard to the financial instruments, the DATAGROUP Group is mainly subject to default, liquidity and interest rate risk. 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, constantly updated statement on revenues. Current costs and investments are adjusted on the basis of this monthly data to be able to meet the planned corporate results. Furthermore, a simplified consolidated statement of financial position is prepared monthly.

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. The weekly liquidity planning is based on a planning horizon of five weeks. Medium-term planning of financial resources exceeding this horizon is prepared as needs arise.

Regarding 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 fulfil any future repayment and interest payment obligations, particularly those arising from existing loan and finance lease agreements. Interest payment and repayment obligations as at 30.09.2021 – also in a yoy comparison with 30.09.2020 – can be summarized as follows:

	Book value 30.09.2021 EUR	Cash flow 2021/2022 EUR	Cash flow 2022/2023 EUR	Cash flow 2023/2024 EUR	Cash flow 2024/2025 EUR	Cash flow 2025/2026et sqq. EUR
<b>Total (interest and redemption payments)</b>						
Liabilities from finance lease contracts	19,160,771.41	7,066,975.16	5,788,579.49	5,059,444.80	1,163,447.72	691,657.88
Contract liabilities	13,530,734.55	13,530,734.55	0.00	0.00	0.00	0.00
Trade payables	11,421,574.49	11,421,574.49	0.00	0.00	0.00	0.00
Liabilities to financial institutions	78,224,397.04	801,930.00	9,801,930.00	34,160,900.00	402,230.00	35,902,230.00
Other liabilities	45,361,583.66	30,076,643.87	15,256,674.14	0.00	0.00	28,265.65
	<b>167,699,061.15</b>	<b>62,897,858.07</b>	<b>30,847,183.63</b>	<b>39,220,344.80</b>	<b>1,565,677.72</b>	<b>36,622,153.53</b>
<b>thereof interest payments</b>						
Liabilities from finance lease contracts		311,834.78	187,804.13	82,471.08	20,762.62	6,461.03
Liabilities to financial institutions		801,930.00	801,930.00	660,900.00	402,230.00	402,230.00
Other liabilities		0.00	0.00	0.00	0.00	0.00
		<b>1,113,764.78</b>	<b>989,734.13</b>	<b>743,371.08</b>	<b>422,992.62</b>	<b>408,691.03</b>



**DATAGROUP**

	Book value 30.09.2020 EUR	Cash flow 2020/2021 EUR	Cash flow 2021/2022 EUR	Cash flow 2022/2023 EUR	Cash flow 2023/2024 EUR	Cash flow 2024/2025et sqq. EUR
<b>Total (interest and redemption payments)</b>						
Liabilities from finance lease contracts	20,392,283.73	6,393,740.42	5,726,960.73	4,540,065.54	4,030,518.07	538,995.70
Contract liabilities	14,074,212.19	14,074,212.19	0.00	0.00	0.00	0.00
Trade payables	12,491,040.94	12,491,040.94	0.00	0.00	0.00	0.00
Liabilities to financial institutions	90,477,749.67	13,201,011.23	801,930.00	9,801,930.00	34,160,900.00	36,304,460.00
Other liabilities	20,212,715.91	20,199,450.26	0.00	0.00	0.00	13,265.65
	<b>157,648,002.44</b>	<b>66,359,455.04</b>	<b>6,528,890.73</b>	<b>14,341,995.54</b>	<b>38,191,418.07</b>	<b>36,856,721.35</b>
<b>thereof interest payments</b>						
Liabilities from finance lease contracts		374,562.94	252,079.36	147,191.69	57,460.03	6,702.71
Liabilities to financial institutions		940,349.23	801,930.00	801,930.00	660,900.00	804,460.00
		<b>1,314,912.17</b>	<b>1,054,009.36</b>	<b>949,121.69</b>	<b>718,360.03</b>	<b>811,162.71</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 in the future in the event of rising interest rate levels. 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 raised promissory note loans with a current value of EUR 78,000,000.00. The promissory note loans have terms of between three and seven years and generally have fixed rates. Given that costs for interest hedge are low, the interest rate risk is sufficiently limited. An increase or decrease in the interest level by 100 basis points would have improved or deteriorated the pre-tax profit of the DATATGROUP Group by EUR 117,000.00 (previous year EUR 363,000.00). Account was taken of the fact that, as at the reporting date, interest-sensitive liabilities to banks were subject to a floor rule in relation to the 6-month Euribor reference interest rate of 0%. For this reason, the interest income will only be adversely affected if the Euribor base rate exceeds the zero threshold again and turns positive. The floor rules also lead to the fact that a further decline in the interest rate level would not have a positive impact on the interest income of DATAGROUP as there is no interest rate sensitivity in the case of negative Euribor values.

Additionally, DATAGROUP has to face the risk of being subject to 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. On the balance sheet, this risk is accounted for by an increase in pension provisions. 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 diversification of customers and regular credit checks, particularly when business is taken up.

The coronavirus pandemic did not result in any particularly high write-downs on trade receivables in the current fiscal year.



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

	2020/2021	2020/2021	2020/2021	2020/2021
	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
	EUR	EUR	EUR	EUR
<b>Opening balance</b>	<b>540,789.52</b>	<b>199,900.95</b>	<b>740,690.47</b>	<b>41,995,770.93</b>
Additions through changes in				
the scope of consolidation	2,772.60	90,200.00	92,972.60	
Consumption	100,022.60	25,100.00	125,122.60	
Reversal	0.00	28,274.36	28,274.36	
Additions	134,750.04	43,779.65	178,529.69	
<b>Closing balance</b>	<b>578,289.56</b>	<b>280,506.24</b>	<b>858,795.80</b>	<b>57,221,612.92</b>

	2019/2020	2019/2020	2019/2020	2019/2020
	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
	EUR	EUR	EUR	EUR
<b>Opening balance</b>	<b>526,846.04</b>	<b>543,700.00</b>	<b>1,070,546.04</b>	<b>46,661,994.92</b>
Additions through changes in				
the scope of consolidation	0.00	10,755.07	10,755.07	
Consumption	441,848.47	403,054.12	844,902.59	
Reversal	0.00	0.00	0.00	
Additions	455,791.95	48,500.00	504,291.95	
<b>Closing balance</b>	<b>540,789.52</b>	<b>199,900.95</b>	<b>740,690.47</b>	<b>41,995,770.93</b>

In addition, DATAGROUP seeks non-notification factoring for receivables from customers to reduce the default risk. The company is still liable for the validity of the account receivable but the del credere risk is passed to the factoring company once the account receivable is sold.



## 5 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 addition, the DATAGROUP Group is obliged to comply with the balance sheet ratio (covenant) net financial debt (total net debt) to EBITDA in connection with the taking up of promissory note loans.

The covenant is below the requirements to be met 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.



## 6 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 which are repayable on demand and form an integral part of the company's cash management are also allocated to the financial resource fund.

	30.09.2021	30.09.2020
	EUR	EUR
Bank deposits	44,076,228.62	63,921,412.58
Cash on hand	15,757.47	15,676.27
<b>Cash and cash equivalents</b>	<b>44,091,986.09</b>	<b>63,937,088.85</b>

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 was EUR 49,998,361.09 (previous year EUR 21,684,423.01). This demonstrates that DATAGROUP can generate positive cash flow with its core business even in a market environment that is characterized by pandemic-driven uncertainty.

### CASH FLOW FROM INVESTING ACTIVITIES

In FY 2020/2021, cash outflow from investment activities was EUR 44,568,282.09 (previous year: cash inflow of EUR 12,594,751.03). This development was driven by the acquisitions of dna Gesellschaft für IT Services mbH and URANO Informationssysteme GmbH during the fiscal year. DATAGROUP invested a total of EUR 35,650,919.34 in fully consolidated companies. Conversely, investments in property, plant and equipment and in intangible assets (CAPEX) have decreased significantly. CAPEX has been lowered from EUR 22,240,085.82 in the previous year to EUR 11,037,327.83. The investment ratio (CAPEX to revenues) declined from 6.2 % in the previous year to 2.5 % in FY 2020 / 2021.

### CASH FLOW FROM FINANCING ACTIVITIES

Net cash outflows from financing activities amounted to EUR 25,243,682.76 in the fiscal year after EUR 17,678,570.38 in the previous year. The change is attributable to finance lease contracts as a lessee. In the fiscal year, DATAGROUP repaid bank loans of EUR 12,229,163.00 (previous year: EUR 8,416,668.00). DATAGROUP did not distribute a dividend in the year under review. In the previous year, the dividend was EUR 5,832,021.30.



## 7 Segment Information

The operating subsidiaries in the DATAGROUP Group are divided into 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. In particular, these IT services 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 whose the range of services 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.



