Rethink HR

Annual report
P&I Personal & Informatik AG

2022/2023

Dear readers,

The way we work and the labour market have undergone tremendous change over the last couple of years. The demands made of companies and their employees have become more complex and the competition for talented, skilled personnel has become more fierce. Adopting a very strategic approach is no longer an optional extra for human resource departments, but has become a necessity in order to effectively manage the constant changes and challenges businesses currently face. By taking a strategic approach, human resource departments can significantly contribute to the achievement of a company's organisational goals and visions, and at the same time, recruit, support the professional development of and retain the right talents.

Our decision to make P&I LogaHR central to our operations was made several years ago. Fast forward to today and, at this stage, our aim now is get all of our customers to move to the cloud by 2025. In doing so, we are making the final switch from being a product to being a solution provider. However, this is only going to be possible if we are able to make our team excited about all of the new tools, apps and software solutions that will provide our customers with the transparency, independence and sustainability required for this approach. In the past, everything we did revolved around our products, now its our software solutions and related ecosystems. Many of our customers aren't' yet aware of the powerful solutions we have to offer. Hence, at this stage, it is not so much about whether or not we are producing a HR system and how good it is, but the question of how we can help our customers' to make their HR management more effective. This is why it is key for us to enable our staff to demonstrate to our customers just that. And to do so, our sales force, advisors and all P&I staff need the knowledge, test environments and freedom required to tackle this task. This upskilling and level of autonomy is indispensable. Whether or not we are going to be able to rise to this challenge is going to be decisive to our transition from being a software provider to being a HR solution and digital service provider, and to whether we will succeed with this phase of marketing P&I LogaHR.

We approached the past financial year as year in which to set records – and a year of records it has indeed been. With a revenue of Euro 210 million, an EBITDA of Euro 120 million, a rate of growth of over 20% and Euro 11.3 million of recurring monthly sales, we are not only in an excellent position, but are also on target of increasing these Euro 11.3 million to Euro 20 million by 31.03.2024. This is because we are, after all, a company that is passionate about excelling, that is constantly striving to raise its standards and create benchmarks for HR management within its own sector. As is often the case, this is not about individually getting each of our nearly 600 staff on board, but getting all of them excited about the coming financial year.

As we are continuing on our way to success, our customers' perception of us and our mindset will be decisive to how we progress. This is something we all have to adjust to, with the support of the right framework conditions.

To do so, it might be worth taking a look at the framework conditions governing our current sales environment - i.e. our 'touch points' and 'moments of truth'. Are our customers repeatedly wondering whether they're in the right place with us? Whether they can trust us and what we have to offer? It is in each of these moments that our customers create a new image of P&I in their minds. On average and across all sectors, over 50 % of all sales with new customers are done and dusted as soon as a customer talks to a sales advisor for the first time. This means that over half of all purchases happen, so to speak, without any interaction with another person - i.e. anonymous. Today, customers tend to research products on the internet and will have come across P&I at least 5 times or more during that process without ever haven spoken to one of us. The number of touchpoints, i.e. instances in which they come across a product or company online or offline, is constantly increasing and they are what represent the actual moments of truth.

We need to get to a point where these new expectations are exemplified within the entire organisation, and to do so, we need a good start to the new financial year. Because we are only going to be able to present the achievement of our annual targets as realistic and attainable on this basis if we are able to increase our monthly recurring revenue to these Euro 12 million in the first quarter of the year.

I am confident that, thanks to the growing number of our customers in the cloud, we are going to be able to achieve our declared goal of positively impacting on our customers' anonymous purchase processes. This will not only put us in the position of being viewed as a pioneer and innovator within the HR sector in the DACH region, but also allow us to make a significant impact on the market. We are going to achieve this through the use of groundbreaking technologies as well as by providing a consistent customer experience. This will be made up of our customer service, the quality of our products and services, and our communications with our customers. What our P&I LOGAHR platform and transformation to become a HR cloud service provider are ultimately doing is to put our customers in a position to strengthen the role of strategic HR in their own companies and free up HR departments to focus on strategic issues, such as the makeup of their organisational structures, the creation of talent pools, succession planning and fostering professional competence. Our customers have to be able to analyse the needs of their organisation and to develop corresponding human resource strategies that support both their company and workforce at the same time.

Yours sincerely,

Vasilios Triadis
Chief Executive Officer, P&I AG

02/

COMBINED MANAGEMENT REPORT

The following combined management report contains information about P&I Personal & Informatik Konzern (P&I Group or "we") and P&I Personal & Informatik Aktiengesellschaft, Wiesbaden, (P&I AG) as well as on the business operations of P&I in general (P&I). P&I AG is the parent of the P&I Group. It is a fully operational business entity and performs Group management functions. In addition to P&I AG, the P&I Group includes a total of twelve domestic and foreign subsidiaries, the shares of which P&I AG directly or indirectly owns to 100 %. Due to the fact that P&I Personal & Informatik AG is an essential part of the P&I Group, P&I AG's management report has been combined with the management report of the P&I Group in accordance with Section 315 (5) in conjunction with Section 298 (2) of the German Commercial Code (HGB). The information provided in this report consequently relates to the Group unless express reference is made to P&I AG.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the supplementary provisions of Section 315e (1) HGB. The annual financial statement of P&I AG has been prepared in accordance with the provisions of the HGB and the German Stock Corporation Act (AktG). For clarity and ease of readability, values are expressed in thousand euro, kEUR (table), or million euro (continuous text).

1. Overview of the financial year

In the 2022/2023 financial year, the P&I Group generated revenue of EUR 210.0 million and an operating result before depreciation and amortisation (EBITDA) of EUR 120.1 million. This corresponds to an EBITDA margin of 57.2 %. P&I's success is based on the provision of cloud-based and integrated HR software solutions. The P&I Group's business development is marked by steady growth, a high level of profitability and a consistent increase in its key performance indicators.

Profit and revenue growth

- The P&I Group increased its revenue by 21.8 %, from EUR 172.4 million to EUR 210.0 million.
- EBITDA increased by 28.5 % to EUR 120.1 million. This corresponds to an EBITDA margin of 57.2 % (previous year: 54.2 %).
- The P&I Group achieved an EBIT margin of 51.4 % (previous year: 47.6 %), which is an EBIT of EUR 107.9 million and exceeded the previous year's result by 31.6 %.
- At EUR 167.8 million, recurring services accounted for 80 % of the P&I Group's consolidated revenue. This means that, at 22.3 %, revenue in P&I's most important segment – recurring services – has seen a double-digit increase again just as in previous years (pervious year: 19.0 %).
- When adjusted for the revenue from the company acquisition from 1 January 2022 the previous year, which is attributable to the period of April to December 2022, revenue grew by 18.5 %. The P&I Group is continuing to drive forward its continuous growth in revenue and EBITDA with its cloud-based HR business model.
- In the financial year under review, the Group entered into contracts with a recurring monthly sales volume for P&I LogaHR to the amount of EUR 3.9 million (previous year: EUR 3.7 million) with customers from the small, medium and large payroll transaction segment. For over 340 of those customers, this was the first time they decided to use P&I LogaHR.
- P&I AG has entered into a Control and Profit Transfer Agreement with P&I Zwischenholding GmbH, Wiesbaden, which has been in force since the 2011/2012 financial year. Athena BidCo GmbH, Wiesbade, has entered into this contract as the legal successor of P&I Zwischenholding GmbH following the merger of P&I Zwischenholding GmbH with Athena BidCo on 1 April 2020. Under the terms of this Control and Profit Transfer Agreement, the net profit of P&I AG for the 2022/2023 financial year of EUR 114.5 million (previous year: 73.9 million), as reported in the annual financial statements prepared in accordance with HGB, is to be transferred to Athena BidCo GmbH.

The most important key performance indicators for the P&I Group developed as follows:

	2022/2023 kEUR	2021/2022 kEUR	Change	2020/2021 kEUR	Change
P&I LogaHR Revenue	109,289	70,266	55.5 %	37,100	89.4 %
Revenue	210,023	172,403	21.8 %	151,829	13.6 %
Recurring revenue	167,847	137,292	22.3 %	115,374	19.0 %
EBITDA	120,083	93,415	28.5 %	80,156	16.5 %
EBITDA margin	57.2 %	54.2 %	5.5 %	52.8 %	2.6 %
Operating cash flow	100,790	79,866	26.2 %	79,607	0.3 %

2. P&I AG and the Group

2.1 The P&I Group

P&I is an international HR-cloud company that has been providing HR-management technologies and services that allow users to perform all essential HR tasks on a single integrated platform since 1968. Thanks to ongoing innovation and the continuous improvement of its products and services, P&I has always been able to maintain a sustainable position at the very top of the German HR market and acts as a HR specialist for over 15,000 end customers, large data centres and international HR service providers. Its international presence allows P&I to support its customers locally while pursuing a philosophy that centres on further improving its technologies, software and services in partnership with its customers on an ongoing basis and hence take an active part in shaping the future of HR.

P&I's scalable cloud platform P&I LogaHR covers the entire value chain, from the IT infrastructure to the software, which is being constantly updated and maintained. The platform is hosted by P&I's HR data centre and comprises all of the hardware, technical hosting services, the P&I LogaHR software and services such as data security measures and updates, required to run it. The infrastructure and system components are designed to seamlessly interact and provide a high level of reliability, dependable operating processes, and system and data security in line with legal requirements, and come with IT security and compliance certificates.

The P&I LogaHR software combines payroll accounting, human resource management, time management, personnel planning and employee self-service in a fully integrated, web-based and mobile solution and is consequently capable of digitally supporting and of increasingly automating all aspects of human resource management. The breadth and depth of the platform's features mean that it is also capable of meeting very complex requirements. At the same time, P&I LogaHR's web-based interface is largely self-explanatory, which, coupled with the instructions provided, make it very straightforward to use. In addition to the above, the platform's use is also being facilitated through P&I's feedback system, which enables customers to communicate and collaborate with P&I online on an uniform platform.

All of P&I LogaHR's modules and features can be instantly accessed by users through P&I's innovative cloud solution and, thanks to Click & Run and the easy, technology-based provision of access to HR knowledge, used quickly and intuitively through P&I's expert systems and P&I HR-BIGDATA. P&I LogaHR's integrated approach furthermore makes it possible to identify HR work routines, to automatically complete them in accordance with predefined algorithms and hence reduce the amount of administrative and manual tasks users have to perform. P&I LogaHR's intelligent processes, for example, speed up the labour-intensive month-end close process by means of daily simulations and automatically completing the process by the reporting date. These solutions consequently free up significant time for HR departments and enable them to concentrate on management tasks and HR strategy. P&I has also launched a new, complementary service in addition to its Software-as-a-Service (SaaS) business, which is called HR-as-a-Service (HRaaS). As part of this HRaaS package, P&I takes full responsibility for the system's technical administration, for processing all payroll-related transactions and for payroll accounting. In view of the growing scarcity of qualified personnel and the opportunity to collaborate with P&I on a uniform platform, this new addition to P&I's range of services is meeting with increasing demand.

P&I's platform's capability is based on experience derived from 100,000 user years and the completion of over 5 million HR cases per month, as well as ongoing investment in product research and development, which guarantees that P&I services are fully aligned with future technology trends. As a result, there are now over 3000 direct customers as well as leading international HR service providers and major data centres that use P&I's platform for their HR business. Added to that, P&I's HR management solution P&I Plus, which has been specially designed for high performance and complex demands, also offers specialist support for large public and church administrations with decentralised organisational structures.

P&I employs around 600 staff who look after customers in thirteen European countries. So as to maintain proximity to its customers, P&I has offices in four German cities and another twelve offices in a number of European countries, including Switzerland, Austria and the Netherlands, in addition to its development centres in Greece and Slovakia..

2.2 Group strategy

P&I's seeks to offer its customers added value through a highly innovative, technologically and professionally leading and simultaneously user-friendly HR system, to use this system to permanently increase its customer base and payroll transactions and, by doing so, to ensure its future financial success as a company.

The initial phase of the process of switching from a license to a software as a service subscription model, which was initiated several years ago and involved the commercialisation and commencement of the wider roll-out of LogaAll-in, was successfully completed over the 2020/2021 and 2021/2022 financial years. Since the 2022/2023 financial year, P&I has been systematically driving forward its cloud platform P&I LogaHR-based transformation strategy as a means to drive sustainable growth and improve the Group's key financial indicators on an ongoing basis, as well as to increase its revenue from recurring services. In this context, the Group's software as a service business is increasingly being supplemented with revenue from HR as a service, which customers are increasingly demanding as a complementary service.

Over the past years, the Group also started making some fundamental changes within its organisation with the aim of permanently increasing customer satisfaction. As a result, P&I's service business has been managed by customer-oriented customer success teams that represent all of the Group's consulting, sales, quality assurance and technology expertise from all its divisions since the beginning of the 2022/2023 financial year. P&I will continue to apply this approach, which has clearly proven itself from the Management Board's perspective, for the next phase of marketing P&I LogaHR and, at the end of the financial year, expanded its service organisation by two additional teams dedicated to P&I's partners with the aim of further increasing the quality of its services.

P&I's technological, financial and operational position has repeatedly enabled it to acquire other HR solutions and HR service providers. The most recent of these acquisitions, which took place in the 2021/2022 financial year, was VRZ Informatik GmbH, which is headquartered in Dornbirn and is a leading provider of HR and data centre services in the Vorarlberg region of Austria. During the 2022/2023 financial year, this acquisition was integrated into the Group and the first of VRZ Informatik GmbH's HR customers were moved to P&I's LogaHR platform. The Management Board anticipates that the Group might be making more acquisitions in the coming years.

Sales / Market

The market for HR software has already been saturated for a number of years. I.e. most companies these days already have a payroll system, which means that it is only possible to grow in this sector by increasing one's market share. As a consequence, this market is dominated by predatory competition. At the same time, a lot of companies are realising that their HR processes are no longer adequate and that, because of the volume of admin work involved, they there is no longer any time for strategic HR issues. They are consequently looking for new, high-performance solutions in the areas of HR administration, HR management, time management and personnel planning that are often not covered by their payroll accounting service providers. As a result, these issues have gained significant momentum and are creating potential for growth.

In parallel to the need for new functional depth and breadth, companies have also been increasingly realising in recent years that on-premise solutions are not suited to facilitating modern, digitalised HR administration and management methods. In addition to the above, customers are also increasingly looking for easily accessible and simultaneously secure HR systems, which is not something that is easy to provide using classic on-premise solutions. It is these very needs that have given rise to the market for cloud-based systems, which allow modern providers to deepen their value creation and hence create opportunities for growth.

Within this dynamic environment, P&I has positioned itself as the provider of a fully integrated HR platform that perfectly meets all of these needs. At the same time, P&I is also covering a very broad range of customers, which includes customers from many different sectors and industries - including the public sector - as well as smaller medium-sized companies with 200 employees, up to large companies and data centres with monthly payroll operations of in excess of 200,000 individual transactions. As a result of this combination of a scalable product and broad market presence, P&I has been ranked third in the latest list of the TOP 25 HR system providers in the DACH region, and as having achieved the highest level of growth of all top 25 providers.

Research and development

P&I believes that user-friendly and easy-to-use products are key requirements for sustainable growth. P&I also believes that software should not only reflect the state of the art in terms of functionality and technology, but also in terms of general social trends. Hence, the ongoing development of P&I's products in the past financial year has also been marked by linking technologies, software and hardware. One of the key foci of this work has been the intelligent (digital) automation of data from third-party systems and HR processes and the use of P&I LogaHR to take over the performance of resource-intensive routine tasks.

P&I invested a total of EUR 23.5 million (previous year: EUR 22.6 million) in product research and development, change management in accordance with the statutory provisions and the law on collective agreements, and in the development of new technologies. This corresponds to 11.2 % of P&I's annual revenue (previous year: 13.1 %). These expenditures apply to all P&I products. P&I's R&D division is located at the Group's headquarters in Wiesbaden and is being supported by researchers and developers from our companies in Slovakia and Greece. By the end of the financial year, the development centre in Ioannina, Greece, was employing a total of 150 staff (previous year: 144). At present, P&I releases three major upgrades, which are embedded in a standardised release approval process, to meet P&I's high software quality standards and to continuously improve its products based on customers' needs. The P&I Group has 224 employees (previous year: 225) that are responsible for the development of P&I's products.

P&I's development projects centre on improving P&I's products on an ongoing basis and are characterised by cyclical and iterative phases. Gathering (research) and implementing (development) ideas are also not sequential processes, but phases that tend to comprise a mix of research and development. Research costs are expensed in the period in which they are incurred. The development costs for an individual project are only recognised as an intangible asset if the technical feasibility of the completion of the intangible asset, the ability to use and sell this asset, the future economic benefit and the expenses relating to its development can be reliably determined. Since, just as in the previous years, the conditions for the recognition of development costs as assets at P&I were not met in the 2022/2023 financial year, all development costs were expensed and not capitalised.

2.3 Organisation / Personnel

In the year under review, P&I employed an average of 538 FTE employees (previous year: 543) Of these, 252 employees (previous year: 288) were employed in Germany and 286 in other countries (previous year: 255). Of those, a total of 43 were employed in Switzerland (previous year: 47), and 37 at the development centre in Slovakia (previous year: 44). Due to the acquisition of our Austrian company at the end of the previous year, our employees in Austria have now increased from 33 to 57. On average, 119 developers (previous year: 107) and 28 technology specialists (previous year: 22) furthermore provided development services for the P&I Group at the development centre in Ioannina (P&I Hellas in Greece). By the end of March 2023, this team increased to 150 people (previous year: 144). The other employees are employed in the international segment.

P&I’s sales organisation operates in both the private and public sector. Our sales team and consultants’ regional orientation means that P&I’s organisational structure distinguishes itself through its proximity to its customers.

The Group’s consulting division provides strategic advice, supports customers with the implementation and ongoing operation of P&I’s software solutions and provides P&I LogaHR-based HRaaS services. The Group has 20 Customer Success Teams, which are made up of consultants, QA staff and a technical expert respectively. Each of these teams is responsible for a specific group of customers and supports them during the implementation phase of our products and provide them with ongoing support thereafter, which means that they build strong customer relations. These teams consequently provide 100 % product support. The P&I Group employed 217 (previous year: 216) on average in this division in the past year.

Research and Development, the activities of which have been described in detail in section 2.2, accounted for a total of 224 employees (previous year: 225).

P&I employed 48 staff in sales and marketing (previous year: 53) in the previous year. The European activities in countries without dedicated subsidiaries are coordinated by the head office in Wiesbaden; Austrian and Swiss customers are served by our own local sales staff on site.

The P&I Group employed 49 (previous year: 49) office and administrative staff.

Personnel costs for the 2022/2023 financial year totalled EUR 66.8 million (previous year: EUR 62.4 million).

The P&I Group and P&I AG's management strategy is primarily based on a broad system of corporate targets. These corporate targets are broken down into Group targets at the top management level and into individual targets for all other employees, and are rewarded in the form of variable salary components depending on the level of responsibility of the employees concerned. The corporate targets are derived from the planning data concerning sales revenue, particularly recurring revenue and revenue from P&I LogaHR, as well as the operating result before depreciation and amortisation (EBITDA).

3. General economic conditions

Following robust growth in the first half of 2022, economic growth slowed down in the third quarter and came to a standstill in the final quarter of the year, which meant that the economy in the Eurozone grew by a total of 3.5 % in 2022. The Eurozone’s GDP exceeded pre-pandemic levels by 2.4 %. The ongoing conflict in Ukraine unfortunately prevented any stronger economic growth.

During the first three quarters of 2022, Germany's GDP managed to grow despite difficult global conditions, which included the energy crisis. Although economic output dropped by 0.4 % during the last quarter, GDP grew by a total of 1.9 %, which meant that it returned to pre-pandemic levels.

The market figures published by the industry association BITKOM show that the market for information technology and telecommunications (ITC) grew by 4.0 % in 2022, which was due in particular to the high rise in IT hard- and software sales.

4. Group business performance

The P&I Group’s performance in the 2022/2023 financial year significantly exceeded the previous year’s. With revenue increasing by 21.8 % to EUR 210.0 million, the Group generated EBITDA of EUR 120.1 million and an EBITDA margin of 57.2 %. This corresponds to a year-on-year increase of 28.5 %. EBIT increased to EUR 107.9 million, which corresponds to an EBIT margin of 51.4 %. These growth rates are significantly higher than the average economic growth rates within Germany and those in the sector over that period. Hence, P&I’s performance with its cloud-based and digital software solution P&I LogaHR can therefore be regarded as very good.

4.1 Financial performance

Revenue development
In the 2022/2023 financial year, the P&I Group's consolidated revenue increased by 21.8 % to EUR 210.0 million. When adjusted for the revenue from acquisitions in the previous year, revenue grew by 18.5 % year-on-year.

	2022/2023 kEUR	2021/2022 kEUR
P&I LogaHR	109,289	70,266
Other Software as a Service (SaaS)	13,431	13,453
Service Agreements / Application Services Providing (ASP)	9,637	10,915
Software as a Service	**132,357**	**94,634**
Maintenance	35,490	42,658
Recurring services	**167,847**	**137,292**
Consulting (non-recurring business)	31,252	23,770
Licenses	2,030	6,491
Other	8,894	4,850
Non-recurring services	**42,176**	**35,111**
Total	**210,023**	**172,403**

Recurring services

Recurring services increased at an above-average rate by EUR 30.6 million to EUR 176.8 million (previous year: EUR 137.3 million). Just as in the previous year, the P&I Group generated 80 % of its revenue through its recurring services, which corresponds to a double-digit increase in revenue of 22.3 %. Recurring services comprise software as a service (SaaS) and maintenance income. SaaS income is made up of income from P&I LogaHR services, other SaaS services as well as recurring consulting services (service contracts / application service providing).

SaaS business (Software as a Service)
SaaS business grew at an above average rate in the past financial year and increased by 39.9 % from EUR 94.6 million to EUR 132.4 million. This means that nearly 2/3 of the revenue generated in the P&I Group comes from cloud solutions. The most important product to drive Saas revenue was P&I's LogaHR product range, both through new customers and existing customers making the switch to the P&I LogaHR cloud. In the financial year under review, the cloud-based service P&I LogaHR increased the Group's revenue by EUR 39.0 million to EUR 109.3 million. At this stage, the P&I Group is already generating more than half of its annual revenue through its P&I LogaHR business. Year-on-year, revenue increased by 55.5 %.

Maintenance business
P&I's maintenance income developed as planned. At EUR 35.5 million, maintenance made up 17 % of the Group's total revenue (previous year: EUR 45.2 million). Over the past year, many existing customers again decided to switch and migrate to the cloud-based solution P&I LogaHR. This means that former maintenance services have been absorbed into the P&I LogaHR service package business, and that their loss simultaneously caused a drop in revenue derived from maintenance alone.

Non-recurring services

For the first time, revenue from non-recurring services did not decline, but rose by a total of 20.1 % to EUR 42.2 million despite the Group's ongoing transition from a license to a SaaS business model (previous year: EUR 35.1 million). Although this development is partly due to the growth effects arising from the previous year's acquisition, it was mostly driven by an increase in the demand for consulting services, time management hardware and third-party products.

