Annual report
P&I Personal & Informatik AG

Rethink HR

2021/2022

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Dear readers,

Over the past two years, the Covid pandemic has caused a huge shift in the way we think about remote work and forced a lot of companies to speed up their digitalisation. More recently, we have also been facing a number of other pressing challenges, like the war in Ukraine and the global climate crisis, which are also rapidly changing the way we work. Alongside all of this, we have been faced with entire supply chains collapsing, with transport routes becoming blocked, factories being destroyed, soaring energy costs and energy shortages. In order to stay competitive, private companies and public authorities have to adapt to these new circumstances and adopt sustainable, socially responsible and ethical practices. Added to this comes the fact that the lack of skilled personnel experienced by virtually all sectors over recent years has become the number one barrier to growth for many of them. As a result, private companies and public authorities are now faced with the challenge of presenting themselves as attractive employers. Human resources departments also have to move away from making payroll accounting their prime focus. These days, human resources management not only requires skill and passion when it comes to procuring and selecting new staff, but also increasingly so when it comes to retaining staff, to promoting productivity and to employee integration.

Against the background of all of these changes and challenges, many companies are also still finding that their HR processes fall short of the mark and that routine administration tasks continue to leave little time for strategic HR work. Hence, they are on the lookout for new and more effective 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. These issues have become increasingly more pressing over recent years and offer a lot of potential for growth.

Thanks to having moved HR to the cloud, P&I AG has been able to identify this very gap in the market and, with P&I LogaHR, is now providing HR pioneers with the means to model, test and continually enhance strategic HR initiatives. P&I AG's intelligent solution makes many HR administration tasks much easier and offers many creative solutions for addressing various HR administration needs. This in turn frees up time and enables HR departments to return to focussing on key strategic issues.

Over the 2020/2021 and 2021/2022 financial years, we successfully completed the first phase of our switch from a license to a Software-as-a-Service subscription model, which was initiated a number of years ago and involved the commercialisation and start of the wider roll-out of P&I LogaHR. This is why P&I can be genuinely proud of the fact that the Group has yet again been able to increase its revenue over the past financial year by 13.6 % from EUR 151.8 million to EUR 172.4 million. This result means that the P&I Group has now been on a growth trajectory for over 15 years in succession despite the challenging market conditions.

In this dynamic environment, P&I is currently setting itself up as a valued provider of innovative solutions that fully meet the acute needs of digital HR departments by strategically positioning itself as a fully-integrated HR cloud service provider. All of P&I LogaHR's modules and features can be instantly accessed through P&I's advanced cloud solution and, thanks to Click & Run and the democratisation of HR knowledge, used quickly and easily through P&I's expert systems and P&I HR-BIGDATA. In this current phase of our transformation, innovative technologies such as our automated data migration tool “Move HR work to the cloud” are furthermore now helping us to speed up our customers' transition to the P&I LogaHR cloud.

At the same time, P&I is also covering a very broad range of customers, which includes customers from many different industries and sectors - including the public sector - as well as smaller medium-sized companies with 200 employees, up to large companies and data centres with monthly payroll cycles involving more than 200,000 individual transactions. Thanks to this combination of scalable product and broad market presence, P&I has been ranked third in the Witte Institute of Economics' latest list of the TOP 25 HR management system providers in the DACH region, and as having achieved the highest level of growth of all of the top providers listed.

However, P&I has not only demonstrated that technology plays a key role in the automation of HR processes through its software solutions. This is because the P&I LogaHR data centre, which is the actual foundation of the LogaHR platform and comprises the P&I BIGDATA, P&I expert systems and the P&I customer systems, is setting new standards for future HR work performed in the cloud with its extremely high security standards, as P&I's data centre is considered the most secure and advanced data centre for cloud-based HR management work. We do everything we can to help our customers with their transition to the digital business world. Maximum security, high performance and 24/7 availability - all of these are features that are enabling P&I to provide its customers with the foundation needed to protect their highly sensitive HR data and simultaneously allow all of their staff to access HR processes through a single platform.

P&I has successfully used the past financial year to create the conditions needed to ensure that our customers can smoothly transition to the digital HR cloud. We are now getting ready for digitalisation together with our customers and will be supporting, advising and preparing them for the future challenges of the global economic and labour market to enable them to make efficient use of the value creation potential of existing HR processes.

sincerely yours,

Vasilios Triadis
Chief Executive Officer

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The following combined management report contains information about the P&I Personal & Informatik Group (P&I Group or “we”) and P&I Personal & Informatik Aktiengesellschaft Wiesbaden, (P&I AG) as well as 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 con junction 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 TEUR (table) or million EUR (continuous text).

1. Overview of the financial year

In the 2021/2022 financial year, the P&I Group generated revenue of EUR 172.4 million and an operating result before depreciation and amortisation (EBITDA) of EUR 93.4 million. This corresponds to an EBITDA margin of 54.2 %. P&I’s success is based on cloud-based and integrated HR software solutions. The P&I Group’s development is marked by steady growth rates and associated increases in its key operating figures.

Profit and revenue growth

- The P&I Group increased its revenue by 13.6 %, from EUR 151.8 million to EUR 172.4 million.
- EBITDA increased by 16.5 % to EUR 93.4 million. This corresponds to an EBITDA margin of 54.2 % (previous year: 52.8 %).
- The P&I Group achieved an EBIT margin of 47.6 % (previous year: 46.0 %), which is an EBIT of EUR 82.0 million and exceeded the previous year’s result by 17.4 %.
- At EUR 137.3 million, recurring services accounted for 80 % of the P&I Group’s consolidated sales. This means that, at 19.0 %, revenue in P&I’s most important segment – recurring services – has now seen a double-digit increase for the third consecutive year.
- The P&I Group’s organic revenue growth is up by 12.6 % compared to the previous year. This means that the P&I Group has been able to continue on its growth trajectory despite the challenging market environment in the past financial year, and has consequently now been able to do so for over 15 years.
- In the financial year under review, P&I entered into contracts with a recurring monthly order volume for P&I LogaHR to the amount of EUR 3.7 million (previous year: EUR 2.4 million) with customers in the small, medium and large payroll transaction segment; for over 340 of those customers, this was the first time they decided to work with P&I LogaHR. The use of the cloud-based HR platform P&I LogaHR has continued to become more firmly established among P&I’s customer base.
- In the financial year, the P&I Group acquired the VRZ Informatik GmbH Group in Austria with effect from 1 January 2022, which expanded the P&I Group by another 4 companies. This acquisition has allowed P&I to consolidate its market presence in Austria. The VRZ Group operates in the HR sector and has another division that offers data centre services.
- 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 has entered into this contract as the legal successor of P&I Zwischenholding GmbH following the merger of P&I Zwischenholding GmbH on 1 April 2020 on the basis of a merger agreement. In accordance with the terms of this Control and Profit Transfer Agreement, the annual profit of P&I AG for the 2021/2022 financial year as reported in the annual financial statements prepared in accordance with HGB in the amount of EUR 73.9 million (previous year: EUR 74.0 million) are transferred to Athena BidCo GmbH.

