



DATAGROUP

Annual Report 2022/2023



IT's that simple.

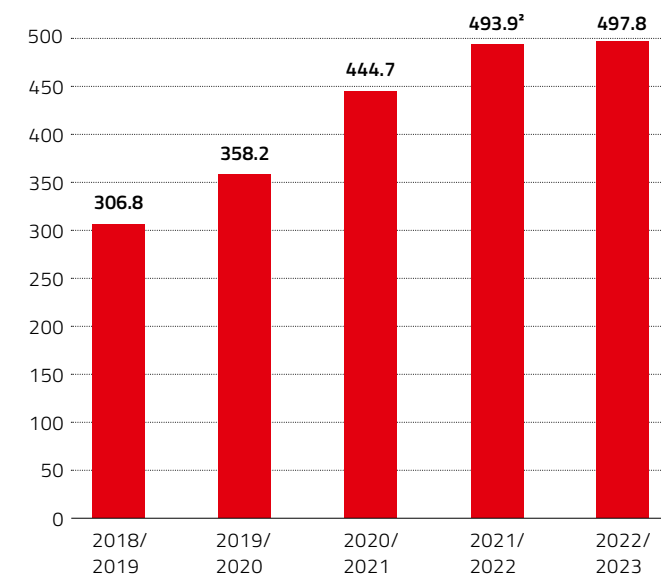
Overview of Key Figures

Annual Report of DATAGROUP SE, Pliezhausen,
for the Financial Year 2022/2023

Figures in TEUR	2018/2019	2019/2020	2020/2021	2021/2022 ¹	2022/2023
Revenues	306,765	358,211	444,708	493,950	497,796
thereof services and maintenance	242,500	304,717	375,241	402,518	405,005
thereof retail	63,754	52,899	69,027	91,171	92,637
thereof other / consolidation	511	595	440	262	154
Other own work capitalized	777	1,743	1,720	1,643	2,153
Changes in capitalized contract costs	14,303	7,274	-1,938	-3,580	-4,086
Total revenues	321,845	367,228	444,490	492,013	495,863
Material expenses / Expenses for purchased services	105,447	119,143	149,495	162,244	154,670
Gross profit	216,398	248,085	294,995	329,769	341,193
Personnel expenses	153,241	187,991	213,038	233,440	243,640
Other income etc.	11,102	19,811	12,140	13,474	16,604
Other expenses etc.	27,378	38,098	26,811	33,344	33,928
EBITDA	46,881	41,807	67,286	76,459	80,228
Other depreciation	19,069	28,146	32,600	27,608	27,252
EBITA	27,812	13,661	34,686	48,852	52,977
Depreciation from PPA	4,186	4,673	6,033	7,399	7,659
EBIT	23,626	8,988	6,033	41,453	45,318
Financial result	-1,936	-2,375	-1,927	-4,719	-4,077
EBT	21,690	6,613	26,726	36,733	41,241
Taxes on income and profit	7,176	6,364	5,998	14,706	12,976
Net income	14,514	249	20,728	22,028	28,265
Shares (in 1,000 units)	8,331	8,331	8,331	8,331	8,331
plus treasury shares (in 1,000 units)	18	18	18	18	18
EPS (in EUR)	1.74	0.03	2.49	2.64	3.39
EPS before risk provisions					
financial services sector (in EUR)	1.74	1.47	2.49	2.64	3.39

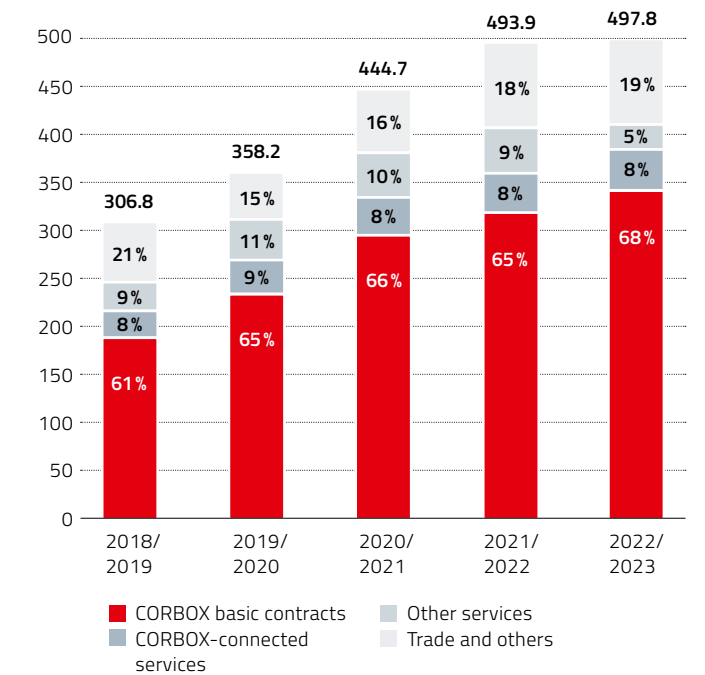
¹ The previous year's figures have been adjusted. See Section I.2 of the Notes to the Consolidated Financial Statements for details.

REVENUE DEVELOPMENT (in EUR m)

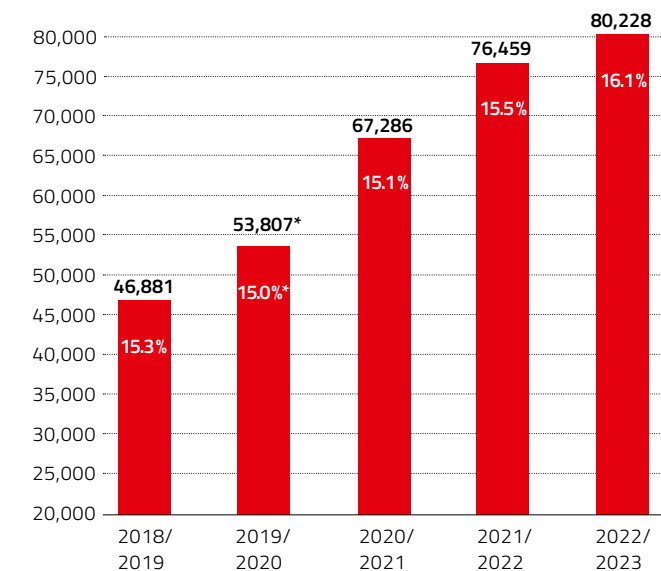


¹ The previous year's figures have been adjusted. See Section I.2 of the Notes to the Consolidated Financial Statements for details.

REVENUE SHARES (in % and EUR m)

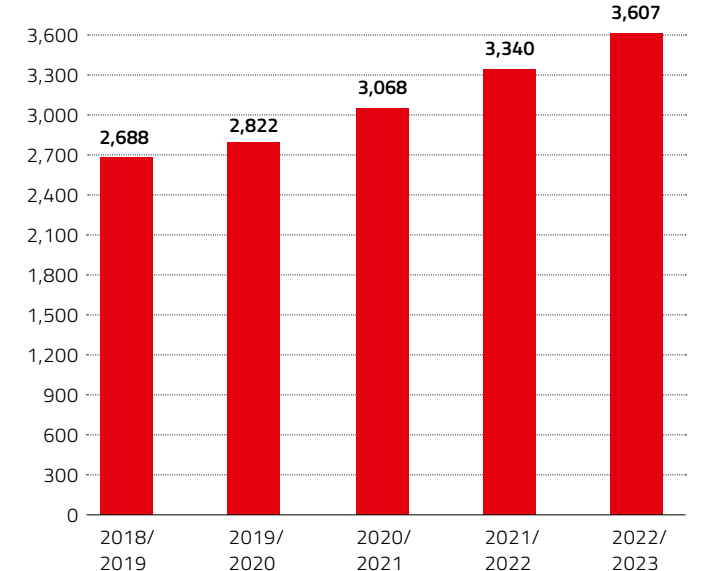


EBITDA (in TEUR) AND EBITDA MARGIN (in %)



* before risk provision

EMPLOYEE DEVELOPMENT (as at 30.09.)



IT's that purposeful.



40 years of DATAGROUP, 40 years of growing together: From the “nucleus” in Filderstadt to more than 30 locations throughout Germany. From software development to full IT outsourcing services. From two founders to over 3,500 people at DATAGROUP. And the journey continues – as we create something extraordinary together.

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IT's that simple.

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Letter to Shareholders



From left to right:
Andreas Baresel, Chief Executive Officer
Dr. Sabine Laukemann, Chief Human Resources
Officer, Strategy and Organization
Oliver Thome, Chief Financial Officer,
Investor Relations and M&A

Dear Shareholders,

We look back on a very special year in the history of DATAGROUP: The fortieth in the company's history! We celebrated this big anniversary on 1 October 2023. Milestones like these are an excellent opportunity to look back and forward – and to also give something back: We are just so grateful and proud of how DATAGROUP has evolved in the decades since its foundation to become a “powerhouse” of the German IT service industry. It is not without reason that the jubilee year runs under the motto “Let’s Go, Let’s Grow”: Once a small Swabian company for software development, we have evolved to become a full IT outsourcing service company working throughout Germany. From two founders to more than 3,500 employees.

Embracing changes and proactively addressing upheavals to always have a viable basis for the future and to drive the company's growth, these are vital parts of our “DNA” and are key to the success of DATAGROUP. We want to visualize this with a special campaign during our jubilee year until the end of September 2024 to make a major contribution to sustainable growth in a slightly different way: In collaboration with the customer Forst Baden-Württemberg, we will transform an area of disused woodland in the Black Forest into a forest of the future, the so-called “DATAGROUP FOREST”. For this campaign – as well as for our future business performance – we rely on the outstanding commitment of our employees and the support from customers, business partners, inves-

tors and many other persons associated with the company: Learn more about this campaign under forest.datagroup.de.

It becomes clear, not only regarding DATAGROUP FOREST, that we have a great deal of ambition and put it into practice. This also applies to the core business, where we continue to focus on the future: The CORBOX stands for IT services at a top level that always keep up with the times. For this reason, we currently concentrate on the topics of artificial intelligence (AI), cloud, and cyber security which, considered individually, already are of key importance for the IT services of today and tomorrow. In combination, they unfold their full power as strategic growth drivers both for the business and the success of our customers. Sovereign and secure cloud infrastructures are a perfect “home” for our own AI technology, which in turn optimally supports the effectiveness of excellent security services. This results in a setup which strengthens each other and which we intend to focus on in the future for us and the customers alike.

Artificial intelligence will play an ever-greater role in the IT service production. To this end, we have acquired the AI technology HIRO in the past fiscal year. Using it means that employees can concentrate on higher quality tasks as the technology takes on routine activities. Furthermore, many processes become more efficient, and economies of scale arise independent of the skills shortage.

The CORBOX cloud becomes increasingly more important on the market as a “German” cloud platform. It guarantees data sovereignty, meets the highest data protection requirements, and is optimally geared to the requirements of the central applications of Mittelstand companies. Thanks to the combination with the cloud services of the hyperscalers, but also the new partnership with STACKIT as a European public cloud alternative, DATAGROUP provides its customers with one-stop multi-cloud operations that are tailored to different workloads.

The topic of IT security is becoming increasingly important: Since the number of cyber-attacks has strongly increased around the globe, we invest in this area and keep expanding our cyber security expertise both technologically and in terms of human resources. These services are high in demand since many businesses today cannot adequately manage and implement the needs and regulatory requirements in IT security.

This outstanding position in the market continues to pay off: DATAGROUP has achieved strong results in the current year. Revenues were EUR 497.8m which is at the upper end of the adjusted guidance. EBIT increased disproportionately by 9.3 % to EUR 45.3m and exceeds the targets set for the fiscal year. Earnings per share of EUR 3.39 are well above the prior-year figure of EUR 2.64. These figures show that DATAGROUP is on a long-term successful path with its strong CORBOX services as well as with its clear focus on future technologies and future growth.

Inorganic growth also remains a success strategy at DATAGROUP. The acquisition of the Ulm-based IT system house systemzwo GmbH marks the 31st acquisition since the IPO in 2006. We have significantly expanded our market presence in the Ulm region with this acquisition and thereby also strengthen our CORBOX business going forward. Founded in 2007, systemzwo currently has 40 employees and a customer focus on Mittelstand companies in Ulm and the surrounding regions. Additionally, we have increased our stake in Bad Kreuznach-based IT service provider URANO to

100 % as planned – and this marked the end of the two-year transition period since the acquisition in 2021. With the acquisition of the CONPLUS group and iT TOTAL AG, we have directly continued our inorganic growth in the new fiscal year.

The excellence and quality of our service range is again demonstrated in numerous awards, which DATAGROUP has received in the current year. In an independent survey conducted by brand eins and Statista, some 5,100 experts number us among the best IT service providers in Germany for the fourth consecutive time. DATAGROUP also takes top ranks both in the survey by Lünendonk & Hossenfelder on the IT service market in Germany and in the study by Whitelane on IT outsourcing in Germany. In the latter we have been awarded leader status in workplace management as well as cloud and infrastructure services.

It is good tradition at DATAGROUP to share the company's success with our shareholders: Accordingly, the Management Board and Supervisory Board will propose the payment of a dividend this year which is in line with the historic dividend policy with a distribution ratio of some 40 % of the net profit.

We would like to express our sincere thanks to our shareholders, customers, and partners for the confidence they have invested in us. As top performance always requires teamwork, our special thanks go to our employees, who have made DATAGROUP's success possible during the last fiscal year. They give their best every day for better solutions, which define DATAGROUP – so that we as well as our customers can trust in them every single day.

Andreas Baresel
Chief Executive Officer

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

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

Highlights

... to be continued



11/2022 DATAGROUP AGAIN SCORES TOP MARKS IN CUSTOMER SATISFAC- TION

In 2022, DATAGROUP again achieves top ratings in the study on the IT outsourcing market in Germany by market research institute Whitelane Research and consulting company Navisco AG. Customer satisfaction of 78% at an average satisfaction of 74% across all providers and fourth place in total ranking.

11/2022 TOP IT SERVICE PRO- VIDER FOR THE FOURTH CONSECUTIVE TIME

In an independent survey conducted by business magazine brand eins and statistics platform Statista, some 5,100 experts number DATAGROUP among the best IT service providers in Germany for the fourth consecutive time.

11/2022 AWARD FOR "TOP CAREER OPPORTUNITIES 2022"

DATAGROUP is awarded for excellence as an employer in research by Focus in cooperation with Deutschland Test.

03/2023 DATAGROUP SECURES ADDITIONAL FINANCIAL RESOURCES OF EUR 70M

With the issue of new promissory note loans with a volume of EUR 30m and additional working capital lines of EUR 40m, DATAGROUP secures additional financial resources of EUR 70m, which are planned to be used for future growth and acquisitions.

03/2023 ANNUAL GENERAL MEET- ING AT THE HEADQUAR- TERS IN PLIEZHAUSEN

DATAGROUP welcomes some 130 participants at the first AGM in physical presence after the end of the Covid-19 pandemic. The Management Board reports on the past fiscal year and gives an outlook on the business performance in the near future. The shareholders vote in favor of a dividend increase to EUR 1.10.

03/2023 DATAGROUP PUBLISHES SUSTAINABILITY REPORT

At the Annual General Meeting, the Management Board also presented the 2023 Sustainability Report. The updated report bundles information about the measures taken by the company in the areas of governance, environment as well as social commitment and people at DATAGROUP.

04/2023 DATAGROUP ACQUIRES SYSTEMZWO GMBH

By taking over the Ulm-based systemzwo, DATAGROUP strengthens its footprint in the region. This is the 31st acquisition since the IPO in 2006.

04/2023 DATAGROUP INCREASES ITS STAKE IN URANO INFORMATIONSSYSTEME GMBH TO 100%

DATAGROUP has held 70% of the shares in IT service provider URANO since 2021. In April 2023 and after a two-year transition period, DATAGROUP increases its stake to 100% as planned.

05/2023 2023 LÜNENDONK LIST: DATAGROUP AGAIN AMONG GERMANY'S LEADING IT SERVICE COMPANIES

DATAGROUP is again placed among the Top 10 in the prestigious Lünendonk List. A sixth place is evidence of the company's high-growth and future-oriented focus of the CORBOX IT service portfolio.