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	Services	Solutions	Others &	Total	Services	Solutions	Others &	Total
	2020/2021	& Consulting 2020/2021	Consolidation 2020/2021	2020/2021	2019/2020	& Consulting 2019/2020	Consolidation 2019/2020	2019/2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Revenues with external customers	346,013,576.93	97,819,456.79	874,707.30	444,707,741.02	264,891,395.69	92,060,523.72	1,259,525.52	358,211,444.93
Revenues with other segment	29,065,283.32	11,250,040.96	-40,315,324.28	0.00	28,288,723.32	10,193,481.92	-38,482,205.24	0.00
<b>Revenue of the segment</b>	<b>375,078,860.25</b>	<b>109,069,497.75</b>	<b>-39,440,616.98</b>	<b>444,707,741.02</b>	<b>293,180,119.01</b>	<b>102,254,005.64</b>	<b>-37,222,679.72</b>	<b>358,211,444.93</b>
Material expenses / expenses for purchased services	147,585,479.23	36,592,837.82	-34,683,915.92	149,494,401.13	116,128,191.64	34,921,702.22	-31,906,064.22	119,143,829.64
Personnel expenses	152,169,911.69	49,770,544.63	11,097,700.82	213,038,157.14	130,013,105.87	48,468,557.11	9,508,930.28	187,990,593.26
Regular depreciation and amortisation	34,285,269.65	3,150,612.09	792,491.33	38,228,373.07	24,216,905.44	3,369,382.71	5,232,596.99	32,818,885.14
<b>Operating income</b>	<b>19,834,544.79</b>	<b>9,319,606.16</b>	<b>-96,349.17</b>	<b>29,057,801.78</b>	<b>-1,998,926.15</b>	<b>10,754,175.55</b>	<b>231,997.64</b>	<b>8,987,247.04</b>
Financial income				1,398,126.93				795,694.54
Financial expenses				3,324,956.13				3,170,488.91
<b>Earnings before taxes</b>				<b>27,130,972.57</b>				<b>6,612,452.68</b>
Taxes on income and profit				6,117,774.92				6,363,716.77
<b>Net income for the period</b>				<b>21,013,197.66</b>				<b>248,735.90</b>
<b>Headcount on reporting date</b>	<b>2,463</b>	<b>522</b>	<b>83</b>	<b>3,068</b>	<b>1,929</b>	<b>648</b>	<b>86</b>	<b>2,663</b>
<b>Investments</b>	<b>15,715,599.28</b>	<b>3,592,880.24</b>	<b>1,919,271.19</b>	<b>21,227,750.71</b>	<b>33,163,749.56</b>	<b>2,370,975.57</b>	<b>3,638,304.97</b>	<b>39,173,030.10</b>
<b>Investments from changes in the scope of consolidation</b>	<b>68,101,551.82</b>	<b>0.00</b>	<b>0.00</b>	<b>68,101,551.82</b>	<b>58,106,968.20</b>	<b>0.00</b>	<b>0.00</b>	<b>58,106,968.20</b>
<b>Assets total segment<sup>2)</sup></b>	<b>342,649,917.70</b>	<b>56,470,004.75</b>	<b>283,063,026.79</b>	<b>682,182,949.24</b>	<b>315,415,209.97</b>	<b>55,969,101.27</b>	<b>240,814,575.78</b>	<b>612,198,887.02</b>
intersegment capital consolidation	56,752,238.82	29,814,060.67	-178,004,601.02	-91,438,301.53	18,834,487.53	29,814,060.67	-127,203,051.63	-78,554,503.43
intersegment debt consolidation	-81,306,913.42	-7,619,642.22	-70,035,557.79	-158,962,113.43	-74,271,724.93	-6,245,820.06	-67,774,976.79	-148,292,521.78
<b>Assets</b>	<b>318,095,243.10</b>	<b>78,664,423.20</b>	<b>35,022,867.98</b>	<b>431,782,534.28</b>	<b>259,977,972.57</b>	<b>79,537,341.88</b>	<b>45,836,547.36</b>	<b>385,351,861.81</b>
<b>Liabilities total segment<sup>2)</sup></b>	<b>262,858,031.36</b>	<b>40,579,265.77</b>	<b>193,009,973.56</b>	<b>496,447,270.69</b>	<b>210,133,553.76</b>	<b>35,607,420.03</b>	<b>221,751,814.72</b>	<b>467,492,788.51</b>
intersegment debt consolidation	-69,823,092.21	-5,667,791.44	-83,471,229.78	-158,962,113.43	-23,612,410.23	-2,598,841.00	-122,081,282.68	-148,292,533.91
<b>Liabilities</b>	<b>193,034,939.15</b>	<b>34,911,474.33</b>	<b>109,538,743.78</b>	<b>337,485,157.26</b>	<b>186,521,143.53</b>	<b>33,008,579.03</b>	<b>99,670,532.04</b>	<b>319,200,254.60</b>
<b>Segment reporting by geographies</b>								
	Germany	EU countries	Third country	Total	Germany	EU countries	Third country	Total
	2020/2021	2020/2021	2020/2021	2020/2021	2019/2020	2019/2020	2019/2020	2019/2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Revenues with external customers</b>	<b>440,588,889.05</b>	<b>3,496,279.15</b>	<b>622,572.82</b>	<b>444,707,741.02</b>	<b>355,327,405.23</b>	<b>2,402,011.72</b>	<b>482,027.98</b>	<b>358,211,444.93</b>

1) including additions to usage rights from IFRS 16

2) The previous year's values were adjusted after the introduction of a new technical solution for data acquisition.



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The “Services” segment generated revenues of EUR 375,078,860.25 in the fiscal year. These are EUR 81,898,741.24 or 27.9 % more than in FY 2019/2020. EBITDA stood at EUR 54,119,814.44 (previous year EUR 34,217,979.29 under consideration of the losses and risk provisions set up in the financial services sector). The EBITDA margin stood at 14.4 % after 11.7 % in the previous year.

Revenues in the “Solutions and Consulting” segment rose by 6.7 % to EUR 109,069,497.75. The EBITDA margin of this segment was 11.4 % after 13.8 % 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 related consolidation entries.

## 8 Other Information

### 8.1 Employees

In FY 2020/2021 DATAGROUP employed on average 2,825 people (previous year 2019/2020 2,587). On September 30, 2021, the number of employees totaled 3,068 (on 30.09./2020: 2,663). When also accounting for management and apprentices, the headcount was 3,265 on September 30, 2021. DATAGROUP employed 144 apprentices on 30.09.2021.

### 8.2 Management Board

The members of the company's management board are:

**Mr. Hans-Hermann Schaber**

- Chief Executive Officer
- Chief Financial Officer, Legal Affairs, Human Resources and Organization

**Mr. Andreas Baresel**

- Chief Production Officer

**Mr. Oliver Thome (from 10/01/2021)**

- Chief Financial Officer, Investor Relations, Mergers & Acquisitions

**Mr. Dirk Peters (until 09/30/2021)**

- Chief Sales Officer

**Mr. Peter Schneck (until 09/30/2021)**

- Chief Officer Investor Relations, Mergers & Acquisitions and Legal Affairs

### 8.3 Supervisory Board

The members of the company's supervisory board are:

**Mr. Heinz Hilgert**

- Managing Director TransVise GmbH
- Chairman

**Dr. Carola Wittig**

- Presiding Judge at the Stuttgart district court

**Mr. Hubert Deutsch**

- Chief Executive Officer of Blank Holding GmbH



## 8.4 Total Remuneration of the Members of the Management Board

The total remuneration of the members of the management board added up to EUR 4,892,628.93. This amount includes variable remuneration of EUR 1,297,996.00.

The total remuneration includes remuneration for the operational management of subsidiaries in the amount of EUR 251,187.79.

## 8.5 Total Remuneration of the Members of the Supervisory Board

The total remuneration of the members of the supervisory board amounted to EUR 95,000.00 in the fiscal year.

## 8.6 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 charges HHS Beteiligungsgesellschaft mbH a group contribution of EUR 720,000.00 (previous year EUR 524,200.00) for services provided by DATAGROUP SE to HHS Beteiligungsgesellschaft mbH and HHS Verwaltungs GmbH and their subsidiaries. DATAGROUP SE did not provide any other services to HHS Beteiligungsgesellschaft mbH (previous year EUR 57,411.48). DATAGROUP SE received goods and services from HHS Beteiligungsgesellschaft mbH in the amount of EUR 196,991.00 (previous year EUR 256,991.00).

In the year under review, DATAGROUP SE received goods or services from subsidiaries of HHS Beteiligungsgesellschaft mbH in the amount of EUR 309,988.25 (previous year EUR 259,406.53). DATAGROUP SE provided services to several subsidiaries of HHS Beteiligungsgesellschaft mbH totaling EUR 161,069.02 in the year under review (previous year EUR 146,547.43).

In the fiscal year, DATAGROUP SE granted HHS Beteiligungsgesellschaft mbH an overdraft in the total amount of EUR 15,000,000.00. The loan amounted to EUR 0.00 at the reporting date (previous year EUR 0.00). In the fiscal year under review, interest income amounted to EUR 93,123.00 (previous year EUR 1,793.57).

All transactions above were settled at fair market conditions.



## 8.7 Leases

The DATAGROUP Group is both a lessor and a lessee and has signed operating lease and finance lease contracts on the sales side. 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 and cars. Various companies of the DATAGROUP Group also offer their major customers 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 or car leasing agreements.

	Buildings EUR	Automotive EUR
Book value of the rights of use		
as of the reporting date	33,579,886.13	3,689,718.65
depreciation amounts	9,501,603.41	2,176,768.11
interest expense	544,535.56	103,449.24

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

	30.09.2021 up to 1 year EUR	30.09.2021 1 to 5 years EUR	30.09.2021 over 5 years EUR	30.09.2021 Total EUR
<b>Leasing obligations</b>				
Minimum leasing payments	18,713,969.41	36,393,242.17	9,349,578.29	64,456,789.87
Present value	17,079,161.37	32,201,062.46	7,857,879.26	57,138,103.09
<b>Leasing claims</b>				
Minimum leasing payments	10,912,453.54	22,780,399.87	1,581,895.43	35,274,748.85
Present value	10,216,186.00	21,975,443.93	1,398,165.06	33,589,795.00
	30.09.2020 up to 1 year EUR	30.09.2020 1 to 5 years EUR	30.09.2020 over 5 years EUR	30.09.2020 Total EUR
<b>Leasing obligations</b>				
Minimum leasing payments	16,628,787.82	36,349,680.60	9,188,114.81	62,166,583.23
Present value	15,945,187.52	33,744,515.10	8,919,339.28	58,609,041.90
<b>Leasing claims</b>				
Minimum leasing payments	8,482,219.56	21,735,054.96	514,222.71	30,731,497.24
Present value	8,004,360.51	19,799,559.67	454,497.95	28,258,418.14

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

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 calculated internal interest 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 12 years. Vehicle leasing contracts usually have a term of between three and four years.