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

	2021/2022 kEUR	2020/2021 kEUR	Change	2019/2020 kEUR	Change
Revenue	172,403	151,829	13.6 %	142,513	6.5 %
Recurring revenue	137,292	115,374	19.0 %	98,202	17.5 %
Revenue Germany	144,413	125,387	15.2 %	115,774	8.3 %
EBITDA	93,415	80,156	16.5 %	73,098	9.7 %
EBITDA margin	54.2 %	52.8 %	./.	51.3 %	./.
Operating cash flow	79,866	79,607	0.3 %	73,945	7.7 %

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-based HR platform covers the entire HR value chain, from the IT infrastructure to the software, which is also 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, 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, system and data security in line with the legal requirements, and come with IT security and compliance certificates.

The software P&I LogaHR 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 all aspects of human resource management. The platform's breadth and depth of 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 easily accessed by users through P&I's innovative cloud solution and, thanks to Click & Run and the democratisation of HR knowledge, used quickly and easily through P&I's expert systems and P&I HR-BIG-DATA. 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 production 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), in the financial year under review. 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 over 600 staff who look after customers in thirteen European countries. So as to maintain proximity to its customers, P&I has offices in eight 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 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. For the coming years, P&I is planning to systematically continue its transformation strategy with its cloud platform P&I LogaHR 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.

Three years ago, 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 is now being managed by customer-oriented teams that represent all of the Group's consulting, sales, quality assurance and technology expertise from all its divisions.

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 has recruited two additional experts each from the area of consulting and quality assurance to expand the teams and further increase 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. P&I has also been active in the area of M&As in the 2021/2022 financial year and acquired VRZ Informatik GmbH, which is headquartered in Dornbirn and a leading provider of HR and data centre services in the Vorarlberg region of Austria.

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 market shares. 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

User-friendly and easy-to-use products are key requirements for sustainable growth. P&I 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.

P&I invested a total of EUR 22.6 million (previous year: EUR 22.1 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 13.1 % of P&I's annual revenue (previous year: 14.5 %). These expenditures apply to all P&I products. Our research and development division is based at our headquarters in Wiesbaden and is supported by staff 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 144 staff (previous year: 112). 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. In the year under review, the P&I Group employed 225 people in the P&I product development division (previous year: 213).

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 2021/2022 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 543 FTE employees (previous year: 538), including the Management Board. The increase in the average annual FTE employees is largely due to the acquisitions made that year. Of these, 288 employees (previous year: 320) were employed in Germany and 255 in other countries (previous year: 218). Of those, a total of 47 were employed in Switzerland (previous year: 50) 44 at the development centre in Slovenia (previous year: 42) and 33 at P&I Austria (previous year: 22) in Austria. An annual average of 107 developers (previous year: 85) and 22 technology specialists (previous year: 18) furthermore provided development services for the P&I Group at the new development centre in Ioannina (P&I Hellas in Greece). By the end of March 2022, this team increased to 144 people (previous year: 112). The remaining 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. In the year under review, P&I employed an average of 216 people in this division (previous year: 222).

Research and Development, whose activities are described in detail in section 2.2, accounted for a total of 225 employees (previous year: 213).

P&I employed 53 people in sales and marketing (previous year: 54) in the year under report. 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.

In the year under review, P&I employed 49 administrative staff (previous year: 49).

Personnel costs for the 2021/2022 financial year totalled EUR 62.4 million (previous year: EUR 56.8 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).

2.4 Acquisitions

Personal & Informatik GmbH, Vienna, Austria, acquired VRZ Informatik Gesellschaft mbH, Dornbirn, Austria, and its subsidiaries Ally Lohn & Personal GmbH, Dornbirn, Austria, VRZ Informatik (Switzerland) GmbH, St. Gallen, Switzerland, and Smart Software GmbH, Graz, Austria, (effective merger date: 1.1.2022 for VRZ Informatik Gesellschaft mbH, Dornbirn, Austria) and ThinkCreateAct AG, Romanshorn, Switzerland, by acquiring 100 % of these companies shares, with effect from 1 January 2022. The corporate objective of these companies (VRZ Group) is the production, sale and maintenance of software, the associated provision of consultancy services, the provision of training for the software’s operators, and the provision of a basic IT infrastructure as an IT system vendor.

The acquisition of the VRZ Group will consolidate the P&I Group’s market position in Austria. In addition to the above, the P&I Group will also benefit from the HR specialist and data centre’s know-how in Austria.

3. General economic conditions

In 2021, economic development continued to be greatly affected by the Covid-19 pandemic. In the spring of 2021, economic activity in the euro area started to strongly increase again and continued to do so until the autumn, as a result of which GDP went back up to pre-pandemic levels in the third quarter of 2021. The high infection rates in the winter then slowed down economic activity again, as a result of which the euro area economy grew by a total of 5.3 % in 2021.

The German economy also started growing again and its GDP increased by 2.7 % in 2021. Although growth was initially expected to be much higher, the high infection rates in the winter as well as component, microchip and raw material supply shortages put a significant damper on economic recovery again.

The market figures published by the industry association BITKOM show that the IT and ICT sectors grew by 3.9 % in 2021, which was due in particular to the high rise in IT hard- and software sales.

4. Group business performance

In the 2021/2022 financial year, the P&I Group’s business development continued on a very positive trend despite the global pandemic. With revenue increasing by 13.6 % to EUR 172.4 million, P&I achieved EBITDA of EUR 93.4 million and an EBITDA margin of 54.2 %. This corresponds to a year-on-year increase of 16.5 %. EBIT increased to EUR 82.0 million, which corresponds to an EBIT margin of 47.6 %. These growth rates are significantly higher than the average economic growth rates within Germany and as well as those in the sector over that period. This shows P&I’s cloud-based and digital software solution P&I LogaHR has led P&I to achieve above average growth.

4.1 Results of operations

Revenue development
In the 2021/2022 financial year, the P&I Group’s consolidated revenue increased by 13.6 % to EUR 172.4 million. When adjusted for the revenue from acquisitions in the financial year, revenue grew by 12.6 %.

	2021/2022 kEUR	2020/2021 kEUR
P&I LogaHR	70,266	37,100
Other Software as a Service (SaaS)	13,453	15,545
Service Agreements / Application Services Providing (ASP)	10,915	13,892
Software as a Service	**94,634**	**66,537**
Maintenance	42,658	48,837
Recurring services	**137,292**	**115,374**
Licenses	6,491	10,392
Consulting (non-recurring business)	23,770	22,312
Other	4,850	3,751
Non-recurring services	**35,111**	**36,455**
Total	**172,403**	**151,829**

Recurring services
Recurring services increased yet again at an above-average rate by EUR 21.9 million to EUR 137.3 million (previous year: EUR 115.4 million). P&I generated 80 % of its total revenue (previous year: 76 %) through its recurring services, which corresponds to a double-digit increase in revenue of 19.0 %. Recurring services include Software as a Service (SaaS) and maintenance income. SaaS income includes income from P&I LogaHR services, other SaaS services as well as recurring consulting services (service contracts / application service providing).