06/2023 LEADER STATUS IN ISG PROVIDER LENS™ RE- PORT „SAP ECOSYSTEM“

DATAGROUP is awarded a "Leader" in SAP S/4 HANA Transformation – Mid-market in the ISG Provider Lens™ report.

07/2023 DATAGROUP AMONG "GERMANY'S MOST POPULAR EMPLOYERS"

Based on the findings of a social listening and an online survey, DATAGROUP secures a place in the list "Germany's most popular employers", which is published by the F.A.Z.-Institut.

07/2023 DATAGROUP GOES HIRO

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

08/2023 LEADER STATUS IN ISG PROVIDER LENS™ STUDY "PRIVATE/HYBRID CLOUD – DATA CENTER SERVICES"

DATAGROUP is awarded "Leader" status in the internationally renowned "Private/Hybrid Cloud – Data Center Services" study 2023 by ISG Provider Lens™ in the fields of "Managed Services for Midmarket" and "Managed Hosting für Midmarket".

09/2023 STUDY ON "THE MARKET FOR IT SOURCING CON- SULTING IN GERMANY" IS PUBLISHED

The annual Lünendonk study on the market for IT sourcing consulting, which is prepared in collaboration with DATAGROUP, shows a clear focus on the area of cloud among the surveyed companies.

10/2023 DATAGROUP TURNS 40

On 1 October 2023, DATAGROUP celebrates its foundation 40 years ago. On the occasion of the company's anniversary, the Management Board initiates the jubilee project, the DATAGROUP FOREST. This "Forest of the Future" will be created by the company in partnership with ForstBW and all employees, customers, business partners, and investors.

Supervisory Board Report



From left to right:
Max H.-H. Schaber, Member of the
Supervisory Board
Heinz Hilgert, Chairman of the
Supervisory Board
Hubert Deutsch, Deputy Chairman
of the Supervisory Board

Dear Shareholders,

In the period under review (01.10.2022 to 30.09.2023), the Supervisory Board gathered for a total of six meetings in person (10.10.2022, 15.12.2022, 09.03.2023, 27.03.2023, 22.05.2023, 18.07.2023).

The Supervisory Board has also received regular written and verbal reports outside the meetings – in particular about the current course of business and target-actual-differences – and assisted the Management in an advisory capacity. The Supervisory Board was involved in all decisions of significant impact and has always been informed comprehensively.

Transactions requiring consent in accordance with the company's statutes, terms and conditions were advised and approved by the Supervisory Board. In the period under review, this applied to the acquisition of systemzwo GmbH as well as the assets of arago GmbH. In the context of the regular risk management reporting of the Management Board, the Supervisory Board has intensively been engaged in dealing with the risk position of DATAGROUP SE. In the shared opinion of the Management and Supervisory Boards, there were no risks threatening the company's existence at any time. In the fiscal year just ended, the Board primarily dealt with the impacts of the war in Ukraine on the company, the business development of DATAGROUP BIT Düsseldorf GmbH (previously DATAGROUP Financial IT Services GmbH), the fields of

IT security and cyber security, the competitive analysis and aspects around employee recruitment and retention.

The Supervisory Board has intensively assisted the Management Board in its considerations about the expansion of the service profiles and the regional coverage in the context of the exogenous growth. Having added the activities in the greater Ulm region with the acquisition of systemzwo GmbH, DATAGROUP secures critical size and substantially improves the market penetration in the strongly growing market. The purchase of the assets of arago GmbH and the integration of many experts in artificial intelligence as part of this transaction result in a proprietary access to one of the most important new developments in the IT services industry. Our activities in IT will focus on making use of these newly acquired skills by optimizing internal supply and performance processes in order to remain competitive in a rapidly changing market in the future as well.

The targeted transformation towards a high-margin services business around our CORBOX will be another perspective in terms of the addition of the core business. To guarantee the relevant focus of our sales activities we have established a central sales team with effect of 1 October 2023 which will manage the group-wide sales-related tasks of DATAGROUP.

The situation on the labor market has been systematically evaluated in the context of the skills shortage in the IT sector. This includes regular estimates and assumptions on upcoming future topics that have an impact on the acquisition strategy and the recruitment of specialists such as automation and AI technologies.

Sustainability activities and future reporting requirements in this area have also been discussed regularly in the committees. We are intensively preparing the implementation of a mandatory ESG reporting.

The annual financial statement of DATAGROUP SE, the consolidated financial statements and the group management report of DATAGROUP SE as well as the report of the Management Board on the relations to affiliated companies of DATAGROUP SE have been audited and approved with an unqualified audit opinion by auditing and tax consulting company BANSBACH GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Gänsheidestr. 67–74, 70184 Stuttgart, which was chosen for the audit. The annual and consolidated financial statements including the group management report as well as the report of the Management Board on the relations to affiliated companies were distributed to the Supervisory Board members in advance.

The Supervisory Board has noted and approved the findings of the auditors:

"On completion of our review and assessment of the report of the Management Board report of DATAGROUP SE, Pliezhausen, on the relations to affiliated companies for the period under review from 1 October 2022 to 30 September 2023 we confirm that

- 1.) the facts set out in the report are correct,
- 2.) the company's compensation with respect to the legal transaction presented in the report was not unreasonably high; whether or not disadvantages were compensated for,
- 3.) there is no reason to evaluate the measures mentioned in the report in any way other than as evaluated by the Management Board."

After thorough examination, the Supervisory Board has approved and thus adopted the annual financial statements of 30 September 2023 prepared by the Management Board in the Supervisory Board Meeting on 18 December 2023, in

which the auditor reported on the main findings of their audit and was available for questions. The consolidated financial statements including group management report for the fiscal year ending 30 September 2023 were examined and approved in a similar way. Based on the final result of the examination of the annual financial statements, the consolidated financial statements and the group management report as well as the report of the Management Board on the relations to affiliated companies the Supervisory Board does not raise any objections. By order of 18 December 2023, the Supervisory Board approves the proposal of the Management Board regarding the appropriation of the profit.

The Supervisory Board offers the sincerest thanks and respect to the Management Board and the employees of DATAGROUP for their sustainable and successful work.

Pliezhausen, 18 December 2023

A handwritten signature in black ink, appearing to read 'Hilgert', written over a light blue horizontal line.

Heinz Hilgert
Chairman of the Supervisory Board

IT's that simple.

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40 Years of DATAGROUP ...

From the beginnings to an IT powerhouse



1983

COMPANY FOUNDATION

Max H.-H. Schaber and Herbert Schwarzkopf establish DATAPEC (today DATAGROUP) in Filderstadt-Bonlanden on 1 October 1983. The business focuses on customized software applications.

DATAPEC BECOMES IT RETAIL CHAIN

The DATAPEC software house becomes a Europe-wide retail chain for computer and computer accessories.



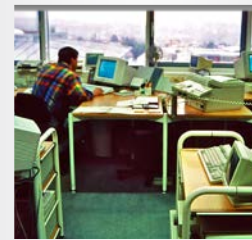
END OF THE 80S

TRANSFORMATION TOWARDS SOFTWARE DEVELOPMENT

As the margins in hardware sales decline, the foreign companies are sold and the retail activities closed down. Instead, business focuses on the development of the KIS ("Krankenhausinformationssysteme" = hospital information systems) software product.



1990



1992

TRANSITION TO SOFTWARE AND SYSTEM HOUSE

The sale of KIS to Jenoptik turns DATAPEC into a software and system house.



1993

GROUNDBREAKING CEREMONY FOR THE HEADQUARTERS

Start of construction works for the new headquarters in Pliezhausen-Gniebel.



1995

INAUGURATION AND MOVE INTO THE NEW HEADQUARTERS

Opening ceremony of the new headquarters in Pliezhausen.



... and still going strong ...



TRADEMARK REGISTRATION
"DATAGROUP" is registered as a word mark and figurative mark at Deutsches Patent- und Markenamt (German Patent and Trademark Office).



FOUNDATION OF DATAGROUP IT SERVICES HOLDING AG
DATAGROUP IT Services Holding AG (today's DATAGROUP SE) is founded. Targets of the foundation were the IPO and capitalization for the company's inorganic growth.



MARKET LAUNCH OF THE CORBOX

In October 2014, the full-service IT portfolio of DATAGROUP is bundled under the CORBOX trade name. The modular and comprehensive CORBOX rethinks corporate IT and caters exactly to the needs of the customers.



INITIAL PUBLIC OFFERING
DATAGROUP goes public on 14 September 2006. The shares are traded on the entry standard segment of the open market of the Frankfurt stock exchange, the initial price is EUR 3.38. The IPO also marks the transition of DATAGROUP towards a full-service IT service provider and drives inorganic growth through acquisitions.



TRANSFORMATION INTO A SE

In November 2016, DATAGROUP AG takes the legal form of a European corporation (Societas Europaea, SE).



10/2006
Acquisition of Messerknecht (today DATAGROUP Bremen)

12/2006
Acquisition of EGT Informationssysteme (today DATAGROUP Offenburg)

01/2007
Acquisition of ICP (today DATAGROUP Ludwigsburg)

10/2007
Acquisition of Hamann und Feil (today DATAGROUP Ludwigsburg)

11/2007
Acquisition of Corporate Express (today DATAGROUP Bremen)

01/2008
Acquisition of Best Computer Support (today DATAGROUP Ludwigsburg)

04/2008
Acquisition of Hanseatische Datentechnik (today DATAGROUP Hamburg)

05/2008
Acquisition of bte bürotechnik eggert (today DATAGROUP Bremen)

02/2010
Acquisition of Arxes (today DATAGROUP Köln)

11/2010
Acquisition PTecS (today DATAGROUP IT Solutions)

01/2011
Acquisition of BGS (today DATAGROUP Consulting Services)

05/2011
Acquisition of DATAGROUP IT Solutions

05/2011
Acquisition of DATAGROUP Consulting (today DATAGROUP IT Solutions)

11/2011
Acquisition of PC-Feuerwehr

01/2012
Acquisition of Consinto (today DATAGROUP Business Solutions)

10/2014
Acquisition of Excelsis (today Almato)

07/2015
Acquisition of Vega (today DATAGROUP Consulting Services)

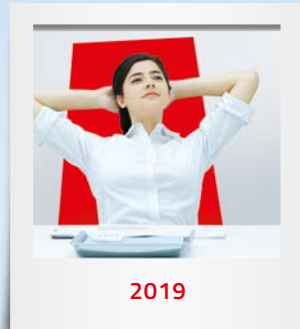
09/2016
Acquisition of parts of HP Enterprise (today DATAGROUP Enterprise Services)

04/2017
Acquisition of HanseCom (today DATAGROUP Operate IT)

08/2017
Acquisition of ikb data (today DATAGROUP BIT Düsseldorf)

01/2018
Acquisition of ALMATO

... 40 Years of Growth



"CORPORATE BRAND" MISSION COMPLETED!

In collaboration with employees, DATAGROUP develops a new look and feel for the corporate brand with a new logo and a central claim ("IT's that simple.").

2019



2022

HANDOVER OF THE FOUNDER TO THE NEW THREE-MEMBER BOARD

DATAGROUP reshuffles its Management Board at the AGM in March 2022: Long-standing Management Board member Andreas Baresel takes on the role of CEO from Max H.-H. Schaber, who changes over to the Supervisory Board. The new three-member Management Board is completed by Oliver Thome, responsible for Finance, Investor Relations and M&A and Dr. Sabine Laukemann, responsible for Human Resources, Strategy and Organization.



2022

REVENUE GROWS TO OVER HALF A BILLION EUROS FOR THE FIRST TIME

In fiscal year 2021/2022, DATAGROUP breaks another revenue record and reports revenue of more than half a billion euros for the first time.



2023

40 YEARS OF DATAGROUP

On 1 October 2023, DATAGROUP celebrates its 40th anniversary – with an event for employees, customers, business partners and friends of the company. This event also marked the start of a jubilee campaign, in which the company joins forces to create the DATAGROUP FOREST, a "Forest of the Future": forest.datagroup.de

04/2019

Acquisition of UBL (today DATAGROUP Frankfurt)

08/2019

Acquisition of IT-Informatik (today DATAGROUP Ulm)

08/2019

Acquisition of Mercoline

01/2020

Acquisition of Portavis (today DATAGROUP BIT Hamburg)

06/2020

Investment in Cloudeeter

12/2020

Acquisition of dna (today DATAGROUP BIT Oldenburg)

05/2021

Acquisition of URANO Informationssysteme

04/2022

Acquisition of Hövermann IT

04/2023

Acquisition of systemzwo

07/2023

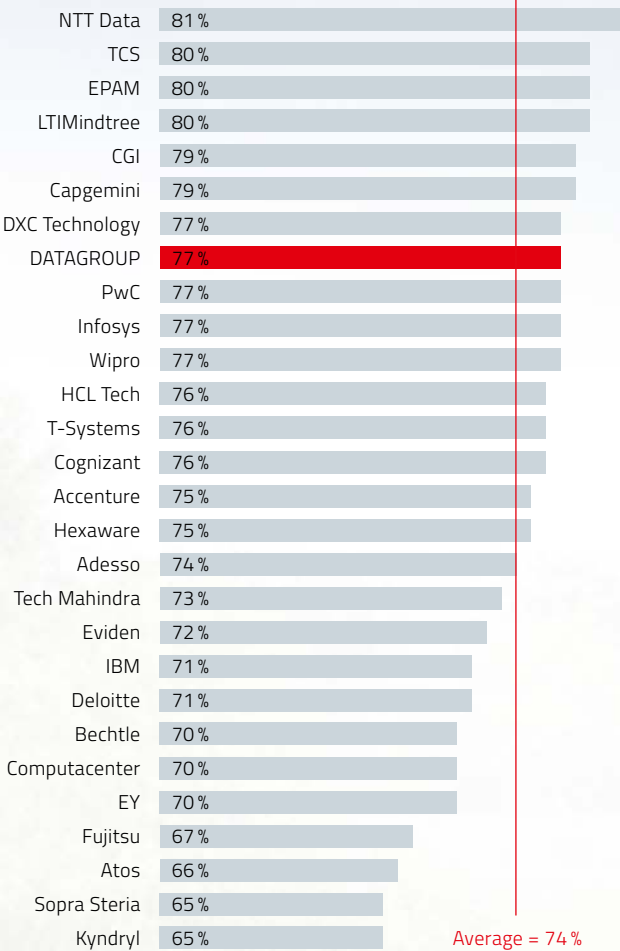
Acquisition of assets from arago (today Almato AI)



About DATAGROUP



General customer satisfaction
Source: IT Outsourcing Study Germany
2023 by Whitelane Research



Growth

The proven and successful acquisition strategy is one of DATAGROUP’s growth pillars. Since the IPO in 2006, DATAGROUP has acquired 31 companies and has successfully integrated them into the Group. DATAGROUP pursues various targets with the acquisition of IT companies: enlargement of the portfolio, diversification of the customer portfolio, the acquisition of qualified employees as well as new technologies and the expansion of the regional footprint.

Acquisitions are a good opportunity to acquire qualified employees. There is a major lack of specialists, particularly in areas of high population density and especially in IT, and competition is intense. Additionally, acquisitions lead to further diversification of the customer portfolio and provide a basis for a successful positioning even in difficult economic times. Profitability of the target companies plays a rather minor role at first: DATAGROUP also acquires companies in turnaround situations or as part of business successions. The decisive factor is that they have the potential to achieve high profitability within the DATAGROUP Group in the long term and enhance the overall portfolio. DATAGROUP has proven its competence in restructuring troubled companies several times already.

This approach is based on a good integration of the acquired companies into the overall structure. To this end, DATAGROUP has developed the “100 Days DATAGROUP” strategy which

covers all essential areas from communications and management to processes, accounting, and IT infrastructure. The respective situation of each individual company is always treated in a flexible manner.

The DATAGROUP family has grown in this fiscal year as well: DATAGROUP acquired the Ulm-based IT system house systemzwo GmbH. systemzwo was founded in 2007 and supports Mittelstand companies in Ulm with a headcount of roughly 40 employees. They are an excellent fit to the DATAGROUP client base in the region and will also strengthen the CORBOX business going forward. Additionally, DATAGROUP has acquired the assets of arago GmbH, which is specialized in artificial intelligence. The HIRO AI technology, which will be used in IT service production, was a central aspect in this regard. DATAGROUP also increased its stake in URANO Informationssysteme GmbH from 70 % to 100 %. The first stake in the Bad Kreuznach-based IT service provider was acquired in May 2021 with the option to buy the remaining 30 % of the shares in two years’ time. This marked the end of the transition period. URANO was founded in 1990, has roughly 300 employees and supports customers from the private and public sectors.