## 8.8 Transactions Not Included in the Balance Sheet

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

## 8.9 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:

	2020/2021	2019/2020
	EUR	EUR
Fees for audit services	378,803.18	405,338.07
Tax advisory services	120,320.23	98,080.52
Other services	151,683.81	100,347.84
<b>Auditor's fees</b>	<b>650,807.22</b>	<b>603,766.43</b>

Of these expenses, EUR 604,487.09 (previous year EUR 619,020.00) were deferred at the balance sheet date. The result from the settlement of the provision created in the previous year was EUR -12,686.00 (previous year EUR 6,265.53).

The comparatively high costs for audit services in the previous year were due to special effects.

## 8.10 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 30.09.2021 (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).

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

In a letter dated January 22, 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."

## 8.12 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 September 30, 2021. The resolutions were disclosed in the German Electronic Federal Gazette in accordance with § 325 HGB

## 8.13 Proposal for the Appropriation of Net Income

The Management Board will propose to the Annual General Meeting to distribute a dividend of EUR 1.00 per no-par share entitled to dividend from the retained earnings of EUR 37,784,756.84. The remaining amount is to be carried forward.

## 8.14 Authorization to Disclose the Consolidated Financial Statement of the Previous Year

The authorization to disclose the consolidated financial statements of the previous year ending 30.09.2020 was granted by the management board on 21.12.2020. Disclosure was made on our website at the end of December 2020, whereas this information has not been disclosed in the electronic commercial register yet and is still being processed. It had been filed in a timely manner on September 24, 2021.

Pliezhausen, December 15, 2021

DATAGROUP SE



Max H.-H. Schaber  
Chief Executive Officer



Andreas Baresel  
Chief Production Officer



Oliver Thome  
Chief Financial Officer



# Group Management Report

## 1 Group Overview

DATAGROUP SE, PLIEZHAUSEN

SERVICES

DATAGROUP Bremen  
DATAGROUP BIT Düsseldorf  
DATAGROUP BIT Hamburg  
DATAGROUP Frankfurt  
DATAGROUP Hamburg  
DATAGROUP Köln  
DATAGROUP Ludwigsburg  
DATAGROUP Offenburg  
DATAGROUP Operate IT  
DATAGROUP Stuttgart  
DATAGROUP Ulm  
dna  
URANO

SOLUTIONS AND CONSULTING

DATAGROUP Business Solutions  
DATAGROUP Consulting Services  
DATAGROUP IT Solutions  
ALMATO  
Mercoline

CENTRAL SUPPLY UNITS

DATAGROUP  
Operations

DATAGROUP  
Enterprise Services

DATAGROUP  
Service Desk

DATAGROUP  
Inshore Services

DATAGROUP Group (as of 30.11.2021)<sup>1</sup>

### ORGANIZATIONAL AND LEGAL STRUCTURE OF THE DATAGROUP GROUP

DATAGROUP SE is the holding company of IT service provider DATAGROUP, which is active throughout Germany. DATAGROUP SE mainly includes the entities listed in the diagram above.

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

<sup>1</sup> DATAGROUP Berlin, DATAGROUP München and DATAGROUP Defense IT Services are sub-areas of DATAGROUP Business Solutions



# DATAGROUP

production units, providing services for the DATAGROUP market units as internal competence and service centers within the DATAGROUP Group.

## CENTRALIZATION WHERE NEEDED, REGIONALITY WHERE POSSIBLE

DATAGROUP pursues a decentralized strategy for the Group's organization. Amongst others, this fosters regional cooperation in partnership with the customers while keeping up agility and being able to quickly respond to regional particularities. Yet customers interact with the same DATAGROUP at every location, whereas the individual entities benefit from the strong corporate brand.

Individual services are centralized to take advantage of synergy effects. Alongside the central supply units which work for the individual companies, this also applies to the central controlling, financing, and management functions as well as central services such as accounting, human resources and the central IT services which DATAGROUP SE provides for the group companies.

Lastly, DATAGROUP SE takes on accounting and human resources services for the main shareholder, HHS Beteiligungsgesellschaft mbH and its subsidiaries for a remuneration that is usual in the market.<sup>2</sup>

## CONTINUATION OF THE ACQUISITION STRATEGY

Since the IPO in 2006, DATAGROUP SE has acquired 27 companies. The acquisition strategy primarily focuses on IT service companies in Germany. The company pursues four growth objectives with its acquisition strategy: to strengthen the regional footprint, enlarge the customer portfolio, acquire sought-after qualified employees, and expand the solution portfolio. Concerning the types of integrated companies, DATAGROUP pursues two strategic directions: "buy-and-build" (i.e. the companies complement or strengthen DATAGROUP's service portfolio) and "buy-and-turnaround" (i.e. the acquired companies are in turnaround situations and need strategic restructuring).

As a general rule, DATAGROUP integrates the acquired companies into the Group. In this process, the individual companies remain unchanged as much as possible to maintain customer proximity and to not jeopardize the mid-market agility and the customer relationships that to some extent have been existing for decades.

The companies are generally managed under the nationwide uniform DATAGROUP brand and newly acquired companies are renamed after a transition period.

DATAGROUP acquired two companies in the last fiscal year: URANO Informationssysteme GmbH and dna Gesellschaft für IT Services mbH in May 2021.

**URANO Informationssysteme GmbH** has roughly 300 employees providing IT services for private sector and public sector organizations. This company strengthens DATAGROUP's footprint in Rhineland-Palatinate and Hesse. URANO has been active in IT services for more than 30 years and has been a reliable partner to the state authorities of the federal states for years. For instance, the company has contributed to set up and operate the vaccination centers in Hesse. DATAGROUP initially acquired 70 % of the shares in URANO

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<sup>2</sup> HHS Beteiligungsgesellschaft mbH is the asset-managing investment holding of Max H.-H. Schaber, the CEO and founder of DATAGROUP SE. The company is fully owned by Mr. Schaber and his family. HHS Beteiligungsgesellschaft holds approx. 53.6 % in DATAGROUP SE. HHS is also invested in other companies, which, however, are not in competition with DATAGROUP.



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Informationssysteme GmbH and secured an option for the acquisition of the remaining 30 % of the shares after two years.

**dna Gesellschaft für IT Services mbH** is a specialist in managed services for IT infrastructures and IT applications in the financial area. dna is focused on network management, managed client services, application operation, user administration and industry-specific technical assistance. The company is the preferred partner of a central IT service provider of the savings bank association and provides the cross-country support of the savings banks throughout Germany. Together with DATAGROUP BIT Düsseldorf GmbH (previously DATAGROUP Financial IT Services GmbH) and DATAGROUP BIT Hamburg GmbH (previously Portavis GmbH), which was acquired in 2020, the sector specialists form a trio to support digitization in the financial sector.

The DATAGROUP Group will grow within the context of the long-term acquisition strategy in the future as well.

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

DATAGROUP is one of the leading IT service providers for German Mittelstand companies. The company 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.

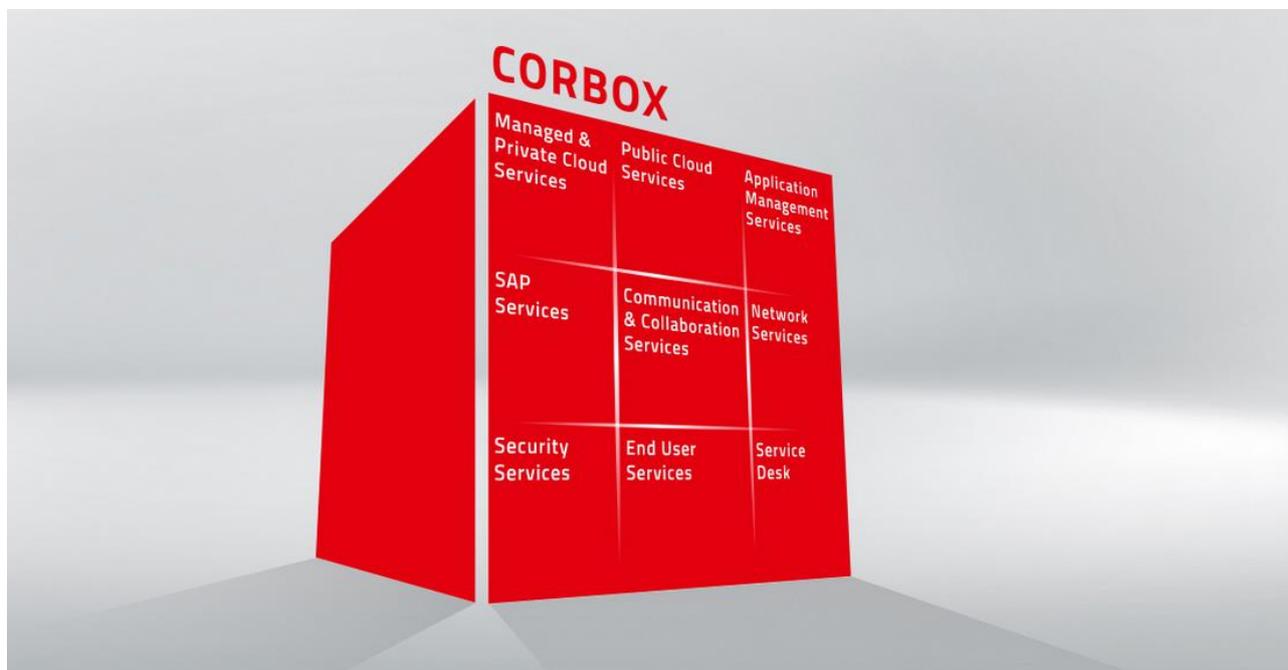
DATAGROUP works exclusively for business customers and is focused on Mittelstand and large companies as well as public authorities. As a partner for the mid-market, DATAGROUP stands out for its personal closeness to the customers and the contact at eye level.