In this context, the cloud-based service solution P&I LogaHR, which is the replacement of P&I LogaAll-in, proved the strongest growth driver yet again this financial year, as it increased revenue by EUR 33.2 million to a total of EUR 70.3 million, and took over from maintenance business as the P&I Group's strongest revenue category in the financial year under review by making up 41 % of all revenue. This corresponds to a near twofold increase compared to the previous year.

SaaS business (Software as a Service)
SaaS business grew at a disproportionately high rate in the past financial year and increased by 42.2 % from EUR 66.5 million to EUR 94.6 million. At 55 %, it now accounts for over half of the P&I Group's total revenue. The main drivers of this growth was the P&I LogaHR product range, including and in particular new customer business for this range.

Maintenance business
P&I's maintenance income developed as planned. Maintenance makes up 25 % of the Group's total revenue with a revenue of EUR 42.7 million (previous year: EUR 48.8 million). Over the past year, a large number of customers migrated to our P&I LogaHR model. This means that former maintenance services have been absorbed into the P&I LogaHR service package business, and that their loss caused a drop in revenue derived from maintenance alone.

Non-recurring services
Due to our transition from a license to a SaaS business model, revenue from non-recurring services has declined in direct proportion to the gradual expansion of our SaaS business. This move will increase revenue from recurring services and ensure the continuous improvement of P&I's key financial indicators. Overall, the EUR 1.3 million drop to EUR 35.1 million in revenue from non-recurring services in the 2021/2022 financial year has not been overly drastic compared to the previous year, and has largely been compensated for through the increase in recurring services.

Licence business
Licence revenue amounted to EUR 6.5 million and, as anticipated, is consequently lower than that generated in the previous year (EUR 10.4 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 4 % of its revenue through licence business.

Consulting business
Non-recurring consulting services for licence extensions and project implementations as well as consulting services for HR services increased by 6.5 % year-on-year and amounts to EUR 23.8 million (previous year: EUR 22.3 million), which corresponds to 14 % of the P&I Group's revenue.

Other revenue
Other revenue increased by EUR 3.8 million to EUR 4.9 million year-on-year and comprises revenue from the sale of time management hardware and third-party products.

	2021/2022 kEUR	2020/2021 kEUR	Change in %
Germany	144,413	125,387	15.2 %
Switzerland	17,764	18,029	-1.5 %
Austria	10,168	8,328	22.1 %
Other international	58	85	-31.8 %
Total	**172,403**	**151,829**	**13.6 %**

Revenue development by country
Above average domestic revenue growth
Domestic business again saw exceptionally high growth during the second year of the pandemic. At EUR 144.4 million, it accounts for 84 % of the P&I Group's revenue. In absolute terms, domestic revenue increased by EUR 19.0 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.

Stable performance in Switzerland
The Group‘s Swiss segment has – just as in the previous year – contributed EUR 17.8 million to the P&I Group‘s annual turnover. This corresponds to 10 % of the Group‘s total revenue. The reason for these figures is the consistent transition to the SaaS model. License business, which generated EUR 0.2 million (previous year: EUR 1.7 million), has been discontinued as planned, as a result of which this revenue was generated solely through license extensions. P&I's new business is positioned as P&I LogaHR business on the market. However, contrary to expectations, it has not yet been possible to compensate for the drop in license business with P&I LogaHR business in the past financial year.

The high proportion of recurring revenue from LogaHR, maintenance, SaaS and support services, which is typical for the the Swiss segment and, together, account for 80 % (previous year: 74 %) of its revenue, corresponds to the Group average. At the same time, P&I Loga HR business has also gained traction in Switzerland and, at EUR 3.0 million, revenue from the same has tripled over the past financial year (previous year: EUR 1.0 million).

Acquisition-driven above-average revenue growth in Austria
At 22.1 %, revenue saw above-average growth in Austria in the financial year and the P&I Group generated 6% of its revenue to the amount of EUR 10.2 million (previous year: EUR 8.3 million) in Austria. In the first quarter of its membership of P&I (Jan-March 2022), the VRZ Group generated revenue to the amount of EUR 1.4 million. The revenue organically generated by the Austrian company's core business segments increased by 4.9 %. The new P&I LogaHR business nearly doubled in the financial year under review and now amounts to EUR 1.6 million (previous year: EUR 0.8 million).

Development of orders and orders on hand
P&I has changed its business model and, instead of license business, which formerly used to be key for the Group, is now focussing on recurring SaaS service business as its main revenue driver. The monthly fee for P&I LogaHR services is consequently the most important order performance indicator for our company. P&I LogaHR contracts are generally multi-year contracts.

In the 2021/2022 financial year, revenue from incoming orders and monthly fees for P&I LogaHR have increased by EUR 1.3 million year-on-year from EUR 2.4 million (previous year) to EUR 3.7 million. At the same time, incoming orders for traditional non-recurring licenses, consulting services and other have declined from EUR 51.3 million to EUR 38.3 million year-on-year. This reduction is primarily due to the decline in license business. In the year under review, licences accounted for Euro 5.7 million of total incoming orders (previous year: EUR 13.7 million).

The average contractually agreed monthly fee for P&I LogaHR increased by over 70 % over the course of the year and increased from EUR 4.9 million to EUR 8.4 million as of the reporting date of 31 March 2022. At EUR 20.0 million, total orders on hand for non-recurring business as of the reporting date has increased over the previous year (previous year: EUR 18.4 million).

Results of operations
EBITDA increased by 16.5 % to EUR 93.4 million in the 2021/2022 financial year (previous year: EUR 80.2 million). This corresponds to an EBITDA margin of 54.2 % (previous year: 52.8 %).

Operating earnings (EBIT) amounted to EUR 82.0 million (previous year: EUR 69.9 million).

	2021/2022 kEUR	2020/2021 kEUR	Change in %
IFRS consolidated income			
Revenue	172,403	151,829	13.6 %
EBITDA	93,415	80,159	16.5 %
EBITDA margin	54.2 %	52.8 %	./.
EBIT	82,006	69,879	17.4 %
EBIT margin	47.6 %	46.0 %	./.

EBITDA is the key earnings indicator for P&I. P&I 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 7.8 % year-on-year to EUR 80.6 million, which is still significantly lower than the increase in revenue, which consequently accounts for the increase in EBITDA.

	2021/2022 kEUR	2020/2021 kEUR	Change kEUR
Revenue	172,403	151,829	20,574
Personnel costs	-62,418	-56,767	-5,651
Other operating expenses	-18,171	-17,997	-174
Other operating income	1,601	3,091	-1,490
EBITDA	**93,415**	**80,156**	**13,259**

The increase in HR costs is, on the one hand, due to the increase in the average annual number of employees (measured as an average employment ratio: 543 compared to 538 in the previous year), and on the other, due in particular to the high number of employees achieving specified targets and hence to the increase of variable salary components owed. Other factors that have led to an increase in costs included promotions based on changes in job descriptions.

As part of these costs, the costs of sales increased by EUR 6.7 million to EUR 44.0 million, which is primarily due to the additional costs incurred in connection with the expansion of HRaaaS and increase in P&I Loga HR business, as well as the higher costs of time management hardware and other costs of sales such as for print and mailing services. Ultimately, the year-on-year increases in costs are also due to the fact that the newly acquired companies were either not included at all or only included proportionally (P&I Service GmbH) in the previous year.