Consulting business

Non-recurring consulting services for project implementations and consulting services for HR services increased by 31.5 % year-on-year and amounts to EUR 31.3 million (previous year: EUR 23.8 million), which corresponds to 15 % of the P&I Group's revenue. In this respect, it is of note that consulting revenue from consulting services for Loga increased by 24.5 %, which is a reflection of the fact that customer demand for consulting services overall has increased.

Licence business

Licence revenue amounted to EUR 2.0 million and, as anticipated, is consequently lower than that generated in the previous year (EUR 6.5 million). P&I is deliberately refraining from selling new technologies (P&I LogaHR) on a licence basis and, instead, is primarily offering them in the form of SaaS solutions. At present, license business primarily comprises follow-up orders from existing customers who are paying for extra features or higher transaction numbers. In terms of new customer acquisition, P&I now favours the conclusion of SaaS contracts. The P&I Group generated 1 % of its revenue through licence business.

Other revenue

Year-on-year, other revenue increased from EUR 4.9 million to EUR 8.9 million, in particular due to higher demand for time management hardware and third-party products.

Revenue development by country

	2022/2023 kEUR	2021/2022 kEUR	Change
Germany	171,045	144,413	18.4 %
Switzerland	20,781	17,764	17.0 %
Austria	18,147	10,168	78.5 %
Other international	50	58	-13.8 %
Total	**210,023**	**172,403**	**21.8 %**

Domestic revenue growth

Revenue from domestic sales grew by 18.4 % over the previous year. At EUR 171.0 million, it accounts for 81 % of the P&I Group's revenue. In absolute terms, domestic revenue increased by EUR 26.8 million. This - fully organic - increase is attributable to the expansion of business with new and existing customers, and in particular so with respect to P&I Loga HR, but was also due to an increase in consulting services.

Revenue growth in Switzerland primarily driven by LogaHR

The Group's Swiss segment contributed EUR 20.8 million (previous year: EUR 17.8 Million) to the P&I Group's annual turnover. This corresponds to 10 % of the Group's total revenue. This increase is primarily generated by recurring services. This completes the switch from a license to a SaaS model. Revenue from LogaHR increased from EUR 3.0 million to EUR 4.8 million.

Acquisition-driven above-average revenue growth in Austria

In Austria, revenue grew at an above average rate as a result of an acquisition. The P&I Group generated revenue to the amount of EUR 18.1 million in Austria, which equates to 9 %, of its total revenue (previous year: EUR 10.2 million). This increase was largely driven by the VRZ Group, which became part the P&I Group in January 2022, in the 2021/2022 financial year, and has been included in the annual results for the first time for a 12-month period for the 2022/2023 financial year. When adjusted for the effects arising from the acquisition, revenue grew by 22.1 %. The revenue generated through P&I LogaHR more than doubled in the past financial year and amounts to EUR 4.0 million (previous year: EUR 1.6 million).

Development of incoming orders and orders on hand
The number of new contracts taken out in a month for P&I LogaHR services is the most important incoming order indicator for our company. P&I LogaHR contracts are generally multi-year contracts. Now in decline, P&I's license business, which is no longer as important to the Group as in the past, made up 1 % of this year's annual revenue. In the 2022/2023 financial year, the incoming orders for P&I LogaHR – based on number of new contracts taken out in a month – stabilised at a high level relative to the previous year and amounts to EUR 3.9 million (previous year: EUR 3.7 million).

The average contractually agreed monthly subscription fee for P&I LogaHR (orders on hand) increased from EUR 8.4 million (31 March 2022) to EUR 12.1 million by the reporting date of 31 March 2023.

Results of operations
EBITDA increased by 28.5 % to EUR 120.1 million in the 2022/2023 financial year (previous year: EUR 93.4 million). This corresponds to an EBITDA margin of 57.2 % (previous year: 54.2 %).

Operating earnings (EBIT) amounted to EUR 107.9 million (previous year: EUR 82.0 million).

	2022/2023 kEUR	2021/2022 kEUR	Change
IFRS consolidated income			
Revenue	210,023	172,403	21.8 %
EBITDA	120,083	93,415	28.5 %
EBITDA margin	57.2 %	54.2 %	5.5 %
EBIT	107,915	82,006	31.6 %
EBIT margin	51.4 %	47.6 %	8.0 %

EBITDA is the key earnings indicator for P&I. The P&I Group has yet again been able to increase its EBITDA and EBITDA margin. The Group's business model, which focuses on long-term customer relationships and a growing percentage of recurring services, has been enabling the Group to continuously improve both its EBITDA and EBITDA margin. Overall, the Group's operating costs (HR costs and other operating expenses before amortisations) increased by 13.5 % year-on-year to EUR 91.4 million, which is still significantly lower than the increase in revenue, which consequently accounts for the increase in EBITDA. The increase in other operating expenses was, amongst others, due to the cost of goods purchased, the resumption of business travel and an increase in infrastructure costs.

	2022/2023 kEUR	2021/2022 kEUR	Change kEUR
Revenue	210,023	172,403	37,620
Personnel costs	-66,845	-62,418	-4,427
Other operating expenses	-24,584	-18,171	-6,413
Other operating income	1,489	1,601	-112
EBITDA	**120,083**	**93,415**	**26,668**

The increase in HR costs is largely due to the high level of target achievement in the consulting and sales segment, which means that the cost of variable salary components has increased. Other factors that have led to an increase in costs included promotions based on changes in job descriptions. The average number of employees over the year (measured as an average employment ratio), by contrast, has slightly declined and amounted to 538 (previous year: 543). The rise in other operating expenses is largely due to the additional costs associated with the purchase of time management hardware components and other costs of sales, such as printing and mailings, the expansion of our HRaaS business and growth of our P&I LogaHR business. Last but not least, the year-on-year increases are also due to the fact that the newly acquired VRZ Group was only included on a pro rata basis in the previous year's consolidated financial statements.

	2022/2023 kEUR	2021/2022 kEUR
Operating result before depreciation and amortisation (EBITDA)	120,083	93,415
EBITDA margin	57.2 %	54.2 %
Consolidated income before tax (EBIT)	116,104	88,351
Consolidated income (before profit transfer [1)])	114,235	87,135
Return on sales	54.4 %	50.5 %
Return on operating assets [2)]	54.2 %	53.8 %
Earnings per share (in EUR)	15.17	11.57

[1)] There is a Control and Profit Transfer Agreement between P&I Personal & Informatik AG, Wiesbaden, and Athena BidCo GmbH, Wiesbaden,. Under this agreement, the profit reported by P&I Personal & Informatik AG, is to be transferred to Athena BidCo GmbH.

[2)] Consolidated EBIT for the financial year/operating assets at the reporting date. The operating assets consist of the sum total of goodwill, intangible assets, fixed assets, IFRS 16 lease right-of-use assets, contract assets, contract costs and current assets.

The financial result of EUR 8.2 million in the 2022/2023 financial year (previous year: EUR 6.8 million) is primarily attributable to income from the guarantee agreement and interest income from the loan extended to Athena BidCo GmbH. Due to P&I AG's liability for financing agreements (see separate information in section 4.2 of the management report), Athena BidCo GmbH and P&I AG have contractually agreed that P&I AG shall be compensated for assuming a joint and several guarantee in the form of a guarantee fee. In the 2022/2023 financial year, this guarantee fee amounted to EUR 4.8 million (previous year: 4.8 million).

In the 2022/2023 financial year, the Group generated a tax expense of EUR 1.9 million (previous year: EUR 1.2 million), which was due primarily to the tax liabilities of the domestic and foreign P&I Group subsidiaries. P&I AG has not reported any current or deferred taxes due to its corporate- and trade-tax consolidation agreement with Athena BidCo GmbH.

The P&I Group generated earnings after tax to the amount of EUR 114.2 million (previous year: EUR 87.1 million).

The annual profit of P&I AG for the 2022/2023 financial year as reported in the financial statements prepared according to commercial law in the amount of EUR 114.5 million (previous year: EUR 73.9 million) before the profit transfer will be transferred to Athena BidCo GmbH in accordance with the Control and Profit Transfer Agreement.

Earnings per share
Earnings per share amounted to EUR 11.57 (previous year: EUR 11.57).

4.2 Financial position

Cash flow development and liquidity position
The Group updates its financial and liquidity planning on a regular basis in order to secure the liquidity required for the Group’s day-to-day operations.

There is a Control and Profit Transfer Agreement between P&I AG and Athena BidCo GmbH as the controlling company. This agreement entitles Athena BidCo GmbH to issue instructions to P&I AG.

On instruction, Athena BidCo GmBH was granted several loan tranches to the amount of EUR 63.6 million (previous year: 93.1 million) in the 2022/2023 financial year, on which interest was payable at the standard market interest rates.

At the reporting date of 31 March 2023, the long-term loan granted to the parent company, Athena BidCo GmbH, including accrued interest, amounted to EUR 90.6 million (previous year: EUR 97.1 million). The recoverability of the loan to Athena BidCo GmbH is regularly monitored by the Management Board by way of a review of Athena BidCo GmbH's financial indicators.

The current level of cash and cash equivalents is in line with Group planning and is sufficient to cover the costs arising in connection with the Group's future business activity.

The P&I Group does not have any short-term refinancing requirements and has financing scope in the form of unutilised credit facilities totalling around EUR 54.1 million.

	2022/2023 kEUR	2021/2022 kEUR	Change kEUR
Cash flow from			
– Operating activities	100,790	79,866	20,924
– Investing activities	-64,023	-102,298	38,275
– Financing activities	-3,361	-3,630	269
– Change in cash and cash equivalents due to exchange rate changes	485	1,118	-633
Change in cash and cash equivalents Cash equivalents	**33,891**	**-24,944**	**58,835**

In the 2022/2023 financial year, cash flow from operating activities increased by EUR 20.9 million to EUR 100.8 million (previous year: EUR 79.9 million). This increase was the result of the higher group result and change in working capital.

Cash flow from investing activities is dominated by the cash outflow from a loan that the Group was instructed to pay to Athena BidCo GmbH, which amounted to EUR 58.8 million in the financial year under review (previous year: EUR 88.3 million). The cash outflow for investments for additional non-current intangible assets and assets amounted to EUR 5.2 million (previous year: EUR 14.1 million). The previous year's outflows included outflows for the acquisition of a company.

The cash flow from financing activities is attributable to the repayment of lease liabilities. Due to the offsetting of the 2021/2022 profit transfer obligation of EUR 73.9 million against the loan granted to Athena BidCo GmbH in the 2022/2023 financial year, this transaction does not affect cash flow and is therefore not reported in the cash flow statement.

The changes in cash and cash equivalents due to exchange rate changes were attributable to the development of the Swiss franc compared with the euro. The closing rate as of 31 March 2023, for Switzerland was CHF/EUR 0.9968 (previous year: CHF/EUR 1.0267).

The annual maintenance, SaaS and service invoices issued at the start of the calendar year mean that the payments recorded a the start of the year are comparatively high. This is why cash and cash equivalent levels are traditionally high at the turn of the Group's financial year. However, in many cases, the switch LogaHR is also associated with a switch to monthly invoicing, which is why the volatility of cash and cash equivalents in the P&I Group as a whole is set to decline in the future.

The P&I Group's remaining cash and cash equivalents amounted to EUR 80.7 million (previous year: EUR 46.8 million).

Cash and cash equivalents and current assets
The P&I Group's cash and cash equivalents and current financial assets totals EUR 80.7 million (previous year: EUR 46.8 million).

	31.03.2023 kEUR	31.03.2022 kEUR	Change kEUR
Cash and cash equivalents	65,704	46,813	18,891
Fixed-term deposits	15,000	0	15,000
Cash and cash equivalents and current financial assets	**80,704**	**46,813**	**33,891**
Interest-bearing liabilities*)	0	0	0
Net financial position	80,704	46,813	33,891
Net financial position as a percentage of total assets	27.8 %	18.7 %	9.1 %

*) Excluding lease liabilities

Financial management

The P&I Group has now had substantial liquidity surplus for many years as a result of the advance payments for maintenance, SaaS and services. The P&I Group is in a solid financial position and has access to sufficient credit lines that it can utilise at any time.

The financial management and administration of surplus liquidity is informed by the terms of the Control and Profit Transfer Agreement and the loan extended to Athena BidCo GmbH.

Athena BidCo GmbH entered into a number of financing agreements in March 2020. These financing agreements have a volume of EUR 555.0 million of which a total of EUR 475.0 million was paid out to Athena BidCo GmbH in March 2020, which has continued unchanged as at 31 March 2023.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of EUR 30.0 million and arevolving facility to the amount of EUR 50.0 million. The capex facility to the amount of EUR 30.0 million, which was scheduled to terminate on 31 March 2023, has not been extended. The additional credit line of EUR 50.0 million can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

On instruction of Athena BidCo GmbH (current parent company), P&I AG entered into the loan agreement of Athena BidCo GmbH in the amount of EUR 555.0 million in April 2020 as jointly and severally liable guarantor. As part of the above, all movable assets and extensive receivables and rights were assigned to the financing banks by way of typical securities, and a subordinated obligation to Athena BidCo GmbH for interest and principal payments was entered into in accordance with an existing liquidity plan. The maximum amount that P&I AG can beheld liable for equates to the loan agreements less the assets of Athena BidCo GmbH.

In April 2020, Athena BidCo GmbH and P&I AG agreed that P&I AG will be compensated for the assumption of the joint and several guarantee in the form of an appropriate guarantee fee. The guarantee fee paid to P&I AG in the 2022/2023 financial year amounted to EUR 4.8 million (previous year: EUR 4.8 million).

In November 2022, Athena BidCo GmbH entered into another financing agreement with a volume EUR 300 million, which was paid out in December 2022.

At the reporting date, the loans from Athena BidCo GmbH's financing agreements amounted to a total of EUR 775.0 million (previous year: EUR 475.0 million).

The liabilities arising from the financing agreements are borne by Athena BidCo GmbH. Athena BidCo GmbH depends on P&I AG's generation of a positive annual result to ensure the required liquidity. P&I AG's profits and associated capital inflows will be transferred to Athena BidCo GmbH within the context of the existing profit and loss transfer agreement. Given P&I AG's current corporate plans for the coming years and associated liquidity inflow, the Management Board sees no significant risk to the company with respect to these loan agreements and hence no significant risk of utilisation for the company.

Surplus liquidity that is not used for investments is held in the form of bank balances and fixed-term deposits or overnight deposits. This reflects the management's aim of ensuring access to available liquidity in full at short notice. The composition and development of cash and cash equivalents are presented in the appendix and the consolidated cash flow statement.

The Management Board and Supervisory Board regularly discuss all matters related to the existing financing agreements and their consequences for P&I.

Derivative financial instruments
Derivative financial instruments are employed in order to prevent to the greatest possible extent the risk to P&I's financial position and results of operations that could result from the negative impact of developments on the financial markets. P&I does not currently employ any derivative financial instruments. Off-balance-sheet financing instruments, such as the sale of receivables or sale-and-leaseback transactions etc. were not utilised.

4.3 Net assets

The balance sheet total of the P&I Group increased by EUR 40.3 million year-on-year and amounts to EUR 290.1 million (previous year: EUR 249.8 million).

	31.03.2023 kEUR	31.03.2022 kEUR	Change kEUR
Non-current assets	183,817	186,053	-2,236
Current assets	106,249	63,702	42,547
Total assets	**290,066**	**249,755**	**40,311**
Equity	78,787	78,816	-29
Non-current liabilities	15,815	17,275	-1,460
Current liabilities	195,464	153,664	41,800
Total equity and debts	**290,066**	**249,755**	**40,311**

Key figures	31.03.2023	31.03.2022
Equity ratio	27.2 %	31.6 %
Net current assets in kEUR*)	-89,215	-89,962

*) Current assets less current liabilities at the reporting date

The P&I Group had *non-current assets* in the amount of EUR 183.8 million (previous year: EUR 186.1 million), which is a decrease of EUR 2.2 million in the year under review. The Group's non-current financial assets of EUR 90.7 million (previous year: EUR 97.2 million) have declined year-on-year and were the result of the loan agreement with the parent company Athena BidCo GmbH. The loan is allocated to non-current assets on account of its term.

The value of the Group's *intangible assets*, which currently amount to EUR 40.8 million (previous year: EUR 43.0 million), declined as a result of scheduled depreciations to the amount of EUR 2.3 million. Property, plant and equipment decreased by EUR 0.8 million and now amounts to EUR 11.0 million (previous year: EUR 11.9 million) and has only seen a slight decline due to the investments in P&I LogaHR hardware. The lease rights-of-use to the underlying lease assets have declined year-on-year both as part of accruals and with respect to the planned expenditure and amount to EUR 12.6 million (previous year: EUR 14.4 million). *Non-current contract assets and capitalised revenue from contracts with customers* increased by EUR 9.2 million to a total of EUR 28.5 million. Our P&I LogaHR customers are provided with unique access to their system, which is set up and preconfigured during the sales process by means of an digital exchange, immediately after taking out a contract. The increase in non-current contract assets in the 2022/2023 financial year is primarily attributable to the fulfilment of performance obligations from P&I LogaHR contracts over the term of these contracts; the increase in non-current contract costs is attributable to the contract acquisition costs, which are also spread in a straight line over the contracts' term.

Current assets, primarily consisting of liquid assets and trade receivables, increased by EUR 42.5 million year-on-year to EUR 106.2 million.

Trade receivables from our customers increased by EUR 2.2 million and amounted to EUR 12.8 million. This increase is attributable to increase in revenue generated by the P&I Group. The *current assets* from contracts with customers amount to EUR 6.3 million (previous year: EUR 2.5 million), the current short-term capitalised contract costs amount to EUR 2.6 million (previous year: EUR 1.3 million). This increase is due to the increase in the proportion contributed by the P&I LogaHR business. *Cash and cash equivalents* increased to EUR 80.7 million (previous year: EUR 46.8 million). This increase is primarily due to the Group's positive performance and the in the amount of the additional loan tranches extended to the parent company.

The Group's equity remained unchanged against the previous year and amounts to EUR 78.8 million. At the same time, the equity ratio declined from 31.6 % to 27.2 %, in particular due to the increase of the Group's balance sheet total. The increase in accumulated other comprehensive income (+ EUR 0.2 million) is due to currency translation effects related to the Swiss subsidiaries.

Non-current liabilities declined to EUR 15.8 million year-on-year (previous year: EUR 17.3 million). Non-current lease liabilities amounted to EUR 10.7 million (previous year: EUR 11.9 million). Just as in the previous year, this figure includes the amount of EUR 3.5 million for outstanding purchase price instalments. The deferred tax liabilities of EUR 1.6 million (previous year: EUR 1.7 million) are attributable to temporary differences between the subsidiaries' tax statements and have slightly declined year-on-year. Non-current contract liabilities from contracts with customers amount to EUR 0.1 million (previous year: EUR 0.3 million).

Total *current liabilities* increased by EUR 41.8 million to EUR 195.5 million. They include the liabilities from the transfer of P&I AG's accounting profits to Athena BidCo GmbH as the controlling parent company and liabilities towards affiliated companies (change: + EUR 41.4 million), liabilities from accruals and deferrals (change: - EUR 5.9 million), liabilities from trade payables (change: - EUR 0.8 million), tax liabilities (change: + EUR 1.1 million), contract liabilities from other (change: + EUR 0.1 million); provisions (unchanged) as well as other current liabilities (change: + EUR 6.0 million).

After offsetting against tax prepayments for the respective financial years, the *tax liabilities* of EUR 2.2 million (previous year: EUR 1.1 million) include a remaining tax liability on the part of subsidiaries.

The *contract liabilities - accruals and deferrals*, which are created at the start of the calendar year due to the annual invoices created and paid in advance and are dissolved on a monthly basis in line with revenue recognition, have declined by EUR 5.9 million year-on-year and amount to EUR 35.2 million. This decline is due to P&I's ongoing transition from a license and maintenance business model to a SaaS services model, which do not tend to be linked to advance annual fee payments, but are invoiced on a monthly or, in some cases, a quarterly basis.

The contract *liabilities - other*, which comprise production orders with balances, have slightly increased year-on-year and amount to EUR 1.2 million (previous year: EUR 1.1 million). These liabilities primarily include advance payments for future services for projects.

Provisions have remained unchanged (EUR 0.1 million) and primarily comprise risks from current customer projects.

Other current liabilities amounted to EUR 37.4 million at the end of the financial year (previous year: EUR 31.4 million) and, amongst others, include payment obligations to employees in relation to variable salary components, VAT liabilities and payment obligations from income tax and social security contributions. This increase is largely due to the increase in variable salary components (+ EUR 6.8 million), while short-term lease liabilities decreased to EUR 0.5 million over the financial year.

5. P&I AG

5.1 Results of operations

With a revenue of EUR 184.3 million (previous year: EUR 136.4 million), P&I AG generated an operating result before amortisation and taxes, and a financial result of EUR 106.5 million (previous year: EUR 73.4 million) and achieved an EBITDA margin of 57.8 % (previous year: 53.8 %). Net financial income amounted to EUR 15.3 million (previous year: EUR 13.4 million), of which EUR 6.5 million are attributable to investment income, just as in the previous year.

Revenue development
Revenue for the 2022/2023 financial year totalled EUR 184.3 million and increased by 35.2 % year-on-year (previous year: EUR 136.4 million). This figure includes revenue from third parties to the amount of EUR 176.6 million (previous year: EUR 129.8 million). The increase in revenue is attributable to the final acceptance of a major project that spanned several years, as a consequence of which the project's total contract value, which is a double-digit million figure, has become effective as revenue from licensing and consulting sales. This also increased the Group's overall performance year-on-year.

	2022/2023 kEUR	2021/2022 kEUR	Change kEUR
Revenue with			
– Third parties	176,579	129,807	46,772
– Affiliated companies	7,742	6,555	1,187
Total revenue	184,321	136,362	47,959
Change in inventories	-3,461	947	-4,408
Total operating revenue	**180,860**	**137,309**	**43,551**

	2022/2023 kEUR	2021/2022 kEUR	Change kEUR
Non-recurring services	50,560	26,567	23,993
Recurring services	133,761	109,795	23,966
Total revenue	**184,321**	**136,362**	**47,959**

In the 2022/2023, non-recurring services benefited from the completion of a major project that spanned several years and comprises license revenue (EUR 18.8 million) and consulting revenue delivered as part of implementing P&I's software (EUR 25.7 million) as well as other revenue (EUR 6.0 million). As part of P&I's ongoing transition from a license to a SaaS business model, recurring services (in particular SaaS revenue) increased by 21.8 % to EUR 133.8 million EUR 109.8 million). This separate revenue category includes software as a service (SaaS) income and P&I LogaHR income in particular, maintenance income and recurring income from service agreements. P&I AG generated 73 % (previous year: 81 %) of its revenue through its recurring revenue business.

The change in inventory arose from long-term production orders and amounted to - EUR 3.5 million in the past financial year (previous year: EUR 0.9 million). The final acceptance of a major project that spanned several years led to the recognition of the associated revenue and a decline in the number of orders in progress.

Results of operations: Increase in result after taxes

P&I AG's EBITDA increased by 45.2 % to EUR 106.5 million year-on-year (previous year: EUR 73.4 million). As sales have increased, so have operating costs. This includes an increase in costs - in particular of personnel costs - of EUR 11.3 million. The operating earnings (EBIT) in the amount of EUR 99.2 million increased by EUR 38.6 million year-on-year. Profit after tax amounted to EUR 114.5 million (previous year: EUR 73.9 million).