Excellent IT Services

The high-quality standard of its own services – technically as well as humanly – is one of the foundations of DATAGROUP’s success. Customer satisfaction is a central goal of the activities of DATAGROUP. To this end, DATAGROUP works proactively and in partnership with the customer, side by side, and is continually developing its service offering to live up to the changing requirements of the customers. This is working well as witnessed by the numerous awards received in the last year. For instance, DATAGROUP ranks eighth among the Top 10 in the customer satisfaction ranking of the study on IT outsourcing in Germany conducted by market research institute Whitelane Research. Customers primarily appreciate the contract flexibility, account management quality and the deep understanding of business processes.

FURTHER AWARDS

- Top 10 IT Service Provider Lünendonk & Hosenfelder
- Best IT Service Provider in 2023 brand eins and Statista
- DATAGROUP receives leader status in ISG Provider Lens™ report “SAP Ecosystem”
- DATAGROUP awarded leader status in ISG Provider Lens™ Study “Private/Hybrid Cloud – Data Center Services”

Commitment

Take on responsibility for employees, customers, investors, and the community – this is the key element of DATAGROUP’s strategy. DATAGROUP has published an ESG Report since 2020. It outlines the basic principles of the company as an employer, service provider, listed and responsible company as well as its commitment in environment, social, and governance. The current report can be downloaded under datagroup.de/esg.

Alongside the central cornerstones and approaches, DATAGROUP promotes the commitment of its employees in their local communities as a company organized in a decentralized way. Whether by way of donations or the employees’ personal involvement, this initiative has helped to support countless regional projects from charitable associations to youth promotion initiatives and sports clubs. In the fiscal year 2022/2023, this also included a Girls’ and Boys’ Day at several locations, a new partnership with a school to support the pupils in making career choices as well as donations for food bank organizations. Furthermore, the DATAGROUP FOREST was launched in collaboration with Forst Baden-Württemberg on the occasion of the 40th anniversary. This will lead to the creation of a “Forest of the Future”.

Portfolio

CORBOX – IT as a Service

Thanks to the modular service portfolio of the CORBOX, DATAGROUP covers the full breadth of corporate IT – with the greatest reliability and highest security standards. Customers can flexibly choose exactly those services that optimally support them and their business. Maximum flexibility and collaborative partnership are at the core of our work so that our customers can focus on their core business and wholeheartedly say: IT’s that simple.

What is unique about the CORBOX? It offers nine different service families covering the full breadth of corporate IT from data center to service desk. All service processes are quality-assured and standardized according to ISO 20000, the security measures are based on the requirements of ISO/IEC 27001 and the IT Baseline Protection Manual of the BSI (Federal Office for Information Security).

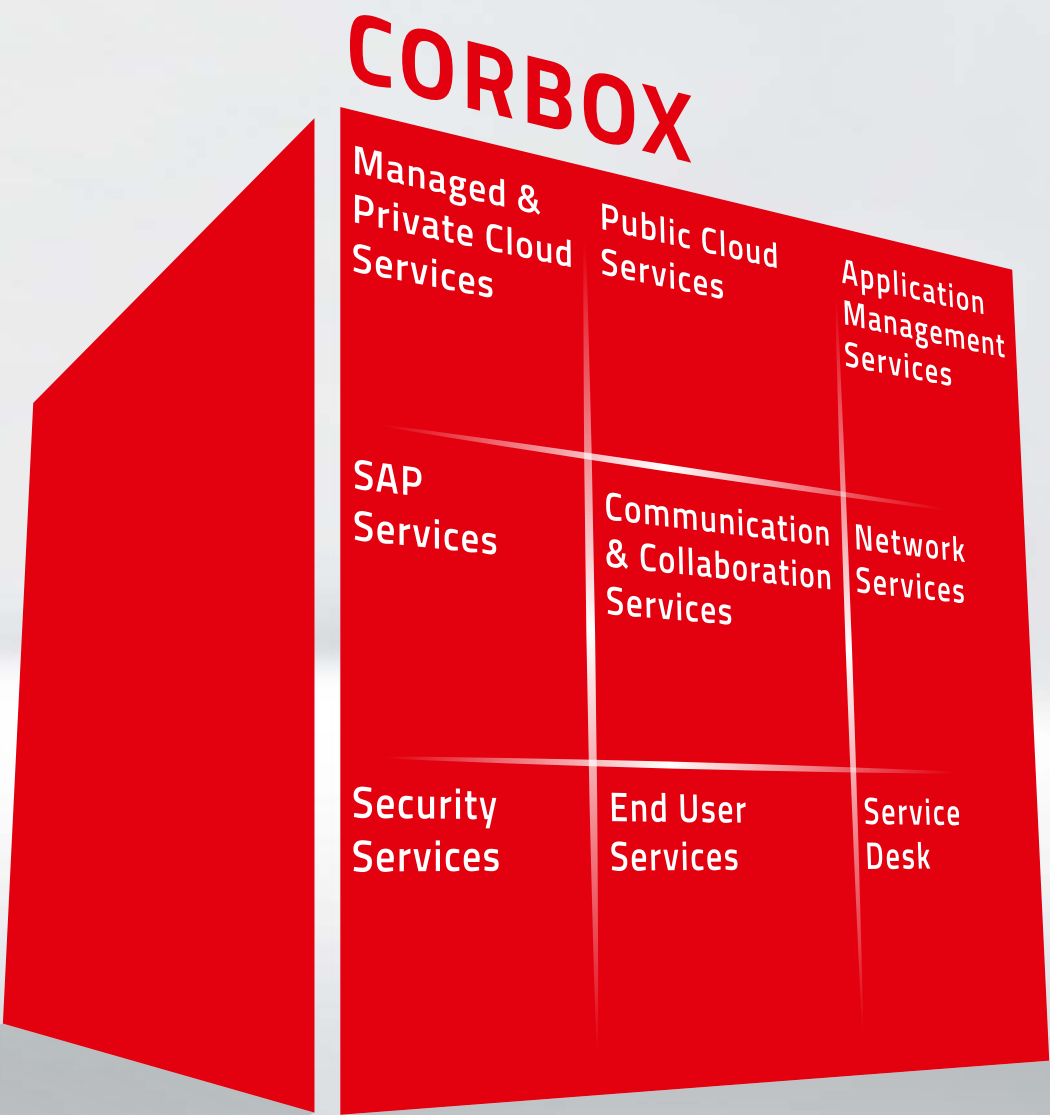
The CORBOX makes IT services become products with clearly defined quality features. They are perfectly compatible, individually combinable, and therefore very flexible when adapted to a company’s actual need. This makes IT a reliable and efficient means of production, enabling our customers to advance the digital transformation of their business. CORBOX delivers maximum flexibility for customers alongside the highest performance and security standards as well as “Made in Germany” quality.


IT’s that empowering: DATAGROUP’s CORBOX is not only a sound basis for a company’s IT of today, but also the launch platform for a company’s IT of tomorrow and the day after tomorrow: The continued advancement of the CORBOX ensures the future ability to grow as well as strategic advantages in competition for our customers.

INTO THE FUTURE OF IT SERVICES WITH THE CORBOX

Because the CORBOX certainly never stands still but is continuously developed. Existing services are improved, new technologies integrated, or new services developed. Whether cloud services, innovative automation and AI solutions or security services, CORBOX remains the future-oriented basis for the successful digitization of our customers. What “IT’s that simple” means for our customers: You take care of your company. We take care of your IT.

The CORBOX also provides specific solutions on the topics of cyber security, cloud services, automation and artificial intelligence: We continuously advance our CORBOX Security Services with new technologies to minimize the growing risks for the customers’ digitization caused by cyber-attacks. With the CORBOX cloud, DATAGROUP provides its customers with a strongly growing, independent cloud platform “Made in Germany”. It offers data sovereignty for the customers, meets the highest data protection requirements and can be flexibly adapted to the customers’ requirements. And we continue to develop the CORBOX behind the scenes: DATAGROUP will use artificial intelligence in IT service production – with all advantages for the CORBOX customers.





IT's everywhere.

Cloud

Modern cloud technologies have become an integral part of the IT world and this new field of open, device-independent IT infrastructures, platform services and software that can be easily used through the internet keeps growing and changing very rapidly. DATAGROUP currently addresses the growth opportunities arising for IT services with increased commitment and innovation in this area. Having sharpened the profile in the area of cloud has brought us close to our aim of becoming the leading provider of sovereign cloud infrastructure in Germany as well as of excellent multi-cloud management.

DATAGROUP's CORBOX cloud services are an integral part of the CORBOX portfolio as well as the underlying platform technology for many other CORBOX services – for instance, for application and workstation services. All CORBOX services are available in a public-cloud version or a sovereign CORBOX cloud option. Our sovereign cloud option is ahead of the hyperscaler-based versions in multiple dimensions: In times of global political uncertainties, we perceive a significantly higher demand for cloud services that guarantee data security and sovereignty at the highest level. There are also specific data, for instance health-related data, where the open platforms of hyperscalers are not a suitable solution for the customers.


The CORBOX cloud “Made in Germany” has a custom-fit solution for these requirements, since we can provide IT services which guarantee that data centers, infrastructure and therefore data storage are based in Germany. Additionally, we always develop our services in the context of German and European regulations, which provides the customer with the relevant security and clarity as well as a reliable long-term perspective. On top, our CORBOX cloud is designed as an enterprise cloud, which means that it qualifies for the operation of company applications with the highest requirements to availability and stability – architecture, hardware, and software on the machines of the CORBOX cloud are equipped for these requirements of the highest quality.

DATAGROUP does not only provide cloud capacities and services but also advises companies on their specific use and supports customers on their way to the cloud. As such, we are the competent one-stop service provider at eye level in the area of cloud as well, acting independently of technology and entirely according to our customer's wishes.

This cloud offering is enhanced by strategic partnerships that we have established recently. We have formed a long-term partnership with STACKIT covering cloud infrastructure and cloud services. STACKIT Cloud, the German data-sovereign alternative to the public clouds of American hyperscalers will be connected with DATAGROUP's CORBOX cloud, so custom-

er can take full advantage of both cloud environments without any difficulty. This means that DATAGROUP customers can seamlessly use STACKIT Power in their infrastructure, while enjoying DATAGROUP's fully managed outsourcing services on the STACKIT infrastructure. The partnership aims to combine the strengths of both companies to optimally accompany the customers' digital transformation up to the cloud.

Another new offering – the DATAGROUP Partner Cloud – also underlines the growth strategy of becoming the leading sovereign cloud provider: We open up the CORBOX cloud with its enterprise standard for smaller IT service providers, which in turn can provide basic cloud services for their customers. For the first time, we have designed an offer along this line that will introduce our role as a player consolidating the market for data-sovereign clouds “Made in Germany”: We combine subcritical local workloads, reduce the burden on smaller IT service providers in the area of platform production and enable them to focus on higher-quality customized services. This also results in further economies of scale which in turn support the growth of DATAGROUP.



IT's that symbiotic.

Artificial Intelligence

Artificial intelligence is a technology that will be decisive for DATAGROUP's growth momentum and the company's leading role in the IT service market in Germany. Large language models such as ChatGPT have impressively shown the potential of AI technology at the human-machine interface and the technology has attracted considerable public attention. AI technology has the potential to make DATAGROUP's business model even more scalable and productive. With "AI Ops", the application of AI on the basis of deep learning models in IT operations, DATAGROUP will use this technology to automate the production of CORBOX IT services. For the first time, AI enables automation that is independent of standardization. It thus becomes a production factor addressing productivity, speed, and consistent quality all at once. Furthermore, the technology provides us with a tool which employees can integrate into their daily business themselves, which they can use and help to shape, and which creates new windows of opportunity for them.

AI is a lever that helps us to expand our business without having to recruit highly sought-after IT specialists by the same degree. AI technologies help to automate unstructured operational tasks in system areas with a higher customer individuality or a critical mass that is too low. This holds the promise of significant additional efficiency increases in everyday operations. This new technology is designed to address corporate IT processes beyond the classical com-

bination of standardization and automation. The IT service production "Made in Germany" thus remains extremely attractive for the customers both under safety and price aspects, and it secures the future growth of DATAGROUP.

To implement this strategy, we acquired the HIRO AI platform in the last fiscal year, which DATAGROUP uses as central AI Ops technology. HIRO is a powerful tool based on many years of development, designed for the automated operation of complex systems. It is trained for day-to-day tasks with the knowledge of experts to be able to automatically solve comparable tasks independently in the future. HIRO has found a home in our newly founded subsidiary ALMATO AI but will be used in many areas of DATAGROUP.

To this end, an AI community under the name of "AI Pioneers" has been established in the last fiscal year as a kind of "grassroots movement" on this topic in the DATAGROUP universe. The community can also be seen as realm of possibilities for technological innovation and a developmental space for interested people from different business areas of our company. We expect this attractive environment for AI enthusiasts to become a center of attraction on the IT workforce market that is challenging for employers.

AI at DATAGROUP stands for attractive tasks and career pathways in an innovative environment for employees and

applicants. On the one hand, they can focus on higher-quality tasks because AI relieves them of routine tasks. On the other hand, the use of AI is implemented and further advanced by human beings who are working at DATAGROUP or who can be recruited for the company thanks to the new focus on AI. They can become AI experts in this environment and help to shape the success of AI at DATAGROUP and in the German IT market.

Additionally, AI closely correlates – strategically as well as technologically – with the two other topics focused by DATAGROUP, cloud and cyber security: AI will also assume tasks in the production of cloud and cyber security services. As a sovereign cloud, DATAGROUP's CORBOX cloud also offers a secure and efficient infrastructure in line with regulatory requirements for the operation of AI technology in general and the HIRO platform in Germany in particular.



IT's that secure.

Cyber Security

IT security is a decisive and necessary factor of success for digitization, which is why our CORBOX service portfolio covers this topic as well, because: Attacks against companies and organizations have strongly increased around the globe with damages becoming bigger – correspondingly, demand for DATAGROUP's security services is as high as ever. Many businesses today cannot adequately manage and implement the needs and regulatory requirements in IT security. On the one hand, this is an opportunity for further growth of DATAGROUP in this sector. On the other hand, it is our responsibility and possibility to make the IT world a secure and better place.

What makes IT security "Made by DATAGROUP" unique? We have many years of expertise and therefore all our activities in this area are built on a stable and broad knowledge basis. Centralized structures lead to economies of scale in the production of the security services while having this concentration of expertise. As such, the modular CORBOX approach enables us to adopt the security level to the systems' individual need for protection – from basic security, which is included in each CORBOX service, to the comprehensive services of the security services family at the highest technological level. Having supported many customers in this area, we are up to date and prepared to deter the most recent attack strategies and waves. This means that every customer benefits from the security know-how which

we continue to extend thanks to our broad customer structure. As a full-service IT provider, we have the potential for efficiency increases and excellence, can offer and take full advantage of the shared services in this sector and share this with our customers.

As a signal and basis for the clear growth track in this sector, we have given a new structure to the DATAGROUP Cyber Security unit as a flagship with numerous experts on board. This unit is the center of competence, which is working on new services, the development of services and innovative technologies in the ever-changing cyberspace. We expect this to provide a better visibility in the security communities to be able to recruit more experts for DATAGROUP going forward.

Regulatory requirements also have a strong impact on the field of cyber security. The NIS-2 directive, amongst others, imposes stricter requirements around the IT and information security of many other companies. DATAGROUP can provide advice and assistance with the necessary expertise and support companies in implementing it. Additionally, our huge team is able to keep pace with the changes driven by legislation and regulation and also to derive specific recommendations for our customers – a task many IT departments in Mittelstand companies are unable to cope with. To remain at the top, we are continuously developing the CORBOX

portfolio with a view to these regulatory requirements in governance, risk, and compliance (GRC). DATAGROUP's large number of certifications also support our very good positioning as IT service provider in the relevant industries.



IT Transformation

DATAGROUP accompanies companies in their IT transformation stages to quickly transfer isolated, combined or organically grown IT landscapes to independent, forward-looking IT environments without any loss. For instance, many companies are facing the challenge of having to migrate to SAP S/4HANA. As experienced partner, DATAGROUP supports them from an initial analysis to a successful migration and flawless IT operations.