In this context, the increase in selling costs, which rose by EUR 1.4 million to EUR 14.5 million and was primarily due to an increase in variable salaries, is particularly noteworthy.

	2021/2022 kEUR	2020/2021 kEUR
Operating result before depreciation and amortisation (EBITDA)	93,415	80,156
EBITDA margin	54.2 %	52.8 %
Consolidated income before tax (EBIT)	88,351	76,703
Consolidated income (before profit transfer[1)])	87,135	75,556
Return on sales	50.5 %	49.8 %
Return on operating assets[2)]	53.8 %	45.3 %
Earnings per share (EUR)	11,57	10,03

[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 6.3 million in the 2021/2022 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 2021/2022 financial year, this guarantee fee amounted to EUR 4.8 million (previous year: 4.5 million).

The tax expense recorded in the 2021/2022 financial year amounted to EUR 1.2 million (previous year: EUR 1.1 million) and 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 87.1 million (previous year: EUR 75.6 million).

The annual profit of P&I AG for the 2021/2022 financial year as reported in the financial statements prepared according to commercial law in the amount of EUR 73.9 million (previous year: EUR 74.0 million) 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 10.03)

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 allows 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 93.1 million (previous year: 37.2 million) in the 2021/2022 financial year, on which interest is payable at the standard market interest rates.

At the reporting date of 31 March 2022, the long-term loan granted to the parent company, Athena BidCo GmbH, including accrued interest, amounted to EUR 97.1 million (previous year: EUR 76.0 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 82.9 million.

	2021/2022 kEUR	2020/2021 kEUR	Change TEUR
Cash flow from			
- Operating activities	79,866	79,607	259
- Investing activities	-102,298	-43,772	-58,526
- Financing activities	-3,630	-3,088	-542
Change in cash and cash equivalents due to exchange rate changes	1,118	-643	1,761
Change in cash and cash equivalents	**-24,944**	**32,104**	**-57,048**

In the 2021/2022 financial year, cashflow from operating activities increased by EUR 0.3 million to EUR 79.9 million (previous year: EUR 79.6 million). This increase was the result of the higher group result and change in working capital.

Cashflow from investing activities is dominated by the cash outflow from a loan that the Group was instructed to pay to Athena BidCo GmbH and the acquisition of the VRZ Group. Cash outflow for the loan in the financial year totalled EUR 88.3 million (previous year: EUR 26.7 million). The cash outflow for investments for additional non-current assets, including the company acquisition, amounted to EUR 14.1 million (previous year: EUR 17.2 million).

The cashflow from financing activities is attributable to the repayment of lease liabilities. Due to the offsetting of the 2020/2021 profit transfer obligation of EUR 74.0 million against the loan granted to Athena BidCo GmbH in the 2021/2022 financial year, this transaction does not affect cashflow and is therefore not reported in the cashflow 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 for Switzerland on 31 March 2022 was CHF/EUR 1.0267 (previous year: CHF/EUR 1.1070).

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 means that cash and cash equivalent levels are traditionally high at the turn of the Group's financial year. The cash and cash equivalents as at the current reporting date were considerably lower than usual due to the payment of an additional loan trance to the amount EUR 55.0 million paid to Athena BidCo GmbH in March 2022.

Following this payment, the P&I Group's remaining cash and cash equivalents amounted to EUR 46.8 million (previous year: EUR 71.8 million).

Cash and cash equivalents and current assets

The P&I Group's cash and cash equivalents and current financial assets totalled EUR 46.8 million (previous year: EUR 71.8 million).

	31.03.2022 kEUR	31.03.2021 kEUR	Change kEUR
Cash and cash equivalents	46,813	71,757	-24,944
Fixed-term deposits	0	0	0
Cash and cash equivalents and current financial assets	**46,813**	**71,757**	**-24,944**
Interest-bearing liabilities	0	0	0
Net financial position	46,813	71,757	-24,944
Net financial position as a percentage of total assets	18.7 %	31.1 %	./.

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 was furthermore granted a capex facility to the amount of EUR 30.0 million and a revolving facility of EUR 50.0 million. 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.

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 be held liable for equates to the loan amounts less the assets of Athena BidCo GmbH.

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 2021/2022 financial year amounted to EUR 4.8 million (previous year: EUR 4.5 million).

At the reporting date, the loan from Athena BidCo GmbH's financing agreement amounted to EUR 475.0 million (previous year: EUR 475.0 million).

The liabilities arising from the loan agreement 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 in entering into 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 annex and the consolidated cash flow statement.

The Management Board and Supervisory Board regularly discuss all matters related to the existing loan agreement and its 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 19.3 million year-on-year and amounts to EUR 249.8 million (previous year: EUR 230.5 million). The P&I Group had *non-current assets* in the amount of EUR 186.1 million (previous year: EUR 143.6

	31.03.2022 kEUR	31.03.2021 kEUR	Change kEUR
Non-current assets	186,053	143,614	42,439
Current assets	63,702	86,840	-23,138
Total assets	**249,755**	**230,454**	**19,301**
Equity	78,816	64,298	14,518
Non-current liabilities	17,275	14,751	2,524
liabilities	153,664	151,405	2,259
Total equity and debts	**249,755**	**230,454**	**19,301**

Key figures	31.03.2022	31.03.2021
Equity ratio	31.6 %	27.9 %
Net current assets in kEUR*)	-89,962	-64,565

*) Current assets less current liabilities at the reporting date

million), which is an increase of EUR 42.4 million in the year under review. The increase in *non-current financial assets* (EUR 21.2 million) is the result of other loan tranches granted in the 2021/2022 financial year under a loan agreement with the parent company Athena BidCo GmbH. The loan is allocated to non-current assets on account of its term.

The Group's *intangible assets* increased by EUR 8.8 million as a result of the acquisition of the VRZ Group and now amount to EUR 43.0 million (previous year: EUR 34.2 million). *Property, plant and equipment* increased by EUR 2.6 million to EUR 11.9 million (previous year: EUR 9.3 million) and is primarily due to investments in P&I LogaHR hardware. Scheduled depreciation and amortisation led to a decrease in intangible assets and property, plant and equipment (PPE). The *lease rights-of-use* to the underlying lease assets have slightly increased year-on-year both as part of accruals and with respect to the planned expenditure and amount to EUR 14.4 million (previous year: EUR 14.2 million). *Non-current contract assets and non-current capitalised revenue from contracts with customers* nearly doubled with an increase of EUR 9.6 million to a total of EUR 19.4 million. Our P&I LogaHR customers are provided with unique access to their system, which is set up and preconfigured during the sales phase by means of an digital dialogue, immediately after taking out a contract. The increase in non-current contract assets in the 2021/2022 financial year primarily originates from the fulfilment of the contractual obligations from P&I LogaHR contracts, which are spread over the term of the contract.