P&I's return on sales amounts to 62.1 % (previous year: 54.2 %). The return on equity before profit transfer is 412.1 % (previous year: 266.1 %).

P&I AG has not reported any current or deferred taxes due to its corporate- and trade-tax consolidation agreement with Athena BidCo GmbH.

Annual profit / profit transfer

In accordance with the terms of the Control and Profit Transfer Agreement, P&I AG's annual profit for the 2022/2023 financial year as reported in the financial statements prepared according to commercial law in the amount of EUR 114.5 million (previous year: EUR 73.9 million) before the profit transfer is to be transferred to Athena BidCo GmbH.

5.2 Financial position

Cash flow development and liquidity position

Cash and cash equivalents increased from EUR 23.9 million to EUR 56.2 million in the 2022/2023 financial year. Cash flow from operating activities has increased significantly year-on-year in particular due to its result and amounts to EUR 85.8 million. Due to investment activities, the Group's cash and cash equivalents declined by EUR 68.5 million. This was largely due to the cash outflows for the loan to Athena BidCo GmbH in the amount of EUR 58.8 million (previous year: EUR 88.3 million). The dividend payments from the subsidiaries generated cash inflows of EUR 6.5 million (previous year: EUR 6.5 million).

	2022/2023 kEUR	2021/2022 kEUR	Change kEUR
Cash flow from			
- Operating activities	85,814	70,823	14,991
- Investing activities	-68,474	-96,257	27,783
- Financing activities	-1	-17	16
Change in cash and cash equivalents	**17,339**	**-25,451**	**42,790**

	31.03.2023 kEUR	31.03.2022 kEUR	Change kEUR
Cash and cash equivalents	41,222	23,883	17,339
Fixed-term deposits	15,000	0	15,000
Cash-in-hand and bank balances	**56,222**	**23,883**	**32,339**

Cash-in-hand and bank balances amounted to EUR 56.2 million at the reporting date (previous year: EUR 23.9 million). This increase is attributable to P&I Ag's operating activities and slightly declined relative to previous years due to the extra loans granted to the parent company.

As in the previous year, the Group has no liabilities to banks.

Financial management & financial instruments
Please refer to the separate disclosures in section 4.2 of the management report.

5.3 Net assets

	31.03.2023 kEUR	31.03.2022 kEUR	Change kEUR
Fixed assets	129,603	142,117	-12,514
Current assets	70,129	37,756	32,373
Prepaid expenses	1,478	1,451	27
Assets	**201,210**	**181,324**	**19,886**
Equity	27,775	27,775	0
Provisions	27,323	21,468	5,855
Liabilities	121,194	101,492	19,702
Deferred income	24,918	30,589	-5,671
Liabilities	**201,210**	**181,324**	**19,886**

Fixed assets declined by EUR 12.5 million compared to the previous year and now amounted to EUR 129.6 million on the reporting date. This decline is primarily attributable to the decline in loans extended to Athena BidCo GmbH (- EUR 6.5 million) as well as P&I Personal & Informatik GmbH, Vienna, Austria, and P&I Service GmbH, Iserlohn.

Taking into account ongoing amortisation, the Group's intangible assets, property, plant and equipment to the amount of EUR 2.4 million declined despite investments in the Group's business equipment.

Current assets increased by EUR 32.4 million year-on-year to EUR 70.1 million. Inventories, primarily consisting of work in progress, declined year-on-year (previous year: EUR 5.5 million) by EUR 3.3 million due to the recognition of revenue from a major project and amount to EUR 5.5 million. Trade receivables increased to EUR 9.4 million (previous year: EUR 7.0 million) in line with the increase in sales volume. Receivables from affiliated companies also slightly increased to EUR 1.4 million at the reporting date (previous year: 1.0 million).

Cash-in-hand and bank balances increased by EUR 32.3 million and amounted to EUR 56.2 million at the reporting date (previous year: EUR 23.9 million). The increase in liquidity is largely attributable an increase in the Group's profits and the reduction in the volume of the additional loan tranches paid to the parent company Athena BidCo GmbH.

Deferred income has remained at the same level as the previous year's at EUR 1.5 million and is the result of services purchased at the beginning of the calendar year for use in the following year and is recognised on an accrual basis.

Equity remained unchanged against the previous year. Under the terms of the Control and Profit Transfer Agreement, the net profit of P&I AG for the 2022/2023 financial year as reported in the annual financial statements prepared in accordance with HGB is to be transferred to the controlling company, Athena BidCo GmbH, which is why this profit is not leading to an increase in equity. As the balance sheet total has increased, the equity ratio decreased and amounts to 13.8 % (previous year: 15.3 %).

As of 31 March 2023, P&I AG's issued capital has remained unchanged at EUR 7.5 million (previous year: EUR 7.5 million). The Annual General Meeting on 26 January 2017 resolved to reduce the share capital by withdrawing 168,873 no-par-value shares in a simplified withdrawal procedure according to Section 237 (3) no. 2, (4) and (5) of the German Stock Corporation Act (AktG). Since then, the Company has no longer held any treasury shares.

Other provisions increased from EUR 5.9 million to EUR 27.3 million. The provisions for variable salary components in particular increased in the financial year (+ EUR 5.9 million). The provisions also include the amount of EUR 1 million for an outstanding purchase price instalment.

Liabilities increased by EUR 19.7 million compared to the previous year (EUR 101.5 million) to EUR 121.2 million. This increase is primarily attributable to the higher liabilities towards affiliated companies in the form of the profit transfer to Athena BidCo GmbH (total increase: EUR 41.0 million). The advance payments received on orders have declined by EUR 19.8 million to EUR 2.8 million in particular because of the recognition of revenue from a major project that spanned several years.

Deferred income amounts to EUR 24.9 million (previous year: EUR 30.6 million) and is attributable to the periodic deferral of recurring services in the form of software maintenance agreements and P&I LogaHR contracts. Deferred income includes income received prior to the reporting date that constitutes revenue pertaining to a certain period after the reporting date. The decline in deferred income is related to the Group's transition from its current license business model to a SaaS model. Although many services are still invoiced in advance on an annual basis, they are increasingly switched to a model under which they are invoiced in advance on a quarterly or monthly basis.

On instruction of the controlling parent company at the time, P&I Zwischenholding GmbH, which, due to a merger, is now Athena BidCo GmbH, P&I AG entered into the loan agreement of Athena BidCo GmbH in the amount of EUR 555.0 million in April 2020 as jointly and severally liable guarantor and is liable with all of its movable assets as well as receivables and rights.

Please refer to the information on financial management in section 4.2.

6. Summary of business performance

In the previous year, the Management Board forecast a 10 % increase in revenue for the P&I Group for the 2022/2023 financial year. It also anticipated that the revenue contributions from the foreign Group companies would increase in addition to the revenue generated in Germany. Recurring services were anticipated to see a significant increase in the low double-digit percentage range, driven primarily by the SaaS business with P&I LogaHR. The Management Board anticipated that the Group EBITDA would increase by over 15 %, which would have corresponded to an EBITDA margin of 55 %. The operating cash flow was planned to be kept at the previous year's hight level.

In the year under review, this forecast was exceeded with a 21.8 % increase in revenue to EUR 210.0 million, an organic growth rate of 18.5 %, as well as with a 28.5 % (forecast > 15 %) year-on-year increase in EBITDA to EUR 120.1 million. The EBITDA margin is 57.2 % (exceeds the forecast of 55 %).

The P&I Group recorded a double-digit (22.3 %) increase of EUR 137.3 million to EUR 167.8 million in total recurrent services year-on-year and an even higher increase in the subdomain of SaaS revenue, which increased by 39.9 % (previous year: 59.0 %). Within this context, the increase in revenue from the service product P&I LogaHR, which increased from EUR 70.3 million to EUR 109.3 million, is particularly worthy of note. Overall, 80 % of all Group revenue was generated from recurring revenue. The P&I Group's operating cash flow of EUR 100.8 million significantly exceed expectations (previous year: EUR 79.9 million).

The Management Board forecast a revenue increase in the low double-digit percentage range and an EBITDA increase in the low double-digit percentage range for P&I AG for the past financial year. The operating cash flow was planned to be kept at the previous year's level.

At an increase of 35.2 % to EUR 184.3 million, the increase in P&I AG's revenue is significantly higher than forecast. This increase is attributable to the final acceptance of a major project and subsequent recognition of the entire value of that contract, which was initially expected to be recognised only the following year. This special effect has also resulted in an above-average increase in the percentage of non-recurring business in the 2022/2023 financial year. At the same time, recurring services increased by 21.8 % to EUR 133.8 million (previous year: EUR 109.8 million) and ultimately made up 73 % of the total revenue. This increase is yet another reflection of the change in the business models' character towards a cloud-based SaaS model with recurring revenue. Due to the growth in revenue, the Group was also able to exceed the forecast for its operational objective. EBITDA increased by 45.2 % to EUR 106.5 million. EUR 73.4 million). At EUR 85.5 million, operating cash flow is also both higher than the forecast value and the previous year value (EUR 70.8 million).

7. Events after the reporting date

In April 2023, Vasilios Triadis was reappointed as a member and the Chief Executive Officer for a term of five years, i.e. from 1 April 2023 to 31 March 2028.

In June 2023, Dr. Carlo Pohlhausen was reappointed as a member of the Management Board for a term of four years and eight months, i.e. from 1 August 2023 to 31 March 2028.

In June 2023, Dr. Remco van Dijk was reappointed as a member of the Management Board for a term of four years and eight months, i.e. from 1 August 2023 to 31 March 2028.

8. Risk report

In the course of its business activities, P&I is exposed to various risks that originate or could originate not only from its day-today business operations, but also from changes in our environment. We define risk in the broadest sense as the possibility that we will fail to achieve our financial, operational or strategic objectives as planned. In order to ensure the Group's business success in the long-term, it is essential that risks are identified, analysed and effectively removed or mitigated by way of appropriate control measures.

8.1 Organisation of risk management

P&I has an adequate risk management system that it uses to identify and analyse risks and initiate corresponding countermeasures at an early stage. The group-wide risk management system is controlled centrally by P&I AG. Central risk management is responsible for initiating the further development of the risk management system and developing guidelines for reducing risk for the entire Group.

8.2 Risk factors

Business risks

A key element of P&I's strategy is the further expansion of our position in the SME sector and among public authorities and large organisations by attracting new customers. Despite our efforts – such as the expansion of our sales and partnership network – demand for our products and services could fail to develop as planned, which could have an adverse effect on our business activities and our financial position and results of operations.

P&I generates a significant proportion of its revenue from its large base of existing customers. If customers' satisfaction were to decrease, there is a risk that our existing customers could decide against extending their SaaS contracts, in particular for P&I LogaHR or maintenance agreements, or against entering into new licence or other contracts for additional products or services, and could downgrade the level of their maintenance agreements or decide not to migrate to the cloud-based service P&I LogaHR. This could have a significant adverse effect on P&I's revenue and earnings. However, in view of the solid development of P&I's business with its existing customers in recent financial years, this seems unlikely.

The risk that the Group's non-recurring business could decline without any corresponding increases in SaaS revenue associated with the switch from a license-based to a SaaS-based business model is unlikely to materialise. Instead, the past fiscal year has actually shown an increase and additional demand for consulting services.

The Group regularly monitors risks from existing and new pending P&I LogaHR projects and evaluates the recoverability of its contract assets.

The Group also monitors and evaluates risks from existing or major new pending projects and fixed-price projects on an ongoing basis. The implementation of P&I's software often involves the extensive use of customer resources and is subject to a large number of risks over which P&I often has no control. It is not always possible to rule out the possibility of lengthy installation processes or project costs that exceed the agreed fixed prices and that could result in claims for recourse or damage to the company's image. P&I is currently working on several major projects, which are regularly analysed with regard to project risks and evaluated with the assistance of legal advisers when required.
P&I believes that it has recognised these risks in its financial planning to an appropriate extent, particularly through the recognition of provisions. As a result, a significant adverse impact on the forecast business development and earnings performance as a result of risks from major projects and fixed-price projects is currently considered to be unlikely.

Financial risks

Athena BidCo GmbH entered into a number of financing agreements in March 2020. These financing agreements have a volume of EUR 555.0 million, of which a total of EUR 475.0 million was paid out to Athena BidCo GmbH in March 2020.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of EUR 30.0 million and a revolving facility to the amount of EUR 50.0 million. The capex facility to the amount of EUR 30.0 million, which was scheduled to terminate on 31 March 2023, has not been extended. The additional credit line of EUR 50.0 million can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

On instruction of the parent company at the time, P&I Zwischenholding GmbH (now Athena BidCo GmbH), P&I AG entered into the loan agreement of Athena BidCo GmbH in the amount of EUR 555.0 million in April 2020 as jointly and severally liable guarantor.

As part of the above, all movable assets and extensive receivables and rights were assigned to the financing banks by way of typical securities, and a subordinated obligation to Athena BidCo GmbH for interest and principal payments was entered into in accordance with an existing liquidity plan. The maximum amount that P&I AG can be held liable for equates to the loan agreements less the assets of Athena BidCo GmbH.

In April 2020, Athena BidCo GmbH and P&I AG agreed that P&I AG will be compensated for the assumption of the joint and several guarantee in the form of an appropriate guarantee fee. The guarantee fee paid to P&I AG in the 2022/2023 financial year amounted to EUR 4.8 million (previous year: EUR 4.8 million).

In November 2022, Athena BidCo GmbH entered into another financing agreement with a volume EUR 300.0 million, which was paid out in December 2022.

At the reporting date, the loans from Athena BidCo GmbH's financing agreements amounted to a total of EUR 775.0 million (previous year: EUR 475.0 million).

The liabilities arising from the financing agreements are borne by Athena BidCo GmbH. Athena BidCo GmbH depends on P&I AG's generation of a positive annual result to ensure the required liquidity. P&I AG's profits and associated capital inflows will be transferred to Athena BidCo GmbH within the context of the existing profit and loss transfer agreement. Given P&I AG's current corporate plans for the coming years and associated outflow of liquidity, the Management Board sees no significant risk to the company with respect to these loan agreements and hence no significant risk of utilisation for the company.

P&I AG has furthermore extended a long-term loan to Athena BidCo GmbH. At the reporting date of 31 March 2023, the outstanding loan plus accrued interest amounted to EUR 90.6 million (previous year: EUR 97.1 million).

The Management Board and Supervisory Board regularly discuss all matters related to the existing loan agreements and their consequences for P&I. By way of monitoring the risk associated with the loan extended to Athena BidCo GmbH, the company's credit rating is monitored on the basis of monthly financial information. Given the latest information, the company is unlikely to default.

Surplus liquidity that is not used for investments is held in the form of bank balances and fixed-term deposits or overnight deposits. This reflects the management's aim of ensuring access to available liquidity in full at short notice. The composition and development of cash and cash equivalents are presented in the appendix and the consolidated cash flow statement
Defaults at Group companies stayed at the same level as in the previous year. The recoverability of trade receivables is evaluated on an ongoing basis and valuation allowances are recognised when trigger events are identified. As P&I does not currently have any customer relations accounting for more than 10 % of its annual revenue, there is no special risk of default. The Group controls default risk by demanding advance payments and by obtaining declarations of acceptance from insolvency administrators or credit information in cases where there is a suspicion of default. The Group does not have additional collateral in the form of rights to securities or similar. The Group does not have a significant concentration of default risk either with an individual counterparty or with a group of counterparties with similar characteristics.

Exchange rate risks
As of 31 March 2023, P&I's exchange rate risk is limited to the Swiss franc, the currency in which the Group companies and second-tier subsidiaries in Switzerland conduct their business.

The currency risk is not hedged, but is continuously monitored. The Management Board assumes that future exchange rate fluctuations will continue to have no material impact on consolidated income.

IT risks / data protection
P&I is subject to the risk that the availability, integrity, reliability, authenticity and clarity of data may not be adequately secured due to insufficient data protection. The company counteracts this risk by examining its data protection concepts and regularly adjusting them to reflect new requirements, as well as conducting regular data backups. Data centre services are also subject to availability risk. P&I counteracts this risk by implementing corresponding back-up scenarios and redundant solutions.

Mobile data storage devices are subject to the risk of data loss and misuse. The Group protects against this risk with organisational instructions aimed at ensuring that IT equipment and data storage devices are handled carefully.

The processing of data that customer provide to us at the data centre, as well as the data collected by P&I on employees, job applicants, customers and suppliers, are subject to statutory requirements for security and data protection. The Management Board and Data Protection Officer communicate regularly in order to ensure compliance with data protection rules throughout the Company. P&I uses a broad range of measures to protect the data controlled by us and our customers against unauthorised access and processing.

Legal risks
P&I is confronted with various claims and legal proceedings arising from its regular business operations. The negative consequences of the claims made or the proceedings initiated on our part could result in the payment of compensation or reversal costs or defaults.

We are of the opinion that the outcome of these pending proceedings, both individually and as a whole, will not have an adverse effect on our business activities as corresponding provisions and individual value adjustments have been recognised as a precaution.

Personnel risks
P&I is a specialist for standardised HR software solutions. This means that experts in this field are also in demand among other software companies. In order to prevent employees from being poached by competitors, we ensure that they are closely tied to the Company through measures such as profit-sharing, professional development and training opportunities, and non-competition clauses. With respect to important areas, we also ensure that several employees have the expertise required to continue in their own right. P&I recruits junior staff by way of new trainee programmes launched every year. The Group uses its own P&I Talent3 and P&I Bewerber3 software to acquire new talents. In the autumn of last year, P&I started another trainee program.

Acquisition risks
P&I has made acquisitions in the past and will continue to examine potential acquisitions for the future. This means that the P&I Group is exposed to acquisition risk. The challenges involved in acquisitions relate to the integration of product ranges, organisational processes, personnel and of the different corporate cultures. The Group protects against this risk by using established integration management mechanisms to identify potential problem areas in the acquired companies and for reducing the risks associated with an acquisition.

Risks arising from the global economic and energy crisis and the consequences of the war in Ukraine
The economy and financial markets are dominated by a high level of uncertainty concerning the future development of the global economy in the wake of the war in Ukraine, the resultant energy crisis and the effects of climate change. Rising costs and interest rates are increasingly putting a strain on many companies. In addition to the above, businesses are also being slowed down by the growing shortage of adequately skilled workers. At present, it is difficult to foresee whether or when this shortage will resolve or whether it will become more severe. The key risks faced by the Group include the interruption or loss of supply chains, energy shortages, a lack of raw materials and the loss of sales markets. It is not clear how that would affect on price developments, inflation, the willingness to invest and ability of public budgets to implement measures for strengthening public life.

P&I carefully monitors its risks. It is not certain how the various crises are going to impact P&I Group and P&I AG in the 2023/2024 financial year because conditions are not predictable and can change quickly. There is a risk that it might not be possible to obtain the hardware components needed for the P&I LogaHR product range because of supply shortages and that internet services / energy supply could be at risk. There is also a risk that cyber attacks could cause IT data centres services to break down. Further, there is a risk that companies could cease all operations or that, as a minimum, their current projects will be delayed and that they may cease starting any new projects, which would contribute to a major slowdown in P&I’s business. This could result in a loss of revenue or – if customers become insolvent – lead to defaults. Due to its expertise in the payroll accounting and human resources management sector, there is a high level of demand for P&I’s know-how.

Overall assessment of the risk situation
In the financial year under review, none of the risks identified in P&I’s risk management system reached a level that could endanger the continued existence of the company. The company has not classified any risks as material to the course of business and to the successful management of the company above and beyond the identified risks described above. Overall, including when taking into account the current crises, P&I's risk analyses show that its risks are limited and manageable. There are no identified risks that alone or in conjunction could endanger the continued existence of P&I AG or the P&I Group, either at present or in the future.

8.3 Compliance

P&I implemented a Compliance Management System in 2018. Since that date, the compliance division has been expanded in line with requirements.

In the 2022/2023 financial year, compliance focussed on the auditing processes set out in ISO 27001 and ISAE 3402 Type 2, as well as monitoring compliance with the legal regulations on fighting the COVID-19 pandemic that were in effect until February 2023.

The Management Board and Supervisory Board regularly communicate with each other concerning the status and development of compliance-related matters.

9. Forecast report

9.1 The economy and industry in the new financial year

The euro zone's general economic outlook remains subdued as a result of the Covid pandemic, the war in Ukraine and the resulting energy crisis. The Institute for World Economy (IfW) in Kiel anticipates that the euro zone's GDP will rise by 1.1 % in 2023 and by 1.6 % in 2024. After having risen to 5.5 % in 2023, inflation is anticipated to drop back down again to a relatively moderate rate of 2.6 % in 2024.

The outlook for the German economy also remains subdued. According to the Institute for World Economy (IfW), GDP is anticipated to grow by 0.5 % in 2023 and by 1.4 % in 2024. Although the energy price crisis is starting to ease out at the consumer level, the rise in the cost of other goods is speeding up and has now increased by 7 %. Overall, inflation is expected to reach around 5.4 % in 2023 and drop to around 2 % in 2024.

In January 2023, the industry association BITKOM forecast the market in its sector to grow by 3.8 % in 2023, with respect to which the software sector is expected to see the highest growth at a rate of 9.3 %.

9.2 Expectations and opportunities for the P&I Group and P&I AG

Over 60 % of our customers are already benefiting from P&I's timely decision to switch to an integrated, cloud-based platform. In the 2022/2023 financial year, P&I further consolidated this approach to its solution and intends to systematically continue to pursue it with its new P&I LogaHR platform products. We anticipate that our investments in intelligent automation and the standardisation of HR processes will further strengthen our competitive position and increase our market share by attracting new customers from the SME sector, large companies and data centres, as well as public authorities. With reference to our cloud-based P&I LogaHR service range, we believe that companies are likely to increasingly resort to digitalisation processes and outsourcing services that are quite unrelated to their core competencies and to our cloud-based HR software, which ensures the security of personal and company-related data and can be accessed through the web from anywhere in the world, despite the above risks. In addition to the above, P&I also sees further potential for major growth in its HR-as-a-Service product range, which provides P&I customers with an attractive option for ensuring that they are able to maintain their HR – and hence their companies' operations – based on the P&I LogaHR platform, in particular so in view of the drastic shortage of payroll staff. P&I's solid business model coupled with the high level of predictability of its recurring revenue and financial strength provide a strong basis for the Group to achieve its objectives.

The main differences between the German Commercial Code and IFRS accounting standards applied by P&I AG are their recognition of sales and revenue from P&I LogaHR and major projects as well as their reporting procedure for lease agreements.

With this in mind, the Management Board is presently issuing the following outlook for the 2023/2024 financial year:

- FWe anticipate that P&I Group sales will increase by over 10 % compared to the 2022/2023 financial year. This growth in revenue is anticipated to apply to all of the Group's European companies.
    - This growth will be driven by our recurring services and, most of all, by P&I LogaHR. P&I LogaHR revenue is anticipated to grow by 30 %. Recurring services are expected to see an increase in the low double-digit percentage range.
- If the above predictions concerning revenue development are met and, at the same time, costs only increase moderately, the Management Board anticipates an increase in EBITDA in excess of 20 %, which corresponds to an EBITDA margin of over approx. 60 %.