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

The CORBOX (corporate IT out of the box) is the heart of the DATAGROUP portfolio. Thanks to this solutions portfolio, DATAGROUP provides customers with IT as a Service: A modular service offering, which covers the entire range of a company's IT and helps customers to choose those services which perfectly fit their company requirements. "IT's that simple" is the motto, which DATAGROUP pursues with the CORBOX. DATAGROUP looks after the customers' IT so that they can focus on their core business.



# DATAGROUP



The CORBOX solutions are so flexible they can cover a very broad range. Customers do not have to decide between two models, for instance between the operation of their IT in the private or in the public cloud. Rather, DATAGROUP's CORBOX solutions build a bridge between the worlds and cover the entire spectrum, for instance in hybrid scenarios.

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 services.

## **CERTIFICATIONS AND CERTIFICATES**

Since September 2012, DATAGROUP has been ISO 20000-certified – this is the highest possible ISO certification for professional IT service management. DATAGROUP undergoes the extensive testing procedure on a regular basis to design its IT services according to industry standards and to consistently improve them. The most recent recertification by TÜV Süd Management Services was successfully completed in September 2021.

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 system which in its core includes a state-of-the-art information security management on the basis of certifications of ISO 27001 native and ISO 27001 on the basis of IT Grundschutz (BSI). The ISO 27001 certifications extend to the data center services and the related necessary IT operations management. All central IT systems are operated by DATAGROUP

IT's that simple.



# DATAGROUP

Operations GmbH in a so-called colocation model in mirrored data centers in Frankfurt and Düsseldorf. DATAGROUP has rented space at a data center operator with the corresponding special expertise.

These data centers have state-of-the-art equipment in terms of security, access control, fire protection and emergency power supply. They are managed by a specialized real-estate company and provided by DATAGROUP in a package. This approach reduces the capital intensity of the business, while we enjoy the highest possible standard in data center equipment. DATAGROUP operates its own hardware and software as well as customer-specific systems in these data centers.

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. "IT Service Management", the management system for the comprehensive business process is reviewed once a year according to the international standard ISO 20000. This includes the IT service management system for all services in the service catalog with all its processes and functions as specified in the CORBOX model.

Additionally, DATAGROUP is certified according to ISO 27018, ISO 14001, IDW PS 951, and the TSI Standard V4.1 Level 3 as well as ISAE 3402. Subsidiary DATAGROUP Business Solutions is also certified according to ISO 9001.

DATAGROUP's subsidiaries, DATAGROUP BIT Düsseldorf, DATAGROUP BIT Hamburg and dna, have a team of experts enjoying many years of industry experience in the financial services market with its high requirements. In addition to the wide range of IT services which are tailored to the specific requirements of this industry, these companies have numerous certifications from this industry and thus can also seize new growth opportunities offered in this highly regulated area of financial services.



## 2 Basic Conditions

### **OVERALL ECONOMY IS PICKING UP**

The period of growth of the German economy with average growth of 1.9 %, which has continued for ten years, has come to an end in 2020 due to the coronavirus pandemic. Instead, GDP dropped by 5.0% in 2020 and Germany was sliding into a recession. However, there were first signs of a recovery of the German economy already in 2020. In its spring outlook for 2021, the Federal Ministry for Economic Affairs and Energy expected the GDP to grow by 3.5 %, adjusted for prices, and foresees another 3.1 % recovery of the German economy for 2022. This growth is driven, amongst others, by the positive development in the sales markets as a consequence of major economic stimulus packages in the USA and the economic dynamism in Asia. However, economic recovery in Germany varies considerably. Whilst there was a strong rebound in the service sector, the manufacturing sector is faced with supply bottlenecks, making it difficult to manage the well-filled order books. The ifo Institute therefore expects the gross domestic product to grow by 2.5 % and projects a stronger recovery of 5.1 % in 2022.

### **DIGITAL INDUSTRY CONTINUES TO RISE**

The Bitkom-ifo business climate index for the ITC industry shows more optimistic future expectations than for the overall industry. In July 2020, the business climate index in the Bitkom industry even marked a new all-time-high of 40.5 points.

Industry association Bitkom expects to see a general positive business development. Following a slight decline of 0.6 % in 2020, turnover is expected to increase by 4 % to EUR 178bn in 2021.

The industry benefits from the ongoing digitization in 2021 as well. For instance, business with Infrastructure as a Service, e.g. provisioning of servers, network and storage capacities, has grown by 29.8 %. The IT services and IT consulting segment is up 3.7 % to EUR 41.1bn, the software segment by 6.0 % to EUR 27.5bn in revenues.

### **COMPANIES FOCUS ON DIGITIZATION**

There has been a growing urge for digitization among many companies in Germany that was driven by the pandemic. 64 % of companies taking part in a Bitkom survey indicated that digital technologies would help them to manage the pandemic. 95 % of companies surveyed felt that the digitization of business processes has gained in importance because of the pandemic.

However, many companies are lacking specialists to accelerate their own digitization. This was stated by 56 % of the companies surveyed by Bitkom. An opportunity for IT service providers. In the study conducted by market researcher Lünendonk & Hossenfelder on the market for IT consulting and IT services in Germany, 59 % of companies surveyed said they were interested in a closer cooperation with full-service IT service providers in the future. The study also found that user companies are planning to increase their IT budgets for 2021 and 2022.



# DATAGROUP

DATAGROUP provides IT basic services as well as the foundation for a company's digitalization with the help of its CORBOX, the modular full IT outsourcing portfolio, as well as its solutions in the Consulting and IT Solutions segment. The comprehensive portfolio covers different scenarios of a customer's digitization requirements. Thanks to a large number of IT experts, the company is well equipped to benefit from the IT investments of user companies and to tie customers in the long term.

IT's that simple.



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

## 3.1 Results of Operations

Revenue increased by 24.1 % to TEUR 444,708 in the fiscal year just ended. EBITDA was up from TEUR 41,807 in the previous year to TEUR 67,286 in FY 2020/2021 (+60.9 %). EBIT came in at TEUR 29,058 after TEUR 8,988 in the previous year. This is an increase of 223.3 %.

### NET INCOME AND EARNINGS FIGURES

Net income stood at TEUR 21,013 in FY 2020/2021 after TEUR 249 in the previous year. EPS - earnings per share - amounted to EUR 2.52 in comparison to EUR 0.03 in the previous year. When adjusted for risk provisions in the financial services sector, EPS would have amounted to EUR 1.47 in the previous year. The Management Board of DATAGROUP SE will propose to the Annual General Meeting to distribute a dividend of EUR 1.00 per no-par share entitled to dividend from the retained earnings of EUR 37,784,756.84. The remaining amount is to be carried forward.

The comparison of fiscal year 2020/2021 with the previous year 2019/2020 is made more difficult due to the following special effects:

In the previous year, earnings figures were heavily affected by **delays and increased costs** related to the start-ups of new customers (transitions/boarding) in the financial services sector (DATAGROUP BIT Düsseldorf GmbH, previously DATAGROUP Financial IT Services GmbH) and the impacts of the coronavirus pandemic on the project business. DATAGROUP has made **provision for risks** in the amount of TEUR 12,000 in the previous year to cover financial risks in the financial services sector. Specifically, capitalized contract costs from transition projects were devalued by TEUR 5,335 and provisions of TEUR 6,665 were set aside. Furthermore, the entity concerned also generated negative EBIT of approx. EUR 12.7m in FY 2019/2020. TEUR 2,000 of the recognized provision were utilized in FY 2020/2021. To this day, all known financial risks have been covered by the provision for risks for the coming years.

Conversely, a figure of TEUR 11,571 from the **first consolidation of DATAGROUP BIT Hamburg GmbH (previously Portavis GmbH)** was recognized through profit and loss in other operating income in FY 2019/2020. This is the amount by which the company's identifiable acquired net income exceeded the purchase price.

The **EBT** – earnings before taxes – was TEUR 27,131 in the period under review, while it came in at TEUR 6,613 in FY 2019/2020.

**Tax expenses** were TEUR 6,118 at a tax rate of 22.5 % after TEUR 6,364 in the previous year at a tax rate of 96.2 %. The low tax rate in the fiscal year is due to positive effects from the valuation of tax-loss carry-



forwards and temporary differences in valuation from the financial services sector. The reason for the high tax rate in the previous year is that EBT included expenses from this financial services sector in the amount of EUR 25.1m (including risk provisions of EUR 12.0m) which did not lead to a reduction of tax expenses. On the other hand, there were no tax charges on the lucky buy effects of EUR 11.6m in the previous year in connection with the acquisition of DATAGROUP BIT Hamburg GmbH.