Current assets, primarily consisting of liquid assets and trade receivables, dropped by EUR 23.1 million year-on-year to EUR 63.7 million.
Trade receivables from our customers increased by EUR 1.1 million and amounted to EUR 10.6 million. This increase is partly due to the acquisition and partly due to the increase in sales and expansion of organic business within the P&I Group. *The current assets from contracts* with customers amounted to EUR 2.5 million (previous year: EUR 2.5 million), the current short-term capitalised revenue from contracts amounts to EUR 1.3 million (previous year: EUR 0.8 million). This increase is due to the increase in the proportion contributed by the P&I LogaHR business. *Cash and cash equivalents* declined to EUR 46.8 million (previous year: EUR 71.8 million). This decline is largely due to the loan in excess of EUR 55.0 million extended to the parent company.

Equity increased by EUR 14.5 million year-on-year and now amounts to EUR 78.8 million. At the same time, the equity ratio rose from 27.9 % to 31.6 %.

P&I AG's accounting profit (EUR 73.9 million) is reported in the IFRS consolidated financial statements as an appropriation of net profit. The increase in equity generated through the subsidiaries' profits (+ EUR 3.5 million) is largely due to the accounting differences between the commercial and IFRS accounting standards applied by P&I AG (+ EUR 16.2 million) as well as the dividends paid to P&I AG by the subsidiaries (- EUR 6.5 million). The increase in accumulated other comprehensive income (+ EUR 1.3 million) is due to currency translation effects related to the Swiss subsidiaries.

Non-current liabilities increased to EUR 17.3 million year-on-year (previous year: EUR 14.8 million). Non-current lease liabilities amounted to EUR 11.9 million (previous year: EUR 12.3 million). This figure includes the amount of EUR 3.5 million for outstanding purchase price instalments (previous year: EUR 1.0 million). Deferred tax liabilities (EUR 1.7 million, previous year: EUR 0.9 million) are attributable to temporary differences between the subsidiaries' tax statements and have increased year-on-year. This increase is the result of the latent taxes carried as a liability in the context of the acquisition of the VRZ Group. Non-current liabilities from contracts with customers amount to EUR 0.3 million (previous year: EUR 0.5 million).

Total *current liabilities* increased by EUR 2.3 million to EUR 153.7 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 0.7 million), liabilities from accruals and deferrals (change: - EUR 3.2 million), liabilities from trade payables (change: + EUR 1.5 million), tax liabilities (change: - EUR 0.4 million), production orders with balances carried as liabilities (change: + EUR 0.7 million); provisions (change: - EUR 2.4 million) as well as other current liabilities (change: + EUR 5.4 million).

After offsetting against tax prepayments for the respective financial years, the *tax liabilities* of EUR 1.1 million (previous year: EUR 1.5 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 3.2 million year-on-year and amount to EUR 41.0 million. This decline is due to P&I's switch from a license and maintenance business model to a SaaS services, 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 from production orders with balances carried as liabilities* have increased by EUR 0.7 million year-on-year and amount to EUR 1.1 million. These liabilities primarily include advance payments for future services for projects.
The *provisions* of EUR 0.1 million (previous year: EUR 2.4 million) primarily include risks from ongoing customer projects.

Other current liabilities amounted to EUR 31.4 million at the end of the financial year (previous year: EUR 26.0 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 4.7 million) as well as the increase in short-term lease liabilities in the amount of EUR 0.3 million.

5. P&I AG

5.1 Earnings

With a revenue of EUR 136.4 million (previous year: EUR 121.4 million), P&I AG generated an operating result before amortisation and taxes and financial income of EUR 73.4 million (previous year: EUR 62.5 million), thereby achieving an EBITDA margin of 53.8 %. Financial income amounted to EUR 13.4 million (previous year: EUR 16.1 million), EUR 6.5 million (previous year: EUR 8.7 million) of which is attributable to investment income.

Revenue development
Revenue for the 2021/2022 financial year totalled EUR 136.4 million and increased by 12.3 % year-on-year (previous year: EUR 121.4 million). This figure includes revenue generated with third parties to the amount of EUR 129.8 million (previous year: + EUR 116.2 million). The Group's performance overall increased year-on-year.Revenue from recurring services (in particular SaaS revenue) increased at a disproportionately high rate relative to of 19.6 % to EUR 109.8 million (previous year: EUR 91.8 million) relative to total revenue. This separate revenue category includes software as a service (SaaS) income and P&I LogaHR income, maintenance income and

	2021/2022 kEUR	2020/2021 kEUR	Change kEUR
Revenue with			
– Third parties	129,807	116,176	13,631
- Affiliated companies	6,555	5,239	1,316
Total revenue	136,362	121,415	14,947
Change in inventories	947	118	829
Total operating revenue	**137,309**	**121,533**	**15,776**

recurring income from service agreements. P&I AG generated 81 % (previous year: 76 %) of its revenue through its recurring revenue business.

In the financial year under review, non-recurring revenue, which includes licence revenue (EUR 5.1 million) and consulting revenue generated in connection with the implementation of P&I software (EUR 17.3 million) and other revenue (EUR 4.1 million), has declined by EUR 3.0 million year-on-year because of the Group's switch from a license to a SaaS business model.

The change in inventory arose from long-term production orders and amounted to EUR 1.0 million in the past financial year (previous year: EUR 0.1 million).

Results of operations: Result after taxes at previous year‘s level

IP&I AG‘s EBITDA increased by 17.3 % to EUR 73.4 million year-on-year (previous year: EUR 62.5 million). As sales have increased, so have operating costs. In the financial year under under review, this increase amounted to EUR 4.8 million. One one-off effect that affected annual profit before profit transfer arose from the impairment of the shares in COMPU-ORGA Gesellschaft für Computer-Organisation mit beschränkter Haftung and P&I Service GmbH in the total amount of EUR 6.5 million (previous year: EUR 0 million), as well as the decline of the subsidiaries' investment income (- EUR 2.2 million), which explains why the result is virtually the same as the previous year‘s despite the high revenue growth.

The result after tax amounted to EUR 73.9 million (previous year: EUR 74.0 million). The operating earnings (EBIT) of EUR 60.5 million increased by EUR 2.7 million year-on-year.

P&I's return on sales amounts to 54.2 % (previous year: 60.9 %). The return on equity before profit transfer is 266.1 % (previous year: 266.3 %). 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 2021/2022 financial year as reported in the financial statements prepared according to commercial law in the amount of EUR 73.9 million (previous year: EUR 74.0 million) before the profit transfer is to be transferred to Athena BidCo GmbH.

5.2 Financial position

Cashflow development and liquidity position

Cash and cash equivalents declined from EUR 49.3 million to EUR 23.9 million in the 2021/2022 financial year. Cash flow from operating activities has slightly increased by EUR 0.08 million year-on-year and amounts to EUR 70.8 million. Due to investment activities, the Group‘s cash and cash equivalents declined by EUR 96.3 million. This was largely due to the cash outflows for the loan to Athena BidCo GmbH in the amount of EUR 88.3 million (previous year: EUR 26.6 million). The dividend payments from the subsidiaries generated cash inflows of EUR 6.5 million (previous year: EUR 8.7 million).

	2021/2022 kEUR	2020/2021 kEUR	Change kEUR
Cash flow from			
- Operating activities	70,823	70,020	803
- Investing activities	-96,257	-35,776	-60,481
- Financing activities	-17	-21	4
Change in cash and cash equivalents	**-25,451**	**34,223**	**-59,674**

At the reporting date, cash-in-hand and bank balances amounted to EUR 23.9 million (previous year: EUR 49.3 million). This decline is due to the additional loan provided to the parent company.