- Taking into account the one-time effects from the final acceptance and recognition of the revenue from a major multi-year project in the 2022/2023 financial year, P&I AG's revenue and EBITDA is expected to match that of the 2022/2023 financial year.

- The operating cash flow of the P&I Group and P&I AG is planned to be kept at the same level as that of the 2022/2023 financial year.

- Due to the uncertainties associated with the progression and completion of major projects, the profit forecast for the P&I Group and P&I AG is full of uncertainties.

- The Management Board cannot exclude the possibility that its estimates may change if global economic and political conditions were to change at short notice. There is also a possibility that, over time, it may become evident that companies will no longer be able to initiate new IT projects because of their financial situations or that customers will be unable to pay for services they have received or cease all operations because of reductions in state funding. There is also a possibility that a situation may arise in which new customer business could collapse due to a lack of investment capacity, which applies in particular for the public sector, which has come under much pressure because of the high costs associated with the support provided to Ukraine, climate protection Ma5nahmen, government support for companies and private individuals in connection with the rise in energy costs and the expansion of Germany's military power. This could mean that P&I would not be able to acquire any new orders – in particular for recurring SaaS services. This in turn could cause the expansion of our P&I LogaHR business to slow down. This could lead to revenue losses, which could directly affect EBITDA because P&I's cost structure is marked by a very high percentage of fixed costs and the percentage of variable costs is low. Defaults could furthermore cause an involuntary increase in costs over which P&I does not have any control. However, this appears unlikely in light of P&I's solid business development in its existing customer business segment and its forward-looking technological strategy, which is recognised by our partners and customers alike. That said, a significant reduction in total income could temporarily have an adverse effect on business and hence on P&I's net assets, financial position and results of operations.

P&I's business is traditionally characterised by a high percentage of predictable recurring services. Most of the annual maintenance and service fees for 2023, in particular for recurring and service business, have already been collected, which means that this revenue is secure. The expansion of the monthly recurring revenue generated through the SaaS model will reduce the risk of fluctuations in revenue. Due to the fact that human resource management and payroll accounting is indispensable for businesses, P&I expects that its customers will continue to draw on these services.

The speed at which digitalisation is progressing is highly dynamic. In HR management in particular, digitisation makes it possible and provides us with opportunities to establish ourselves as a strategic partner for management in times of skilled worker shortages, new living and working time models, and increasingly stricter regulatory and compliance requirements. P&I believes that companies that fail to identify and take advantage of the opportunities presented by digitalisation will no longer be able to compete in the market in the long term. As far as P&I is concerned, what makes this so fascinating is that we are only just at the start of this new trend. This means that there is yet incredible untapped potential for our SaaS solutions P&I LogaHR and the P&I LogaHR workstations to further drive forward standardisation, automation and the provision of easy, technology-based access to HR tools. We firmly believe that we will achieve the goals we have set for ourselves and that, as global economic conditions improve, we will be able to exceed them.

P&I Personal & Informatik AG

Wiesbaden, 22 June 2023

Vasilios Triadis | Dr. Carlo Pohlhausen | Remco van Dijk | Christian Rhein | Sven Ekerdt

03/

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

	Explanatory notes	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
In kEUR			
Revenue	(3)	210,023	172,403
Cost of sales	(4)	56,348	43,988
Gross profit		**153,675**	**128,415**
Research and development costs	(5)	23,450	22,551
Selling costs	(5)	13,274	14,462
Administrative costs	(5)	8,004	8,439
Amortisation of customer bases	(5)	1,698	1,887
Other operating income	(5)	1,489	1,601
Other operating expenses	(5)	823	671
Operating earnings (EBIT)		**107,915**	**82,006**
Financial income	(6)	8,702	6,910
Financial expenses	(6)	513	565
Earnings before taxes (EBT)		**116,104**	**88,351**
Tax expenses	(7)	1,869	1,216
Consolidated income		**114,235**	**87,135**
Consolidated income attributable to			
– Shareholders of the parent company		114,235	87,135
– Non-controlling shares		0	0

Consolidated statement of comprehensive income

	Explanatory notes	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
In kEUR			
Consolidated income		**114,235**	**87,135**
Items that may be reclassified to profit or loss in subsequent periods			
Currency translation of foreign operations		**188**	**1,304**
Other comprehensive income	(21)	**188**	**1,304**
Consolidated comprehensive income		**114,423**	**88,439**
Consolidated comprehensive income attributable to			
– Shareholders of the parent company		114,423	88,439
– Non-controlling shares		0	0

Consolidated balance sheet as at 31 March 2023

	Explanatory notes	31 March 2023	31 March 2022
In kEUR			
Assets			
Non-current assets			
Customer base	(8)	11,762	13,354
Goodwill	(8)	27,354	27,024
Other intangible assets	(8)	1,636	2,648
Property, plant and equipment	(9)	11,036	11,877
Lease rights-of-use	(10)	12,597	14,369
Non-current financial assets	(11)	90,667	97,204
Deferred tax assets	(12)	225	192
Non-current capitalised contract costs	(13)	3,651	1,995
Non-current contract assets	(14)	24,889	17,390
Total non-current assets		**183,817**	**186,053**
Current assets			
Inventories	(15)	532	377
Trade receivables	(16)	12,817	10,577
Current contract assets	(14)	6,813	2,457
Current capitalised contract costs	(13)	2,593	1,266
Other current assets	(17)	2,790	2,212
Cash and cash equivalents	(18)	80,704	46,813
Total current assets		**106,249**	**63,702**
Total assets		**290,066**	**249,755**

Consolidated balance sheet as at 31 March 2023

	Explanatory notes	31 March 2023	31 March 2022
In kEUR			
Liabilities			
Equity			
Issued capital	(19)	7,531	7,531
Capital reserves	(19)	2,334	2,334
Retained earnings	(19)	67,699	67,916
Accumulated other comprehensive income	(21)	1,223	1,035
Total equity		**78,787**	**78,816**
Non-current liabilities			
Deferred tax liabilities	(12)	1,559	1,657
Lease liabilities	(10)	10,675	11,884
Non-current contract liabilities	(22)	106	270
Non-current financial liabilities	(23)	3,475	3,464
Total non-current liabilities		**15,815**	**17,275**
Current liabilities			
Trade payables	(24)	3,551	4,383
Liabilities towards affiliated companies	(25)	115,969	74,617
Tax liabilities	(26)	2,175	1,089
Contract liabilities – accruals and deferrals	(22)	35,170	41,028
Contract liabilities – other	(22)	1,151	1,072
Provisions	(27)	60	81
Other current liabilities	(28)	37,388	31,394
Total current liabilities		**195,464**	**153,664**
Total debt		**211,279**	**170,939**
Total liabilities		**290,066**	**249,755**

Consolidated statement of changes in equity

				Accumulated other comprehensive income	
Explanatory notes	Signed capital (19)	capital reserves (19)	Profit reserves (19), (20)	Difference from currency conversion Total (21)	Total
In kEUR					
As of 31 March 2021	**7,531**	**2,334**	**54,702**	**-269**	**64,298**
Consolidated income			87,135		87,135
Other comprehensive income				1,304	1,304
Consolidated comprehensive income					**88,439**
Profit transfer to Athena BidCo GmbH			-73,921		-73.921
As of 31 March 2022	**7,531**	**2,334**	**67,916**	**1,035**	**78,816**
Consolidated income			114,235		114,235
Other comprehensive income				188	188
Consolidated comprehensive income					**114,423**
Profit transfer to Athena BidCo GmbH			-114,452		-114,452
As of 31 March 2023	**7,531**	**2,334**	**67,699**	**1,223**	**78,787**

Consolidated cash flow statement

	Explanatory notes	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
In kEUR			
Consolidated income		**114,235**	**87,135**
-/+ Tax income/tax expenses		1,869	1,216
-/+ Financial result (financial income less financial expenses)		-8,188	-6,345
Operating earnings (EBIT)		**107,916**	**82,006**
+ Depreciation of property, plant and equipment and intangible assets		12,168	11,409
+/- Change in inventories, trade receivables and other assets not attributable to investing or financing activities		-17,810	-10,597
+/- Change in trade payables and other liabilities not attributable to investing or financing activities		504	243
+/- Losses/gains from the disposal of non-current assets		33	13
+/- Changes in other non-cash items		-608	-765
- Interest paid		-504	-563
+ Interest received		5	6
- Tax payments		-914	-1,886
Cash flow from operating activities		**100,790**	**79,866**
- Payments for investments in property, plant and equipment		-5,161	-7,467
- Payments for investments in intangible assets		-98	-74
+ Proceeds from the disposal of property, plant and equipment and intangible assets		0	70
- Payments for investments in non-current financial assets		-58,764	-88,252
- Payments for investments in current financial assets		0	0
- Payments for company acquisitions		0	-6.575
Cash flow from investing activities		**-64,023**	**-102,298**
- Repayment of lease liabilities		-3,361	-3,630
Cash flow from financing activities		**-3,361**	**-3,630**
Changes in cash and cash equivalents due to exchange rate changes		485	1,118
Change in cash and cash equivalents		33,891	-24,944
Changes in cash and cash equivalents at the start of the financial year		46,813	71,757
Changes in cash and cash equivalents at the end of the financial year	(18)	80,704	46,813

1. Information on the Company

P&I Personal & Informatik Aktiengesellschaft (hereinafter also the “Company” or “P&I AG”) is domiciled in Wiesbaden, Germany, and has been registered in the commercial register of the Wiesbaden District Court, section B, under no. 9110 since 28 May 1998. The articles of association were adopted on 2 April 1998 and last amended by resolution of the Annual General Meeting on 15 July 2020.

The Company is the parent company of the P&I Personal & Informatik Konzern ("P&I" or "we"), which operates throughout Europe in the fields of software development, licensing, maintenance and IT services.

The address of the parent company’s registered office is Wiesbaden, Kreuzberger Ring 56, Germany.

The corporate objective of the Company and its subsidiaries is the production, sale and maintenance of software, the associated provision of consultations and training of operators, and the trading of IT equipment and software. In accordance with the Articles of Association, the Group’s specialisation is in human resource management and the information technology operations falling within this area, such as programming, personnel databases, project management, personnel data graphics, image processing, process data processing, PPS, network control and special query languages.

P&I AG was registered for trading at the Stock Exchange over the period from 7 July 1999 to 12 November 2014, initially at Neuen Markt and, as of 1 January 2003, for trading in the Prime Standard of the Frankfurt Stock Exchange. P&I AG’s admission to the Frankfurt Stock Exchange was suspended by request with effect from 12 November 2014.

The financial investor Hg became the new indirect majority shareholder of P&I AG with effect of 31 March 2020. However, the previous indirect majority shareholder, Permira Funds V (Pumvila S.à.r.l., Luxemburg), continues to indirectly hold a minority interest of 22 % in P&I AG.

The consolidated financial statements of P&I Personal & Informatik AG as at 31 March 2023 will be included in the exempting consolidated financial statements of the Group’s ultimate parent company, Athena Investments Luxembourg S.à.r.l., Luxembourg, and published in the “Registre de Commerce et des Sociétés”.

On 7 February 2011, P&I AG concluded a Control and Profit Transfer Agreement with Athena BidCo GmbH, Wiesbaden, which is the legal successor of P&I Zwischenholding GmbH. Under this agreement, P&I AG is obliged to transfer its profits as reported in the annual financial statements prepared in accordance with the HGB. The agreement is still in effect and can be terminated with a notice period of six months at the end of a P&I AG financial year. The agreement came into effect following its approval at the shareholders’ meeting of Athena BidCo GmbH on 7 February 2011 and at the extraordinary general meeting of P&I AG on 24 March 2011 as well as its registration in the commercial register on 9 September 2011, and continues to be in effect to this day.

Basis for the preparation of the financial statements

In accordance with Art. 315E(3) HGB, the Company has elected to prepare its consolidated financial statement in accordance wit the International Financial Reporting Standards (IFRS). The company also complied with the requirements of Art. 315e(1) HGB in the preparation of its consolidated financial statement. It applied all IFRSs (IFRSs, IASs, IFRICs, SICs) valid at the reporting date and as adopted in the European Union.

The consolidated financial statement was prepared using the historical cost principle. The historical costs were generally based on the fair value of the consideration paid in exchange for the asset.

The consolidated statement of income was prepared using the cost-of-sales method.

The consolidated financial statement was prepared in German and in euro. Unless otherwise indicated, all amounts are rounded to the nearest thousand Euro (kEUR).

All amounts are rounded in accordance with standard commercial practice, which may give rise to minor discrepancies when these amounts are aggregated.

Consolidated companies
In addition to P&I Personal & Informatik AG, the consolidated financial statements prepared for the 2022/2023 financial year include ten foreign and two domestic subsidiaries in which P&I AG either directly or indirectly holds a majority of the voting rights (hereafter referred to as the "P&I Group" or "Group").

The consolidated group changed as follows in the 2022/2023 financial year.

A list of the subsidiaries included in the consolidated financial statements can be found in note 35.

Principles of consolidation
Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the parent company obtains control. The parent company obtains control when it:

- Can exercise control over the acquiree,
- Is exposed to variable returns from its investment and
- Can use its power to affect the amount of the returns.

The parent company reassesses whether it controls a subsidiary or not if facts and circumstances indicate that there are changes to one or more of the above control criteria. Consolidation ends as soon as the parent company no longer exercises control.

The total comprehensive income of a subsidiary is allocated to the owners and any non-controlling interests even if losses result in negative total comprehensive income.

The subsidiaries' financial statements, which serve as the basis for consolidation, are prepared for the same reporting period as the parent company's financial statements and using uniform accounting methods.

All intra-group assets, liabilities, equity, income, expenses and cash flows in connection with transactions between Group companies are eliminated in full on consolidation.

Acquired subsidiaries are accounted for using the purchase method. The costs of a company acquisition are calculated on the basis of the transferred consideration measured at fair value on the acquisition date, which is determined by the total of the fair values of the transferred assets, assumed liabilities and issued equity instruments at the date of exchange. Transaction costs incurred during the acquisition are expensed.

The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date.

On initial recognition, goodwill is measured at cost, which is calculated as the amount by which the total consideration transferred and the non-controlling interest exceeds the identifiable assets acquired and liabilities assumed (full goodwill method). If this consideration is lower than the fair value of the net assets of the acquired subsidiary, the difference is directly recognised in the income statement.

After initial recognition, the goodwill resulting from an acquisition is measured at cost less impairment and reported separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is divided between all of the cash-generating units (or groups thereof) of the Group that are expected to benefit from the synergies of the combination. This applies irrespective of whether other assets or liabilities of the acquired company were allocated to these cash-generating units.

These cash-generating units are tested for impairment on an annual basis. Impairment testing is also performed if events or circumstances indicate impairment.

If the recoverable amount based on the value in use of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which the goodwill was allocated, an impairment loss is recognised in the income statement. Goodwill impairment losses may not be reversed in a subsequent period. P&I tests the capitalised goodwill for impairment annually on 31 March.

If a cash-generating unit is sold, the attributable amount of goodwill is taken into account in calculating the gain on disposal.

Classification of assets and liabilities as current and non-current
P&I divides its assets and liabilities by current and non-current assets and liabilities on the balance sheet. An asset is defined as current if

- The asset is anticipated to be recognised during the normal operating cycle or is being held for sale/utilisation during that period,
- The asset is anticipated to be recognised within twelve months of the reporting date,
- The asset is being held primarily for trading purposes or
- It constitutes cash and cash equivalents. All other assets are defined as non-current assets.

Liabilities are defined as current if

- The liabilities are anticipated to be paid during the normal operating cycle,
- The liabilities are anticipated to be paid within twelve months of the reporting date or
- The liabilities are being held primarily for trading purposes.

All other liabilities are defined as non-current liabilities. Deferred tax assets and liabilities are recognised as non-current assets or liabilities.

2. Accounting and valuation methods

Changes in accounting and valuation methods

The accounting rules applied correspond to the methods applied in the previous year. The International Accounting Standards Board (IASB) has made various amendments to existing IFRSs and published new IFRSs and interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC).

The P&I Group implemented all of the accounting principles required to be applied from the 2022/2023 financial year onwards. As a result, the consolidated financial statements correspond both to the IFRS published by the IASB as well as the IFRS standards as adopted by the EU

Unadopted new or amended standards

In the consolidated financial statements for the 2022/2023 financial year, the P&I Group did not observe the following accounting standards adopted by the IASB because they were not yet required to be applied in the financial year:

		Published by IASB	Mandatory for financial years from	Adopted by EU	Effects on the P&I Group
IAS 1	Classification of Liabilities	23.01.2020	01.01.2023	Yes	No significant impact
IAS 1	Information on accounting and valuation methods	12.02.2021	01.01.2023	Yes	Adaptation of the corresponding explanatory notes
IAS 1	Non-current liabilities with specific credit terms	31.10.2022	01.01.2024	No	No significant impact
IAS 8	Definition of accounting estimates	12.02.2021	01.01.2023	Yes	No significant impact
IAS 12	Deferred taxes for leases and retirement and decommissioning obligations	07.05.2021	01.01.2023	No	No significant impact
IFRS 16	Sale-and-leaseback transactions	22.09.2022	01.01.2024	No	No significant impact
IFRS 17	Insurance contracts	18.05.2017	01.01.2023	Yes	No significant impact
IFRS 17	Insurance contracts: Amendments to IFRS 17	25.06.2020	01.01.2023	Yes	No significant impact
IFRS 17	First application of IFRS 17 and IFRS 9: comparative information	09.12.2021	01.01.2023	Yes	No significant impact

Presentation of material accounting and valuation methods

Revenue - Revenue categories

The P&I Group generates revenue from granting licences for software products, revenue from the use of the software (incl. support/maintenance) and from customers' use of its IT infrastructure in the P&I data centre (software as a service revenue, SaaS), software maintenance services, other services, selling time management hardware and third-party products (merchandise) and hardware maintenance services.

In the appendix to the consolidated financial statements, revenue is divided into recurring revenue and non-recurring revenue. Recurring revenue comprises the following revenue:

- *We generate revenue from software as a service (SaaS)* through hosting services through which customers are granted the right to access our software. This can also include services that are directly related to the hosting service such as, e.g. Platform as a Service (PaaS) and Infrastructure as a Service (IaaS). This category also includes P&I LogaHR as a service package comprising the right to use the software, software maintenance, hosting and another service package including HR as a service (HRaaS). This category furthermore includes revenue from service contracts/application service provision (ASP), which include our premium customer support services.
- *Our maintenance income* is generated through standardised software maintenance services that include the provision of new versions of the relevant latest version of the standard software, the provision of technical support through a hotline service and fault repair

Non-recurring revenue is divided into the following categories:

- *License income* generated from the sale of our software to customers for use on their own hardware. These licenses give customers the indefinite right to take possession of the software and install and use it on their own systems.
- *Consulting income* comprises income from providing support with the implementation or installation of our software as well as training and seminars
- *Other income* is primarily made up of the proceeds from the sale of time management hardware.

Revenue – Five-step model approach
IFRS 15 provides a five-step model for calculating and recognising revenue from contracts with customers.

The *first step* involves identifying contracts with a customer, with respect to which it is also possible that a single customer may have entered into multiple contracts with us. These contracts are aggregated for recognition if they have been entered into at the same time (or within a short period of one another) and are financially linked. We do not aggregate contracts that were entered into with a gap of more than six months because they do not meet the requirement of having been concluded at the same time. If existing customers take out new contracts, these contracts are either considered new and hence independent contracts or they refer to changes made to existing contracts. In this case, the contracts have to be checked to establish whether they are related and whether the performance obligations of the new contract are closely related to those of the existing contracts. One of the criteria for assessing the same is the pricing of the new contract compared to the existing contracts with the same customer.

In the *second step*, we identify the performance obligations in the contract because our contracts often contain a number of different products and services. Our products generally have to be recognised as distinct performance obligations in the revenue categories. Identifying the performance obligations and deciding whether they can be classified separately requires making discretionary decisions. In the case of our services – in particular the implementation and initial installation on the customer's systems – we ascertain whether these services constitute a material customer-specific change. These services generally have to be categorised as separate consulting services. In the case of products and services that cannot be recognised separately, these performance obligations are pooled to form a combined performance obligation (service bundle).

In *step three*, we determine the transaction price, which is the amount of consideration that we anticipate to receive in exchange for transferring promised goods or services to a customer. Doing so requires the use of estimates and discretionary decisions concerning whether and to what extent the customer might be granted additional concessions during the performance of the contract and whether the customer will pay the contractually agreed consideration. These discretionary decisions and estimates take into account our previous customer experiences. Our contracts do not generally contain any significant financing components. We also do not recognise financing components if the period between transferring the software products and services to the customer and the receipt of payment for the same is less than twelve months.

In *step four*, we allocate the transaction price to the individual performance obligations. In view of the fact that the individual sale price estimates also involve discretionary decisions, we have defined internal guide values for the individual sale prices for use as a benchmark. We use these guide values to assess whether our products and services are being sold at standard market conditions. These assessments also involve the use of historical data.

We generally sell software licenses together with software maintenance/support and other services. This is why we check whether our contracts with customers contain other promises that constitute separate performance obligations. The individual performance obligations contained in these multi-component agreements are subsequently identified and then allocated transaction prices. If it is not possible to establish a reliable market price for all of the performance obligations, they are allocated a transaction price using the residual method. In general, the Company agrees the compensation for individual revenue components separately, while the agreed fees always match the applicable market prices.

Step five involves the actual recognition of the revenue. In this step, the revenue from contracts with customers is recognised when a performance obligation is satisfied by transferring a promised good or service to a customer. The revenue is recognised at the amount of the consideration that the Group is anticipated to receive in exchange for these goods or services. P&I operates on the basis that P&I constitutes the principal in all of its revenue transactions because P&I has control over the goods or services before their transfer to the customer.

We recognise our recurring revenue on a pro rata basis over the period in which the relevant performance obligation is provided or transferred to the customer.

We recognise *license revenue* for standard software at the time at which a customer is provided with the license key for downloading the standard software. We recognise this revenue from the moment the license starts, which is when a customer is given control over the standard software in the form of being granted access to the same. We believe that we are granting customers a right to use our intellectual property and not a right to access, because our standard software is also of use to customers without any further maintenance or updates.

We recognise *license revenue for customer-specific software*, i.e. standard software that has been extensively customised, over the period over which the software has been developed or implemented. In view of the fact that doing so involves discretionary decisions, we recognise this revenue in accordance with the percentage of completion method (PoCM) if the amount of the revenue can be reliably calculated, it is sufficiently probable that the economic benefit arising from the transaction will accrue to the Company and the costs incurred by the Company in this connection and any costs that are anticipated to be incurred until the full completion can be reliably determined. The percentage of completion is ascertained as the ratio between the working hours completed at the reporting date and the total estimated number of working hours.

Consulting revenue from service contracts that are invoiced on the basis of completed time units are recognised depending on the performance obligations already fulfilled. Revenue and expenses from service contracts invoiced on a fixed price basis are recognised in accordance with the percentage of completion method (PoCM) if the amount of the revenue can be reliably calculated, it is sufficiently probable that the economic benefit arising from the transaction will accrue to the Company and the costs incurred by the Company in this connection and any costs that are anticipated to be incurred until the full completion can be reliably determined. The percentage of completion is ascertained as the ratio between the working hours completed at the reporting date and the total estimated number of working hours.