IT Solutions

IT solutions should be a perfect fit for the company and must keep pace with requirements. Alongside standard IT services, DATAGROUP's solutions business segment is focused on customized projects, for instance the development of business apps or digitization of maintenance processes with the help of Internet of Things (IoT).



One DATAGROUP – Throughout Germany

Highly standardized processes and services, which are continuously being fine-tuned, are one side of the medal of success. Proximity to customers is the other one! DATAGROUP relies on its production model for an optimal combination of local and central production. This means: Parts of the service production – Service Desk, Data Center Operations, Application Management Services and SAP Services – are virtually combined in central supply units. This leads to economies of scale and quality advantages thanks to the specialization and better utilization of experts and systems. The trend towards more efficiency, better organizational units and a bundling of competencies is consistently pushed ahead.

The other CORBOX services such as end user services are provided at local sites in all important economic regions of Germany. The overall service management and the responsibility to customers that the value proposition is maintained, rests with the local DATAGROUP market units. They and their managers at the helm are the key contact partners at eye level for the customers.

The combined production model with local market units and centralized supply units makes it possible for DATAGROUP to produce all CORBOX services in Germany, efficiently and to the highest quality, while guaranteeing the proximity to the customer.

References

Insights Into the Customer Portfolio

AMPri

B+NEX

BSR

BERNER GROUP

KGW
Schweriner Maschinen-
und Anlagenbau GmbH

koelnmesse
we energize your business | since 1924

**LANDES
FÖRDER
INSTITUT**
Mecklenburg-Vorpommern

myk
JUNGER LANDKREIS
MIT TRADITION

CARL UNGEWITTER

CURRENTA

DAMMERS
Alles fürs Dach

DANA

**LANDKREIS
WITTMUND**

Lekkerland
the convenience company

**Medizinischer Dienst
Mecklenburg-Vorpommern**

**MESSE
MÜNCHEN**

ECE

**ENGEL & VÖLKERS
COMMERCIAL**

ENO ENERGY
Success with wind.

**STUTTGART
AIRPORT**

mez

oetinger
aluminium

**PETER
JENSEN**
BAD | KÜCHE | HEIZUNG

RATIONAL

**Forst
BW**

H
Hamburg
Messe + Congress

HN-HOLDING

HNP M
HNP Mikrosysteme

SCHWENK

**Stadt
Konstanz**

SWM

**stadtwerke
neuss**

**HOYER
HANDEL**

HWK
1365 HÜTTENWERKE KÖNIGSBRUNN

K
KÄSSBOHRER GELÄNDEFahrzeug AG

KEIM

TECHNOSIS

Tyczka

U+H
U. M. Hanseatische Haus- &
Grundstücksverwaltung GmbH

wieland

Growing Together

DATAGROUP and ForstBW Create the Forest of the Future

Thinking about the future today – We at DATAGROUP live by this every day. It is crucial in an environment that is changing as quickly as IT to remain successful in the long term. That said, our future depends on so much more than innovative digital solutions: It is also particularly important to preserve our resources now and for future generations. The forest is one part of our environment that is strongly endangered. It is the habitat of many different species, it protects our soil from drying out or eroding, provides shade and heat relief on hot days and helps us recharge in hectic times. But ever more frequent droughts and pests are threatening the forest's survival.

This is why DATAGROUP has launched a new project in partnership with its customer ForstBW: the forest of the future, the DATAGROUP FOREST. The development of a wooded area in the Black Forest is meant to reflect what constitutes the DNA of DATAGROUP: work sustainably, think differently and create something extraordinary together. Employees, partners, customers, and investors alike can collect points for their good deeds, social, and ecological activities throughout the entire jubilee year, which will eventually be “exchanged” to trees.

The goal? 4,000 trees that can turn a heavily damaged area into a “seedbed” for the forest of the future. A wooded area which is characterized by storm damages, browsing by game and spruce monoculture will become a robust forest that is prepared for the challenges of the coming decades. On top, this forest of the future will have a positive impact on the surrounding forests. And this commitment has a ripple effect for the important topic of climate-proof forests, which will also be created at many other places in the future.

The DATAGROUP FOREST is more than just a project to us. It is our commitment to create a sustainable future inherited by future generations. We will actively support the development of the forest on a long-term basis. After all, just as DATAGROUP has grown steadily over the years to where it stands now, a forest takes decades to evolve.

The future is what we make of it today.



Group Management Report

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1. Group Overview

DATAGROUP SE, PLIEZHAUSEN			
SERVICES		SOLUTIONS AND CONSULTING	
<div>DATAGROUP Berlin</div> <div>DATAGROUP BIT Düsseldorf</div> <div>DATAGROUP BIT Hamburg</div> <div>DATAGROUP BIT Oldenburg</div> <div>DATAGROUP Bremen</div> <div>DATAGROUP Defense IT Services</div> <div>DATAGROUP Frankfurt</div> <div>DATAGROUP Hamburg</div> <div>DATAGROUP Köln</div> <div>DATAGROUP Ludwigsburg</div> <div>DATAGROUP München</div> <div>DATAGROUP Offenburg</div> <div>DATAGROUP Operate IT</div> <div>DATAGROUP Stuttgart</div> <div>DATAGROUP Ulm</div> <div>Hövermann IT</div> <div>Systemzwo</div> <div>URANO Informationssysteme</div> <div>Cloudeteer</div>		<div>DATAGROUP Business Solutions</div> <div>DATAGROUP Consulting Services</div> <div>DATAGROUP IT Solutions</div> <div>ALMATO</div> <div>ALMATO AI</div> <div>Mercoline</div>	
CENTRAL SUPPLY UNITS			
DATAGROUP Operations	DATAGROUP Enterprise Services	DATAGROUP Inshore Services	DATAGROUP Service Desk

DATAGROUP-Group¹

ORGANIZATIONAL AND LEGAL STRUCTURE OF THE DATAGROUP GROUP

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

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

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

CENTRALIZATION WHERE NECESSARY, REGIONALITY WHERE POSSIBLE

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

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

DATAGROUP SE also provides human resources services for the main shareholder, HHS Beteiligungsgesellschaft mbH² and its subsidiaries against payment of customary compensation.

ACQUISITION STRATEGY HAS BEEN CONTINUED

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

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

One company has joined the DATAGROUP family in this fiscal year: In April 2023, DATAGROUP acquired systemzwo

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

Furthermore, DATAGROUP has increased its stake in URANO Informationssysteme GmbH from 70 % to 100 % in April 2023. The first stake in the Bad Kreuznach-based IT service provider was acquired in May 2021. At that time, the agreement included an option to buy the remaining 30 % of the shares in two years' time. This step marks the end of the two-year transition phase. Founded in 1990, URANO Informationssysteme GmbH has 300 employees providing IT services for customers from the private and public sectors.

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

FOCUS OF ACTIVITY, SALES MARKETS AND COMPETITIVE POSITION OF DATAGROUP

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

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

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

CORBOX: IT AS A SERVICE

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

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

CERTIFICATIONS AND CERTIFICATES

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

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

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

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

ECONOMY STILL FRAGILE

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

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

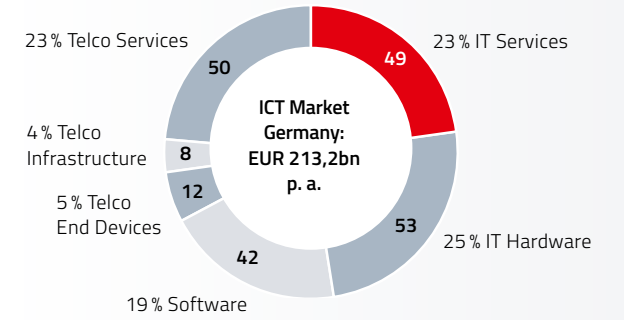
The ifo Business Climate index reflected the pessimistic mood in companies in Germany over the course of the fiscal year: The index initially grew from 86.9 points in November 2022 to 93.2 points in April 2023, but subsequently fell continuously over the following months to 85.8 points in August 2023.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

DIGITAL INDUSTRY AT A HIGHER LEVEL THAN THE OVERALL ECONOMY

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

DIGITIZATION DECISIVE FOR COMPETITIVENESS

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



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

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

3.1. Results of Operations

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

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

NET INCOME AND EARNINGS FIGURES

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

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

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

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

exceeded the midterm target of 9% (previous year 8.4%).

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

Earnings before taxes (EBT) were up 12.3% to TEUR 41,241 (previous year TEUR 36,733). Tax expenses dropped to TEUR 12,976 (previous year TEUR 14,706). The high tax expenses of the previous year 2021/2022 were mainly attributable to the non-capitalization of deferred taxes on tax-loss carry-forwards. Consequently, the tax rate declined to 31.5% (previous year 40.0%) and net income increased significantly by 28.3% to TEUR 28,265 (previous year TEUR 22,028). Earnings per share were EUR 3.39 after EUR 2.64 in the previous year.

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

REVENUE AND ORDERS

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

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

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

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

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

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

GROSS PROFIT

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

PERSONNEL EXPENSES

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

3.2. Financial and Asset Position

Figures in TEUR	30.09.2023	30.09.2022	30.09.2021	30.09.2020	30.09.2019	30.09.2018
ASSETS						
Non-current assets	320,222	317,917	308,025	224,182	187,150	114,448
Current assets	145,065	165,667	154,966	161,170	132,927	101,002
	465,287	483,584	462,991	385,352	320,077	215,450
LIABILITIES						
Equity	147,433	127,458	94,012	66,152	74,046	67,255
Non-current liabilities	151,789	161,479	237,353	206,019	157,009	86,707
Current liabilities	166,064	194,647	131,627	113,181	89,022	61,488
	465,287	483,584	462,992	385,352	320,077	215,450

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

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

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

At the end of the fiscal year, on 30 September 2023, the balance sheet total of DATAGROUP amounted to TEUR 465,287, which was TEUR 18,297 below the prior-year figure (TEUR 483,584). This reduction in the balance sheet is attributable to an improved financial management with a repayment of the Group’s working capital lines. In March 2023, DATAGROUP issued new promissory note loans of EUR 30m and signed a new agreement for working capital lines of EUR 40m. The new financial resources of EUR 70m in total are planned to be used for future growth and acquisitions. Overall, financial liabilities amounted to TEUR 162,460 at the balance sheet date, which is TEUR 22,796 below the previous year (TEUR 185,256). Of these, TEUR 105,337 (previous

year TEUR 112459) were non-current financial liabilities and TEUR 57,123 (previous year TEUR 72,797) were current financial liabilities. Total net debt stood at TEUR 112,574 after TEUR 109,302 in the previous year. Cash and cash equivalents amounted to EUR 21.8m in comparison to EUR 47.0m on the balance sheet date of the previous year, which is mainly attributable to an active cash management.

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

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

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

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

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

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

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

LIQUIDITY DEVELOPMENT

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

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

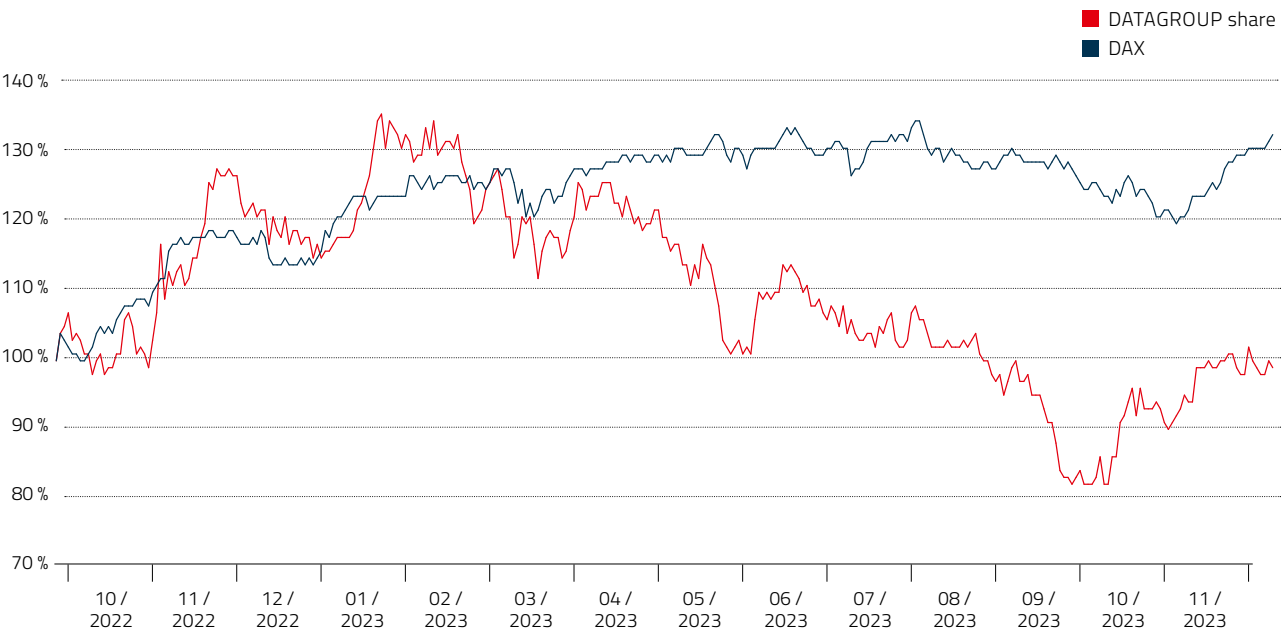
Cash flow from financing activities was TEUR -6,993 (previous year TEUR -22,525) and mainly includes liabilities to banks of TEUR 30,020. It also includes the dividend payment of TEUR 9,165 (previous year TEUR 8,332). Cash outflow for the repayment of bank liabilities amounted to TEUR 9,597 (previous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

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

OVERALL STATEMENT

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

4. Stock



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

DEVELOPMENT OF THE DATAGROUP SHARES

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

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

In the first half of 2023, the German economy marked time. The high inflation undermined the purchasing power of private households and prompted the European Central Bank to notably raise the base rates. This hit both consumption and construction activities, as the real household incomes fell

and financing costs rose. But the industrial activity ran out of steam as well. In the past months, sentiment again deteriorated considerably across almost all German economic sectors. Unlike expected in the summer of 2023, recovery is likely to remain absent in the second half of the year and the economic slowdown is expected to continue. Notwithstanding the above, the German stock index climbed to its all-year high of 16,470 points by 28 July 2023 and subsequently fell again. At the end of the fiscal year, on 30 September 2023, the index stood at 15,387 points.

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

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

Alongside the normal course of operating business, discussions with investors mainly focused on the topic of IT security. To maintain the future capacity for growth and se-

cure competitive advantages DATAGROUP will continue to heavily expand its expertise in this area as well as in AI and cloud. DATAGROUP continuously develops its Security Services with these new technologies to minimize the growing risks for the customers’ digitization caused by cyber-attacks. Furthermore, artificial intelligence will be used in IT service production in the future and thus will be an efficiency lever as well as an important response to addressing the growing skills shortage.

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

SHARE PERFORMANCE AFTER THE END OF THE FISCAL YEAR

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

IN A DIALOG WITH THE SHAREHOLDERS

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

The Management Board and the investor relations team of DATAGROUP maintain an extensive exchange with investors, analysts, and representatives of the financial media. Investors are given the opportunity to inform themselves on the company’s current course of business on a regular basis at conferences, at public presentations or individual meetings. In the past fiscal year, DATAGROUP participated in different roadshows as well as numerous conferences of different

banks, including the CF&B European Midcap Event (Paris), German Equity Forum (Frankfurt), Berenberg European Conference in Pennyhill Park (London), ODDO BHF Forum (Lyon), Metzler Small and Micro Cap Day (Frankfurt), Munich Capital Markt Conference, Equity Forum Spring Conference (Frankfurt), Quirin Champions Conference (Frankfurt), Stifel International Technology Conference (New York), Berenberg and Goldman Sachs German Corporate Conference (Munich) and Baader Investment Conference (Munich).

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

ESG REPORTING

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

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

For this campaign, DATAGROUP relies on the commitment of its employees and the support from customers, business partners, investors and other persons associated with the company: They can all collect points for their commitment

and “good deeds” during the anniversary year. The more points are collected, the more trees will be planted in the Forest of the Future.