	31.03.2022 kEUR	31.03.2021 kEUR	Change kEUR
Cash and cash equivalents	23,883	49,334	-25,451
Cash-in-hand and bank balances	**23,883**	**49,334**	**-25,451**

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 Financial position

	31.03.2022 kEUR	31.03.2021 kEUR	Change kEUR
Fixed assets	142,117	119,294	22,823
Current assets	37,756	61,372	-23,616
Prepaid expenses	1,451	1,485	-34
Positive difference from asset allocation	0	2	-2
Assets	**181,324**	**182,153**	**-829**
Equity	27,775	27,775	0
Provisions	21,468	22,274	-806
Liabilities	101,492	98,010	3,482
Deferred income	30,589	34,094	-3,505
Liabilities	**181,324**	**182,153**	**-829**

Fixed assets increased by EUR 22.8 million year-on-year and, at the reporting date, amounted to EUR 142.1 million. This is largely due to the increase of the long-term loan extend to Athena BidCo GmbH (+ EUR 21.1 million). In addition to the above, P&I Personal & Informatik GmbH, Vienna, Austria, was granted a loan to the amount of EUR 5.6 million for financing an a cquisition.

Under consideration of ongoing amortisations, a number of investments in the Group's office equipment furthermore led to an increase in intangible assets, property, plant and equipment to the amount of EUR 3.7 million. SOLITON Software GmbH, Berlin, was merged with P&I Personal & Informatik AG, Wiesbaden with effect from 1 April 2021. The assets taken over as part of the merger have been recognised in accordance with the general principle of the historical cost of the cancelled shares of Soliton.

Current assets declined by EUR 23.6 million year-on-year to EUR 37.8 million. Inventories, primarily consisting of work in progress, increased year-on-year (previous year: EUR 4.5 million) by EUR 1.0 million and amount to EUR 5.5 million. Trade receivables increased to EUR 7.0 million (previous year: EUR 6.4 million) in line with the increase in sales volume. At EUR 1.0 million, receivables from affiliated companies at the reporting date are nearly at the previous year's level (previous year: EUR 1.1 million). Advance payments for events have slightly gone up, which increased other assets by EUR 0.3 million to EUR 0.4 million.

Cash-in-hand and bank balances dropped from EUR 49.3 million to EUR 23.9 million. The decline in liquidity is largely due to 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 2021/2022 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 slightly declined, the equity ratio has slightly increased and amounts to 15.3 % (previous year: 15.2 %).

As of 31 March 2022, 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 decreased by EUR 0.8 million to EUR 21.5 million. This decline is primarily due to the utilisation of provisions from services for ongoing projects (-EUR 2.4 million). Alongside this decline, the provisions for variable salary components for employees saw an increase in the year under report. Other provisions also include the amount of EUR 1.6 million for outstanding purchase price instalments based on the assumption that the purchase price conditions will be met.

Liabilities increased by EUR 3.5 million year-on-year to EUR 101.5 million (previous year: EUR 98.0 million). This is primarily due to increase in liabilities from trade payables as well as towards affiliated companies (total: EUR 2.5 million). The advance payments for orders included in this increased by EUR 1.4 million to a total of EUR 22.7 million, which is due to further payments received following the partial completion of services for a major project.

Deferred income amounts to EUR 30.6 million (previous year: EUR 34.1 million) and includes software maintenance agreements and P&I LogaHR contracts and results from the periodic deferral of recurring services. *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 switch 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, 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 revenue growth in the low mid-single digit percentage range for the P&I Group for the 2021/2022 financial year. It also forecast an increase in sales 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. Due to the emphasis on SaaS contracts, licence revenue was anticipated to decline by half. The Management Board anticipated that the Group EBITDA would increase by over 10 %, which would correspond to an EBITDA margin of between 53-55 %. Operating cash flow was expected to be maintained at the existing high level.

In the year under review, this forecast was exceeded both with a 13.6 % increase in sales to EUR 172.4 million with organic growth of 12.6 %, as well as with a 16.5 % (forecast > 10 %) increase in EBITDA to EUR 93.4 million. The EBITDA margin amounts to 54.2 % (previous year: 52.8 %).

The plan to increase SaaS contracts and transform the Group‘s business model over the past financial year was very ambitious, and P&I recorded a two-digit increase (19.0 %) in total recurring services from EUR 115.4 million to EUR 137.3 million year-on-year, as well as 59.0 % increase in SaaS revenue (previous year: 39.3 %). Within this context, the increase in revenue from the service product P&I LogaHR, which grew from EUR 37.1 million to EUR 70.3 million, is particularly worthy of note. Overall, 80 % of all Group revenue was generated from recurring revenue. As predicted in P&I's forecast, licence business, declined by over 35 % year-on-year alongside the rapid growth of the SaaS business. At EUR 79.9 million, the P&I Group's operating cash flow is in line with expectations and has slightly increased year-on-year (EUR 79.6 million).

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

At an increase of 12.3 % to EUR 136.4 million, the increase in P&I AG's revenue is significantly higher than forecast. Although the conscious decision to favour recurrent SaaS business over non-recurring license business and associated maintenance revenue has led to a EUR 3.3 million decline in license revenue, the Group has been able to more than compensate for this decline with its recurring P&I LogaHR business. At the same time, recurring services increased by 19.6 % to EUR 109.8 million (previous year: EUR 91.8 million) and ultimately made up 81 % 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.

In parallel to the above, the Group was also able to exceed the forecast regarding its operational objectives with a 17.3 % EBITDA increase to EUR 73.4 million (previous year: EUR 62.5 million). At EUR 70.8 million, the development of the Group's operating cash flow is in line with expectations and has slightly increased year-on-year (EUR 70.0 million).

7. Events after the reporting date

There were no significant events after the reporting date.

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 its 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 also responsible for preparing risk reports, initiating the further development of the risk management system and developing regulations aimed at 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 or the reorganisation of our consulting activities – 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 license business could decline without any corresponding increases in SaaS revenue associated with the switch from a license-based to a SaaS-based business model reached its peak in the past financial year. This is not associated with a decline in non-recurring consulting business. However, for this reason, it is no longer being anticipated that a further reduction in the proportion of total income attributable to income from licenses (< 4 %) would have a material adverse effect on business, and hence on P&I's net assets, financial position and results of operations.

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 agreement 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 of EUR 50.0 million. 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.

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 amounts less the assets of Athena BidCo GmbH.

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 2021/2022 financial year amounted to EUR 4.8 million (previous year: EUR 4.5 million).

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

The liabilities arising from this loan agreement 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 the current corporate planning of P&I AG for the coming years and the associated liquidity outflow, the Management Board sees no significant risk to the Company in entering into 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 2022, the outstanding loan plus accrued interest amounted to EUR 97.1 million (previous year: EUR 76.0 million).

The Management Board and Supervisory Board regularly discuss all matters related to the existing loan agreement and its 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.

P&I AG and the Group are not currently exposed to any significant default risk.

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 annex and the consolidated cash flow statement.