Revenue – Capitalised contract costs
P&I pays its personnel sales commissions for successful contract conclusions, with respect to which it rewards not individual contract conclusions, but the achievement of specific target figures. The Group has elected to use the practical expedients for the costs of contract initiation. In line with this approach, sales commissions can be recognised immediately as an expense if the amortisation period for the asset that the Group would otherwise have recorded does not amount to more than a year. The sales commissions for target figures for which the amortisation period would amount to more than a year, on the other hand, are capitalised as non-financial assets on the balance sheet. They are subsequently amortised over the anticipated contract term.

P&I capitalises all costs for the performance of a contract with a customer that do not fall within the scope of another standard whenever they directly relate to the contract, create or increase resources and if it is anticipated that the costs will be recovered. These costs are generally direct personnel costs incurred in connection with the performance of the performance obligations. These costs are also capitalised as non-financial assets and amortised over the anticipated term of service performance.

Revenue - Balance sheet disclosures
A *contract asset* is the entitlement to the receipt of a consideration in exchange for performance obligations that have already been fulfilled. If P&I performs its contractual performance obligations towards customers before the customer has paid the consideration or before the payment due date, it will recognise a contract asset for the conditional right to a consideration.

A *trade receivable* is an unconditional right to a consideration (i.e. the consideration becomes due automatically over time). The accounting policies for financial assets are detailed in the section on financial instruments.

A *contractual obligation* is an obligation on the part of P&I to fulfil a performance obligation for which P&I has already received a consideration. If a customer pays a consideration before P&I has fulfilled the performance obligation towards the customer, the payment is recognised as a contractual obligation when the payment has been made or becomes due. Contract liabilities are recognised as revenue as soon as P&I has fulfilled its contractual obligations.

Intangible assets

Intangible assets acquired in a business combination - software and customer base
Intangible assets acquired in a business combination are recognised separately from goodwill and measured at fair value (cost) on the acquisition date. In subsequent periods, they are measured in the same way as individually acquired intangible assets, i.e. at cost less accumulated amortisation and impairment.

Software acquired in a business acquisition is generally amortised on a straight-line basis over its useful live (generally a period of five years).

At P&I, a useful life of ten to 17 years is applied to the capitalised customer bases. They are amortised on a straight-line basis.

The carrying amounts of the software and the customer bases are tested for impairment whenever there are indications that the carrying amount of an asset may exceed the amount recoverable through its use or sale. Amortisation and impairment losses on customer bases are recognised in the income statement in the separate item 'Amortisation and impairment of customer base'.

Separately acquired intangible assets
Intangible assets with determinable useful lives not acquired as part of a business combination are amortised over their economic lives and tested for impairment if there are indications that the intangible asset may be impaired. In the case of intangible assets with determinable useful lives, the useful life and the amortisation method are reviewed at the end of each financial year as a minimum. Possible changes to the useful life and amortisation method are treated as changes in estimates. Purchased software licences are normally amortised on a straight-line basis over three to five years.

All of the P&I Group's separately acquired intangible assets have determinable useful lives.

Internally generated intangible assets - research and development costs
Research costs are expensed in the period in which they are incurred. Development costs for a single project are capitalised as intangible assets only if P&I can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it can be used internally or sold;
- The intention to complete the intangible asset and the ability to use or sell it;
- How the asset will generate future economic benefits;
- The availability of resources for the purpose of completing the asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

An intangible asset exists from the day on which all these conditions are met cumulatively for the first time. Expenses incurred prior to this date are recognised in profit or loss. In subsequent periods, the assets are measured at cost less accumulated amortisation and impairment.

The development costs at P&I do not meet the requirements for capitalisation as an intangible asset in accordance with IAS 38.57. P&I's development projects centre on improving the P&I LOGA range of products on an ongoing basis. Capitalisation would be permitted only if the improvements or changes were so extensive that they would give rise to a new product. Furthermore, the projects are distinguished by cyclical or iterative phases. However, the gathering (research) and implementation (development) of ideas is not sequential, meaning that research and development phases are never distinct and always comprise a mixture of both. This is why the conditions for the capitalisation of internally generated intangible assets are not met in full until just before the products are ready for market. Provided they are not significant, development expenses incurred after fulfilment of the capitalisation criteria are expensed in the income state on the date they are incurred.

Derecognition of intangible assets
An intangible asset is derecognised when it is disposed of or when no further economic benefit is expected from its use or sale. Gains or losses on derecognition are determined as the difference between the net proceeds of the sale and the carrying amount of the asset and recognised during the period that the asset is recognised.

Property, plant and equipment
Operating and office equipment is always carried at cost less accumulated scheduled depreciation and accumulated impairment.

Equipment is depreciated over the estimated expected economic life using the straight-line method in line with the expected pattern of use:

IT equipment	2 - 7 years
Vehicles	5 - 6 years
Sonstige Betriebs- und Geschäftsausstattung	4 - 23 years
Leasehold improvements	4 years, or not exceeding the remaining term of the lease at the date installed

When property, plant and equipment is sold or scrapped, the acquisition cost of the respective item and the accumulated depreciation are derecognised. Any gain or loss on disposal is reported in the consolidated income statement.

The residual values, useful lives and depreciation methods are reviewed at the end of each financial year and prospectively adjusted as necessary.

Inventories
The production costs include direct costs and reasonable overheads. Inventories are measured at the lower value of cost or production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of non-financial assets other than goodwill
On each reporting date, the Group assesses whether there are indications that an asset may be impaired. If such indications exist or an annual impairment test is required for an asset, the Group estimates the recoverable amount of the respective asset. An asset's recoverable amount is the higher of an asset or cash-generating unit's fair value less costs to sell and its value in use. When calculating the value in use, the estimated future cash flows are discounted to their present value at a pre-tax rate that reflects current market expectations of the interest effect and the specific risks of the asset.

For assets that generate no cash flows and that are largely independent of those of other assets or groups of other assets, the recoverable amount for the cash-generating unit to which the asset is allocated is determined.

If the carrying amount of an asset exceeds the recoverable amount, it is reduced to the recoverable amount through profit or loss.

For assessments of impairment, P&I uses detailed budget and forecast calculations, which are created separately for each of the cash-generating units.

Financial instruments
A financial instrument is a contract recorded as a financial asset by one and a financial liability or equity instrument by the other company.

Financial assets - Initial recognition and measurement
When a financial asset is recognised for the first time, it is measured classified either at amortised cost, outside profit or loss at fair value as other income or at fair value through profit or loss for the subsequent measurement.

Financial assets are classified on initial recognition in line with the characteristics of the contractual cash flows of the financial assets and P&I's business model for controlling its financial assets.

Trade receivables that do not contain a significant financing component or for which P&I applied the practical expedient are measured at the transaction price established in accordance with IFRS 15.

In order to be able to classify and measure a financial asset at amortised cost or outside of profit or loss at fair value under other income, the cash flows are required to originate solely from principal and interest payments on the outstanding principal amount. This assessment is referred to as a SPPI test (solely payment of principal and interest) and performed at the level of the individual financial instrument.

Financial assets - Subsequent measurement
Financial assets are divided into four categories for subsequent measurement:

- Financial assets measured at amortised cost (debt instruments)
- Financial assets measured at fair value outside of profit or loss under other income with reclassification of accumulated profit and loss (debt instruments)
- Financial assets measured at fair value outside of profit or loss under other income without reclassification of accumulated profit and loss on derecognition (equity instruments) and
- Financial assets measured at fair value through profit or loss.

Financial assets – Financial assets measured at amortised cost
P&I measures financial assets at amortised cost if one of the following two conditions are met:

- The financial asset is held within the context of a business model aimed at holding financial assets for the purpose of collecting the contractual cash flows and
- The contractual terms for the financial assets generate cash flows at defined periods that only represent principal and interest payments on the outstanding principal amount.

In subsequent periods, financial assets carried at amortised cost are measured using the effective interest method and are checked for impairment. Profits and losses are measured as affecting income when the asset is derecognised, modified or impaired.

Financial assets measured at amortised cost include non-current financial assets and trade receivables.

Financial assets - Financial assets measured at fair value outside of profit or loss under other income (debt instruments)
P&I measures debt instruments at fair value outside of profit or loss under other income when the following conditions are met:

- The financial asset is held within the context of a business model aimed at holding financial assets for the purpose of collecting the contractual cash flows as well as the sale of financial assets, and
- the contractual terms for the financial assets generate cash flows at defined periods that only represent principal and interest payments on the outstanding principal amount.

In the case of debt instruments measured at fair value outside of profit or loss under other income, interest income, revaluations of currency translation gains and losses as well as impairment expenses or value recoveries are recognised in the income statement and measured in the same way as financial assets measured at amortised cost. All other changes to the fair vale are recognised under other income. On derecognition, the accumulated gains or loses recognised under other income arising from a change in the fair value are reclassified in the income statement.

Financial assets - Financial assets measured at fair value outside of profit or loss under other income (equity instruments)
On initial recognition, equity instruments can irrevocably be classified outside profit or loss at fair value under equity instruments measured under other income if they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation and are not being held for trading purposes. The classification has to be made for each individual instrument.

Profits and losses from these financial assets are never reclassified in the income statement. Dividends are recognised in the income statement as other income if there is a legal entitlement to payment, unless the dividends are used to recover part of the acquisition costs of the financial asset. In this case, the profits are recognised under other income. Equity instruments measured outside profit or loss at fair value under other income are not checked for impairment.

Financial assets - Financial assets measured at fair value through profit or loss
The group of financial assets measured at fair value through profit or loss is made up of the financial assets held for trading purposes, financial assets that are measured at fair value through profit or loss on initial recognition, as well as derivatives, provided they have not been designated for use as security instruments. Financial assets are classified as being held for trading purposes if they are acquired in order to sell or repurchase them in the near future. Financial assets with cash flows that do not just represent principal and interest payments are classified at

fair value through profit or loss irrespective of the business model and measured accordingly. Irrespective of the above criteria for classifying debt instruments in the categories "measured at amortised cost" or "measured outside profit or loss at fair value under other income", debt instruments can also be measured classified at fair value through profit or loss on first recognition if doing so will eliminate or significantly reduce an accounting mismatch.

Financial assets measured at fair value through profit or loss are recognised at fair value on the balance sheet, with respect to which the changes to the fair value are netted in the income statement.

Financial assets - Derecognition
A financial asset is derecognised when one of the following conditions is being met:

- The contractual rights to cash flows from the financial asset have expired.

- P&I has transferred its contractual rights to cash flows from the financial asset to third parties or entered into a contractual obligation to immediately pay the cash flow to a third party within the context of a pass-through arrangement and, in doing so, has either (a) essentially transferred all of the benefits and risks associated with the ownership of the financial asset, or (b) neither essentially transferred or retained all of the benefits and risks associated with the ownership of the financial asset, but transferred the authority to dispose of the financial asset.

If the contractual rights to the cash flows from a financial asset have been transferred or are subject to a pass-through arrangement, it must be assessed whether and to what extent the benefits and risks associated with the ownership of the asset have remained with P&I. If P&I has essentially neither transferred nor retained all of the benefits and risks associated with the ownership of this financial asset, or transferred the power to dispose of the financial asset, P&I continues to recognise the transferred financial asset within the scope of its continuing engagement. In this case, any associated obligations are also recognised. The transferred financial asset and the associated obligation are measured in such a way that the rights and obligations that have remained with P&I are taken fully into account.

If the continuing engagement formally guarantees the transferred financial asset, the scope of the continuing engagement correspond to the lower amount from the original carrying amount of the financial asset and the highest amount of the consideration received and which may have to be paid back.

Financial assets - Impairment of financial assets
P&I adjusts the value of all debt instruments that are measured at fair value outside profit or loss with respect to expected credit losses. Expected credit losses are based on the difference between the contractual cash flows that are payable in accordance with the contract and the total cash flows that the Company expects to receive, less an approximated value of the original effective interest rate. The expected cash flows include the cash flows from the sale of the securities held or other credit protection that form an essential part of the conditions of contract.

Expected credit losses are recognised in two steps. For financial instruments whose risk of default has not significantly increased since first recognition, a risk provision to the amount of the expected credit loss that is based on a loss event within the next twelve months is recognised. For financial instruments whose risk of default has significantly increased since first recognition, a risk provision to the amount of the expected credit loss over the remaining term, irrespective of the timing of the loss event, is recognised.

In the case of trade receivables and contract assets, P&I uses a simplified method for calculating the expected credit losses. P&I regularly checks financial assets for potential losses and reviews all financial assets on a quarterly basis. These checks and reviews always involve checking each individual asset. One of the indicators for a potential credit loss are outstanding payments that are more than 90 days overdue. In certain cases, a financial asset may also be expected to be subject to credit loss if internal or external information indicate that it is unlikely that P&I will receive the full amounts of the outstanding contractual amounts. A financial asset is written off if there is no reason to expect that the contractual cash flows will materialise.

Financial liabilities - Initial recognition and measurement
On initial recognition, financial liabilities are classified as financial liabilities that are measured at fair value through profit or loss, as loans, as liabilities or as derivatives that have been designated for use as security instruments and are effective as such.

All financial liabilities are measured at fair value less the directly attributable transaction costs on first recognition.

The Group's financial liabilities comprise trade payables and other liabilities.

The subsequent measurement of financial liabilities depends on their classification, which is as follows:

Financial liabilities - Financial liabilities measured at fair value through profit or loss
Financial liabilities measured at fair value through profit or loss principally comprise the financial liabilities held for trading purposes and other financial liabilities that are measured at fair value through profit or loss on initial recognition.

Profit or loss from financial liabilities held for trading purposes are recognised through profit or loss.

Financial liabilities are classified as financial liabilities measured at fair value through profit or loss on their initial recognition if the criteria set out under IFRS 9 are being met.

Financial liabilities – Loans
After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest method. Profit and loss is recognised through profit or loss if the liabilities are derecognised and, in the context of amortisation, using the effective interest method.

Amortised costs are measured taking into account a premium or discount at acquisition as well as fees or costs that represent an integral part of the effective interest rate. The income statement recognises amortisation by means of the effective interest rate method as part of the financial expenses.

Financial liabilities – Derecognition
A financial liability is derecognised when the obligation underlying it has been fulfilled, cancelled or expired. If an existing financial liability is replaced with another financial liability from the same lender with substantially different terms or if the terms of an existing liability undergo a material change, such replacements or such changes are treated as a derecognition of the original liability. The differences between the relevant carrying amounts are recognised through profit or loss.

Financial liabilities – Balancing of financial instruments
Financial assets and liabilities are balanced and the net amount reported in the consolidated statement if, at the time, there is a legal entitlement to offset the recognised amounts against each other and it is intended to balance them on a net basis or to resolve the associated liability at the same time as the relevant asset is being realised.

Cash and cash equivalents
Cash and short-term cash investments in the statement of financial position include cash in hand, cheques, bank balances and fixed-term deposits with a term of less than three months from the date of acquisition.

Provisions
A provision is recognised when the Group has a current (legal or constructive) obligation due to a past event, if the outflow of resources with economic benefit to meet the obligation is likely, and it is possible to reliably estimate the amount of the obligation. If the Group expects at least partial reimbursement of a provision carried as a liability (e.g. in the case of an insurance contract), the reimbursement is recognised as a separate asset only if the reimbursement is as good as guaranteed.

The expense for forming the provision is reported in the income statement. If the effect of the interest effect is material, provisions are determined by discounting the expected future cash flows at an interest rate before tax that reflects current market assessments respecting the interest effect and the risks specific to the liability, where applicable. In the event of discounting, the increase in provisions due to the passage of time is recognised as interest expense.

Partial retirement agreements
Semi-retirement agreements are recognised as other long-term benefits to employees at the present value of the obligation as of the reporting date. The semi-retirement credits earned are protected from insolvency by pledging securities to the beneficiaries. The fair value of these securities is netted against the corresponding obligation.

Leases

A lease is a contractual arrangement in which the lessor grants the lessee the right to use a specific assets for a set period of time and in return for a payment. A lease is only effective if the lessee has control over the asset's right-of-use. The lessee only has control if he is entitled to exploit all of the economic benefits associated with the use of a specific asset and to decide over the asset's use.

The P&I Group only acts as a lessee in the context of operating leases.

All leases are recognised as rights-of-use and as a lease liability at the present value of the future lease payments on the balance sheet on the date the right-of-use commences. Short-term and low-value lease assets are subject to simplified requirements.

Lease liabilities are recognised at the present value of the future lease payments over the reasonably certain period of use. Lease payments include all fixed and virtually fixed payments, less future incentive payments made by the lessor. In addition to the above, the Group also recognises variable payments that are coupled to a rate or index, anticipated payments from residual value guarantees, and purchase and termination option payments, if the Group is reasonably certain to exercise those options. The lease liability is discounted using the interest rate implicit in the lease or, if this isn't known, the lessee's incremental borrowing rate. All other variable payments are recognised as expenses. Lease liabilities are measured and adjusted using the effective interest method.

The right-of-use asset is always measured at cost, which comprises the cost of the lease liability at the acquisition date. These costs have to be adjusted for any payments made for taking out the lease contract, for the installation of the leased asset and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. These costs are furthermore adjusted for any incentives already paid by the lessor. The right-of-use asset is subsequently depreciated over the lease term on a straight line basis and, where relevant, adjusted in line with any unscheduled depreciation. If ownership of the leased asset passes to the lessee at the end of the lease or if there is reasonable certainty the option to purchase or sell the leased asset will be exercised, the right-of-use asset is depreciated over the useful economic life of the underlying asset.

The lease term is defined as the reasonably certain period over which the asset will be leased. The lease term also includes the non-cancellable period of the lease term plus any renewal options and notice periods which are reasonably certain to be exercised. This assessment is reviewed in the event of events outside the lessee's control or of material changes in circumstances that necessitate a change to the lease term. The lease term is adjusted if a renewal option is exercised or a termination option is not exercised and if they have not been included in the original assessment. An adjustment of the lease term will result in a change in the future lease liability and hence to a revaluation of the lease liability at the current interest rate. The resulting difference is recognised outside profit or loss in right-of-use. Write-off amounts that exceeded the carrying amount of the right-of-use are recognised as expenses through profit or loss.

Changes to a contract that increase the scope of a lease without leading to a separate lease contract are recognised outside profit or loss in the carrying amount of the right-of-use and the lease liability of the existing lease. If a change to a contract reduces the scope of the lease contract, both the right-of-use and the lease liability have to be revalued. The percentage profits or losses resulting from this revaluation are recorded outside profit or loss. The modified amounts are measured at the time of the change using the new interest rate applicable at that time.

Income taxes

Income and profit taxes include the taxes owed by P&I AG and the consolidated subsidiaries, as well as deferred taxes.

As a subsidiary company that is part of a corporate and trade tax group, P&I AG does not report any income tax and deferred taxes.

At Group companies outside the tax unity, current tax expenses are calculated on the basis of taxable income. This is based on the tax rates and tax laws valid as of the reporting date in the countries in which the Group operates. Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity in the same period or a different period.

Deferred taxes are calculated using the temporary difference approach. Deferred income taxes reflect the net tax expense/income from temporary differences between the carrying amount of an asset or liability in the IFRS statement of financial position and its tax base.

Deferred tax liabilities - with the exception of those of P&I AG - are recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable income will be available against which the temporary difference can be utilised. No deferred taxes are recognised for temporary differences if they relate to the initial recognition of goodwill or the initial recognition of an asset or liability from a transaction other than a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction.

No deferred tax liabilities arise if undistributed profits of foreign holdings are to remain invested in this company for an indefinite period.

The company reassesses unrecognised deferred tax assets and the carrying amount of deferred tax assets at each reporting date. The company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Conversely, it reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the differences are reduced because the asset is realised or the liability is settled.

Currency translation

The consolidated financial statements were prepared in euro. Each company within the Group determines its own functional currency. The items included in the financial statements of each company are measured using this functional currency. Transactions in a foreign currency are initially translated at the spot exchange rate , between the functional currency and the foreign currency on the day of the transaction. Foreign-currency monetary assets and liabilities are translated into the functional currency at the closing rate on the reporting date. All exchange differences are recognised in net profit or loss for the period. One exception is exchange differences arising from foreign currency borrowings used to hedge a net investment in a foreign operation. They are recognised directly in equity until the net investment is sold, and are not recognised in net profit or loss for the period until disposal. Taxes resulting from these exchange differences are also recognised in equity. Non-monetary items that are measured at historical or production cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

The functional currency of the subsidiaries in Switzerland is the Swiss franc. At the reporting date, the assets and liabilities of the Swiss subsidiaries are translated into the Group's presentation currency at the closing rate. Income and expenses are translated at the average rate for the period. The exchange differences arising from currency translation are recognised in equity outside profit or loss in other comprehensive income. The closing rate as of 31 March 2023 for Switzerland was CHF/EUR 0.9968 (previous year: CHF/EUR 1.0267). The average exchange rate for Switzerland for the 2022/2023 financial year was CHF/EUR 0.9941 (previous year: CHF/EUR 1.0680).

Profit transfer

There is a Control and Profit Transfer Agreement between P&I AG and Athena BidCo GmbH. This agreement entitles Athena BidCo GmbH to issue instructions. P&I AG's accounting profit after taxes under German commercial law must be transferred to Athena BidCo GmbH. In turn, Athena BidCo GmbH is obliged to compensate any possible loss.

In the consolidated financial statements, the profit transfer is reported as an appropriation of earnings (see consolidated statement of changes in equity).

Statement of cash flows

The statement of cash flows shows how the P&I Group's cash position has changed during the course of the financial year in terms of cash inflows and outflows. When subsidiaries are consolidated for the first time, only the actual cash flows are reported in the statement of cash flows. The cash inflow/outflow from the purchase or sale of companies, i.e. the purchase price less/plus the funds acquired/disposed of with the company, is recognised as net cash inflow/outflow from investing activities. In accordance with IAS 7, a distinction is made between cash flows from operating activities, from investments and from financing.

2.1. Management's use of judgement and key sources of estimation uncertainty

The preparation of the consolidated financial statements in accordance with IFRS sometimes requires the Management Board to make estimates or judgements that can affect the recognition of assets and financial liabilities as of the reporting date and income and expenses for the reporting period. The actual amounts or developments may deviate from these estimates and assumptions.

Among other things, significant estimates are required for judgements for estimates of the useful lives of fixed assets (notes 8 and 9) and the assessment of the recoverability of trade receivables (note 16), capitalised contract costs (note 13), contract balances (notes 14, 22), deferred taxes (note 12) and provisions (note 27). The recognition of lease right-of-use assets and lease liabilities (note 10) also involves discretionary decisions regarding e.g. contract terms and renewals and the determination of interest rates. Assumptions, risks and uncertainties associated with the percentage of completion method for revenue recognition also affect the amount of revenue reported and its distribution over time (note 3).

The estimates of services yet to be rendered can also be influenced by numerous internal and external factors. Accordingly, the estimates and underlying assumptions are regularly reviewed. Changes are accounted for in the affected periods.

At each reporting date, the Group determines whether there are indications of impairment of non-financial assets. Goodwill is tested for impairment at least once a year as well as when indications of impairment arise. Other non-financial assets are tested for impairment if there are indications that the carrying amount may be greater than the recoverable amount.

For further details, please refer to the relevant information in note 8.