ANALYST RECOMMENDATIONS

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

Bank	Analyst	Recommendation	Target Price	Latest Change
Baader Helvea	Knut Woller	buy	85.00 EUR	24.11.2023
Berenberg	Gustav Froberg	buy	80.00 EUR	01.06.2023
Hauck & Aufhäuser	Tim Wunderlich	buy	73.00 EUR	22.11.2023
Metzler Capital Markets	Oliver Frey	buy	86.00 EUR	29.08.2023
M.M.Warburg Co.	Andreas Wolf	buy	86.00 EUR	24.08.2023
Quirin Privatbank AG	Sebastian Droste	buy	113.50 EUR	24.05.2023
Stifel	Yannik Siering	buy	72.00 EUR	29.08.2023

Overview of analyst ratings, as of 24.11.2023

SHAREHOLDER STRUCTURE AND DIRECTOR’S DEALINGS

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

The following reportable transactions (“Director’s Deals”) took place in the fiscal year just ended:

Date	Name	Position	Nature of the transaction	Price in EUR	Units
28.11.2022	Dr. Sabine Laukemann	Management Board	Purchase	20,820.00	300
27.03.2023	HHS Beteiligungsgesellschaft mbH	Management Holding of Supervisory Board Member Max H.-H. Schaber	Purchase	5,624,000.00	80,000
05.04.2023	Dr. Sabine Laukemann	Management Board	Purchase	17,250.00	250
24.04.2023	Andreas Baresel	Management Board	Purchase	36,774.00	540
24.05.2023	Andreas Baresel	Management Board	Purchase	27,976.00	500
24.05.2023	Dr. Sabine Laukemann	Management Board	Purchase	957.10	17
29.08.2023	Nicolai Baresel	Notifying party is closely related to Andreas Baresel	Purchase	216.00	4
30.08.2023	Nicolai Baresel	Notifying party is closely related to Andreas Baresel	Purchase	5,126.40	96

ANNUAL GENERAL MEETING AND DIVIDEND

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

All items on the agenda were approved, and it was decided to distribute a dividend of EUR 1.10 per share. The company distributed a total amount of EUR 9,164,604.90 to its shareholders³. The Management Board intends to continue the existing policy in the future, which is characterized by dividend continuity and the objective to distribute a ratio of up to 40 % of the net profit.

For comprehensive information on the topic “Annual General Meeting” please visit the section “Annual General Meeting” on the DATAGROUP website (datagroup.de/agm). The Annual General Meeting for FY 2022/2023 is scheduled for 14 March 2024.

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

KEY TRADING DATA OF DATAGROUP

Stock Exchange Segment	Open Market and Scale segment of the Frankfurt stock exchange
Ticker Symbol	D6H
WKN	A0JC85
ISIN	DE000A0JC857
Reuters	D6HG
Bloomberg	D6H GR
Stock Exchanges	Frankfurt, XETRA, Stuttgart, Munich, Düsseldorf, Berlin-Bremen
Designated Sponsor	Hauck & Aufhäuser Privatbankiers
Total No. of Shares	8,349,000
Amount of the Share Capital	EUR 8,349,000.00
Opening Price	14 September 2006
Issue Price	EUR 3.20
Share value (as of 30 November 2023)	EUR 53.10
Market capitalization (as of 30 November 2023)	EUR 443.3m

IN A DIALOGUE WITH THE FINANCIAL MEDIA

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

5. Risks and Opportunities

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

RISK MANAGEMENT SYSTEM

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

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

OPPORTUNITIES MANAGEMENT

OPPORTUNITIES ARISING FROM THE MARKET ENVIRONMENT

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

OPPORTUNITIES ARISING FROM TECHNICAL TRENDS

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

The modular service portfolio of the CORBOX covers the full breadth of corporate IT operations. This includes high-quality services such as managed or cloud services, but also IT security. The number of cyber-attacks against companies and public-sector organizations has been growing for years and the attacks are more sophisticated than ever before. This is why the service portfolio of CORBOX Security has been expanded by a broad range of information security services. The DATAGROUP IT security services provide reliable pro-

tection against any kinds of threats thanks to modern and effective security concepts that are always one step ahead of attackers.

OPPORTUNITIES ARISING FROM AN INCREASING DIGITIZATION

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

OPPORTUNITIES ARISING FROM COMPANY ACQUISITIONS

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

OPPORTUNITIES ARISING FROM THE CUSTOMER STRUCTURE

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

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

OPPORTUNITIES FROM SUSTAINABILITY

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

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

BUSINESS-RELATED RISKS

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

MARKET AND COMPETITIVE RISKS

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

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

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

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

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

In view of the current political situation, there is a risk for the current forecast that the adverse economic effects will increase further if the geopolitical environment continues to be

difficult, such as an intensification of the tensions between the West and Russia and an escalation of the conflict in the Middle East.

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

TECHNICAL AVAILABILITY OF THE SERVICES OFFERED

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

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

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

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

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

IT SECURITY

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

RISKS ARISING FROM TECHNOLOGICAL CHANGES

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

FINANCIAL RISKS

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

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

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

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

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

RISKS ARISING FROM THE CUSTOMER STRUCTURE

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

SUPPLIER RISK

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

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

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

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

HUMAN RESOURCES RISKS

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

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

LEGAL RISKS

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

RISKS ARISING FROM A GLOBAL PANDEMIC

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

OVERALL ASSESSMENT OF THE RISK SITUATION

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

DEVELOPMENT OF THE MACRO-ECONOMIC ENVIRONMENT

Private consumption is expected to gradually recover in the second half of 2023 according to the ifo Institute experts. The drop in gas and electricity prices, in particular, should lead to a rise in available household incomes. The prices of commodities were up 3.8% in October 2023 in comparison to the prior month according to the Federal Statistical Office. In October 2023, the ifo Business Climate index rose for the first time since April 2023. The outlook for the next few months has brightened up according to the experts. The industry will benefit from the terms-of-trade gains and from a rebound in consumer economy. Demand for German commodities is likely to increase again, also because the global interest cycle is said to have reached its peak. Additionally, the shortage of material in the German industry has significantly declined. In October, 18.2 % of the companies surveyed reported bottlenecks after 24.0 % in September.

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

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

BUSINESS DEVELOPMENT AND STRATEGY

The Management Board believes that DATAGROUP is very well positioned with its CORBOX full outsourcing offer and the consulting and solutions specialists to continue to grow profitably. DATAGROUP combines a highly standardized service production at the highest quality level, which is certified according to ISO 20000, with the personal proximity and reliability of a large Mittelstand company. This combination is appreciated particularly by customers of upper Mittelstand companies and results in a high competitiveness. In the next fiscal year, DATAGROUP will maintain its objective to further

expand its position as a leading IT service provider for German Mittelstand companies with the highest customer satisfaction. DATAGROUP continues its steady investments in the further development and renewal of the CORBOX portfolio, for instance to meet the demand for data-sovereign and secure cloud solutions and for multi-cloud models.

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

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

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

FINANCIAL DEVELOPMENT

Looking ahead to the new fiscal year, the Management Board of DATAGROUP is cautiously optimistic. Apart from the manifold uncertainties in relation to the economic uncertainties above, the risk-adverse approach of DATAGROUP will continue to ensure the continuation of a consistent and profitable management. Long-term service contracts for IT operations continue to be one of the major strategies of DATAGROUP for sustainable business: Cyclical project business that is fraught with risks as well as cluster risks in the customer structure are being avoided. The corporate structure with numerous

regional companies helps DATAGROUP to remain close to the customer. Business is focused on recurring IT operating services with solid Mittelstand companies and public authorities in long-term contract relationships. By investing in the future fields of artificial intelligence, cloud, and cybersecurity, DATAGROUP plans to expand its services portfolio and considers this to provide growth opportunities for the company's future. Even though the macro-economic environment is still subject to uncertainties at the moment, the management currently anticipates for the next fiscal year 2023/2024 a slight increase in revenue and a slight improvement in profitability in absolute terms and thus of EBITDA and EBIT in comparison to the previous year.

HISTORIC DEVELOPMENT OF FORECASTS

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

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

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

7. Internal Corporate Management System

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

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

8. Other Information

EMPLOYEES

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

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

DATAGROUP traditionally is very committed to recruit and support junior employees. On 30 September 2023, the company employed a total of 157 apprentices and students (German "Duales System") (149 on 30 September 2022), particularly in the apprenticeship occupations of qualified IT specialist for system integration and application development, as well as management assistant in IT systems.

RESEARCH AND DEVELOPMENT ACTIVITIES

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

ADJUSTMENTS TO THE GROUP STRUCTURE

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

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

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

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

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

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

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

DEPENDENCY REPORT

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

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

Pliezhausen, 18 December 2023

DATAGROUP SE

MANAGEMENT BOARD



Andreas Baresel
Chief Executive Officer



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



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

Consolidated Financial Statements

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Consolidated Income Statement

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

Consolidated Statement of Comprehensive Income

Figures in EUR	Notes	2022/2023	2021/2022
Net income		28,265,281.78	22,027,580.43
Other earnings before taxes			
Recalculation of defined benefit obligations ⁵		1,240,126.47	29,195,918.47
Change in balancing items from currency conversion		14,909.09	-29,994.66
Other earnings before taxes	11	1,255,035.56	29,165,923.81
Income tax effects on other income	11	380,857.62	9,124,107.77
Comprehensive income		29,139,459.72	42,069,396.47
thereof minority share		183,539.97	143,635.82
thereof shares of DATAGROUP SE		28,955,919.75	41,925,760.65

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

⁵ This is other comprehensive income which cannot be reclassified.

Consolidated Statement of Financial Position

Figures in EUR	Notes	30.09.2023	30.09.2022
Assets			
Long-term assets			
Goodwill	1	157,024,968.43	151,435,872.92
Other intangible assets	2	44,116,068.85	48,299,746.81
Property, plant and equipment	3	69,803,960.65	61,779,836.67
Non-current financial assets	4	7,676,618.94	8,506,353.08
Capitalized contractual costs	5	8,229,149.35	12,400,776.21
Finance leasing receivables	6	16,444,872.71	18,019,382.25
Claims from pension and other obligations	16	4,579,784.88	4,448,503.46
Other non-current assets	7	977,962.20	846,827.81
Deferred taxes	8	11,368,224.90	12,179,457.29
		320,221,610.91	317,916,756.50
Short-term assets			
Inventories	9	4,545,437.79	8,304,674.50
Contract assets	10	3,065,594.62	3,013,455.06
Trade receivables	11	57,010,460.72	55,147,870.67
Finance leasing receivables	6	11,561,654.32	10,892,813.00
Current financial assets	4	252,338.47	280,857.25
Other current assets	12	46,750,858.09	40,985,932.28
Cash and cash equivalents	13	21,878,859.86	47,041,864.41
		145,065,203.87	165,667,467.17
		465,286,814.78	483,584,223.67
Liabilities			
Equity			
	14		
Subscribed capital		8,349,000.00	8,349,000.00
Capital reserves		32,337,372.27	32,337,372.27
Repayment of capital		-98,507.73	-98,507.73
Retained earnings		87,782,798.03	68,865,661.11
Accumulated other comprehensive income		19,046,410.71	18,187,141.86
Balancing item for foreign currency translation		-19,673.35	-34,582.44
Minority interests		35,701.91	-147,838.05
		147,433,101.84	127,458,247.02
Long-term liabilities			
Non-current financial liabilities	15	105,337,321.38	112,459,288.54
Pension provisions	16	35,883,967.06	36,102,634.43
Other provisions	16	1,284,500.39	1,240,557.69
Other non-current liabilities	19	98,026.65	83,914.65
Deferred taxes	8	9,185,556.78	11,592,865.89
		151,789,372.26	161,479,261.20
Short-term liabilities			
Current financial liabilities	15	57,122,549.15	72,797,075.01
Provisions	16	20,714,546.51	32,629,439.37
Contract liabilities	17	10,118,413.32	12,739,349.63
Trade payables	18	13,069,491.77	15,827,012.63
Income tax liabilities		17,567,377.95	13,808,853.79
Other liabilities	19	47,471,961.98	46,844,985.02
		166,064,340.68	194,646,715.45
		465,286,814.78	483,584,223.67

Statement of Cash Flows

Figures in EUR	2022/2023	2021/2022
Cash flows from operating activities		
Net result for the period	28,265,281.78	22,027,580.43
- thereof corporate income tax repayments 1,190,035.56 EUR (previous year 5,617,964.73 EUR)		
- thereof corporate income tax payments 18,648,622.28 EUR (previous year 16,903,648.75 EUR)		
Interest received	-8,433.67	-21,040.98
Interest paid	2,830,753.43	1,351,903.11
Depreciation and amortization of non-current assets	34,910,863.22	35,006,945.17
Changes in pension provisions	1,021,458.83	1,260,588.12
Gains (-) / losses (+) on disposals of non-current assets	236,378.09	27,449.41
Increase (-) / decrease (+) of receivables or liabilities to shareholders, related and associated companies	-762,609.69	-1,448,244.02
Increase (-) / decrease (+) of inventories, trade receivables and other assets	2,388,576.66	911,647.16
Increase (+) / decrease (-) of trade payables and other liabilities	-20,902,796.04	11,004,481.39
Other non-cash transactions	-1,315,465.73	132,158.08
Cash flow from operating activities	46,664,006.88	70,253,467.87
Cash flow from investing activities		
Cash inflow from sale of property, plant and equipment	458,181.67	358,464.41
Cash outflow for investment in property, plant and equipment	-11,432,974.32	-6,036,630.71
Cash inflow from intangible assets	170,087.07	537,614.54
Cash outflow for investments in intangible assets	-3,800,838.79	-2,773,783.21
Cash inflow from sale of financial assets	6,850.00	30,000.00
Cash outflow for investments in financial assets	-30,500.00	-1,192,564.22
Cash inflow from investments in fully consolidated companies	593,646.73	0.00
Cash outflow from investments in fully consolidated companies	-50,929,876.90	-35,854,684.73
Distributions received and income from investments	122,719.83	132,205.36
Interest received	8,433.67	21,040.98
Net cash used in investing activities	-64,834,271.04	-44,778,337.58
Cash flow from financing activities		
Payment for dividends paid	-9,164,604.90	-8,331,459.00
Cash inflow (+) / outflow (-) for finance lease contracts (as lessee)	-15,420,556.18	-12,788,844.29
Payments for repayment of liabilities to banks	-9,597,068.71	0.00
Received payments from proceeds from liabilities to banks	30,020,242.83	-53,045.57
Interest paid	-2,830,753.43	-1,351,903.11
Net cash used in financing activities	-6,992,740.39	-22,525,251.97
Changes in cash and cash equivalents	-25,163,004.55	2,949,878.32
Cash and cash equivalents at the beginning of the period	47,041,864.41	44,091,986.09
Cash and cash equivalents at the end of the period	21,878,859.86	47,041,864.41

Consolidated Statement of Changes in Equity

01.10.2022 – 30.09.2023

Parent company										Total	Minority shareholders	Total
Figures in EUR	Subscribed capital	Capital reserves	Repayment of capital	Retained earnings		Accumulated other comprehensive income			Total		Minority interests	
						Changes without effects on net income	Result from actuarial gains and losses	Sum				
Balance at the beginning of the fiscal year	8,349,000.00	32,337,372.27	-98,507.73	68,865,661.11		-1,625,377.21	19,812,519.07	18,187,141.86	-34,582.44	127,606,085.07	-147,838.05	127,458,247.02
Dividend payment	0.00	0.00	0.00	9,164,604.90		0.00	0.00	0.00	0.00	9,164,604.90	0.00	9,164,604.90
Consolidated profit	0.00	0.00	0.00	28,081,741.81		0.00	0.00	0.00	0.00	28,081,741.81	183,539.97	28,265,281.78
Other comprehensive income	0.00	0.00	0.00	0.00		0.00	859,268.85	859,268.85	14,909.09	874,177.94	0.00	874,177.94
Balance at the end of the fiscal year	8,349,000.00	32,337,372.27	-98,507.73	87,782,798.02		-1,625,377.21	20,671,787.92	19,046,410.71	-19,673.35	147,397,399.92	35,701.92	147,433,101.84