Defaults at Group companies slightly increased year-on-year due to specific customers' circumstances that are related to events at one of the subsidiaries. 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 default risk that could endanger the continued existence of the company. The company 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 2022, P&I's exchange rate risk is limited to the Swiss franc, the currency in which its subsidiaries 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 risk / 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 with corresponding backup 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, 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. 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. We use P&I's 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 from the war in Ukraine / development of the Covid-19 pandemic

Since the start of the war in Ukraine, there has been a great deal of uncertainty within the economy and at the financial markets concerning the future development of the global economy, as well as with respect to the impact of the sanctions that have since been imposed and their potential intensification. It is not currently possible to anticipate the impact of the these events in terms of their scope and time-scale. The key risks in this respect are the interruption of supply chains, energy embargoes, lack of raw materials and the loss of sales markets. It is not yet clear what kind of an impact these risks would have on inflation, investment confidence and governments' choices concerning the implementation of measures for protecting public life. There is also uncertainty about any potential additional problems that might yet arise in connection with the pandemic in the autumn.

It is not currently possible to estimate how the war in Ukraine will impact on the P&I Group and P&I AG's financial situation in the 2022/2023 financial year. 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. With reference to our cloudbased 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. We therefore do not anticipate that the war in Ukraine is going to impact on our ability to continue with our business activities.

Overall assessment of the risk situation

In the financial year under review, none of the risks identified and quantified 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. The overall risk assessment shows that, even when considering the risks associated with the Covid pandemic, P&I's 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 2021/2022 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.

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

Following the past two years of the Covid-19 pandemic, the conflict in Ukraine has seriously impacted economic recovery and is very likely to lead to stagflation. Before the start of the war in Ukraine, it was anticipated that the economy would get a boost in the summer of 2022. Instead, high raw material prices are currently reducing purchasing power, manufacturing is hampered by supply shortages and market opportunities are diminishing because of sanctions.

Against this background, the Institute for World Economy (IfW) in Kiel anticipates that GDP will rise by 2.8 % (in 2023, 3.1 %) and inflation rise to 5.2 % in the euro area in 2022, which will be the highest inflation rate ever seen in the monetary union. The IfW anticipates Germany's GDP to increase by 2.1 % in 2022 and by 3.5 % in 2023.

In January 2022, the industry association BITKOM forecast the market in its sector to grow by 3.6 % in 2022, with respect to which the software sector is expected to see the highest growth at a rate of 9 %.

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

P&I's timely decision to focus on an integrated, cloud-based platform approach, which has since been taken advantage of by over 1000 customers, is providing P&I with a sound basis for the future development of its business in the HR sector, which is currently undergoing the same level of progressive digitalisation seen across the whole of society. P&I intends to consistently pursue this approach with its new P&I LogaHR platform and to leave behind the world of on-premise solutions by migrating its LOGA customer base to its cloud-based solution. In taking this approach, P&I is planning to further strengthen its competitive position and gain additional market shares through significant investments in the intelligent automation of HR processes. In view of the fact that P&I's switch from a license to a SaaS model is nearly complete, the further expansion of our cloud business is only going to cause a minor drop in our license revenue.

P&I also sees further potential for 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.

The German Commercial Code and IFRS accounting standards applied by P&I AG differ especially with respect to the recognition of sales and revenue from P&I LogaHR and major projects as well as the reporting procedure for lease agreements.

With this in mind, the Management Board is presently issuing the following outlook for the 2022/2023 financial year:

- We anticipate that P&I Group sales will increase by over 10 % compared to the 2021/22 financial year. This increase in does not just apply to Germany, but also the other European countries.
    - This growth will be driven by our recurring services and, most of all, by P&I LogaHR. This increase is expected to be in the low double-digit percentage range.
- If the above predictions concerning revenue development are met and, at the same time, costs remain stable, the Management Board anticipates an increase in EBITDA in excess of 15 %, which corresponds to an EBITDA margin of over 55 %.
- We expect that P&I AG will see low double-digit percentage range increases in both its revenue and EBITDA compared to the 2021/22 financial year.
- The operating cash flow of the P&I Group and P&I AG is planned to be kept at the 2021/22 financial year level.
- 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 predictions may change if the conflict in the Ukraine cannot be peacefully resolved and economic sanctions become permanent. 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. It is also possible that P&I's new customer business could collapse due to a lack of investment capacity. This applies in particular to the public sector in Germany, which is facing extremely high costs as a result of the latest economic sanctions, the support provided to the Ukraine, the expansion of its military resources, as well as for mitigating the impact of the war in Ukraine on Germany. 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 direct costs of sales 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 recurring services. Most of the annual maintenance and service fees for 2022, in particular for recurring and service business, have already been collected, which means that this revenue is secure. 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.

By shifting to a cloud-based platform, P&I, its customers and interested parties are ushering in a new era for HR management, which distinguishes itself through standardisation, automation and the democratisation of the use of P&I's HR tools. We anticipate that, in future, the switch to the cloud will become a 'must' for every company who wishes to succeed in the market. In line with this expectation, P&I foresees that its future as a company will be full of possibilities and opportunities. We are convinced that P&I's dynamic development is going to pave the way for ongoing sustainable growth and earning power and will put it on the path to success.

P&I Personal & Informatik AG

Wiesbaden, 22 June 2022

Vasilios Triadis

Dr. Carlo Pohlhausen

Remco van Dijk

03/

CONSOLIDATED FINANCIAL

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Consolidated income statement

	Explanatory notes	01 April 2021 to 31 March 2022	01 April 2020 to 31 March 2021
In kEUR			
Revenue	(4)	172,403	151,829
Cost of sales	(5)	43,988	37,295
Gross profit		**128,415**	**114,534**
Research and development costs	(5)	22,551	22,064
Selling costs	(5)	14,462	13,086
Administrative costs	(5)	8,439	8,074
Amortisation of customer bases	(5)	1,887	1,778
Other operating income	(5)	1,601	3,091
Other operating expenses	(5)	671	2,744
Operating earnings (EBIT)		**82,006**	**69,879**
Financial earnings	(7)	6,910	7,437
Financial expenses	(7)	565	613
Earnings before taxes (EBT)		**88,351**	**76,703**
Tax expenses	(8)	1,216	1,147
Consolidated income		**87,135**	**75,556**
Consolidated income attributable to			
– Shareholders of the parent company		87,135	75,556
– Non-controlling shareholders		0	0

Consolidated statement of comprehensive income

	Explanatory notes	01 April 2021 to 31 March 2022	01 April 2020 to 31 March 2021
In kEUR			
Consolidated income		**87,135**	**75,556**
Items that may be reclassified to profit or loss in subsequent periods			
Currency translation of foreign operations		**1,304**	**-950**
Other comprehensive income	(22)	**1,304**	**-950**
Consolidated comprehensive income		**88,439**	**74,606**
Consolidated comprehensive income attributable to			
– Shareholders of the parent company		88,439	74,606
– Non-controlling shares		0	0