3. Revenue

Revenue broken down by activity developed as follows:

	2022/2023 kEUR	2021/2022 kEUR
P&I LogaHR	109,289	70,266
Other Software as a Service (SaaS)	13,431	13,453
Service Agreements / Application Services Providing (ASP)	9,637	10,915
Software as a Service	132,357	94,634
Maintenance	35,490	42,658
Recurring services	**167,847**	**137,292**
Licenses	2,030	6,491
Consulting (non-recurring business)	31,252	23,770
Other	8,894	4,850
Non-recurring services	**42,176**	**35,111**
Total	**210,023**	**172,403**

Broken down at regional level, the revenue contributions from the different countries were as follows:

	2022/2023 kEUR	2021/2022 kEUR
Germany	171,045	144,413
Switzerland	20,781	17,764
Austria	18,147	10,168
Other international	50	58
Total revenue	**210,023**	**172,403**

The P&I Group reports recurring services in a separate revenue category, which comprises income from P&I LogaHR, other Software as a Service (SaaS) income, recurring services from service contracts and maintenance income. The services arise from open-ended contracts with customers or customer contracts with terms of up to ten years.

One-off services also include time-related revenue from project business, which is reported using the percentage of completion method. The revenue generated within the consulting category amounted to kEUR 2,215 (previous year: kEUR 1,745 TEUR thousand) and the revenue generated within the licences category to kEUR 0 (previous year: kEUR 674). The accumulated costs of the current financial year from projects not yet completed as of the reporting date amounted to kEUR 1,380 (previous year: kEUR 1,892 thousand), while the accumulated recognised profits amounted to kEUR 836 (previous year: kEUR 527).

In the 2022/2023 financial year, the majority of revenue was again generated in Germany in the amount of kEUR 171,045 (previous year: kEUR 144,413). The revenue generated in the other countries amounted to kEUR 38,978 (previous year: kEUR 27,990).

No customer accounted for more than 10 % of the Group's revenue during the 2022/2023 and 2021/2022 financial years.

Information on outstanding performance obligations
The total amount of the transaction cost allocated to performance obligations not yet discharged or not discharged in full at the end of the 2022/2023 financial year amounts to about EUR 595.6 million (previous year: EUR 488.1 million). This corresponds to the revenue from customer contracts that have not yet been realised. This primarily includes the obligations from recurring- since these customer contracts generally have a term of several years. Approximately 33 % of this amount (previous year: 37 %) is anticipated to be realised as revenue in the 2023/2024 financial year.

4. Other income statement disclosures Cost of sales

The costs of sales incurred as part of providing the services provided to generate revenue include expenses for the consulting category (primarily for personnel, services purchased from partners and materials) and the cost of goods purchased in the time management hardware, merchandise and other costs of sales categories.

The cost of sales developed as follows:

	2022/2023 kEUR	2021/2022 kEUR
Costs of consulting and SaaS services rendered	48,531	39,234
Cost of goods purchased for time-management hardware, merchandise and other costs of sales	7,817	4,754
Total	**56,348**	**43,988**

Research and development costs
Significant expenses are incurred regularly for research and development projects carried out in the expectation of future revenue. Research and development expenses are charged to the income statement as the work is performed. In the financial year under review, expenses of kEUR 5,277 (previous year: kEUR 4,681) were incurred for the maintenance and further development of the 13 international country versions of P&I LOGA / P&I LOGA3 as well as the computerisation and further product development of LogaHR.

Selling costs
Selling costs include expenses for personnel and partner commissions, advertising expenses and expenses for trade fairs and conferences. For the 2022/2023 financial year, expenses for advertising, trade fairs and conferences in the Group amounted to kEUR 783 (previous year: kEUR 557).

Administrative costs
In addition to the costs for administrative staff, administrative costs include a portion of the personnel costs for the Management Board. Expenses for legal and tax consulting and auditing are also classified as administrative costs.

Amortisation and impairment of customer base and goodwill
The scheduled amortisation of the customer base amounted to kEUR 1,698 (previous year: kEUR 1,887). The amortisations of the additions arising from the acquisition of the VRZ Group in the previous year are more than offset by the fact that the amortisations of the Mirus customer base are coming to an end because it reached the end of its useful life at the end of the previous year. At the P&I Group, the impairment tests conducted at the end of the financial year did not indicate any potential customer base impairments (previous year: kEUR 0). The impairment test furthermore did not indicate any impairment of goodwill (previous year: kEUR 0).

Other operating income / expenses
Other operating income amounted to kEUR 1,489 (previous year: kEUR 1,601) and primarily includes the reversal of provisions recognised in previous years.

Other operating expenses amounted to kEUR 823 (previous year: kEUR 671) and primarily comprise specific valuation allowances on receivables, ongoing expenses for the Supervisory Board and non-operating non-recurring expenses.

5. Additional notes on the income statement according to the cost of sales method Cost of

materials
The cost of materials amounted to kEUR 9,261 in the financial year (previous year: kEUR 7,003). This included the cost of purchased services of EUR 1,444 thousand (previous year: kEUR 2,249) and of the material required for time management hardware.

Personnel expenses
At kEUR 66,845 thousand, personnel costs were up on the previous year (kEUR 62,418). The number of employees including the Management Board – measured as an average for the year as a whole – was 538 (previous year: 543).

	2022/2023 kEUR	2021/2022 kEUR
Salaries and wages	59,668	55,670
Social security contributions and pension expense	7,177	6,748
Total personnel expenses	**-66,845**	**62,418**

The average annual number of employees employed in Germany, including the Management Board, was 252. A total of 286 employees were employed in other countries, with the development centre in Ioannina (Greece) most strongly represented with 147 employees, followed by the two Slovakia development centres with 37 employees.

Most of our employees were employed in the personnel-intensive areas of research and development at 224 employees, and in consulting at 217 employees. Sales and marketing had 48 employees, while 49 employees worked in the P&I Group's administrative units.

The amount expensed for defined contribution plans in the 2022/2023 financial year was kEUR 1,775 (previous year: kEUR 1,768), of which kEUR 1,556 (previous year: kEUR 1,573) went to state pension schemes.

Depreciation, amortisation and impairments
The scheduled amortisation of intangible assets, property, plant and equipment and lease right-of-use assets, amounted to kEUR 12,168 (previous year: kEUR 11,409). The scheduled amortisations of the lease rights-of-use that have been capitalised on the basis of IFRS 16 amount to kEUR 3,457 (previous year: kEUR 3,369).

Due to the cost of sales method, depreciation and amortisation of equipment and other intangible assets of EUR 10,470 thousand (previous year: kEUR 9,522) are broken down in the income statement into the cost of sales, research and development costs, selling costs and administrative costs.

6. Financial results

Financial income

This item is comprised as follows:

	2022/2023 kEUR	2021/2022 kEUR
Commissions for guarantees	4,816	4,816
Interest income from loans granted	3,801	2,033
Other	85	61
Financial income	**8,702**	**6,910**

Financial expenses

This item is comprised as follows:

	2022/2023 kEUR	2021/2022 kEUR
Interest expenses for leases	477	507
Other	36	58
Financial expenses	**513**	**565**

7. Tax expenses

Taxes both paid and owed on income and deferred taxes are reported as income taxes.

	2022/2023 kEUR	2021/2022 kEUR
Deferred tax income/expense		
International	-132	-190
	-132	**-190**
Current tax expenses		
Germany	0	49
International	2,001	1,357
	2,001	**1,406**
Total	**1,869**	**1,216**

P&I AG has not reported any income tax and deferred taxes from temporary differences between its IFRS and tax balance due to its corporate- and trade-tax consolidation agreement with Athena BidCo GmbH.

The combined tax rate for Germany is 31.71 % (previous year: 31.73 %). The tax rate used for Austria was 25 % (previous year: 25 %), for the Netherlands 20 % (previous year: 20 %), for Switzerland 20 % (previous year: 20 %), for Slovakia 19 % (previous year: 19 %) and for Greece 24 % (previous year: 24 %).

The following table contains a reconciliation between the tax expense calculated by applying the combined tax rates for Germany, and the tax expenses reported in the subsidiaries' present single-entity financial statements:

	2022/2023 kEUR	2021/2022 kEUR
Calculated tax	36,823	28,034
Income tax effects of the PLTA	-33,652	-26,507
Effects of foreign tax rates	-1,302	-311
Income taxes	**1,869**	**1,216**

8. Goodwill, customer bases and other intangible assets

Goodwill

Goodwill breaks down as follows:

	31 March 2023 kEUR	31 March 2022 kEUR
COMPU-ORGA	3,291	3,291
P&I Service GmbH	2,448	2,448
SOLITON	1,969	1,969
KSL	945	945
UBM-Drecker	229	229
Germany total	**8,882**	**8,882**
Soreco	6,375	6,183
Mirus Software	3,477	3,373
PerSal	1,153	1,119
Switzerland total	**11,005**	**10,675**
VRZ	7,467	7,467
Austria total	**7,467**	**7,467**
Goodwill	**27,354**	**27,024**

The change of kEUR 330 in the year under review is the result of exchange rate effects.

For the purposes of impairment testing based on the value in use, goodwill was allocated to the cash-generating units of Germany, Austria and Switzerland, as the synergies are enjoyed by the P&I Group at country level.

For the purpose of this impairment test, the business segments in Germany, Austria and Switzerland were defined as the cash-generating units. Due to the acquisition of the VRZ Group in the 2021/2022 financial year, the Austrian segment comprises the company P&I Personal & Informatik GmbH, Vienna, and the four VRZ Group companies. P&I's Swiss business segment comprises P&I Personal & Informatik AG, Thalwil, and Mirus Software AG, as these companies operate in the same currency area and market segment. Soreco HR AG and PerSal AG were merged into P&I AG, Thalwil, with effect from 1 April 2019.

The cash flows include the operating pre-tax cash flows from the forecasts for the segments compiled by the Management Board. These forecasts are based on the assumption that the economy as a whole, the software industry and existing and new customer business will develop in a certain way. These assumptions are based on past experience as well as external sources of information. The forecasts cover a period of 17 years. These projected future cash flows are discounted to their present value at discount rates. The discount rates are established on the basis of the weighted average cost of capital (WACC).

After-tax discount rates:

	31 March 2023 kEUR	31 March 2022 kEUR
Germany	14.3 %	11.7 %
Austria	14.0 %	11.7 %
Switzerland	10.2 %	10.4 %

A sensitivity analysis was carried out for the goodwill described above at the same time as the impairment test performed on the reporting date. This showed that neither an increase in the discount interest rate of 100 or 200 basis points nor a reduction in the expected cash flows of 10 % would result in the need to recognise impairment losses. The impairment tests conducted as of 31 March 2023 confirmed the recoverability of the existing goodwill from the acquisition of the subsidiaries.

Customer base

The customer base breaks down as follows:

	31 March 2023 kEUR	31 March 2022 kEUR
P&I Service GmbH **)	2,558	2,735
UBM-Drecker *)	1,997	2,304
COMPU-ORGA **)	934	1,001
SOLITON **)	726	778
Germany total	**6,215**	**6,818**
VRZ Group HR customer base**)	2,304	2,450
VRZ Group DC customer base*)	824	918
Austria total	**3,128**	**3,368**
Soreco *)	1,453	2,061
PerSal *)	966	1,107
Switzerland total	**2,419**	**3,168**
Customer base	**11,762**	**13,354**

*) Useful life 10 years
**) Useful life 17 years

The individual customer bases from acquisitions prior to the 2020/2021 financial year are respectively depreciated as scheduled over their useful lives of ten years. Customer bases from acquisitions from the 2020/2021 onwards are depreciated over a useful life of 17 years, with the exception of the VRZ Group's DC customer base. The reason for this difference is the change in business model. In the year under review, depreciation amounted to kEUR 1,698 (previous year: kEUR 1,887). At the P&I Group, the impairment tests conducted at the end of the financial year did not indicate any potential customer base impairments.

Other intangible assets

On 31 March 2023, other intangible assets primarily comprise the software acquired as part of the acquisition of UBM-Drecker (kEUR 1,014). The software of PerSal AG acquired as part of the acquisition of PerSal AG was fully value-adjusted and derecognised in the previous financial year. The scheduled depreciation of the other intangible assets amount to kEUR 1,092 (previous year: kEUR 1,286).

9. Property, plant and equipment

The development of property, plant and equipment without consideration of the right of use under IFRS (see next note for more information) is shown at the end of this appendix. In the financial year, depreciation expense amounted to kEUR 5,921 (previous year: kEUR 4,867) and was only attributable to scheduled depreciations.

10. Leasingverhältnisse

Leases are being reported as follows on the balance sheet as of 31 March 2023 and the income statement for the 2022/2023 financial year:

	31 March 2023 kEUR	31 March 2022 kEUR
Offices	10,795	12,262
Operating and office equipment, vehicle fleet	1,802	2,107
Right-of-use assets IFRS 16	**12,597**	**14,369**

	31 March 2023 kEUR	31 March 2022 kEUR
Non-current lease liabilities	10,675	11,884
Current lease liabilities (Reported under other current liabilities)	2,822	3,297
Lease liabilities	**13,497**	**15,181**

Expenses for leases recognised under operating earnings:

	2022/2023 kEUR	2021/2022 kEUR
Depreciation of right-of-use assets		
Offices	2,103	2,074
Operating and office equipment, vehicle fleet	1,354	1,295
Depreciation of right-of-use assets	**3,457**	**3,369**

Expenses for leases recognised under financial results:

	2022/2023 kEUR	2021/2022 kEUR
Interest expenses for lease liabilities	**477**	**507**

11. Non-current financial assets

Non-current financial assets primarily comprise a loan extended to Athena BidCo GmbH. The loan is allocated to non-current financial assets on account of its term and has a fixed interest rate. As of 31 March2022, the loan including accrued interest amounted to kEUR 97.110. In the 2022/2023 financial year, this loan was set off against the liability from the profit transfer agreement (kEUR 73,921). In the 2022/2023 financial year, new loan tranches in the amount of kEUR 63,580 were granted on instruction of Athena BidCo GmbH. As of 31 March 2023, the loan granted amounts to kEUR 90,570 (previous year: kEUR 97,110). The interest accrued up until 31 March 2023 amounted to kEUR 26,366 (previous year: kEUR 22,565) and is reported together with the loan. The loan including accrued interest has to be paid back at the latest by 31 December 2027.

12. Deferred taxes

Deferred taxes are calculated according to the liability method, taking into account temporary differences. The tax rate used for Germany was 31.71 % (previous year: 31.73 %), for Austria 25 % (previous year: 20 %), for Switzer-land 20 % (previous year: 20 %), for the Netherlands 20 % (previous year: 20 %), for Greece 24% (previous year: 24 %) and for Slovakia 19 % (previous year: 19 %). No other tax rates were applied.

The deferred tax assets and liabilities are composed as follows:

2022/2023	Opening balance 01.04.2022	Disposals/ acquisitions	Recognised at fair value through profit or loss	Recognised outside profit or loss in other income	Reclassification of amounts to profit or loss	Closing balance 31.03.2023
Temporary differences						
Liabilities	160	0	6	0	0	166
Contract assets	28	0	21	0	0	49
Lease right-of-use	4	0	6	0	0	10
Deferred tax assets	**192**	**0**	**33**	**0**	**0**	**225**
Customer base	1,476	0	-210	0	0	1,266
Other	181	0	112	0	0	293
Deferred tax liabilities	**1,657**	**0**	**-98**	**0**	**0**	**1,559**
Deferred tax liabilities	**-1,465**	**0**	**0**	**0**	**0**	**-1,334**

2021/2022	Opening balance 01.04.2021	Disposals/ acquisitions	Recognised at fair value through profit or loss	Recognised outside profit or loss in other income	Reclassification of amounts to profit or loss	Closing balance 31.03.2022
Temporary differences						
Liabilities	120	0	40	0	0	160
Contract assets	0	0	28	0	0	28
Lease right-of-use	2	0	2	0	0	4
Software	21	0	-21	0	0	0
Deferred tax assets	**143**	**0**	**49**	**0**	**0**	**192**
Customer base	822	857	-203	0	0	1,476
Other	119	0	62	0	0	181
Deferred tax liabilities	**941**	**857**	**-141**	**0**	**0**	**1,657**
Deferred tax (net)	**-798**	**0**	**0**	**0**	**0**	**-1,465**

There are temporary differences from shareholdings in subsidiaries amounting to kEUR 867 (previous year: kEUR 692) for which no deferred tax liabilities were recognised.

13. Capitalised contract costs (IFRS 15)

	31 March 2023		31 March 2022	
	Non-current kEUR	Current kEUR	Non-current kEUR	Current kEUR
Contract acquisition costs	3,499	2,408	1,701	1,043
Contract performance costs	152	185	294	223
Capitalised contract costs	**3,651**	**2,593**	**1,995**	**1,266**

The expenses for the amortisation of the contract acquisition costs and contract performance costs amount to kEUR 1,035 (previous year: kEUR 861) i.e. kEUR 222 thousand (previous year: kEUR 209).

14. Vertragsvermögenswerte (IFRS 15)

	31 March 2023 TEUR	31 March 2022 TEUR
Non-current contract assets	24,889	17,390
Current contract assets	6,813	2,457
Contract assets	**31,702**	**19,847**

The increase in the 2022/2023 financial year is due to the fulfilment of performance obligations from contracts with recurring services that are spread over the term of the contract.

Current contract assets comprise receivables from the application of the percentage of completion method in the amount of kEUR 1,632 (previous year: kEUR 2,446). These receivables are receivables from contracts with customers in which revenue is recognised depending on the percentage of services already provided by the P&I companies. Of these PoC receivables, advance payments received amounting to kEUR 2,269 (previous year: kEUR 22,331) have already been deducted. Revenue from PoCM in the financial year amounted to kEUR 2,215 (previous year: kEUR 2,217). In the financial year, PoC receivables in the amount of kEUR 33 (previous year: kEUR 8) were value-adjusted.

15. Inventories

Inventories primarily include hardware and spare parts from the time management segment.

16. Trade receivables

Trade receivables are solely from third parties and are comprised as follows:

	31 March 2023 kEUR	31 March 2022 kEUR
Trade receivables	13,070	10,963
Value adjustments	-253	-386
Trade receivables	**12,817**	**10,577**

Trade receivables do not bear interest. The receivables have an average credit period of 10-20 days or are subject to individual contractual arrangements.

As of 31 March 2023, trade receivables were value-adjusted in the amount of kEUR 253 (previous year: kEUR 386). The impairments, in the form of individual value adjustments, were based on various issues, such as default, the threat of inability to pay, over-indebtedness, the initiation of insolvency proceedings and the accompanying expected default risks. In the context of impairment on a portfolio basis, financial assets for which it may be necessary to recognise impairment losses are grouped on the basis of similar default risks and collectively tested for impairment, with impairment losses recognised as necessary. For this purpose, past experiences of default are also utilised when calculating future cash inflows.

The value adjustment account developed as follows:

	Individual value adjustment kEUR	Portfolio-based value adjustment kEUR	Total kEUR
As of 31 March 2021	**265**	**210**	**475**
Addition	0	16	16
Utilisation	0	-1	-1
Reversal	-103	-1	-104
As of 31 March 2022	**162**	**224**	**386**
Addition	33	46	79
Utilisation	0	-50	-50
Reversal	-160	-2	-162
As of 31 March 2023	**35**	**218**	**253**

The age structure of the trade receivables was as follows:

	Overdue in days					
	> 91 kEUR	90 to 61 kEUR	60 to 31 kEUR	30 to 1 kEUR	Not overdue kEUR	Total kEUR
31 March 2023	394	250	535	2,282	9,609	13,070
31 March 2022	492	309	460	2,221	7,481	10,963

17. Other current assets

The other current assets comprise:

	31 March 2023 kEUR	31 March 2022 kEUR
Accruals and deferrals	2,504	1,985
Rental deposits	135	130
Other	151	97
Other current assets	**2,790**	**2,212**

18. Cash and cash equivalents

As of 31 March 2023, the fair value of cash and cash equivalents was kEUR 80,704 (previous year: kEUR 46,813).

Of that amount, kEUR 1,488 (previous year: kEUR 2,716) has been pledged as collateral security for sureties. The pledge agreement can be terminated at any time.

The Company has a **working capital credit facility** with Wiesbadener Volksbank eG with a total volume of kEUR 1,534 (previous year: kEUR 1,534) for current account utilisation. This facility has not been utilised in the financial year under review, nor the previous financial year.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility to the amount of kEUR 50,000. The capex facility was due to expire on 31 March 2023 and was not extended.

These additional credit lines can also be utilised by P&I AG and are made available for financing potential future acquisitions or for providing extra liquidity in case of need.

19. Issued capital and reserves

As of 31 March 2023, P&I AG's *issued capital* was kEUR 7,531 (previous year: kEUR 7,531) and was divided into 7,531,127 no-par-value bearer shares. Each share grants one vote and has a notional interest in the issued capital of EUR 1. The Annual General Meeting on 26 January 2017 resolved to reduce the share capital by withdrawing 168,873 no-par-value shares in a simplified withdrawal procedure according to Section 237 (3) no. 2, (4) and (5) of the German Stock Corporation Act (AktG). The separate 'treasury shares' item was set off against issued capital (kEUR 169) and retained earnings (kEUR 1,755) outside profit or loss at cost (kEUR 1,924).

As in the previous year, no subscription rights were issued in the 2022/2023 financial year and none are in circulation.

Retained earnings include the legal reserve of P&I AG in accordance with Art.150 AktG in the amount of kEUR 2 (previous year: kEUR 2).

20. Retained earnings

On the basis of the existing Control and Profit Transfer Agreement with Athena BidCo GmbH, P&I AG's accounting profit after taxes under German commercial law must be transferred to Athena BidCo GmbH. This has been reported as a liability from profit transfer.

21. Accumulated other comprehensive income

The change in accumulated other comprehensive income resulted from currency translation effects relating to the subsidiaries in Switzerland.

22. Contract liabilities

The contract liabilities accrued up until 31 March 2023 amount to kEUR 36,427 (previous year: kEUR 42,370) and comprise:

	31 March 2023 kEUR	31 March 2022 kEUR
Non-current contract liabilities	106	270
Current contract liabilities — deferred income	35,170	41,028
Current contract liabilities — other	1,151	1,072
Contract liabilities	**36,427**	**42,370**

The contract liabilities - accruals and deferrals - refer to the calendar year-based invoicing of recurring services and are comprised as follows:

	31 March 2023 kEUR	31 March 2022 kEUR
Deferred maintenance costs	15,453	21,189
Deferred P&I LogaAll-in	8,770	7,920
Deferred other Software as a Service (SaaS)	8,617	8,526
Deferred Service Agreements/Application Service Provision (ASP)	2,330	3,393
Contract liabilities – accruals and deferrals	**35,170**	**41,028**

Contract liabilities – accruals and deferrals, primarily comprise the annual bills invoiced and paid in advance at the start of the calendar year. These liabilities are treated as a deferred item and are resolved on a monthly basis in line with the recognition of the revenue.

The balance of the contract liabilities – accruals and deferrals, as at 31 March 2022 was fully realised through the associated revenue in the financial year under review. The contract liabilities created through the changeover to IFRS 15 in the 2022/2023 financial year led to the realisation of revenue to the amount of kEUR 100 (previous year: kEUR 100).