The **financial result** stood at TEUR -1,927 in FY 2020/2021 after TEUR -2.375 in the previous year.

**EBIT** – earnings before interest and taxes – increased by 223.3 % compared to the previous year. It totaled TEUR 29,058 in the period under review after TEUR 8,988 in the previous year. Prior to risk provisions in the financial services sector, EBIT would have been TEUR 20,988 in the previous year.

**Depreciation and amortization** were up from TEUR 32,819 in the previous year to TEUR 38,228 in FY 2020/2021. The company has recognized extraordinary depreciation of TEUR 3,150 in the fiscal year. Amortization of order backlog, customer portfolios and other assets capitalized as part of the purchase price allocation increased by TEUR 955 to TEUR 5,628 due to the new acquisitions. Other depreciation increased by TEUR 4,454 to TEUR 32,600, which was also driven by acquisitions.

No goodwill amortization was necessary in FY 2020/2021 or in the previous years. The goodwill impairment test carried out did not point to any need for amortization.

**EBITDA** – earnings before taxes, financing, depreciation and amortization – amounted to TEUR 67,286 in FY 2020/2021 after TEUR 41,807 in the previous year. This is an increase of 60.9 %. Prior to risk provisions, EBITDA would have been TEUR 53,807 in the previous year 2019/2020.

On March 4, 2021, at DATAGROUP's Annual General Meeting, management projected EBITDA of EUR 56-58m for FY 2020/2021. This guidance was adjusted to "more than EUR 61m" in an ad hoc notification on May 25, 2021.

## REVENUE AND ORDER BOOK

DATAGROUP has been growing on the basis of its stated strategy for years, which is driven by both acquisitions and operating growth. As a result, the DATAGROUP Group has reported incremental sales in the last years which were significant to some extent: In the fiscal years from 2005/2006 to 2020/2021, revenue rose by 20.4 % p.a. on average. In FY 2020/2021, revenue was up 24.1 % after 16.8 % in FY 2019/2020. Revenue amounted to TEUR 444,708 in the fiscal year after TEUR 358,211 in the previous year. This means that the guidance of EUR 410-420m, which was announced at the AGM on March 4, 2021, and revised to "more than EUR 440m" in an ad hoc notification on May 25, 2021, was more than fulfilled.

Over the last fiscal years, DATAGROUP has focused on the expansion of the cloud and outsourcing business. As in the prior-year period, the proportion of services remained stable in the period under review at 84.4 % after 85.1 % in the previous year.

The Solutions and Consulting segment generated revenue (including revenue with other segments) of TEUR 109,069 (previous year TEUR 102,254). The Services segment generated revenue of TEUR 375,079 (previous year TEUR 293,180). These figures include the inter-segment revenues.



# DATAGROUP

As in the previous years, the business activities of the DATAGROUP Group primarily focus on Germany. The proportion of foreign business totaled TEUR 4,119 or 0.9 % in FY 2020/2021 (previous year TEUR 2,884 or 0.8 %).

While DATAGROUP predominantly enters medium and long-term contractual relationships in the service business leading to well predictable revenues, the commercial business has a stronger focus on short-term contractual relationships and therefore is subject to larger fluctuations. This also applies to the project business, which was hit by negative effects at the beginning of the coronavirus pandemic.

## **GROSS PROFIT**

Gross profit was up 18.9 % yoy to TEUR 294,995. The gross profit margin decreased from 69.3 % in FY 2019/2020 to 66.3 % in the current fiscal year. The lower margin is due to a disproportionate increase of retail in the period under review.

## **PERSONNEL EXPENSES**

Personnel expenses totaled TEUR 213,038 in the fiscal year after TEUR 187,991 in the previous year. This increase was primarily driven by acquisitions.

## **3.2 Financial and Asset Position**

### **FINANCIAL MANAGEMENT TARGETS**

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

The financial management aims to secure the company'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.

In the fiscal year 2018/2019, DATAGROUP placed promissory note loans with a total volume of TEUR 69,000 and a duration of between five and seven years. This has significantly enhanced the financial scope of the DATAGROUP Group and puts the loans' structure on a long-term basis.



## CAPITAL STRUCTURE

Figures in TEUR	30.09.2021	30.09.2020	30.09.2019	30.09.2018	30.09.2017
<b>ASSETS</b>					
Non-current assets	276,817	224,182	187,150	114,448	102,268
Current assets	154,966	161,170	132,927	101,002	110,526
	<b>431,783</b>	<b>385,352</b>	<b>320,077</b>	<b>215,450</b>	<b>213,390</b>
<b>LIABILITIES</b>					
Equity	94,297	66,152	74,046	67,255	59,581
Non-current liabilities	207,320	206,019	157,009	86,707	95,881
Current liabilities	130,166	113,181	89,022	61,488	57,928
	<b>431,783</b>	<b>385,352</b>	<b>320,077</b>	<b>215,450</b>	<b>213,390</b>

The balance sheet total increased by 12.0 % or EUR 46.4m year-on-year. The higher balance sheet total is attributable to the acquisitions of URANO Informationssysteme GmbH and dna Gesellschaft für IT Services mbH. Opposite effects are due to the repayment of bank loans (mainly promissory note loans) in the amount of TEUR 12,229.

The generated net income of TEUR 21,013 and the other comprehensive income of TEUR 7,133, which results from the revaluation of pension provisions, lead to an increase of the equity ratio of the DATAGROUP Group from 17.2 % on September 30, 2020 to 21.8 % on September 30, 2021.

Goodwill increased by TEUR 40,583 on the back of the acquisitions completed in FY 2020/2021. As a result, the ratio between goodwill and equity is 109.3 % after 94.5 % on September 30, 2020.

Other intangible assets increased by TEUR 16,745. This is mainly attributable to the purchase price allocations. Intangible assets such as order book and customer relationships in the amount of TEUR 21,691 were capitalized (increase), while depreciation on these assets amounted to TEUR 5,628 (decrease).

The investment activity as a proportion of assets (without goodwill) to balance sheet total dropped to 25.4 % on September 30, 2021, while it stood at 27.1 % on September 30, 2020. In addition to order backlog and customer relationships resulting from acquisitions, fixed assets mainly include the DATAGROUP data centers, furniture and office equipment of the DATAGROUP entities as well as the use of right assets from rental contracts and car leasing contracts.

Inventories decreased from TEUR 6,952 on September 30, 2020 to TEUR 3,770 on September 30, 2021. The amount shown on September 30, 2020 was unusually high as a result of projects. Inventory turnover (inventory to sales) was down from 1.9 % in the previous year to 0.8 % on September 30, 2021.

Contract costs of TEUR 1,241 (previous year TEUR 9,291) which accrued during the fiscal year were included in the balance sheet item "capitalized contract costs". Expenses of TEUR 3,188 (previous year TEUR 2,018) were allocated to the operating phase. Capitalized contract costs were devalued by TEUR 5,335 in the previous year.

Trade receivables increased by TEUR 15,108 to TEUR 56,363 which was also due to the first-time consolidation of URANO Informationssysteme GmbH.



Financial liabilities increased year-on-year – from TEUR 155,406 on September 30, 2020 to TEUR 165,202 at the balance sheet date. This is attributable to the recognition of earn out and other obligations from company acquisitions on the liabilities side in the amount of TEUR 29,839 (TEUR 6,319 in the previous year). The repayment of bank loans in the amount of TEUR 12,229 had an opposite effect. Liabilities from finance lease of TEUR 57,138 were recognized on the liabilities side (TEUR 58,609 in the previous year).

Net debt increased – from TEUR 63,044 on September 30, 2020 to TEUR 87,520 at the balance sheet date.

Provisions decreased by TEUR 6,051 to TEUR 82,215. This balance sheet item mainly includes provisions for pension obligations of TEUR 64,038 after TEUR 72,290 on September 30, 2020. The reduction is attributable to an increase of the underlying actuarial interest for the calculation of pension provisions. The resultant actuarial gains lead to a reduction of provisions of TEUR 10,336. An amount of TEUR 7,414 (previous year TEUR 8,473) for risk provisions and restructuring and an amount of TEUR 2,318 (previous year TEUR 3,108) for personnel expenses were carried as liabilities.

## **LIQUIDITY DEVELOPMENT**

The cash position of the DATAGROUP Group has declined by TEUR 19,814 to TEUR 44,092 in the period under review, mainly due to company acquisitions which accounted for TEUR 35,651. The operating cash flow was TEUR 49,998, CAPEX (investments in property, plant and equipment and in intangible assets) amounted to TEUR 11,037 after TEUR 22,240 in the previous year. Bank loans of TEUR 12,229 were repaid.

The free cash flow as a difference between operating cash flow and net investments in PPE and intangible assets has improved considerably and stands at TEUR 39,556 after TEUR 221 in the previous year.

## **OVERALL STATEMENT**

In the opinion of the management, the profitability of the DATAGROUP core business continues to provide the Group with the necessary room for a sustainable implementation of the long-term growth strategy. This is reflected by the key performance indicators: EBITDA totaled TEUR 67,286 in FY 2020/2021 (TEUR 41,807 in the previous year), net income was TEUR 21,013 after TEUR 249 (TEUR 12,249 prior to risk provisions) in the previous year. Particularly the company's focus on business with outsourcing and cloud services will present major opportunities in the future as well.