01.10.2021 – 30.09.2022

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

Development of Fixed Assets

	Acquisition and production costs							Continuation of table see next page
Figures in EUR	As at 01.10.2022	Exchange difference	Additions	Reclassification		Disposals	Changes in the scope of consolidation	As at 30.09.2023
Goodwill	151,435,872.92	0.00	0.00	0.00		0.00	5,589,095.51	157,024,968.43
Other intangible assets								
1. Order backlog	21,894,000.00	0.00	0.00	0.00		0.00	141,000.00	22,035,000.00
2. Customer bases	58,555,400.00	0.00	0.00	0.00		0.00	1,705,000.00	60,260,400.00
3. Internally developed intangible assets Software	6,112,162.48	0.00	1,333,859.25	0.00		64,900.00	0.00	7,381,121.73
4. Acquired intangible assets Software etc.	39,951,430.33	0.00	2,408,888.29	0.00		1,504,168.64	920,974.21	41,777,124.19
5. Prepayments	44,228.94	0.00	58,091.25	0.00		0.00	0.00	102,320.19
	126,557,221.75	0.00	3,800,838.79	0.00		1,569,068.64	2,766,974.21	131,555,966.11
Property, plant and equipment								
1. Land and buildings	59,179,229.15	0.00	14,517,249.25	0.00		9,234,478.51	235,169.18	64,697,169.07
2. Technical equipment and machinery	116,347.06	0.00	0.00	0.00		0.00	0.00	116,347.06
3. Other equipment, furniture and office equipment	102,302,262.00	4,468.49	16,184,030.16	77,105.94		11,679,261.76	2,024,493.31	108,913,098.14
4. Prepayments	211,675.77	-145.06	45,624.62	-77,105.94		27,210.47	0.00	152,838.92
	161,809,513.98	4,323.43	30,746,904.03	0.00		20,940,950.74	2,259,662.49	173,879,453.19
Long-term financial assets								
1. Shares in affiliated companies not included in the scope of consolidation	108,320.26	0.00	577.72	0.00		3,000.00	0.00	105,897.98
2. Investments	52,130.00	0.00	0.00	0.00		0.00	0.00	52,130.00
3. Securities	8,539,452.82	0.00	389,268.54	0.00		1,192,564.22	0.00	7,736,157.14
4. Other loans	9,383.88	0.00	0.00	0.00		6,850.00	0.00	2,533.88
	8,709,286.96	0.00	389,846.26	0.00		1,202,414.22	0.00	7,896,719.00
Total	448,511,895.61	4,323.43	34,937,589.08	0,00		23,712,433.60	10,615,732.21	470,357,106.73

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

Acquisition and production costs

Continuation of table see next page

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

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

Notes to the Consolidated Financial Statements

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I. Basic Principles of the Consolidated Financial Statements

1. General Information

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

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

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

2. Changes in Accounting Standards

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

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

The adjustment of performance indicators such as gross margin or EBIT margin looks as follows:

Figures in TEUR	before adjustment 2022/2023		after adjustment 2022/2023		before adjustment 2021/2022		after adjustment 2021/2022	
Revenues	500,796	100.0 %	497,796	100.0 %	501,410	100.0 %	493,950	100.0 %
thereof services and maintenance	406,405	81.2 %	405,005	81.4 %	405,858	80.9 %	402,518	81.5 %
thereof trade	94,237	18.8 %	92,637	18.6 %	95,291	19.0 %	91,171	18.5 %
thereof other / consolidation	154	0.0 %	154	0.0 %	262	0.1 %	262	0.1 %
Other own work capitalized	2,153	0.4 %	2,153	0.4 %	1,643	0.3 %	1,643	0.3 %
Changes in capitalized contract costs	-4,086	-0.8 %	-4,086	-0.8 %	-3,580	-0.7 %	-3,580	-0.7 %
Total revenues	495,863	99.0 %	492,863	99.0 %	499,473	99.6 %	492,013	99.6 %
Material expenses / Expenses for purchased services	157,670	31.5 %	154,670	31.1 %	169,704	33.8 %	162,244	32.8 %
Gross profit	341,193	68.1 %	341,193	68.5 %	329,769	65.8 %	329,769	66.8 %
Personnel expenses	243,640	48.7 %	243,640	48.9 %	233,440	46.6 %	233,440	47.3 %
Other income etc.	16,604	3.3 %	16,604	3.3 %	13,474	2.7 %	13,474	2.7 %
Other expenses etc.	33,928	6.8 %	33,928	6.8 %	33,344	6.6 %	33,344	6.8 %
EBITDA	80,228	16.0 %	80,228	16.1 %	76,459	15.2 %	76,459	15.5 %
Other depreciation	27,252	5.4 %	27,252	5.5 %	27,608	5.5 %	27,608	5.6 %
EBITA	52,977	10.6 %	52,977	10.6 %	48,852	9.7 %	48,852	9.9 %
Depreciation from PPA	7,659	1.5 %	7,659	1.5 %	7,399	1.5 %	7,399	1.5 %
EBIT	45,318	9.0 %	45,318	9.1 %	41,453	8.3 %	41,453	8.4 %
Financial result	-4,077	-0.8 %	-4,077	-0.8 %	-4,719	-0.9 %	-4,719	-1.0 %
EBT	41,241	8.2 %	41,241	8.3 %	36,733	7.3 %	36,733	7.4 %
Taxes on income and profit	12,976	2.6 %	12,976	2.6 %	14,587	2.9 %	14,587	3.0 %
Net income	28,265	5.6 %	28,265	5.7 %	22,028	4.4 %	22,028	4.5 %

3. Accounting Policies Under International Financial Reporting Standards

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

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

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

For details we refer to the notes of the Consolidated Financial Statements, Section I.5. Accounting and Measurement Principles.

NEW ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

4. Scope of Consolidation

DEFINITION OF THE SCOPE OF CONSOLIDATION

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

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

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

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

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

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

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

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

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

CHANGES IN THE SCOPE OF CONSOLIDATION AND CHANGES UNDER COMPANY LAW

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

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

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

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

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

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

ACQUIRED ASSETS AND LIABILITIES

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

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

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

CONSIDERATION AND GOODWILL

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

Figures in EUR	01.04.2023
Base purchase price	5,200,000.00
Earn out obligations	
Earn Out 2023	803,000.00
Earn Out 2024	833,000.00
	1,636,000.00
Compensation	6,836,000.00
Total Identifiable Net Assets	2,557,904.49
Goodwill	4,278,095.51

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

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

ANALYSIS OF THE CASH OUTFLOW ASSOCIATED WITH THE ACQUISITION

The transaction resulted in the following cash flows:

Figures in EUR	01.04.2023
Base purchase price	
Purchase price shares	5,200,000.00
Transaction costs of the company acquisition	334,564.37
Net cash acquired with the subsidiary	-1,428,956.85
Total	4,105,607.52

IMPACT ON REVENUES AND EARNINGS BEFORE TAX

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

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

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

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

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

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

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

ACQUIRED ASSETS AND LIABILITIES

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

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

CONSIDERATION AND GOODWILL

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

Under consideration of the identified net income of EUR 880,000.00, the goodwill was EUR 1,307,000.00:

Figures in EUR	01.08.2023
Base purchase price	
Purchase price shares	1,500,000.00
Earn out obligations	
Earn Out 2024	687,000.00
Compensation	2,187,000.00
Total Identifiable Net Assets	880,000.00
Goodwill	1,307,000.00

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

ANALYSIS OF THE CASH OUTFLOW ASSOCIATED WITH THE ACQUISITION

The transaction resulted in the following cash flows:

Figures in EUR	01.08.2023
Base purchase price	
Purchase price shares	1,500,000.00
Transaction costs of the company acquisition	140,695.28
Net cash acquired with the subsidiary	0.00
Total	1,640,695.28

IMPACT ON REVENUES AND EARNINGS BEFORE TAX

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

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

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

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

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

A merger agreement has been signed dated 16 May 2023 between Hövermann Rechenzentrum UG as the transferring entity and Hövermann IT-Gruppe GmbH as the absorbing entity. Concurrently, a merger agreement has been signed between Hövermann ERP-Consulting GmbH as the transferring entity and Hövermann IT-Gruppe GmbH as the absorbing entity. The effective merger date is 1 October 2022 in each case. The purpose of these transactions was to adjust and streamline the Group structure. This does not necessitate an adjustment of goodwill.

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

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

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

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

5. Accounting and Measurement Methods

1. CONSOLIDATION PRINCIPLES

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

Company mergers are recognized in accordance with the acquisition method. The purchase price of the acquired subsidiary is allocated to the acquired assets, liabilities, and contingent liabilities. In this respect, the decisive factors are the value ratios at the time on which control of the subsidiary was achieved. The recognizable assets and the acquired liabilities and contingent liabilities initially are fully measured at their fair value. Any remaining difference on the assets side is then recognized as goodwill. Goodwill is subject to an impairment test at least once a year, which may lead to depreciation requirements. Any remaining difference on the liabilities side is then recognized in the income statement following another review. A subsidiary’s income and expenses are included in the consolidated financial statements from the date of acquisition. A subsidiary’s income and expenses will be consolidated until the date on which the parent company’s control ends.

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

2. ACCOUNTING AND MEASUREMENT PRINCIPLES

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

ESTIMATES AND ASSUMPTIONS

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

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

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

The purchase method applicable to the accounting for business combinations uses estimated values for the determination of the fair values, particularly of intangible assets such as brands, order backlog and customer relationships and of earn-out obligations at the date of acquisition. In some cases, the purchase agreements contain earn-out or comparable clauses according to which the purchase price increases in dependence of the achievement of fixed targets. Both the expected useful life of the assets determined as part of the purchase price allocation and the fair values are based on management estimates. When assessing the fair values of intangible assets and earn-out obligations, estimates of future cash flows play a major role. The identified intangible assets were recorded in the balance sheet at a book value of EUR 33,287,307.48 (previous year EUR 39,100,327.50), goodwill stood at EUR 157,024,968.43 on 30 September 2023 (previous year EUR 151,435,872.92). Higher goodwill is attributable to the initial consolidation of the systemzwo Group with EUR 4,278,095.51 and of Almato AI GmbH with EUR 1,311,000.00. Earn-out obligations, i.e. purchase price payments still outstanding, which are dependent on the results of the acquired company, stand at EUR 10,830,719.00 (previous year: EUR 54,529,391.99).

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

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

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

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

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

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

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

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

The estimates and assumptions above are subject to regular reviews.

BASIS OF CURRENCY TRANSLATION

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

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

RECOGNITION OF INCOME / REVENUE

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

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

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

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

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

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

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

Some contracts are designed in such a way that DATAGROUP performs activities at the beginning, which are not related to the fulfilment of performance obligations towards customers in the sense of IFRS 15. This mainly applies to large-scale changeover projects with a transition phase. For this reason, no revenue will be recognized for these contracts at first; the costs incurred will be capitalized as costs for the 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.

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

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

PRINCIPAL VS. AGENT DECISION IN THE CONTEXT OF REVENUE RECOGNITION

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

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

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

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

The correct identification of the specified good or service is an important step in determining whether DATAGROUP is acting as a principal or an agent in a transaction. In numerous transactions, specifically those involving tangible goods, the specified good or service can be clearly identified. However, this assessment may require a high degree of discretion, e.g. if deliverables

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

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

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

PROVISION OF WARRANTY, MAINTENANCE AND GUARANTEE FOR THE CUSTOMER

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

PROVISION OF STANDARD SOFTWARE LICENSES FOR THE CUSTOMER

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

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

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

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

IMPAIRMENT MODEL ACCORDING TO IFRS 9

Financial instruments are classified as follows:

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

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

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

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

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

EARNINGS PER SHARE

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

MERGERS AND GOODWILL

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

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

Goodwill changes over time were as follows:

Figures in EUR	30.09.2023	30.09.2022	30.09.2021	30.09.2020	30.09.2019
Services	136,244,053.49	121,123,924.42	72,813,608.96	32,230,200.68	33,756,581.48
Solutions and Consulting	20,780,914.94	30,311.948.50	30,270,671.45	30,270,671.45	30,270,671.45
Goodwill	157,024,968.43	151,435,872.92	103,084,280.41	62,500,872.13	64,027,252.93

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

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

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

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

IMPAIRMENT TESTS FOR GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

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

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

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

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

DISCOUNT RATES

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

SENSITIVITY OF THE UNDERLYING ASSUMPTIONS

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

OTHER INTANGIBLE ASSETS

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

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

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

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

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

Given that intangible assets with an indefinite useful life are not subject to scheduled depreciation, recoverability is proven by an impairment test at least once a year. If it is not possible to attribute separate cash flows to the individual assets, recoverability is tested on the basis of the superior cash-generating unit of assets. If the reasons for the previously recorded impairment loss cease to apply in whole or in part, a reversal of impairment is recognized in the income statement up to the amortized acquisition or production costs.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

CAPITALIZED CONTRACT COSTS

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

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

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

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

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

RECEIVABLES FROM FINANCE LEASE

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

INVENTORIES

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

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

CONTRACT ASSETS

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

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

FINANCIAL INSTRUMENTS

Financial instruments are contracts which result in a financial asset with one company and a financial liability or an equity instrument with another. On the one hand, financial instruments comprise primary financing instruments such as receivables and trade payables or also financial receivables and financial liabilities. On the other hand, they also include derivative financial instruments such as options, forwards as well as interest rate swaps and currency swaps. Financial assets and liabilities are categorized as follows:

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

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

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

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

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

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

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

- Stage 1: Valuation is based on quoted unchanged prices on active markets for identical assets and liabilities.
- Stage 2: Valuation is made on the basis of input factors that can be observed for the asset or the liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Stage 3: Valuation of assets and liabilities is not based on observable market data.

DERIVATIVE FINANCIAL INSTRUMENTS

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

OTHER ASSETS

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

PENSION PROVISIONS

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

OTHER PROVISIONS

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

CONTRACT LIABILITIES

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

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

OTHER LIABILITIES

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

TAXES

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

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

LEASES, RIGHT OF USE ASSETS

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

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

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

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

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

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

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

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

GOVERNMENT GRANTS

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

II. Notes to the Consolidated Income Statement

1. Revenue

Revenue is divided as follows:

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

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

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

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

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

2. Other Own Work Capitalized

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

3. Changes in Capitalized Contract Costs

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

4. Other Operating Income

Other operating income is composed as follows:

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

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

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

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

5. Material Expenses / Expenses for Purchased Services

Material expenses are composed as follows:

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

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

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

6. Personnel Expenses

Personnel expenses are composed as follows:

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

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

7. Depreciation and Amortization

Depreciation and amortization refer to the following assets:

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

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

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

8. Other Operating Expenses

Other operating expenses are as follows:

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

The office rents mainly include incidental rental costs.

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

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

Expenses for research and development of the DATAGROUP Group had a manageable extent in fiscal year 2022/2023. Regarding development activities of the DATAGROUP Group, reference is made to the explanations in the consolidated management report under section 8. Other information – Research and development activities. There were no directly attributable expenses recognized in this fiscal year.

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

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

9. Financial Result

The financial result is as follows:

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

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

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

The raise of the key interest rate by the European Central Bank (ECB) had a major impact on the financial result in the fiscal year 2022/2023. Despite the non-recurrence of a one-time effect from the adjustment of the purchase price obligation in the previous year, financing expenses (not including interest income for the interest portion of pension and similar obligations) were up 18.9 %.