23. Non-current financial liabilities

This item comprises outstanding purchase price payments from the acquisition of the UBM Drecker and the VRZ Group. P&I expects that these payments will be fully paid on fulfilment of the conditions on 30 September 2024 or 31 December 2025.

24. Trade payables

Trade payables primarily relate to the purchase of materials for maintaining operating activities.

25. Liabilities towards affiliated companies

The liabilities are owed solely to P&I Athena BidCo GmbH and relate to the P&I AG profit transfer of kEUR 114,452 (previous year: kEUR 73,921) and liabilities to the amount of kEUR 1,517 (previous year: kEUR 696) from the corporate- and sales-tax consolidation agreement with Athena BidCo GmbH as the parent company.

26. Tax liabilities

The tax liabilities of kEUR 2,175 (previous year: kEUR 1,089) comprise the tax liabilities of the domestic and foreign subsidiaries as well as the corporation tax liabilities and the solidarity surcharge for the taxable income of the Company in accordance with Art. 15 of the Corporation Tax Act (KStG) of the 2014/2015 financial year of P&I AG in the amount of kEUR 14 (previous year: kEUR 14).

27. Provisions

Provisions developed as follows in 2022/2023 financial year:

	1 April 2022 kEUR	Addition kEUR	Utilisation kEUR	Reversal kEUR	Interest effects kEUR	31 March 2023 kEUR
Provisions for project risks	81	0	21	0	0	60
Provisions	**81**	**0**	**21**	**0**	**0**	**60**

Provisions include obligations for project risks from ongoing customer projects. The company monitors and evaluates risks from existing or new major projects and fixed-price projects on an ongoing basis. The implementation of P&I's software often involves the extensive use of customer resources and is subject to a large number of risks over which P&I often has no control. It is not always possible to rule out the possibility of lengthy installation processes or project costs that exceed the agreed fixed prices and that could result in claims for recourse or damage to the company's image. P&I is currently working on a number of major projects that are regularly reviewed.

28. Other current liabilities

Other current liabilities are comprised as follows:

	31 March 2023 kEUR	31 March 2022 kEUR
Premiums, salaries and variable compensation	30,153	23,376
Current lease liabilities	2,822	3,297
Wage/church tax and social security contributions	1,401	1,514
Holiday obligations	1,080	1,093
Value Added Tax	745	529
Other	1,187	1,585
Other current liabilities	**37,388**	**31,394**

29. Corporate bodies

The Management Board comprises a minimum of two members. The Supervisory Board decides the number of Management Board members (cf. Art. 6(2) of the articles of association last amended by the Annual General Meeting on 15 July 2020).

The members of the Management Board are:

Vasilios Triadis, Chairman of the Management Board and Chief Executive Officer, board member responsible for Strategy, Research and Development, Consulting and Human Resources.

Dr. Carlo Pohlhausen, Board Member and Head of Operations, M&A, Business Development, Finance, Legal and Administration.

Remco van Dijk, Board Member and Head of Sales.

Christian Rhein, Board Member and Head of Technology, Security and P&I HR Data Centre.

Sven Ekerdt, Board Member and Head of Applications.

On 6 February 2023, the Supervisory Board of P&I Personal & Informatik AG appointed Christian Rhein as a member of the Management Board by written circular, with effect from 1 April 2023 for a period of three years until 31 March 2026. Christian Rhein is Head of Technology, Security and P&I HR Data Centre.

On 6 February 2023, the Supervisory Board of P&I Personal & Informatik AG appointed Sven Ekerdt as a member of the Management Board by written circular, with effect from 1 April 2023 for a period of three years until 31 March 2026. Mr Ekerdt is Head of Applications.

The Management Board members Dr. Carlo Pohlhausen, Remco van Dijk, Sven Ekerdt and Christian Rhein are authorised to represent the Company together with one other member of the Management Board or an authorised signatory. The Chairman of the Management Board, Vasilios Triadis, is authorised to represent the Company on his own.

The Management Board member's remuneration is decided by the Supervisory Board and comprises fixed and variable components. In addition to a fixed monthly payment, the fixed component also comprises benefits in kind such as company cars and other monetary benefits in accordance with the tax regulations.

In accordance with Art. 95 AktG in conjunction with Art. 8 of the Articles of Association, the Company's Supervisory Board has to have five members.

The Supervisory Board of P&I AG was composed as follows over the period from 1 April 2022 to 31 December 2022:

Kamyar Niroumand, Chairman
Consultant

Justin von Simson, Deputy Chairman
Managing Partner, Hg Advisory GmbH & Co. KG

Stefan Dziarski
Partner at Permira Beteiligungsberatung GmbH

Fabian Heitfeld
Investment Adviser, Hg Advisory GmbH & Co. KG

Manuela Ursula Thomys
Investment Adviser, Hg Capital LLP

The Supervisory Board of P&I AG has been composed as follows as of 1 January 2023:

Justin von Simson, Chairman
Managing Partner, Hg Advisory GmbH & Co. KG

Fabian Heitfeld, Deputy Chairman
Investment Adviser, Hg Advisory GmbH & Co. KG

Stefan Dziarski
Partner at Permira Beteiligungsberatung GmbH

Manuela Ursula Thomys
Investment Adviser, Hg Capital LLP

The Chairman of the Supervisory Board receives a fixed remuneration of kEUR 200 for each full financial year in the office of Chairman. The Chairman of the Supervisory Board in office until 31 December 2022 (Mr. K. Niroumand) was remunerated on a pro rata basis. The Supervisory Board Chairman in office since 1 January 2023, Deputy Supervisory Board Chairman and the other members of the Supervisory Board do not receive any remuneration. The Company reimburses the members of the Supervisory Board for the expenses arising from the performance of their duties and for the value-added tax on their remuneration and expenses.

The total compensation paid to the Management Board in the 2022/2023 financial year amounts to kEUR 4,701 (previous year: kEUR 4,680) and the total compensation paid to the Supervisory Board amounts to kEUR 133 (previous year: kEUR 200).

The total remuneration paid to the members of the Management Board is shown in the table below:

	2022/2023 kEUR	2021/2022 kEUR
Non-performance-related remuneration		
Salary	2,010	2,010
Other *)	141	120
Performance-related remuneration		
Tantieme/bonus program	2,550	2,550
Total remuneration	**4,701**	**4,680**

*) Insurance contributions and cash benefits

30. Transactions with related parties and associated persons

Related parties are defined as all of the companies in which Hg and Permira Fonds' funds have invested in. The company has been conducting business with the following related parties or persons in the 2022/2023 financial year:

- Athena Holdco S.à r.l., Luxembourg, as the ultimate parent company of the Group
- Athena BidCo GmbH, Wiesbaden, as the direct parent company
- Schustermann & Borenstein GmbH, Aschheim
- TRANSPOREON GmbH, Ulm (until 12 December 2022)
- Teamviewer Germany GmbH, Göppingen
- LucaNet AG, Berlin (from 11 April 2022)
- FOCUS Dienstleistungen GmbH, Rostockk
- The subsidiaries of P&I AG listed in note 35 of the appendix

The following transactions and payments were made with related parties and persons:

	31 March 2023 kEUR	31 March 2022 kEUR
Receivables		
Athena BidCo GmbH, Wiesbaden	90,570	97,110
Schustermann & Borenstein GmbH, Aschheim	0	3
Total receivables	**90,570**	**97,113**
Liabilities		
Athena BidCo GmbH, Wiesbaden	115,969	74,617
TRANSPOREON GmbH, Ulm	0	2
Total liabilities	**155,969**	**74,619**

	2022/2023 kEUR	2021/2022 kEUR
Revenue		
Schustermann & Borenstein GmbH, Aschheim	322	32
TRANSPOREON GmbH, Ulm	139	232
FOCUS Dienstleistungen GmbH, Rostock	139	157
Total revenue	**600**	**718**
Interest income		
Athena BidCo GmbH, Wiesbaden	8,617	6,849
Total interest income	**8,617**	**6,849**
Total revenue and income	**9,217**	**7,567**
Other operating expenses		
LucaNet AG, Berlin	38	0
Athena BidCo GmbH, Wiesbaden	36	36
TeamViewer Germany GmbH, Göppingen	35	26
FOCUS Dienstleistungen GmbH, Rostock	0	2
Total expenses	**109**	**64**

Transactions with Athena BidCo GmbH

There is a Control and Profit Transfer Agreement between P&I AG and Athena BidCo as the legal successor of P&I Zwischenholding GmbH as the controlling company. This agreement entitles Athena BidCo GmbH to issue instructions. Under this agreement, P&I is obliged to transfer its accounting profit after taxes under German Commercial Law in the amount of kEUR 114,452 (previous year: kEUR 73,921) to Athena BidCo GmbH. In the view of the Management Board, the conclusion of this Control and Profit Transfer Agreement has not increased the risk to which the Company is exposed.

At the instruction of the former parent company P&I Zwischenholding GmbH, a long-term unsecured loan was extended to the former in the 2011/2012 financial year. In the 2022/2023 financial year, this loan decreased due to the approval of new loan tranches in the amount of kEUR 63,580 (previous year: kEUR 93,069 TEUR) and offsetting of the profit transfer in the amount kEUR 73,921. As of 31 March 2023, the loan including accrued interest amounts to a total of kEUR 90,570 (previous year: kEUR 97,110). The accrued loan interest of kEUR 26,366 (previous year: kEUR 22,565) will be paid on final maturity. The Management Board does not currently believe that extending the loan to Athena BidCo GmbH has increased the risk to which the Company is exposed. The Management Board has duly satisfied itself that this loan receivable is recoverable.

In addition to the above, there is a liability towards the parent company Athena BidCo GmbH due to the corporate and sales tax consolidation agreement in the amount of kEUR 1,517 (previous year: kEUR 696).

Athena BidCo GmbH entered into a number of financing agreements in March 2020. These financing agreements have a volume of kEUR 555,000, of which a total of kEUR 475,000 was paid out to Athena BidCo GmbH in March 2020, and have continued unchanged as of 31 March 2023.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility to the amount of kEUR 50,000. The capex facility to the amount of kEUR 30,000, which was scheduled to terminate on 31 March 2023, has not been extended. The additional credit line of kEUR 50,000 can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

On instruction of Athena BidCo GmbH, P&I AG entered into the credit agreements of Athena BidCo GmbH as the current parent company in the amount of kEUR 555,000 in April 2020 as jointly and severally liable guarantor.

As part of the above, all movable assets and extensive receivables and rights were assigned to the financing banks by way of typical securities, and a subordinated obligation to Athena BidCo GmbH for interest and principal payments was entered into in accordance with an existing liquidity plan. The maximum amount that P&I AG can be held liable for equates to the loan agreements less the assets of Athena BidCo GmbH.

In April 2020, Athena BidCo GmbH and P&I AG agreed that P&I AG will be compensated for the assumption of the joint and several guarantee in the form of an appropriate guarantee fee. The guarantee fee paid to P&I AG in the 2022/2023 financial year amounted to kEUR 4,816 (previous year: kEUR 4,816).

In November 2022, Athena BidCo GmbH entered into another financing agreement with a volume kEUR 300,000, which was paid out in December 2022.

At the reporting date, the outstanding loans from Athena BidCo GmbH’s financing agreements amounted to kEUR 775,000 (previous year: kEUR 475,000).

The liabilities arising from the financing agreements are borne by Athena BidCo GmbH. Athena BidCo GmbH depends on P&I AG’s generation of a positive annual result to ensure the required liquidity. P&I AG’s profits and associated capital inflows will be transferred to Athena BidCo GmbH within the context of the existing profit and loss transfer agreement. Given P&I AG’s current corporate plans for the coming years and associated outflow of liquidity, the Management Board sees no significant risk to the company with respect to these loan agreements and hence no significant risk of utilisation for the company.

The Management Board and Supervisory Board regularly discuss all matters related to the existing financing agreements and their consequences for P&I.

The Supervisory Board approved all of the payments disclosed.

There were no other transactions with related party and persons. There were no transactions involving non-standard conditions.

The disclosures concerning members of the Management Board and Supervisory Board can be found in note 29.

31. Auditor's fee

The total fee charged by the auditor for the 2022/2023 and previous financial year amounts to:

	2022/2023 kEUR	2021/2022 kEUR
Audit	205	199
Other certification services	0	0
Tax consultation	0	0
Other services	0	0
Total	**205**	**199**

32. Other financial liabilities, continent liabilities and contingencies Other financial obligations

Other financial liabilities

There is a Control and Profit Transfer Agreement between P&I AG and Athena BidCo GmbH as the legal successor of P&I Zwischenholding GmbH as the controlling company. This agreement entitles Athena BidCo GmbH to issue instructions. Under this agreement, P&I is obliged to transfer its accounting profit after taxes under German Commercial Law in the amount of kEUR 114,452 (previous year: kEUR 73,921) to Athena BidCo GmbH. In the view of the Management Board, the conclusion of this Control and Profit Transfer Agreement has not increased the risk to which the Company is exposed.

Contingent liabilities

P&I monitors and measures risks from existing major and fixed-price projects on a permanent basis. For projects involving a substantial commitment of resources on the part of the customer and P&I, the possibility that rights of recourse will arise or that project costs above the agreed fixed prices will be incurred cannot be ruled out. The costs incurred by P&I for a project are always included in the expenses for the current period. The financial statements also take possible payment obligations into account, providing the relevant requirements are met.

We are confronted with customer complaints in the ordinary course of business. In cases where an obligation to a third party is likely to have arisen and the amount of the corresponding expense can be estimated reliably, we recognise provisions to the extent that the requirements are met.

We are currently of the opinion that the outcome of the customer complaints will have no significant detrimental effects on our operations, financial position, financial performance and cash flows. However, such matters entail uncertainty and our present assessment may change in the future.

There are no other risks that would lead to the disclosure of contingent liabilities.

Liabilities arising from the provision of securities for liabilities from affiliated companies

Guarantee obligation from financing agreement

Athena BidCo GmbH entered into a number of financing agreements in March 2020. These financing agreements have a volume of kEUR 555,000, of which a total of kEUR 475,000 was paid out to Athena BidCo GmbH in March 2020, and have continued unchanged as of 31 March 2023.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility to the amount of kEUR 50,000. The capex facility to the amount of kEUR 30,000, which was scheduled to terminate on 31 March 2023, has not been extended. The additional credit line of kEUR 50,000 can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

On instruction of Athena BidCo GmbH, P&I AG entered into the credit agreements of Athena BidCo GmbH as the current parent company in the amount of kEUR 555,000 in April 2020 as jointly and severally liable guarantor.

As part of the above, all movable assets and extensive receivables and rights were assigned to the financing banks by way of typical securities, and a subordinated obligation to Athena BidCo GmbH for interest and principal payments was entered into in accordance with an existing liquidity plan. The maximum amount that P&I AG can be held liable for equates to the loan agreements less the assets of Athena BidCo GmbH.

In April 2020, Athena BidCo GmbH and P&I AG agreed that P&I AG will be compensated for the assumption of the joint and several guarantee in the form of an appropriate guarantee fee. The guarantee fee paid to P&I AG in the 2022/2023 financial year amounted to kEUR 4,816 (previous year: kEUR 4,816).

In November 2022, Athena BidCo GmbH entered into another financing agreement with a volume kEUR 300,000, which was paid out in December 2022.

At the reporting date, the outstanding loans from Athena BidCo GmbH's financing agreements amounted to kEUR 775,000 (previous year: kEUR 475,000).

The liabilities arising from the financing agreements are borne by Athena BidCo GmbH. Athena BidCo GmbH depends on P&I AG's generation of a positive annual result to ensure the required liquidity. P&I AG's profits and associated capital inflows will be transferred to Athena BidCo GmbH within the context of the existing profit and loss transfer agreement. Given P&I AG's current corporate plans for the coming years and associated outflow of liquidity, the Management Board sees no significant risk to the company with respect to these loan agreements and hence no significant risk of utilisation for the company.

The Management Board and Supervisory Board regularly discuss all matters related to the existing financing agreements and their consequences for P&I.

Bank guarantees
P&I has entered into a general agreement with Commerzbank AG for the provision of collateral ("guarantee line") for its own obligations with a total volume of kEUR 4,000 (previous year: kEUR 4,000). At the reporting date, kEUR 1,488 (previous year: kEUR 2,716) of the guarantee line had been utilised. The security provided comprises a call deposit account with a value of kEUR 1,488 (previous year: kEUR 2,716).

Athena BidCo GmbH was furthermore granted a revolving facility commitment to the amount of kEUR 50,000 and a capex facility of kEUR 30,000. The capex facility was scheduled to terminate on 31 March 2023 and has not been extended. The additional credit line of kEUR 50,000 can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

33. Financial risk management objectives and policies

The P&I Group's most important financial objectives include the sustainable increase of the enterprise value in the interests of its investors, employees, customers and suppliers while also ensuring its solvency at all times.

For the P&I Group, the creation of sufficient liquidity reserves is absolutely central to this form of capital management. Moreover, maintaining a sound capital base is an important requirement for securing the continued existence of the Company and continuing the growth strategy.

Liquidity reserves are permanently controlled on the basis of short-and medium-term forecasts of future liquidity.

	31 March 2023 kEUR	31 March 2022 kEUR
Cash and cash equivalents	80,704	46,813
Liquidity	**80,704**	**46,813**
Equity*)	**77,564**	**77,781**
Equity ratio (Total equity)	27.2 %	31.6 %

*) Equity not including accumulated other comprehensive income.

Even after granting further loan tranches totalling EUR 63,580 thousand (previous year: kEUR 93,069) to the controlling company in the past financial year, the Group has a high level of cash and cash equivalents amounting to kEUR 80,704 (previous year: kEUR 46,813) that are not offset by any loans to third parties.

The Company has a working capital credit facility with Wiesbadener Volksbank eG with a total volume of EUR 1,534 thousand (previous year: kEUR 1,534) for current account utilisation.

Athena BidCo GmbH was furthermore granted a revolving facility commitment to the amount of kEUR 50,000 and a capex facility of kEUR 30,000. The capex facility was scheduled to terminate on 31 March 2023 and has not been extended. The additional credit line of kEUR 50,000 can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

P&I has entered into a general agreement with Commerzbank AG for the provision of collateral ("guarantee line") for its own obligations with a total volume of kEUR 4,000 (previous year: kEUR 4,000). At the reporting date, kEUR 1,488 (previous year: kEUR 2,716) of the guarantee line had been utilised. The security provided comprises a call deposit account with a value of kEUR 1,488 (previous year: kEUR 2,716).

For additional information, please refer to item 8.2 of the management report.

34. Additional information on financial instruments

At the instruction of the former parent company P&I Zwischenholding GmbH (the legal successor of which is Athena BidCo GmbH), a long-term unsecured loan was extended to the former in the 2011/2012 financial year. In the 2022/2023 financial year, this loan decreased due to the approval of new loan tranches in the amount of kEUR 63,580 (previous year: kEUR 93,069 TEUR) and offsetting of the profit transfer in the amount kEUR 73,921. As of 31 March 2023, the loan including accrued interest amounts to a total of kEUR 90,570 (previous year: kEUR 97,110). The accrued loan interest of kEUR 26,366 (previous year: kEUR 22,565) will be paid on final maturity.

The Management Board does not currently believe that extending the loan to Athena BidCo GmbH has increased the risk to which the Company is exposed. The Management Board has duly satisfied itself that this loan receivable is recoverable. There are currently no indications of default risk with regard to the loan plus interest.

The Group's key financial liabilities comprise the liabilities from the profit transfer agreement and trade liabilities. The main purpose of these financial liabilities is to finance the Group's business operations. The Group has trade receivables and other receivables as well as cash and short-term deposits that are the direct result of its business operations.

The Group operates at international level, as a result of which it is exposed to market risks due to changes in interest rates and exchange rates.

Currency risk
Currency risk is the risk to which the fair value or future cash flow of a financial instrument is exposed because of exchange rate fluctuations.

As the individual Group companies conduct their operations mainly in their functional currency, the Management Board considers the risk of exchange rate fluctuations from operations to be immaterial.

As of 31 March 2023, the P&I Group no longer had any monetary financial instruments not concluded in the functional currency of P&I AG, Thalwil and Mirus Software AG.

Interest rate and valuation risk
Interest rate or valuation risk is the risk that the fair value or future cash flow of a financial instrument will change because of changes in market interest rates or prices.

The P&I Group limits interest rate risks, particularly when granting loans, by agreeing fixed interest terms.

Accordingly, changes in market interest rates for fixed-interest loans recognised at amortised cost have no effect on profit or loss or equity and hence are not included in the sensitivity analysis. These loans are subject to interest rate risk on reinvestment. The P&I Group is not exposed to any significant interest rate and valuation risk beyond the above.

Liquidity risk

Liquidity risks arise when current payment obligations cannot be met. The P&I Group's supply of liquidity is secured at all times thanks to liquidity planning focused on a fixed time horizon and available, unutilised lines of credit.

The Group's undiscounted financial liabilities have the following maturities:

31 March 2023	Less than 1 year kEUR	1 to 5 years kEUR	More than 5 years kEUR	Total kEUR
Non-current contract liabilities	0	106	0	**106**
Non-current financial liabilities	0	3,500	0	**3,500**
Lease liabilities	3,249	7,457	4,503	**15,209**
Trade payables	3,551	0	0	**3,551**
Contract liabilities – accruals and deferrals	35,170	0	0	**35,170**
Contract liabilities – other	1,151	0	0	**1,151**
Liabilities from profit transfer	114,452	0	0	**114,452**
Total	**157,573**	**11,063**	**4,503**	**173,139**

31 March 2022	Less than 1 year kEUR	1 to 5 years kEUR	More than 5 years kEUR	Total kEUR
Non-current contract liabilities	0	270	0	**270**
Non-current financial liabilities	0	3,500	0	**3,500**
Lease liabilities	2,111	7,729	5,341	**15,181**
Trade payables	4,383	0	0	**4,383**
Contract liabilities – accruals and deferrals	41,028	0	0	**41,028**
Contract liabilities – other	1,072	0	0	**1,072**
Liabilities from profit transfer	73,921	0	0	**73,921**
Gesamt	**122,515**	**11,499**	**5,341**	**139,355**

Credit risk

The P&I Group does not believe that it is exposed to a notable default risk with respect to any single contractual partner in terms of trade receivables. The Group controls default risk by demanding advance payments and by obtaining declarations of acceptance from insolvency administrators or credit information in cases where there is a suspicion of default. The Group does not have additional collateral in the form of rights to securities or similar. The maximum default risk is limited to the carrying amount reported in note 16. The Group does not have a significant concentration of default risk either with an individual counterparty or with a group of counterparties with similar characteristics. For the Group's other financial assets, cash and cash equivalents and non-current financial assets, the maximum credit risk if the counterparty defaults is equal to the carrying amounts of these instruments.

At the instruction of the former parent company P&I Zwischenholding GmbH (the legal successor of which is Athena BidCo GmbH), a long-term unsecured loan was extended to the former in the 2011/2012 financial year. In the 2022/2023 financial year, this loan decreased due to the approval of new loan tranches in the amount of kEUR 63,580 (previous year: kEUR 93,069 TEUR) and offsetting of the profit transfer in the amount kEUR 73,921. As of 31 March 2023, the loan including accrued interest amounts to a total of kEUR 90,570 (previous year: kEUR 97,110). The accrued loan interest of kEUR 26,366 (previous year: kEUR 22,565) will be paid on final maturity.