Cash flow from operating activities was TEUR 49,998 in the period under review. The equity ratio is 21.8 %. Liquid funds amounted to TEUR 44,092. The key figures from the balance sheet reflect a sufficiently good asset position even after the special effects of the fiscal year.



## 4 Stock

### **DEVELOPMENT OF THE DATAGROUP SHARES**

Management believes that FY 2020/2021 has been consistently positive for shareholders based on the share price development. Whilst there had still been a lot of uncertainties in the previous year, investors this year have become more aware of how the coronavirus pandemic would impact the different industries. Since the start of the fiscal year in October 2020, the DAX has risen continuously – apart from smaller fluctuations during the year – from roughly 12,800 to roughly 15,200 points. Companies from the area of digital economy and related industries were the main beneficiaries. In November 2021, the DAX still developed positively at first but suffered a strong setback at the end of November and in early December.

The DATAGROUP stock started with a price of EUR 44.60 on the first trading day of the new fiscal year, on October 1, 2020, and has developed very positively throughout the course of the fiscal year. The all-time-high of the current fiscal year and of the entire stock exchange history of DATAGROUP was reached on September 27 at a price of EUR 81.80. The stock's closing price at the end of the fiscal year was EUR 79.20.

The much better development of the DATAGROUP shares in comparison to the DAX and TecDAX can be put down to a number of factors: Firstly, DATAGROUP strongly benefited from the prevailing digitization trend which has been significantly boosted by the coronavirus pandemic. In addition to generally strong demand for cloud services, DATAGROUP directly generated new business due to COVID-19 – for instance, the roll-out and operation of the digital infrastructure for 52 vaccination centers in Baden-Württemberg. It took a mere four weeks from the first offer to the start of the productive roll-out of the modern and highly secure solution. Within a few weeks, area-wide infrastructure was set up and the workplaces were put into operation so that the vaccination facilities were ready to implement the vaccination campaign within a very short time.

The strong share price development was also driven by the newly acquired URANO Informationssysteme GmbH (“URANO”) and dna Gesellschaft für IT Services GmbH (“dna”), which were consolidated on May 1, 2021.

Organic growth was 7.7 % in the fiscal year just ended. Growth was primarily driven by the flourishing business of the fully integrated DATAGROUP entities. A couple of new customers were shifted to ongoing production, including those of subsidiary DATAGROUP BIT Düsseldorf GmbH (previously DATAGROUP Financial IT Services GmbH) that were in critical customer situations in the past fiscal year. In the fiscal year just ended, DATAGROUP sold 18 new CORBOX contracts and realized additional business (upselling) in 27 customer situations.

DATAGROUP increasingly communicated the Service as a Product approach as an outstanding unique selling proposal both among investors and customers. The central supply units and the resultant advantages in quality and cost are massive competitive advantages for DATAGROUP. DATAGROUP mainly convinces investors by the broadly diversified customer portfolio and the high share of long-term contracts with recurring revenue. Furthermore, DATAGROUP provides shareholders with sustainable growth: To date, revenues have grown on average by 15.1 % p.a. over the last decade.

DATAGROUP's market capitalization amounted to some EUR 661.2m at the end of the fiscal year compared to EUR 372.4m at the end of FY 2019/2020.



# DATAGROUP

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

The DATAGROUP shares have continued their positive trend beyond the balance sheet date on September 30, 2021. The stock hit a new all-time-high of EUR 86.60 on December 1 in a pleasant market environment.

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

The Management Board and the investor relations team of DATAGROUP SE maintain an extensive exchange with investors, analysts and representatives of the financial media. 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, the company publishes comprehensive quarterly information – and also communicates through all media channels in both German and English. The latter is a major advantage particularly for international investors, whose interest in DATAGROUP has increased markedly over the last few years.

On a regular basis, investors are given the opportunity to inform themselves on the company’s current course of business at conferences, either in public presentations or individual meetings. The conferences and investor meetings were held virtually with the help of modern video conference technology and largely unaffected by the coronavirus pandemic. Based on travel restriction because of the coronavirus pandemic, DATAGROUP participated in numerous virtual conferences and roadshow formats of different banks and other organizers. The German Equity Forum and the Equity Forum Spring Conference in Frankfurt were major investor and analyst events in Germany in the past fiscal year.

DATAGROUP provides its shareholders with comprehensive information on the company’s website. Additionally, business news are shared internationally on DGAP distribution services. During the quarterly conference calls on the company’s figures, the Management Board informed private and institutional investors on the current business performance and responded to questions and comments of investors and analysts.

## **ESG REPORTING**

The abbreviation “ESG” stands for “environmental, social, and governance” and covers all areas dealing with environmental, social or corporate responsibility. Investors are increasingly concerned that the companies they are invested in also act responsibly. This primarily applies to compliance with social standards, sustainable and environmentally conscious management as well as the observation of the legal and de facto regulatory framework of good corporate governance. Early in October 2020, DATAGROUP published an ESG Report for the first time. This report deals with the different aspects of lived corporate governance in human resources, environmental and social areas. As a partially owner-managed company, however, social and environmental responsibility are at the heart of DATAGROUP not only since the invention of ESG investing. Countless initiatives for social and cultural commitment, for energy-efficient management and sustainable governance have been initiated by and together with employees of the DATAGROUP family. Interested readers will find the complete ESG Report in the publication section on the website under [datagroup.de/publications](https://datagroup.de/publications).

## ANALYST RECOMMENDATIONS

The DATAGROUP shares are covered by a number of research analysts. The performance of the DATAGROUP shares is covered by the analysts below:

### OVERVIEW OF THE ANALYST RATINGS ON 08.12.2021

Company	Analyst	Recommendation	Price Target	Latest Change
Berenberg	Gustav Froberg	Buy	EUR 93.00	30.11.2021
Hauck & Aufhäuser	Tim Wunderlich	Buy	EUR 98.00	23.11.2021
Stifel	Yannik Siering	Buy	EUR 96.00	07.12.2021
M.M.Warburg Co.	Andreas Wolf	Buy	EUR 86.00	25.08.2021
Quirin Privatbank AG	Sebastian Droste	Buy	EUR 94.00	23.11.2021
Baader Helvea	Knut Woller	Sell	EUR 64.00	24.11.2021
Edison Investment Research	Edwin De Jong	corporate	-	25.10.2021

## SHAREHOLDER STRUCTURE AND DIRECTOR'S DEALINGS<sup>3</sup>

53.6 % of the DATAGROUP shares are held by the long-standing main shareholder, HHS Beteiligungsgesellschaft mbH, the asset-managing investment holding of the family of CEO and founder Max H.-H. Schaber.

In October and November 2020, HHS acquired some 200,000 shares with a total amount of just under EUR 10m. Furthermore, some members of the Management Board and the Supervisory Board also acquired shares. The following reportable transactions (Director's Dealings) were undertaken in the last fiscal year:

Date	Notifiable Person	Role	Type of Business	Amount in EUR	Unit
14.10.2020:	Max H.-H. Schaber	Chief Executive Officer	Purchase	234,999	5,000
17.10.2020:	Andreas Baresel	Management Board	Purchase	17,500	400
18.10.2020:	Andreas Baresel	Management Board	Purchase	70,300	1,600
18.11.2020:	Dirk Peters	Management Board	Sale	9,046,452	196,662
18.11.2020:	Max H.-H. Schaber	Chief Executive Officer	Purchase	9,046,452	196,662
20.11.2020:	Dirk Peters	Management Board	Sale	368,000	8,000
20.11.2020:	Andreas Baresel	Management Board	Purchase	368,000	8,000

The free float is mainly comprised of institutional investors, family offices and, to a small extent, private investors.

<sup>3</sup> Business news are shared on DGAP and are available on the DATAGROUP website.



## ANNUAL GENERAL MEETING AND DIVIDEND

The Annual General Meeting took place on March 4, 2021 as a virtual event. A total of 152 shareholders and shareholder representatives saw the live video stream. Supervisory Board and Management Board explained the course of the last fiscal year and gave an outlook on the medium and long-term management objectives. All items on the agenda were approved. For the first time, the company did not pay a dividend to their shareholders. Based on the uncertainties prevailing at the time on which the agenda was drafted and concerning the impact of the second COVID-19 wave, DATAGROUP wanted to build up financial reserves. For the fiscal year ending September 30, 2021, the management intends to propose a dividend distribution to the Annual General Meeting which is in line with the historic dividend policy of a distribution ratio of some 40 % of net profit.

All proposed resolutions were approved by a clear majority, the results of the individual items on the agenda are available in detail for inspection purposes on our website under Investor Relations/Annual General Meeting. The Annual General Meeting for FY 2020/2021 is scheduled for March 10, 2022.

## KEY TRADING DATA OF THE DATAGROUP STOCK

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 Number of Shares	8,349,000
Amount of the Share Capital	EUR 8,349,000.00
Initial Listing	September 14, 2006
Issue Price	EUR 3.20
Share Value (as of 30.11.2021)	EUR 83.10
Market Capitalization (as of 30.11.2021)	EUR 693.80m

## IN A DIALOG WITH FINANCIAL MEDIA

A large number of journalists have reported on the DATAGROUP shares and the company in the last fiscal year as well, both in print magazines such as Wirtschaftswoche, Handelsblatt, Welt am Sonntag, Focus Money, Der Aktionär, Börsen-Zeitung, Börse Online, Nebenwerte Journal, Euro am Sonntag, Südwest Presse, Smart Investor and Effecten Spiegel as well as in numerous online publications.