10. Income Taxes

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

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

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

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

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

Actual tax rate: 31.5 % (LFY 40.0 %)
(corresponds to the relations between actual tax expenses and earnings before taxes)

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

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

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

11. Other Comprehensive Income

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

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

1. Goodwill

Goodwill changes in the fiscal year were as follows:

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

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

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

2. Other Intangible Assets

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

Figures in EUR	30.09.2023	30.09.2022
Customer bases and customer bases	32,973,140.81	38,568,660.83
Internally developed intangible assets	3,493,250.61	2,716,100.56
Purchased intangible assets	7,547,357.24	6,970,756.48
Advance payments charged	102,320.19	44,228.94
Other intangible assets	44,116,068.85	48,299,746.81

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

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

3. Property, Plant, and Equipment

Figures in EUR	30.09.2023	30.09.2022
Land and buildings	35,626,454.33	31,499,197.87
Technical equipment	69,808.00	93,077.00
Furniture and office equipment	33,954,859.40	29,975,886.03
Advance payments charged	152,838.92	211,675.77
Property, plant and equipment	69,803,960.65	61,779,836.67

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

Figures in EUR	30.09.2023	30.09.2022
Buildings	35,578,438.84	31,444,473.38
Automotive	4,205,476.21	3,252,906.03
Job Bikes	818,561.60	0.00
Rights of use	40,602,476.65	34,697,379.41

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

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

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

4. Non-Current and Current Financial Assets

Financial assets are composed as follows:

	30.09.2023	30.09.2023	30.09.2023	30.09.2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Shares in affiliated companies	0.00	0.00	105,897.98	105,897.98
Receivables from affiliated companies, Loans to affiliated companies	252,338.47	0.00	0.00	252,338.47
Entities	0.00	0.00	52,130.00	52,130.00
Securities	0.00	0.00	7,516,090.96	7,516,090.96
Other loans	0.00	0.00	2,500.00	2,500.00
Financial assets	252,338.47	0.00	7,676,618.94	7,928,957.41
	30.09.2022	30.09.2022	30.09.2022	30.09.2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Shares in affiliated companies	0.00	0.00	108,320.26	108,320.26
Receivables from affiliated companies, Loans to affiliated companies	280,857.25	0.00	0.00	280,857.25
Entities	0.00	0.00	52,130.00	52,130.00
Securities	0.00	0.00	8,336,552.82	8,336,552.82
Other loans	0.00	0.00	9,350.00	9,350.00
Financial assets	280,857.25	0.00	8,506,353.08	8,787,210.33

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

5. Capitalized Contract Costs

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

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

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

6. Non-current and Current Receivables from Finance Lease

Receivables from finance lease are composed as follows:

Figures in EUR	30.09.2023	30.09.2023	30.09.2023	30.09.2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Receivables from customer lease	11,561,654.32	14,725,492.91	1,719,379.80	28,006,527.03
Finance leasing receivables	11,561,654.32	14,725,492.91	1,719,379.80	28,006,527.03

Figures in EUR	30.09.2022	30.09.2022	30.09.2022	30.09.2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Receivables from customer lease	10,892,813.00	16,729,828.57	1,289,553.68	28,912,195.26
Finance leasing receivables	10,892,813.00	16,729,828.57	1,289,553.68	28,912,195.26

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

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

7. Other Non-financial Assets

Figures in EUR	30.09.2023	30.09.2022
Deposits	911,892.43	763,099.65
Others	66,069.77	83,728.16
Other non-current assets	977,962.20	846,827.81

8. Deferred Taxes

Figures in EUR	30.09.2023	30.09.2022
Deferred tax assets on		
Losses carried forward	9,780,949.48	5,846,470.71
Other intangible assets	1,007,938.99	866,173.06
Property, plant and equipment	7,750,299.76	8,013,882.14
Financial assets	5,356,645.87	4,660,542.33
Contract assets	216,881.25	56,547.89
Provisions	22,380,420.92	23,466,584.12
Contract liabilities	525,421.52	62,883.79
Financial liabilities	4,578,755.26	3,968,781.36
Other liabilities	10,362,913.29	8,591,114.37
	61,960,226.34	55,532,979.77
Balancing	-50,592,001.44	-43,353,522.48
Deferred tax assets	11,368,224.90	12,179,457.29

Figures in EUR	30.09.2023	30.09.2022
Deferred tax liabilities on		
Other intangible assets	11,380,055.14	12,809,991.24
Property, plant and equipment	16,547,859.71	12,805,691.66
Financial assets	3,877,250.00	5,708,948.97
Inventories	138,286.75	0.00
Contract assets	42,722.42	50,912.24
Other assets	9,341,637.38	8,966,367.55
Provisions	12,583,794.66	8,440,291.84
Trade payables	173,059.03	0.00
Contract liabilities	724,248.39	326,095.56
Financial liabilities	-405,278.90	0.00
Other liabilities	5,373,923.64	5,838,089.31
	59,777,558.22	54,946,388.37
Balancing	-50,592,001.44	-43,353,522.48
Deferred tax liabilities	9,185,556.78	11,592,865.89

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

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

9. Inventories

The following assets are recorded under inventories:

Figures in EUR	30.09.2023	30.09.2022
Raw materials and supplies gross	1,000.00	1,000.00
Work in progress	123,221.98	505,307.21
Finished goods and merchandise gross	4,421,215.81	7,760,159.11
Prepayments	0.00	38,208.18
Inventories	4,545,437.79	8,304,674.50

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

Devaluations were of minor significance.

10. Contract Assets

Figures in EUR	30.09.2023	30.09.2022
Construction contracts gross	3,171,791.70	1,909,404.03
Prepayments received	2,293,739.96	1,032,765.04
Construction contracts net	878,051.74	876,638.99
Claims on customers – Service provided but not yet invoiced	2,187,542.88	2,136,816.07
Short-term contract assets	3,065,594.62	3,013,455.06

11. Trade Receivables

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

Figures in EUR	30.09.2023	30.09.2022
Trade receivables gross	60,360,233.06	59,319,585.06
Valuation allowance	-3,349,772.34	-4,171,714.39
Trade receivables	57,010,460.72	55,147,870.67
Factoring volume	13,018,413.62	12,271,635.09

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

	2022/2023	2022/2023	2022/2023	2022/2023
	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
Figures in EUR				
Opening Balance	3,736,611.52	435,102.87	4,171,714.39	59,319,585.06
Entry consolidation scope	0.00	130.00	130.00	
Consumption	977,841.07	16,600.00	994,441.07	
Reversal	1,169,420.32	56,562.64	1,225,982.96	
Addition	1,330,416.32	67,935.66	1,398,351.98	
Ending Balance	2,919,766.45	430,005.89	3,349,772.34	60,360,233.06
	2021/2022	2021/2022	2021/2022	2021/2022
	Specific valuation allowance	General valuation allowance	Total	Trade receivables gross
Figures in EUR				
Opening Balance	578,289.56	280,506.24	858,795.80	57,221,612.92
Consumption	13,200.00	49,000.00	62,200.00	
Reversal	152,200.00	56,649.65	208,849.65	
Addition	3,323,721.96	260,246.28	3,583,968.24	
Ending Balance	3,736,611.52	435,102.87	4,171,714.39	59,319,585.06

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

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

12. Other Current Assets

Other assets shown under current assets are composed as follows:

	30.09.2023	30.09.2022
Figures in EUR		
Receivables from affiliated companies	0.00	358,597.52
Receivables from companies in which participating interests are held	98,700.00	208,800.00
Receivables from tax authorities	21,143,038.78	13,063,988.07
Receivables from factoring	4,955,874.83	7,653,435.30
Advance payments for services relating to subsequent periods	16,939,720.91	14,162,312.87
Others	3,613,523.57	5,538,798.52
Other current assets	46,750,858.09	40,985,932.28

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

13. Cash and Cash Equivalents

Cash and cash equivalents only include bank deposits and cash:

Figures in EUR	30.09.2023	30.09.2022
Bank deposits	21,853,137.57	47,022,988.06
Cash on hand	25,722.29	18,876.35
Cash and cash equivalents	21,878,859.86	47,041,864.41

14. Equity

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

SUBSCRIBED CAPITAL

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

CAPITAL RESERVE

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

AUTHORIZED CAPITAL

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

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

RETAINED EARNINGS

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

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

EARNINGS PER SHARE

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

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

ACCUMULATED OTHER COMPREHENSIVE INCOME

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

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

REPAYMENT OF CAPITAL/TREASURY SHARES

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

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

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

15. Non-Current and Current Financial Liabilities

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

	30.09.2023	30.09.2023	30.09.2023	2022/2023
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Liabilities to financial institutions	33,747,771.13	65,902,859.59	0.00	99,650,630.72
Liabilities as a lessee and from rights of use	18,564,778.02	27,164,987.12	6,248,755.67	51,978,520.81
Liabilities from the acquisition of subsidiaries (earn out and similar obligations)	4,810,000.00	6,020,719.00	0.00	10,830,719.00
Financial liabilities	57,122,549.15	99,088,565.71	6,248,755.67	162,459,870.53

	30.09.2022	30.09.2022	30.09.2022	2021/2022
	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term over 5 years	Total
Figures in EUR				
Liabilities to financial institutions	9,007,976.31	69,225,042.77	0.00	78,233,019.08
Liabilities as a lessee and from rights of use	18,051,506.70	29,437,288.85	5,005,156.93	52,493,952.48
Liabilities from the acquisition of subsidiaries (earn out and similar obligations)	45,737,592.00	8,791,799.99	0.00	54,529,391.99
Financial liabilities	72,797,075.01	107,454,131.61	5,005,156.93	185,256,363.55

16. Non-Current and Current Provisions

Provisions are composed as follows:

	30.09.2023	30.09.2023	30.09.2023	30.09.2023
	Current	Non-current	Total	Total
Figures in EUR				
Pension provisions	0.00	35,883,967.06	35,883,967.06	36,102,634.43
Other provisions				
from unfavorable contractual relationships	4,692,000.00	0.00	4,692,000.00	3,225,400.00
for restructuring	1,802,101.38	0.00	1,802,101.38	12,153,826.13
for other personnel costs	6,641,666.67	1,061,063.88	7,702,730.55	10,115,229.54
for warranties	1,404,474.97	0.00	1,404,474.97	671,164.71
for other obligations	6,174,303.49	223,436.51	6,397,740.00	7,704,376.68
Provisions	20,714,546.51	37,168,467.45	57,883,013.96	69,972,631.49

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

Provisions in the fiscal year developed as follows:

	01.10.2022	2022/2023	2022/2023	2022/2023
	As at	Exchange rate difference	Changes in the scope of consolidation	Consumption
Figures in EUR				
Pension provisions	36,102,634.43	0.00	0.00	1,842,134.00
Other provisions				
from unfavorable contractual relationships	3,225,400.00	0.00	0.00	5,459,000.00
for restructuring	12,153,826.13	0.00	0.00	10,608,881.50
for other personnel costs	10,115,229.54	0.00	5,075.00	4,906,879.03
for warranties	671,164.71	0.00	0.00	118,443.00
for other obligations	7,704,376.68	433.12	1,500.00	5,803,129.34
Provisions	69,972,631.49	433.12	6,575.00	28,738,466.87

	2022/2023	2022/2023	2022/2023	30.09.2023
	Reversal	Allocation of interest	Allocation	As at
Figures in EUR				
Pension provisions	1,513,243.20	1,362,339.00	1,774,370.83	35,883,967.06
Other provisions				
from unfavorable contractual relationships	0.00	0.00	6,925,600.00	4,692,000.00
for restructuring	37,727.25	0.00	294,884.00	1,802,101.38
for other personnel costs	327,013.15	17,958.00	2,798,360.19	7,702,730.55
for warranties	194,557.74	0.00	1,046,311.00	1,404,474.97
for other obligations	1,095,022.81	0.00	5,590,448.59	6,397,740.00
Provisions	3,167,564.15	1,380,297.00	18,429,974.61	57,883,013.96

PROVISIONS FOR PENSIONS

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

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

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

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

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

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

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



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

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023		2022/2023	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH		URANO Informations- systeme GmbH	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH
Actuarial interest	4.30	4.25	4.25	4.30	4.30	4.25		4.25	4.00	3.85	3.85	3.95	4.00	3.90	3.85
Pension trend	2.25	2.25	2.25	2.25 / 1 / 0	2.25 / 1	2.25		0.00	1.75	1.75	1.75	1.75 / 1 / 0	1.75 / 1	1.75	0.00
Remuneration trend	2.00	0.00	3.00	2.5 / 2.5 / 0	2.5 / 2.5	0.00		0.00	2.00	0.00	3.00	2.5 / 2.5 / 0	2.5 / 2.5	0.00	0.00

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

Part of the pension obligations do not depend on salary.

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

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

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

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023		2022/2023	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH			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	
Figures in EUR									Total								Total
Projected benefit obligation on 01.10.	39,050,139.86	9,854,322.88	22,286,306.00	7,272,760.73	622,515.17	265,743.00	181,405.00		79,533,192.64	61,939,978.97	13,762,103.88	29,066,088.00	11,590,847.00	1,093,700.00	416,894.00	248,395.00	118,118,006.85
Current service cost	993,041.00	0.00	397,285.00	64,729.53	41,029.83	1,151.00	0.00		1,497,236.36	1,366,912.89	0.00	543,305.00	171,176.26	34,747.17	3,626.00	0.00	2,119,767.32
Pension payments	159,142.00	745,060.00	901,164.00	237,480.00	0.00	16,317.00	0.00		2,059,163.00	124,848.00	706,606.00	628,355.00	219,414.00	0.00	14,881.00	0.00	1,694,104.00
Interest expenses	1,558,823.00	364,713.00	844,334.00	282,643.00	25,912.00	10,046.00	6,984.00		3,093,455.00	928,163.00	134,088.00	288,009.00	154,973.00	16,405.00	4,709.00	2,484.00	1,528,831.00
Expected projected benefit obligation on 30.09.	41,442,861.86	9,473,975.88	22,626,761.00	7,382,653.26	689,457.00	260,623.00	188,389.00		82,064,721.00	64,110,206.86	13,189,585.88	29,269,047.00	11,697,582.26	1,144,852.17	410,348.00	250,879.00	120,072,501.17
Actuarial gains and losses																	
from changes in financial mathematical assumptions	115,440.00	69,698.99	-330,565.00	-10,652.26	-6,055.00	2,836.00	-7,600.00		-166,897.27	-26,018,203.00	-3,394,218.01	-7,201,989.00	-4,424,821.26	-522,337.00	-102,827.00	-69,799.00	-41,734,194.27
from changes based on experience	168,672.00	90,691.00	141,107.00	164,491.00	133,178.00	-2,206.00	82.00		696,015.00	958,136.00	58,955.00	219,248.00	0.00	0.00	-41,778.00	325.00	1,194,886.00
Total	284,112.00	160,389.99	-189,458.00	153,838.74	127,123.00	630.00	-7,518.00		529,117.73	-25,060,067.00	-3,335,263.01	-6,982,741.00	-4,424,821.26	-522,337.00	-144,605.00	-69,474.00	-40,539,308.27
Projected benefit obligation on 30.09.	41,726,973.86	9,634,365.87	22,437,303.00	7,536,492.00	816,580.00	261,253.00	180,871.00		82,593,838.73	39,050,139.86	9,854,322.87	22,286,306.00	7,272,761.00	622,515.17	265,743.00	181,405.00	79,533,192.90

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

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023		2022/2023	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH		total	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	Total
Figures in EUR																	
Active employees	30,308,713.00	11,314.00	14,858,513.00	1,634,600.00	743,361.00	38,431.00	180,871.00		47,775,803.00	31,994,124.89	30,445.87	15,236,557.00	1,548,597.00	548,333.17	38,392.00	181,405.00	49,577,854.93
Former employees with vested pension entitlement	5,914,345.00	412,144.00	2,316,598.00	2,220,094.00	73,219.00	30,365.00	0.00		10,966,765.00	4,421,708.00	495,786.00	2,462,453.00	2,148,892.00	74,182.00	28,829.00	0.00	9,631,850.00
Pensioners	5,503,915.86	9,210,907.87	5,262,192.00	3,459,146.00	0.00	143,997.00	0.00		23,580,158.73	2,634,306.97	9,328,091.00	4,587,296.00	3,376,906.00	0.00	149,210.00	0.00	20,075,809.97
Widows and orphans	0.00	0.00	0.00	222,652.00	0.00	48,460.00	0.00		271,112.00	0.00	0.00	0.00	198,366.00	0.00	49,312.00	0.00	247,678.00
Projected benefit obligations on 30.09.	41,726,973.86	9,634,365.87	22,437,303.00	7,536,492.00	816,580.00	261,253.00	180,871.00		82,593,838.73	39,050,139.86	9,854,322.87	22,286,306.00	7,272,761.00	622,515.17	265,743.00	181,405.00	79,533,192.90