The Management Board does not currently believe that extending the loan to Athena BidCo GmbH has increased the risk to which the Company is exposed. The Management Board has duly satisfied itself that this loan receivable is recoverable. There are currently no indications of default risk with regard to the loan plus interest.

Guarantee obligation from financing agreement
Athena BidCo GmbH entered into a number of financing agreements in March 2020. These financing agreements have a volume of kEUR 555,000, of which a total of kEUR 475,000 was paid out to Athena BidCo GmbH in March 2020, and have continued unchanged as of 31 March 2023.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility to the amount of kEUR 50,000. The capex facility to the amount of kEUR 30,000, which was scheduled to terminate on 31 March 2023, has not been extended. The additional credit line of kEUR 50,000 can also be utilised by P&I AG and is made available for financing potential future acquisitions or for ensuring liquidity in case of need.

On instruction of Athena BidCo GmbH, P&I AG entered into the credit agreements of Athena BidCo GmbH as the current parent company in the amount of kEUR 555,000 in April 2020 as jointly and severally liable guarantor.

As part of the above, all movable assets and extensive receivables and rights were assigned to the financing banks by way of typical securities, and a subordinated obligation to Athena BidCo GmbH for interest and principal payments was entered into in accordance with an existing liquidity plan. The maximum amount that P&I AG can be held liable for equates to the loan agreements less the assets of Athena BidCo GmbH.

In April 2020, Athena BidCo GmbH and P&I AG agreed that P&I AG will be compensated for the assumption of the joint and several guarantee in the form of an appropriate guarantee fee. The guarantee fee paid to P&I AG in the 2022/2023 financial year amounted to kEUR 4,816 (previous year: kEUR 4,816).

In November 2022, Athena BidCo GmbH entered into another financing agreement with a volume kEUR 300,000, which was paid out in December 2022.

At the reporting date, the outstanding loans from Athena BidCo GmbH's financing agreements amounted to kEUR 775,000 (previous year: kEUR 475,000).

The liabilities arising from the financing agreements are borne by Athena BidCo GmbH. Athena BidCo GmbH depends on P&I AG's generation of a positive annual result to ensure the required liquidity. P&I AG's profits and associated capital inflows will be transferred to Athena BidCo GmbH within the context of the existing profit and loss transfer agreement. Given P&I AG's current corporate plans for the coming years and associated outflow of liquidity, the Management Board sees no significant risk to the company with respect to these loan agreements and hence no significant risk of utilisation for the company.

The Management Board and Supervisory Board regularly discuss all matters related to the existing financing agreements and their consequences for P&I.

Fair value

The fair values of financial instruments were calculated on the basis of the available market information on the reporting date. The following table shows the carrying amounts and fair values of the financial instruments reported in the consolidated financial statements

	Carrying amount		Fair value	
Classification in accordance with IFRS 9	**31 March 2023 kEUR**	**31 March 2022 kEUR**	**31 March 2023 kEUR**	**31 March 2022 kEUR**
Financial assets at amortised cost				
Non-current financial assets *)	90,667	97,204	151,112	194,408
Trade receivables	12,817	10,577	12,817	10,577
Cash and cash equivalents	80,704	46,813	80,704	46,813
Financial assets at amortised cost				
Non-current financial liabilities	3,475	3,464	3,475	3,464
Trade payables	3,551	4,383	3,551	4,383
Liabilities towards affiliated companies	115,969	74,617	115,969	74,617
Separate category				
Non-current contract assets **)	24,889	17,390	24,889	17,390
Non-current capitalised contract costs **)	3,651	1,995	3,651	1,995
Current contract assets **)	6,813	2,457	6,813	2,457
Current capitalised contract costs **)	2,593	1,266	2,593	1,266
Non-current contract liabilities **)	106	270	106	270
Contract liabilities – accruals and deferrals **)	35,170	41,028	35,170	41,028
Contract liabilities – other **)	1,151	1,072	1,151	1,072
Non-current lease liabilities	10,675	11,884	10,675	11,884
Current lease liabilities ***)	2,822	3,297	2,822	3,297

*) Including loans granted in the sum of kEUR 90,570 (previous year: kEUR 97,110)
**) Within the scope of IFRS 15
***) Balance sheet item: Other current liabilities

Due to the predominantly short terms for trade receivables and trade payables, liabilities from profit transfer and cash and cash equivalents, there are no significant differences between the carrying amounts and the fair values as of the reporting date.

The fair value of non-current financial assets is calculated on the basis of an alternative investment with a similar risk structure and conditions observable on the market that yields identical returns (Level 2).

Fair value hierarchy

The financial instruments measured at fair value are allocated to the relevant levels of the measurement method as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. deduced from the prices).

Level 3: Inputs for the measurement of the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2023	Level 1 kEUR	Level 2 kEUR	Level 3 kEUR
Non-current financial assets	0	90,667	0
31 March 2022			
Non-current financial assets	0	97,204	0

The Group has no financial assets or liabilities that are allocated to Level 3.

35. Group companies

The consolidated financial statement as of 31 March 2023 included the following companies:

- P&I Service GmbH, Iserlohn
- COMPU-ORGA Gesellschaft für Computer-Organisation mit beschränkter Haftung, Wiesbaden
- P&I Personal & Informatik Gesellschaft mbH, Vienna, Austria
- P&I Personal & Informatik AG, Thalwil, Switzerland
- Mirus Software AG, Davos, Switzerland
- P&I Personal & Informatik s.r.o., Bratislava, Slovakia
- P&I Personeel & Informatica B.V., Zevenaar, Netherlands
- P&I Hellas Limited Liability Company, Ioannina, Greece
- The VRZ Group comprises
  - VRZ Informatik Gesellschaft mbH, Dornbirn, Austria
  - Ally Lohn & Personal GmbH, Dornbirn, Austria
  - ThinkCreateAct AG, Romanshorn, Switzerland
  - VRZ Informatik (Switzerland) GmbH, St. Gallen, Switzerland

The list of shareholdings together with the share of capital held directly or indirectly by P&I Personal & Informatik AG, the annual profit for the year and the equity of the Company as of 31 March 2023 and according to the financial statements under national law is as follows:

	Share in capital	Annual net profit 2022/2023 kEUR	Equity 2022/2023 kEUR
P&I Personal & Informatik AG, Thalwil, Switzerland *)	100 %	5,502	18,933
Mirus Software AG, Davos, Switzerland **)	100 %	4,063	4,183
P&I Personal & Informatik GmbH, Vienna, Austria	100 %	1,264	3,434
VRZ Informatik Gesellschaft mbH, Dornbirn, Austria ***)	100 %	603	1,762
ThinkCreateAct AG, Romanshorn, Switzerland ***)	100 %	80	254
VRZ Informatik (Switzerland) GmbH, St. Gallen, Switzerland ***)	100 %	21	116
Ally Lohn & Personal GmbH, Dornbirn, Austria ***)	100 %	271	622
COMPU-ORGA Gesellschaft für Computer-Organisation mit beschränkter Haftung, Wiesbaden	100 %	-75	194
P&I Service GmbH, Iserlohn	100 %	28	300
P&I Personeel & Informatica B.V., Zevenaar, Netherlands	100 %	24	72
P&I Personal & Informatik s.r.o., Bratislava, Slovakia	100 %	151	778
P&I Hellas Limited Liability Company, Ioannina, Greece ****)	100 %	232	856
FOCUS Dienstleistungen GmbH, Rostock *****)	22 %	35	197

*) The net profit of P&I Personal & Informatik AG, Thalwil, includes dividend payments from Mirus Software AG of kEUR 3,939
**) Sub-subsidiary, 100 % subsidiary of P&I Personal & Informatik AG, Thailwil
***) Sub-subsidiary, 100 % subsidiary of P&I Personal & Informatik AG, Vienna.
****) P&I Personeel & Informatica B.V. owns 1 % of the shares in P&I Hellas LLC.
*****) Due to immateriality, this holding has been reported at cost and has not been included in the consolidation

36. Shares held by the company and members of executive bodies

As of 31 March 2023, P&I Personal & Informatik AG does not hold any treasury shares.

P&I Personal & Informatik AG last held 168,873 P&I treasury shares on 31 March 2016. The Annual General Meeting on 26 January 2017 resolved to reduce the share capital by withdrawing 168,873 no-par-value shares in a simplified withdrawal procedure according to Section 237 (3) no. 2, (4) and (5) of the German Stock Corporation Act (AktG).

No convertible bonds or similar securities in accordance with Section 160 (1) no. 5 AktG had been issued by P&I Personal & Informatik AG or other companies as of 31 March 2023.

As of 31 March 2023, the members of the Management Board and Supervisory Board did not hold any P&I shares or options.

37. Disclosures in accordance with Art. 160 (1) no. 8 AktG

In accordance with Art. 20 (1) or (4) AktG, Athena BidCo GmbH notified us that, following its merger with P&I Zwischenholding GmbH, it now holds 100 percent of the shares in P&I AG.

38. Events after the reporting date

In April 2023, Vasilios Triadis was reappointed as a member and the chairperson of the Management Board for a term of five years, i.e. from 1 April 2023 to 31 March 2028.

In June 2023, Dr. Carlo Pohlhausen was reappointed as a member of the Management Board for a term of four years and eight months, i.e. from 1 August 2023 to 31 March 2028.

In June 2023, Dr. Remco van Dijk was reappointed as a member of the Management Board for a term of four years and eight months, i.e. from 1 August 2023 to 31 March 2028.

Following the completion of the preparation of the consolidated financial statement on 22 June 2023 and of the audit of the consolidated financial statement on the same date, the consolidated financial statement will be submitted to the Supervisory Board. This balance sheet meeting is expected to take place on 23 June 2023.

Wiesbaden, 22 June 2023

Vasilios Triadis Dr. Carlo Pohlhausen Remco van Dijk Christian Rhein Sven Ekerdt

Performance of intangible assets and property

	Acquisition cost				
	1 April 2022	Currency translation	Additions	Disposals	31 March 2023
In kEUR					
Intangible assets					
Customer base	38,562	106	0	0	38,668
Goodwill	27,024	330	0	0	27,354
Other intangible assets	11,810	0	98	12	11,896
Total intangible assets	**77,396**	**436**	**98**	**12**	**77,918**
Property, plant and equipment					
Lease rights-of-use	22,550	-19	1,762	2,075	22,218
Leasehold improvements	1,864	0	108	22	1,950
Operating and office equipment	4,376	0	476	721	4,131
IT equipment	22,117	33	4,573	1,160	25,563
Total property, plant and equipment	**50,907**	**14**	**6,919**	**3,978**	**53,862**
Total	**128,303**	**450**	**7,017**	**3,990**	**131,780**

Performance of intangible assets and property

	Accumulated depreciation					Carrying amounts	
	1 April 2022	Currency translation	Additions	Disposals	31 March 2023	31 March 2023	31 March 2022
In kEUR							
Intangible assets							
Customer base	25,208	0	1,698	0	26,906	11,762	13,354
Goodwill	0	0	0	0	0	27,354	27,024
Other intangible assets	9,162	13	1,092	7	10,260	1,636	2,648
Total intangible assets	**34,370**	**13**	**2,790**	**7**	**37,166**	**40,752**	**43,026**
Property, plant and equipment							
Lease rights-of-use	8,181	14	3,457	2.031	9,621	12,597	14,369
Leasehold improvements	649	0	175	22	802	1,148	1,215
Operating and office equipment	2,610	27	474	714	2,397	1,734	1,766
IT equipment	13,221	0	5,272	1,084	17,409	8,154	8,896
Total property, plant and equipment	**24,661**	**27**	**9,378**	**3,851**	**30,229**	**23,633**	**26,246**
Total	**59,031**	**40**	**12,168**	**3,858**	**67,395**	**64,385**	**69,272**

Performance of intangible assets and property

	Acquisition cost					
	1 April 2021	Change Consolidated group	Currency translation	Additions	Disposals	31 March 2022
In kEUR						
Intangible assets						
Customer base	34,853	3,428	281	0	0	38,562
Goodwill	18,787	7,467	770	0	0	27,024
Other intangible assets	12,978	3	11	74	1,256	11,810
Total intangible assets	**66,618**	**10,898**	**1,062**	**74**	**1,256**	**77,396**
Property, plant and equipment						
Rights-of-use IFRS 16	20,326	1,022	91	2,498	1,387	22,550
Leasehold improvements	1,823	1	22	50	32	1,864
Operating and office equipment	4,167	83	24	403	301	4,376
IT equipment	15,340	45	1	7,013	282	22,117
Total property, plant and equipment	**41,656**	**1,151**	**138**	**9,964**	**2,002**	**50,907**
Total	**108,274**	**12,049**	**1,200**	**10,038**	**3,258**	**128,303**

Performance of intangible assets and property

	Accumulated depreciation				Carrying amounts	
	1 April 2021	Additions	Disposals	31 March 2022	31 March 2022	31 March 2021
In kEUR						
Intangible assets						
Customer base	23,321	1,887	0	25,208	13,354	11,532
Goodwill	0	0	0	0	27,024	18,787
Other intangible assets	9,112	1,286	1,236	9,162	2,648	3,866
Total intangible assets	**32,433**	**3,173**	**1,236**	**34,370**	**43,026**	**34,185**
Property, plant and equipment						
Rights-of-use IFRS 16	6,128	3,369	1,316	8,181	14,369	14,198
Leasehold improvements	501	162	14	649	1,215	1,322
Operating and office equipment	2,306	577	273	2,610	1,766	1,861
IT equipment	9,234	4,128	141	13,221	8,896	6,106
Total property, plant and equipment	**18,169**	**8,236**	**1,744**	**24,661**	**26,246**	**23,487**
Total	**50,602**	**11,409**	**2,980**	**59,031**	**69,272**	**57,672**

Independent auditor's report

For the attention of P&I Personal & Informatik Aktiengesellschaft, Wiesbaden

Audit opinions
We have audited the consolidated financial statements of P&I Personal & Informatik Aktiengesellschaft, Wiesbaden, and its subsidiaries – comprising the consolidated balance sheet as of 31 March 2023, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in equity and the consolidated cash flow statement for the financial year from 01 April 2022 to 31 March 2023, as well as the appendix to the consolidated financial statement and summary of key accounting policies. We have also audited the group management report of P&I Personal & Informatik Aktiengesellschaft, Wiesbaden, included in the parent company's management report for the financial year from 01 April 2022 to 31 March 2023.

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

- the enclosed consolidated financial statements comply with IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to Art. 315e (1) German Commercial Code (HGB) in all material respects and give a true and fair view of the assets and financial position of the Group in accordance with these requirements as at 31 March 2023 as well as of the group's results for the financial year from 1 April 2022 to 31 March 2023 and
- that the enclosed combined management report gives a true and fair view of the group's position. This combined management report as a whole is consistent with the consolidated financial statements, complies with the German legal requirements and provides a true and fair view of the opportunities and risks of future development.

In accordance with Art. 322 (3) sentence 1 HGB, we hereby declare that our audit has not revealed any matters which cast doubt on the accuracy of the consolidated financial statements and combined management report.

Basis for opinion
We conducted our audit of the consolidated financial statements and combined management report in accordance with Art. 317 of the German Commercial Code (HGB) and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and combined management report" section of our report. We are independent of the consolidated companies in accordance with the requirements of German commercial law and professional practice and ethics, and have fulfilled our other ethical responsibilities under German law in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion concerning the consolidated financial statements and combined management report.

Responsibilities of the legal representatives and the Supervisory Board for the Consolidated Financial Statement and the Combined Management Report
The legal representatives are responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the European Union (EU) and the additional requirements of German commercial law pursuant to Art. 315e (1) of the German Commercial Code (HGB) in all material respects and for ensuring that the consolidated financial statements give a true and fair view of the assets, financial position and results of operations of the group in accordance with these requirements. The legal representatives are also responsible for the internal controls they have determined as necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud (i.e. manipulation of accounting data and financial losses) or error.

In preparing the financial statements, the legal representatives are responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. The legal representatives are furthermore responsible for using the going concern basis of accounting unless they either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

They are also responsible for the preparation of the combined management report in such a way as to give a true and fair view of the group's position and for the combined management report's consistency with the consolidated financial statements, its compliance with the German legal requirements and for ensuring that it provides a suitable view of the opportunities and risks of future development. The legal representatives are furthermore responsible for the precautions and measures (systems) they deem necessary to enable the preparation of the combined management report in compliance with the applicable German legal requirements and for the provision of sufficient appropriate evidence for the disclosures made in the combined management report.

The Supervisory Board is responsible for monitoring the financial accounting processes used by the group for the preparation of the consolidated financial statements and combined management report.

Auditor's responsibility for the audit of the Consolidated Financial Statement and Combined Management Report

Our objective is to obtain reasonable assurance about whether the consolidated statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole gives a true and fair view of the group's position and is consistent with the findings of the audit, complies with the German legal requirements and to ensure that it provides an appropriate view of the opportunities and risks of future development as well as to issue an auditor's report that includes our opinion on the consolidated financial statements and combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Art. 317 of the German Commercial Code (HGB) and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial statement and combined management report.

We have exercised professional judgement and maintained professional scepticism throughout the audit. In addition, we also

- identify and assess the risks of material misstatements in the consolidated financial statements and combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our auditor's opinion. The risk that material misstatements that are the result of fraud will not be detected is higher than the risk that material misstatements that are the result of errors will not be detected, because fraud may involve collusion, forgery, intentional omissions, misleading representations, or overriding of internal controls.
- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statement and of the precautions relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we will be required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and combined management report or, if such disclosures are inadequate, to modify our relevant opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statement, including the disclosures, and whether the consolidated financial statement represents the underlying transactions and events in a manner that the consolidated financial statement achieves a fair presentation in accordance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Art. 315e (1) German Commercial Code (HGB), (i.e gives a true and fair view) of the assets, financial position and results of operations of the group.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statement and the combined management report. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

- Evaluate whether the combined management report is consistent with the consolidated financial statement, its compliance with law and regulations and whether it achieves a fair presentation of the group's position.
- Audit the future-oriented statements provided by the legal representatives in the combined management report. Based on sufficient appropriate evidence, this includes in particular an evaluation of the significant assumptions used by the legal representatives as a basis for the future-oriented statements and evaluating the appropriate deduction of the future-oriented statements from these assumptions. We do not provide an independent opinion of the future-oriented statements or their underlying assumptions. There is a significant unavoidable risk that future events may differ significantly from the future-oriented statements.

We communicate with those responsible for monitoring regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any potentially significant deficiencies in internal control that we identify during the audit.

Frankfurt am Main, 22 June 2023

Deloitte GmbH
Audit firm

Kirsten Gräbner-Vogel
Auditor

Dr. Steffen Umlauf
Auditor

04/

AG FINANCIAL STATEMENTS

Income statement

Profit and loss 1 April 2022 to 31 March 2023	2022/2023	2021/2022
	kEUR	kEUR
1. Revenue	184,321	136,362
2. Reduction of work in progress (previous year: increase)	-3,461	947
3. Other operating income	1,157	1,377
– of which from currency translations kEUR 0 (previous year: kEUR 3)		
4. Cost of materials		
a) Cost of raw, auxiliary and operating materials and purchased goods	-2,263	-1,771
b) Costs for purchased services	-15,844	-13,760
5. Personnel expenses		
a) Salaries and wages	-41,168	-36,336
b) Social security contributions	-3,109	-3,177
6. Depreciation of intangible assets and property, plant and equipment	-7,329	-6,275
7. Other operating expenses	-13,137	-10,266
8. Income from investments – of which from affiliated companies kEUR 6,457 (previous year: kEUR 6,517)	6,457	6,517
9. Income from loans of financial assets – of which from affiliated companies kEUR 3,801 (previous year: kTEUR 2,033)	3,801	2,033
10. Other interest and similar income – of which from affiliated companies kEUR 4,816 (previous year: kEUR 4,816)	5,031	4,877
11. Depreciation of financial investment and securities (current assets) – of which from depreciation of financial investments kEUR 0 (previous year: kEUR 6,537)	0	-6,537
12. Interest and similar expenses – of which from affiliated companies kEUR 0 (previous year: kEUR 0)	-1	-17
13. Expenses from tax on income and earnings (previous year: expenses: 34)	0	-34
14. Result after taxes	**114,455**	**73,940**
15. Other taxes	-3	-19
16. Result before profit transfer	**114,452**	**73,921**
17. Profit transferred based on the profit transfer agreement	-114,452	-73,921
18. Annual net profit	**0**	**0**
19. Profit carried forward from the previous year	19,077	19,077
20. Net retained profits	**19,077**	**19,077**

Statement of financial position as of 31 March 2023

Assets			31 March 2023	31 March 2022
			kEUR	kEUR
A.		**Fixed assets**		
	I.	Intangible assets		
	1.	Purchased software	1,630	2,609
	2.	Purchased customer bases	2,723	3,082
	3.	Goodwill	1,951	2,200
			6,304	**7,891**
	II.	Property, plant and equipment		
	1.	Leasehold improvements	1,133	1,192
	2.	Operating and office equipment	8,992	9,770
			10,125	**10,962**
	III.	Financial investments		
	1.	Shares in affiliated companies	20,160	20,160
	2.	Loans to affiliated companies	93,014	103,104
			113,174	**123,264**
		Fixed assets	**129,603**	**142,117**
B.		**Current assets**		
	I.	Inventories		
	1.	Services in progress	1,785	5,246
	2.	Goods	398	264
			2,183	**5,510**
	II.	Receivables and other assets		
	1.	Trade receivables	9,422	6,969
	2.	Receivables from affiliated companies	1,390	1,021
	3.	Other assets	912	372
			11,724	**8,362**
	III.	Cash-in-hand and bank balances	56,222	23,883
		Current assets	**70,129**	**37,756**
C.		**Deferred income**	**1,478**	**1,451**
			201,210	**181,324**

Statement of financial position as of 31 March 2023

Liabilities			31 March 2023	31 March 2022
			kEUR	kEUR
A.		**Equity**		
	I.	Issued capital	7,531	7,531
	II.	Capital reserves	1,078	1,078
	III.	Retained earnings		
	1.	Legal reserve	2	2
	2.	Other retained earnings	87	87
	IV.	Net retained profits	19,077	19,077
		Equity	**27,775**	**27,775**
B.		**Provisions**		
	1.	Provisions for taxation	14	14
	2.	Other provisions	27,309	21,454
		Provisions	**27,323**	**21,468**
C.		**Liabilities**		
	1.	Advance payments received on orders	2,846	22,667
	2.	Trade payables – of which have a remaining term of up to one year kEUR 455 (previous year: kEUR 1,596)	455	1,596
	3.	Liabilities towards affiliated companies – of which have a remaining term of up to one year kEUR 117,350 (previous year: kEUR 76,338)	117,350	76,338
	4.	Other liabilities – of which have a remaining term of up to one year kEUR 543 (previous year: kEUR 891) – of which from taxes kEUR 393 (previous year: kEUR 583) – of which are related to social security kEUR 2 (previous year: kEUR 2)	543	891
		Liabilities	**121,194**	**101,492**
D.		**Deferred income**	**24,918**	**30,589**
			201,210	**181,324**

Rethink HR