## 5 Risks and Opportunities

DATAGROUP SE has a group-wide risk management for an early identification of major corporate risks or those jeopardizing the company's continued existence. 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 to be able to implement measures for the prevention and handling of risks in a timely manner.

### **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 compile standardized half-yearly 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. It is the responsibility of the management to implement the measures that were documented in the valuation process at the level of the individual entities, whereas the Management Board is responsible at the level of the holding.

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**

The dynamic market environment of information technology with its new trends and constant technological innovations regularly offers new opportunities. It is the task of Opportunities Management to seize these opportunities and eventually take advantage of them, and it lays the foundation for DATAGROUP's sustainable success and growth. Opportunities and risks are closely interlinked and therefore are also looked at in a holistic, integrated approach as part of the opportunities and risk management. Opportunities and risks are adequately accounted for both in the evaluation of market opportunities and in corporate planning. Opportunities management focuses on market and competitive analyses and the further development of the product portfolios. Opportunities management aims to analyze internal and external potential which may positively drive business development in a sustainable manner.

### **OPPORTUNITIES ARISING FROM AN INCREASING DIGITIZATION**

Opportunities for DATAGROUP mainly arise from the continuing trend towards digitization and cloudification of the IT systems. More than ever before, the coronavirus pandemic has proven that decentralized work with the help of cloud-based collaboration solutions will permanently change the way of working and living.



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Digitization of business processes and IT-based automation of processes and procedures will take the load off people in all areas of life. For companies, digitization also means that they remain competitive in an international competition. The continuing trend towards digitization and cloudification of IT systems, not only in the private sector but also for public authorities, is an opportunity for DATAGROUP to offer additional services to existing customers or attract new customers for the comprehensive CORBOX service portfolio. DATAGROUP responds to new technologies by providing related offers to its customers, for instance in cloud technologies, and consistently updates its service offering. The CORBOX service portfolio has recently been expanded by services around Managed Kubernetes and Managed Teams.

## OPPORTUNITIES ARISING FROM ACQUISITIONS

The market for IT services for Mittelstand companies continues to be strongly fragmented. Business owners are seeking security and stability and a safe harbor enabling them to continue life's work in a meaningful way. 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 brought to the attention of the company by M&A consultants or directly by business owners themselves. Additionally, DATAGROUP specifically addresses companies which may complement the portfolio.

## 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 is characterized by a strong competition that has prevailed for years and is likely to further intensify over the next few years. Alongside a large number of companies operating regionally or Germany-wide, major international customers provide IT services as well.

Caused by an intensification of competitive pressure on the market for information technology DATAGROUP may be squeezed out 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 considered as negligible.

## TECHNICAL AVAILABILITY OF THE SERVICES OFFERED

Business activities are supported by using modern information technologies. They serve as an engine room for operational processes within the own company but also in customer situations. As such, the availability of IT systems and of the service offering of DATAGROUP as a provider of operational IT services are of particular importance. In a worst-case scenario, the vulnerability or failure of infrastructure components used by DATAGROUP, one of its subsidiaries or by its customers may bring operational procedures to a standstill. 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 for breach of contract.



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A regular review of the performance quality and the proper order processing is conducted by an internal project controlling. A stringent organization of operations and the use of suitable architectures ensure the highest possible degree of availability. DATAGROUP operates a holistic IT service management system which in its core includes a state-of-the-art information security management on the basis of the certification of ISO 27001 native and ISO 27001 on the basis of IT Grundschutz (BSI). The data center services and the related necessary IT operations management are in the scope of the ISO 27001 certifications. All central IT systems are operated by DATAGROUP Operations GmbH in mirrored data centers in Frankfurt. 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. "IT Service Management", the management system for the comprehensive business process is reviewed once a year according to the international standard ISO 20000. The IT service management system is in the scope for all services in the service catalog with all its processes and functions as specified in "the model". It was first certified in 2012, followed by a re-certification in 2018. To further protect against the business risks there is also a reasonable insurance protection for business interruptions both internally and on the customers' premises, which is regularly assessed for relevance by management.

## IT SECURITY / CYBER 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 pen testing, DATAGROUP has massively expanded the IT services management structure and the embedded security mechanisms over the last years. However, 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 excluded and may have considerable adverse effects on DATAGROUP and its customer and performance relationships as well as on the 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. Business applications are increasingly becoming mobile and are used on different end devices. The portfolio of applications and solutions used by customers is continuously expanded. DATAGROUP constantly strives to adapt its product portfolio to the customers' changing needs and to adapt the corresponding qualifications of the employees as well. The risk of a disruptive change of the technological environment is currently regarded as negligible.

## FINANCIAL RISKS

The major financial risks include liquidity, bad debt and 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 44,092.



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The Group's default risks associated with receivables are manageable according to the Management Board, as 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 178 in the fiscal year.

The development of the interest rate level can have an impact on the financing costs in the DATAGROUP Group. To secure the current 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.

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 customers and their business development. These risks mainly exist for the DATAGROUP companies which are active in the financial services sector. 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 very heterogeneous customer structure across all industries.

The strong expansion of DATAGROUP BIT Düsseldorf GmbH and the acquisition of DATAGROUP BIT Hamburg GmbH and of dna have significantly boosted the sales share with DATAGROUP's customers in the financial services sector in the last fiscal year. The aim is to achieve a sales share of some 20 % with customers from the financial services sector in the next fiscal year. These customers are closely monitored and supervised by the Management Board in cooperation with the executive boards to identify possible emerging risks as early as possible and to counter these risks. Nonetheless, the loss of one or several of these key accounts may adversely affect net assets or the financial position of the Group at least in the short term. Risks arising from the services provided, inaccurate price calculations and from the development of the personnel and operating costs in these customer situations may lead to adverse effects on net assets, financial position, and results of operations.

## SUPPLIER RISK

As an IT service provider offering IT products, DATAGROUP cooperates with suppliers of technical components and other service providers. Delivery risks, especially supply bottlenecks, cannot be excluded when taking into account that global supply chains are affected by COVID-19 in parts, for instance in the semiconductor industry. 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. Delivery risks are hedged by a professional procurement management and



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a contractual protection of the delivery and service chain. There may be negative impacts on the profitability of the DATAGROUP companies if the advantageous procurement conditions associated with the membership in the Computer Compass purchasing organization would cease to exist. There is currently no evidence suggesting that this is the case, so the risk – particularly in view of an increasing proportion of services in the DATAGROUP Group – can be regarded as low.

## HUMAN RESOURCES RISKS

Human resources risks may result from the potential fluctuation 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 business development caused by the loss of top performers is currently regarded as low thanks to high staff retention and low personnel fluctuation 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. The digitization packages which will presumably be initiated by the new government are likely to also lead to a surge in demand – also for employees – as well as to a subsequent wage-cost inflation. 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. In view of these developments, DATAGROUP and its companies continue to use their best efforts to retain their employees over the long term and to further improve working conditions within the group.

## 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 have a material effect on the economic position of the Group. Overall, the legal risks are regarded as low.

## RISKS ARISING FROM A GLOBAL PANDEMIC

A possible deterioration of the coronavirus pandemic, the occurrence of new variants or other viruses may also present latent risks for DATAGROUP. DATAGROUP has taken numerous measures at a very early stage to protect customers and employees and to maintain business continuity. Thanks to the high degree of digitization within the company DATAGROUP was able to continue business without any restrictions even in phases of a lockdown. A major part of the DATAGROUP employees have the possibility to work from home and to carry out their tasks without any changes. That said, business activities may be hindered as a result of a pandemic, for instance due to increased insolvencies among customers, regulatory restrictions leading to disruptions in performance or a decline in demand for certain services.



A destabilization of the political systems as well as changes of monetary policy as a consequence of a pandemic may potentially lead to negative macro-economic developments and thus to reduced investment activities, which may have an adverse impact on the business of DATAGROUP.

## **OVERALL ASSESSMENT OF THE RISK SITUATION**

There were no risks to the continued existence for DATAGROUP in FY 2020 / 2021. 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**

Since March 2020, the German economy is facing historic challenges in the wake of the Covid-19 crisis with short-, medium- and long-term impacts that are still difficult to assess even today. The economic situation was heterogeneous in 2021; whilst some sectors had to face disadvantages due to pandemic-related restrictions, industrial activity was robust at first but will still be held back in the foreseeable future by existing bottlenecks for intermediate products and by increased energy prices. On the other hand, domestic economic activity and especially the service industries have recovered strongly to some extent. Based on the economic forecast of the German government presented in October, growth is expected to amount to 2.6 % in 2021. In the next year, the German government expects the gross domestic product to grow to 4.1 %.

At present, however, we are again faced with restrictions on everyday life due to lockdowns that vary from region to region. As in 2021, the future economic development will significantly depend on the national and international course of the pandemic. For this reason, an assessment of the macro-economic development and its impacts on DATAGROUP is only possible to a limited extent at this stage in time.

## **BUSINESS DEVELOPMENT AND STRATEGY**

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. The Group continues to make consistent investments in the continuous improvement of the CORBOX portfolio offering to address the specific needs of customers regarding so-called hybrid cloud models amongst others.

Furthermore, DATAGROUP is working on different projects to improve productivity. By centralizing and standardizing the production units and continuing to digitize business processes, DATAGROUP expects to achieve cost savings and to further improve and harmonize production processes.