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

	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023		2022/2023	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
	DATAGROUP Enterprise Services GmbH	DATAGROUP Business Solutions GmbH	DATAGROUP BIT Hamburg GmbH	DATAGROUP BIT Düsseldorf GmbH	DATAGROUP Operations GmbH	DATAGROUP Stuttgart GmbH	URANO Informations- systeme GmbH			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	
Figures in EUR									Total								Total
Fair value of plan assets on 01.10.	36,189,442.00	1,678,585.00	0.00	4,916,813.47	496,559.00	0.00	149,159.00		43,430,558.47	45,366,316.00	1,706,634.07	0.00	6,265,598.00	512,889.00	0.00	228,605.00	54,080,042.07
Additions to plan assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	-99,102.73	103,121.00	0.00	0.00	4,018.27
Payments from plan assets	0.00	127,173.00	0.00	89,856.27	0.00	0.00	0.00		217,029.27	0.00	92,342.07	0.00	9,929.00	0.00	0.00	0.00	102,271.07
Expected income or expenses from plan assets	1,447,578.00	61,842.00	0.00	195,762.00	16,173.00	0.00	5,743.00		1,727,098.00	680,495.00	16,605.00	0.00	84,862.00	7,911.00	0.00	2,286.00	792,159.00
Expected fair value of plan assets on 30.09.	37,637,020.00	1,613,254.00	0.00	5,022,719.20	512,732.00	0.00	154,902.00		44,940,627.20	46,046,811.00	1,630,897.00	0.00	6,241,428.27	623,921.00	0.00	230,891.00	54,773,948.27
Actuarial gains and losses	1,550,439.00	-5,122.00	0.00	210,201.47	20,148.00	0.00	-6,422.00		1,769,244.47	-9,857,369.00	47,688.00	0.00	-1,324,614.80	-127,362.00	0.00	-81,732.00	-11,343,389.80
Fair value of plan assets on 30.09.	39,187,459.00	1,608,132.00	0.00	5,232,920.67	532,880.00	0.00	148,480.00		46,709,871.67	36,189,442.00	1,678,585.00	0.00	4,916,813.47	496,559.00	0.00	149,159.00	43,430,558.47

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

Pension expenses are reflected in the income statement as follows:

Figures in EUR	2022/2023	2021/2022
Current service = Personnel expenses	1,497,236.36	2,119,767.32
Interest income	1,727,098.00	792,159.00
Interest expenses	3,093,455.00	1,528,831.00

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

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

	2022/2023	2021/2022	2022/2023	2022/2023
	Increase or decrease of projected benefit obligation	Increase or decrease of projected benefit obligation	Increase or decrease of projected benefit obligation	The expected present value of the alternative scenario
	%	%	EUR	EUR
Interest -0,5 %	7.31	7.60	6,035,926.27	88,629,765.00
Interest +0,5 %	-6.51	-6.69	-5,375,582.73	77,218,256.00
Pension trend -0,5 %	-4.17	-4.09	-3,447,745.73	79,146,093.00
Pension trend +0,5 %	4.56	4.55	3,770,404.27	86,364,243.00
Life expectancy -1 year	-1.93	-1.83	-1,595,985.73	80,997,853.00
Life expectancy +1 year	1.90	1.86	1,568,512.27	84,162,351.00

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

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

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

17. Contract Liabilities

Contract liabilities are composed as follows:

Figures in EUR	30.09.2023	30.09.2022
Payments received		
on transition projects	5,406,373.85	6,101,924.75
on production orders	208,727.75	4,636.30
other	1,854,823.27	837,076.17
Payments received	7,469,924.87	6,943,637.22
Deferred income as far as customer relationship regarding	2,648,488.45	5,795,712.41
Contract liabilities	10,118,413.32	12,739,349.63

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

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

18. Trade Payables

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

19. Other Liabilities

Other liabilities are composed as follows:

	30.09.2023	30.09.2023	30.09.2023	30.09.2022
Figures in EUR	Current	Non-current	Total	Total
Liabilities to affiliated companies	168,322.38	0.00	168,322.38	335,375.28
Liabilities from companies in which participating interests are held	543,369.49	0.00	543,369.49	1,635,847.71
Liabilities to tax authorities	4,968,951.18	0.00	4,968,951.18	6,097,365.05
Liabilities to personnel	27,916,303.18	0.00	27,916,303.18	21,902,594.31
Liabilities related to outstanding invoices	8,627,033.76	0.00	8,627,033.76	11,818,375.73
Other liabilities	5,017,365.65	98,026.65	5,115,392.30	4,659,886.87
Advance payments for services rendered in subsequent periods	230,616.34	0.00	230,616.34	479,454.72
Other liabilities	47,471,961.98	98,026.65	47,569,988.63	46,928,899.67

CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

	30.09.2023	30.09.2023	30.09.2023
Category	I	II	
Figures in EUR	Valued at amortized cost	Valued at fair value through profit or loss	Total
Assets			
Financial assets	160,527.98	7,516,090.96	7,676,618.94
Receivables from finance lease contracts	28,006,527.03	0.00	28,006,527.03
Contract assets	3,065,594.62	0.00	3,065,594.62
Trade receivables	57,010,460.72	0.00	57,010,460.72
Cash and cash equivalents	21,878,859.86	0.00	21,878,859.86
Other (financial) assets	8,406,398.31	0.00	8,406,398.31
Financial receivables	118,528,368.52	7,516,090.96	126,044,459.48
Liabilities			
Liabilities from finance lease contracts	51,978,520.81	0.00	51,978,520.81
Contract liabilities	10,118,413.32	0.00	10,118,413.32
Trade payables	13,069,491.77	0.00	13,069,491.77
Liabilities to financial institutions	99,650,630.72	0.00	99,650,630.72
Other liabilities	4,604,616.98	0.00	4,604,616.98
Financial liabilities	179,421,673.60	0.00	179,421,673.60

	30.09.2022	30.09.2022	30.09.2022
Category	I	II	
Figures in EUR	Valued at amortized cost	Valued at fair value through profit or loss	Total
Assets			
Financial assets	169,800.26	8,336,552.82	8,506,353.08
Receivables from finance lease contracts	28,912,195.25	0.00	28,912,195.25
Contract assets	3,013,455.06	0.00	3,013,455.06
Trade receivables	55,147,870.67	0.00	55,147,870.67
Cash and cash equivalents	47,041,864.41	0.00	47,041,864.41
Other (financial) assets	13,592,300.80	0.00	13,592,300.80
Financial receivables	147,877,486.45	8,336,552.82	156,214,039.27
Liabilities			
Liabilities from finance lease contracts	52,493,952.48	0.00	52,493,952.48
Contract liabilities	12,739,349.63	0.00	12,739,349.63
Trade payables	15,827,012.63	0.00	15,827,012.63
Liabilities to financial institutions	78,233,019.08	0.00	78,233,019.08
Other liabilities	5,515,744.49	0.00	5,515,744.49
Financial liabilities	164,809,078.31	0.00	164,809,078.31

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

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

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

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

	2022/2023	2022/2023	2022/2023		2021/2022	2021/2022	2021/2022
	valued at	valued at fair value			valued at	valued at fair value	
Figures in EUR	amortized cost	through profit or loss	Total		amortized cost	through profit or loss	Total
Net result							
Interest income	759,502.32	0.00	759,502.32		833,702.53	0.00	833,702.53
Interest expense	-4,448,006.15	0.00	-4,448,006.15		-2,471,271.78	0.00	-2,471,271.78
Interest result	-3,688,503.83	0.00	-3,688,503.83		-1,637,569.25	0.00	-1,637,569.25
Dividends	122,719.83	0.00	122,719.83		132,205.36	0.00	132,205.36
Currency translation	-49,738.68	0.00	-49,738.68		-23,419.31	0.00	-23,419.31
Result from valuation through profit or loss at fair value	0.00	17,166.18	17,166.18		0.00	-239,900.00	-239,900.00
Value adjustment and gain / loss on disposal	0.00	0.00	0.00		0.00	0.00	0.00
	-3,615,522.68	17,166.18	-3,598,356.50		-1,528,783.20	-239,900.00	-1,768,683.20

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

RISK MANAGEMENT

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

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

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

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

LIQUIDITY RISKS

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

Figures in EUR	Book value 30.09.2023	Cashflow 2023/2024	Cashflow 2024/2025		Cashflow 2025/2026	Cashflow 2026/2027	Cashflow 2027/2028 ff.
Total (interest and redemption payments)							
Liabilities from finance lease contracts	51,978,520.81	19,530,582.33	13,418,838.63		9,739,080.19	7,314,187.75	5,022,318.06
Contract liabilities	10,118,413.32	10,118,413.32	0.00		0.00	0.00	0.00
Trade payables	13,069,491.77	13,069,491.77	0.00		0.00	0.00	0.00
Liabilities to financial institutions	99,650,630.72	36,533,501.19	2,355,730.00		37,536,000.00	1,660,000.00	30,830,000.00
Other liabilities	14,652,651.56	14,652,651.56	0.00		0.00	0.00	0.00
	189,469,708.18	93,904,640.17	15,774,568.63		47,275,080.19	8,974,187.75	35,852,318.06
thereof interest payments							
Liabilities from finance lease contracts		965,804.31	739,217.42		517,228.72	343,511.01	480,724.69
Liabilities to financial institutions		2,910,812.74	2,355,730.00		2,036,000.00	1,660,000.00	830,000.00
Other liabilities		0.00	0.00		0.00	0.00	0.00
		3,876,617.05	3,094,947.42		2,553,228.72	2,003,511.01	1,310,724.69

INTEREST RATE RISKS

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

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

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

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

DEFAULT RISKS

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

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

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

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

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

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

V. Capital Management

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

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

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

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

VI. Notes to the Cash Flow Statement

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

Cash flows are determined in accordance with the indirect method.

CASH FLOW FROM OPERATING ACTIVITIES

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

CASH FLOW FROM INVESTING ACTIVITIES

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

CASH FLOW FROM FINANCING ACTIVITIES

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

VII. Segment Information

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

- The "Services" segment comprises all subsidiaries primarily providing IT services. These IT services primarily include the provision of IT workplaces (selection and procurement, on-site implementation, exchange, and disposal of old equipment), services of the certified DATAGROUP data centers as well as service desk services.
- The "Solutions and Consulting" segment comprises the Group companies, where the range of services offered consists of highly qualified and specialized technology and solutions consultants as well as software developers.
- The registered offices and branches of the DATAGROUP entities are exclusively based in Germany. For this reason, a regional reporting is only helpful to a limited extent.

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

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

IT's growing strong.

SEGMENT REPORTING BY BUSINESS SEGMENTS

	Services	Solutions & Consulting	Others & Consolidation		Total	Services	Solutions & Consulting	Others & Consolidation	Total
Figures in EUR	2022/2023	2022/2023	2022/2023		2022/2023	2021/2022 ¹	2021/2022	2021/2022	2021/2022 ¹
Revenues with external customers	433,992,179.17	63,558,834.60	244,975.34		497,795,989.11	427,853,310.54 ¹	65,071,247.17	1,025,333.76	493,949,891.47 ¹
Revenues with other segment	10,610,131.37	15,076,987.06	-25,687,118.43		0.00	10,818,396.54	13,409,054.16	-24,227,450.70	0.00
Revenue of the segment	444,602,310.54	78,635,821.66	-25,442,143.09		497,795,989.11	448,026,626.06 ¹	69,125,382.35	-23,202,116.94	493,949,891.47 ¹
Material expenses / expenses for purchased services	158,333,550.83	12,396,157.08	-16,059,814.36		154,669,893.55	169,380,663.51 ¹	11,480,823.33	-18,617,471.42	162,244,015.42 ¹
Personnel expenses	191,083,195.36	43,740,002.98	8,816,782.25		243,639,980.59	185,609,013.78	38,629,453.26	9,201,173.10	233,439,640.14
Regular depreciation and amortization	31,318,360.79	2,236,221.80	1,356,280.63		34,910,863.22	31,589,316.44	2,312,925.89	1,104,702.84	35,006,945.17
Operating income	38,806,479.95	14,561,239.04	-8,050,093.41		45,317,625.58	38,263,038.56	10,552,727.95	-7,363,254.34	41,452,512.17
Financial income	6,133,987.98	417,204.27	-4,671,581.27		1,879,610.98	3,271,090.30	115,966.11	-1,593,971.49	1,793,084.92
Financial expenses	6,674,358.40	279,417.56	-997,518.79		5,956,257.17	4,686,282.20	161,055.89	1,664,799.27	6,512,137.36
Earnings before taxes	38,266,109.53	14,699,025.75	-11,724,155.89		41,240,979.39	36,847,846.66	10,507,638.17	-10,622,025.10	36,733,459.73
Taxes on income and profit	10,368,802.88	4,680,027.06	-2,073,132.33		12,975,697.61	12,419,905.21	2,990,725.12	-704,751.03	14,705,879.30
Net income for the period	27,897,306.65	10,018,998.69	-9,651,023.56		28,265,281.78	24,427,941.45	7,516,913.05	-9,917,274.07	22,027,580.43
Headcount on reporting date	2,841	600	98		3,539	2,629	401	87	3,117
Investments	29,211,545.49	2,800,094.42	2,536,102.91		34,547,742.82	18,377,774.62	2,449,350.04	1,066,459.11	21,893,583.77
Investments from changes in the scope of consolidation	8,428,732.21	2,187,000.00	0.00		10,615,732.21	32,858,083.70	28,548.93	0.00	32,886,632.63
Assets total segment	388,523,150.06	25,515,524.20	423,331,271.90		837,369,946.16	391,298,435.92	17,715,954.31	363,098,317.93	772,112,708.16
intersegment capital consolidation	117,427,570.62	17,226,289.25	-292,325,274.56		-157,671,414.69	117,427,570.62	17,226,289.25	-237,117,533.44	-102,463,673.57
intersegment debt consolidation	-112,549,993.85	-8,358,384.69	-93,503,176.03		-214,411,554.57	-102,677,329.99	-5,540,648.72	-77,846,832.21	-186,064,810.92
Assets	393,400,726.83	34,383,428.76	37,502,659.19		465,286,814.78	406,048,676.55	29,401,594.84	48,133,952.28	483,584,223.67
	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Liabilities total segment	372,854,520.01	28,209,680.30	131,201,067.20		532,265,267.51	365,533,851.86	20,953,956.24	155,702,979.47	542,190,787.57
intersegment debt consolidation	-91,468,880.59	-4,648,320.18	-118,294,353.80		-214,411,554.57	-73,414,947.09	-2,031,984.84	-110,617,878.99	-186,064,810.92
Liabilities	281,385,639.42	23,561,360.12	12,906,713.40		317,853,712.94	292,118,904.77	18,921,971.40	45,085,100.48	356,125,976.65

SEGMENT REPORTING BY GEOGRAPHIES

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

¹ The previous year's revenue was adjusted by EUR 7,460,000. Further detailed information on this can be foundthe notes to the consolidated financial statements in section I.2 Changes in Accounting Standards.

VIII. Events After the Reporting Period

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

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

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

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

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

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

1. Employees

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

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

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

2. Management Board

The members of the company’s management board are:

- Andreas Baresel**
 - Chief Executive Officer
 - Chief Production Officer
- Dr. Sabine Laukemann**
 - Chief Human Resources Officer, Strategy and Organization
- Oliver Thome**
 - Chief Financial Officer, Investor Relations and M&A

3. Supervisory Board

The members of the company’s Supervisory Board are

- Heinz Hilgert**
 - Managing Director of TransVise GmbH
 - Chairman
- Hubert Deutsch**
 - Managing Director of Cteam Consulting & Anlagenbau GmbH
 - Deputy Chairman
- Hans-Hermann Schaber**
 - Managing Director of HHS Verwaltungs GmbH

4. Total Remuneration of the Members of the Management Board

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

5. Total Remuneration of the Members of the Supervisory Board

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

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

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

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

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

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

All transactions above were settled at fair market conditions.

7. Leases

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

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

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

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

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

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

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

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

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

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

8. Transactions Not Included in the Balance Sheet

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

9. Auditors’ Fees

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

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

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

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

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

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

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

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

The shareholder meetings of DATAGROUP Stuttgart GmbH, DATAGROUP Bremen GmbH and DATAGROUP IT Solutions GmbH as well as the Annual General Meeting of Almato AG decided to make use of the exemption under § 264 para. 3 HGB and suspend the preparation and publication of the notes and the management report on 30 September 2023. The resolutions were disclosed in the German Electronic Federal Gazette in accordance with § 325 HGB.

13. Proposal for the Appropriation of Net Income

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

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

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

Pliezhausen, 18 December 2023

DATAGROUP SE



Andreas Baresel
Chief Executive Officer



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



Oliver Thome
Chief Financial Officer,
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Apollo 11, Reutlingen

PHOTOGRAPHY

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