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DATAGROUP will continue to examine possibilities for the acquisition of companies on a selective basis. The main focus lies on smaller Mittelstand service providers which complement the company's existing footprint due to their local presence or strengthen the customer portfolio and service offering. It is also conceivable to make an acquisition 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 resulting from the coronavirus pandemic, the risk-adverse approach of DATAGROUP will ensure the continuation of a consistent and profitable management. Diversification will remain one of the major strategies of DATAGROUP for sustainable business: The set-up with numerous regional companies has proved to be successful in the second year of the pandemic as well. Business operations are focused on solid Mittelstand customers with recurring business in long-term contract relationships. Even though it is difficult to assess the macro-economic prospects at present, the management currently anticipates a slight increase in revenue and profitability, and thus EBITDA and EBIT, compared to the prior year following strong growth in the fiscal year just closed. This estimate does exclude possible acquisitions in the next fiscal year 2021/2022.

## **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 outlook will be given at the Annual General Meeting on March 10, 2022.

In its Management Report on September 30, 2020, the Management Board projected a moderate increase in revenue while profitability, and thus EBITDA and EBIT (both prior to risk provisioning), is expected to grow strongly year-on-year, without including possible company acquisitions. This guidance was met both in terms of revenue and profitability.

At the virtual 2021 Annual General Meeting on March 4, 2021, DATAGROUP announced a revenue target of between EUR 410m and 420m and EBITDA between EUR 56m and 58m, without including possible company acquisitions. On May 25, 2021, the Management Board raised the outlook to revenue of EUR 440m and EBITDA of EUR 61m. This guidance was exceeded with current figures standing at EUR 444.7m in revenue and EUR 67.3m in EBITDA.

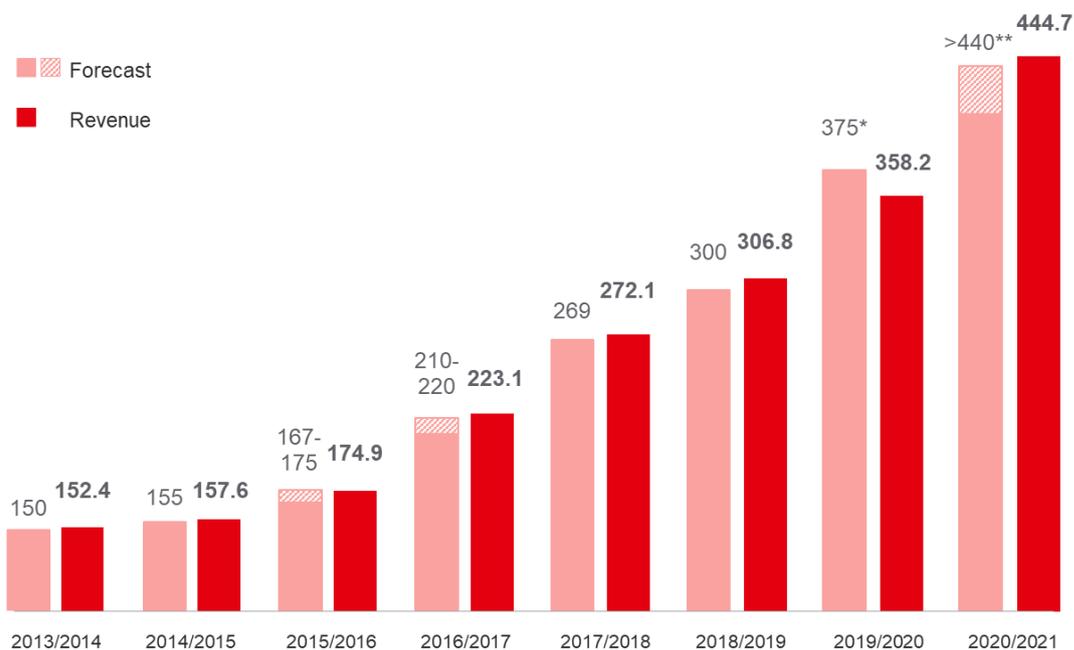


Figure 6.1: Comparison of forecast and revenue in EUR m

\*Sales forecast was suspended on 04/27/2020 due to Covid-19

\*\* After initial guidance of EUR 410-420m, increase to EUR >440m on 05/25/2021

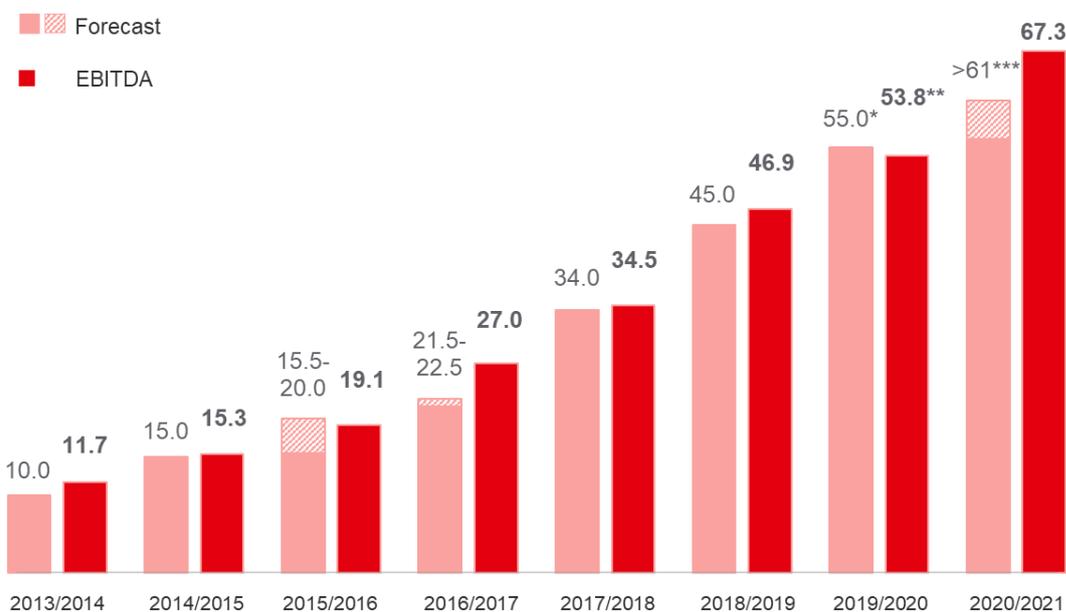


Figure 6.2: Comparison of forecast and EBITDA in EUR m

\*Sales forecast was suspended on 04/27/2020 due to Covid-19

\*\*Prior to risk provisions

\*\*\* After initial guidance of EUR 56-58m from 03/04/2021, increase to EUR >61m on 05/25/2021



## 7 Internal Corporate Management System

The key instrument for the entire 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 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, 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 2020/2021 DATAGROUP employed on average 2,825 people (previous year 2019/2020: 2,587). On September 30, 2021, the number of employees totaled 3,068 (on September 30, 2020: 2,663). Including management and apprentices, the headcount totaled 3,265 on September 30, 2021.

DATAGROUP traditionally is very committed to recruiting and supporting junior employees. On September 9, 2021, the company employed a total of 144 apprentices (117 on September 30, 2020), 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. This conduct results in own product solutions, particularly in the Solutions and Consulting segment, such as the DATAGROUP BAföG process (process to assist authorities in offering student loans).

### **ADJUSTMENTS TO THE GROUP STRUCTURE**

The scope of consolidation has been further expanded in the period under review through the acquisitions of URANO Informationssysteme GmbH and dna Gesellschaft für IT Services mbH.

Under a purchase agreement dated May 6, 2021, DATAGROUP SE has acquired 100 % of the shares in URANO Informationssysteme GmbH. 70 % of the shares were acquired with immediate effect, the remaining 30 % will be transferred in 2023. DATAGROUP SE achieved control of the company after having paid the basic purchase price for the 70 % stake on May 8, 2021.

The company, which is based in Bad Kreuznach, has been active in IT services for more than 30 years and provides these services with roughly 300 employees for private sector and public sector organizations.

Under a purchase agreement dated December 23, 2020, DATAGROUP SE has acquired 100 % of the shares in dna Gesellschaft für IT Services mbH. The agreement was signed under the suspensive condition that there will be a framework agreement by the beginning of 2021, with the vast majority negotiated with the major customer of the company. After fulfilment of the condition and payment of the basic purchase price DATAGROUP SE has obtained control of the company on May 6, 2021.

The acquisition of dna serves to complement the existing activities around IT services for the financial services sector. The company's core competencies lie in the area of IT administration. The company's offering is rounded off by consulting services for the implementation of new systems and applications of the institutions served.



# DATAGROUP

Under an agreement dated December 21, 2020, DATAGROUP SE acquired the remaining outstanding shares of Portavis GmbH (now DATAGROUP BIT Hamburg GmbH) in the amount of 7 %. The purchase price was EUR 1,382,377.40. As a result, DATAGROUP SE now holds 100 % of the company's shares.

Under an agreement dated December 8, 2020, DATAGROUP Consulting GmbH was merged with the incorporating legal entity, DATAGROUP IT Solutions GmbH, with effect of October 1, 2020. The employment status of all employees of DATAGROUP Consulting GmbH employed at that time was assigned to DATAGROUP IT Solutions GmbH with all rights and duties as part of the transfer of undertakings according to § 613a BGB.

## DEPENDENCY REPORT

The Management Board compiled a report for FY 2020/2021 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, December 15, 2021

DATAGROUP SE

Max H.-H. Schaber  
Chief Executive Officer

Andreas Baresel  
Chief Production Officer

Oliver Thome  
Chief Financial Officer