Consolidated statement of financial position as of 31 March 2022

	Explanatory notes	31 March 2022	31 March 2021
In kEUR			
Assets			
Non-current assets			
Customer base	(9)	13,354	11,532
Goodwill	(9)	27,024	18,787
Other intangible assets	(9)	2,648	3,866
Property, plant and equipment	(10)	11,877	9,289
Right-of-use assets IFRS 16	(11)	14,369	14,198
Non-current financial assets	(12)	97,204	76,050
Deferred tax assets	(13)	192	143
Non-current capitalised contract costs	(14)	1,995	1,463
Non-current assets from contracts	(15)	17,390	8,286
Total non-current assets		**186,053**	**143,614**
Current assets			
Inventories	(16)	377	197
Trade receivables	(17)	10,577	9,445
Current assets from contracts	(15)	2,457	2,477
Current capitalised contract costs	(14)	1,266	803
Other current assets	(18)	2,212	2,161
Cash and cash equivalents	(19)	46,813	71,757
Total current assets		**63,702**	**86,840**
Total assets		**249,755**	**230,454**

Consolidated statement of financial position as of 31 March 2022

	Explanatory notes	31 March 2022	31 March 2021
In kEUR			
Liabilities			
Equity			
Issued capital	(20)	7,531	7,531
Capital reserves	(20)	2,334	2,334
Retained earnings	(21)	67,916	54,702
Accumulated other comprehensive income	(22)	1,035	-269
Total equity		**78,816**	**64,298**
Non-current liabilities			
Deferred tax liabilities	(13)	1,657	941
Lease liabilities	(11)	11,884	12,342
Non-current contract liabilities	(23)	270	468
Non-current financial liabilities	(24)	3,464	1,000
Total non-current liabilities		**17,275**	**14,751**
Current liabilities			
Trade payables	(25)	4,383	2,876
Liabilities towards affiliated companies	(26)	74,617	73,954
Tax liabilities	(27)	1,089	1,506
Contract liabilities – accruals and deferrals	(23)	41,028	44,205
Contract liabilities – other	(23)	1,072	399
Provisions	(28)	81	2,435
Other current liabilities	(29)	31,394	26,030
Total current liabilities		**153,664**	**151,405**
Total debt		**170,939**	**166,156**
Total liabilities		**249,755**	**230,454**

Consolidated statement of changes in equity

				Accumulated other comprehensive income		
Explanatory notes	Signed capital (20)	Capital reserve (20)	Profit reserves (20), (21)	Difference resulting from currency translation (22)	Change in the fair value of financial assets available for sale financial Assets value (22)	Total
In kEUR						
As of 31 March 2020	**7,531**	**2,334**	**53,100**	**681**	**0**	**63,646**
Consolidated income			75,556			75,556
Other comprehensive income				-950		-950
Consolidated comprehensive income						**74,606**
Profit transfer to Athena BidCo GmbH			-73,954			-73,954
As of 31 March 2021	**7,531**	**2,334**	**54,702**	**-269**	**0**	**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**	**0**	**78,816**

Consolidated cash flow statement

	Explanatory notes	01 April 2021 to 31 March 2022	01 April 2020 to 31 March 2021
In kEUR			
Consolidated income		**87,135**	**75,556**
-/+ Tax income/tax expenses		1,216	1,147
-/+ Financial result (financial income less financial expenses)		-6,345	-6,823
Operating earnings (EBIT)		**82,006**	**69,880**
+ Depreciation of property, plant and equipment and intangible assets		11,409	10,277
+/- Change in inventories, trade receivables and other assets not attributable to investing or financing activities		-10,597	1,723
+/- Change in trade payables and other liabilities not attributable to investing or financing activities		243	-406
+/- Losses/gains from the disposal of non-current assets		13	80
+/- Changes in other non-cash items		-765	276
- Interest paid		-563	-561
+ Interest received		6	28
- Tax payments		-1,886	-1,690
Cash flow from operating activities		**79,866**	**79,607**
- Payments for investments in property, plant and equipment		-7,467	-4,713
- Payments for investments in intangible assets		-74	-604
+ Proceeds from the disposal of property, plant and equipment and intangible assets		70	51
- Payments for investments in non-current financial assets		-88,252	-26,657
- Payments for investments in current financial assets		0	-0
- Payments for company acquisitions		-6,575	-11,849
Cash flow from investment activities		**-102,298**	**-43,772**
- Repayment of lease liabilities		-3,630	-3,088
Cash flow from financial activities		**-3,630**	**-3,088**
Changes in cash and cash equivalents due to exchange rate changes		1,118	-643
Change in cash and cash equivalent		-24,944	32,104
Changes in cash and cash equivalents at the start of the financial year		71,757	39,653
Changes in cash and cash equivalents at the end of the financial year	(19)	46,813	71,757

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 asso-ciation 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 Group („P&I" or „we"), which operates throughout Europe in the fields of software development, licensing, mainte-nance and IT services.

The address of the parent company's registered office is Kreuzberger Ring 56, Wiesbaden, 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, net-work 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 Ex-change 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 2022 will be included in the exempting consolidated financial statements of the Group's ultimate par-ent company, Athena Investments Luxembourg S.à.r.l., Luxembourg, as per Art. 291(2)(3) of the German Commercial Code (HGB) 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, which is the legal successor of P&I Zwischenholding GmbH. Under this agree-ment, 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 2021/2022 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 2021/2022 financial year:

On 1 April 2021 (effective merger date), SOLITON Software GmbH, Berlin, was merged with P&I Personal & Informatik AG.P&I Personal & Informatik GmbH, Vienna, acquired all of the shares in the VRZ Group with effect from 31 December 2021 / 1 January 2022. The VRZ Group comprises of the following companies:

- VRZ Informatik Gesellschaft mbH, Dornbirn, Austria
- Ally Lohn & Personal GmbH, Dornbirn, Austria,
- ThinkCreateAct AG, Romanshorn, Switzerland, and
- VRZ Informatik (Switzerland) GmbH, St. Gallen, Switzerland.

The initial consolidation of the VRZ Group in P&I's consolidated financial statements took place on 1 January 2022.

A list of the subsidiaries included in the consolidated financial statements can be found in note 36.

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 noncontrolling 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 recog-nised in the income statement. Goodwill impairment losses may not be reversed in a subse-quent 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

2.1. 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).

Effects of new or amended standards
On 1 January 2021, a number of amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 (interest rate benchmark reform) came into effect. These amendments mark the introduction of practical simplifications concerning the modification of financial assets and liabilities as well as lease liabilities.

The P&I Group implemented all of the accounting principles required to be applied from the 2021/2022 financial year onwards. None of the above amendments or any other changes to the IFRS had a material effect on the P&I Group’s net assets, financial position and results of operations or cash flows.

Unadopted new or amended standards
In the consolidated financial statements for the 2021/2022 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
	Annual improvements to International Financial Reporting Standards 2020	14.05.2020	01.01.2022	No	No significant impact
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 8	Definition of accounting-related estimates	12.02.2021	01.01.2023	Yes	No significant impact
IAS 12	Deferred taxes for leases and retirement and decommissioning obligation	07.05.2021	01.01.2023	No	No significant impact
IAS 16	Property, plant and equipment: Accounting principles for costs and income during the production phase	14.05.2020	01.01.2022	No	No significant impact
IAS 37	Provisions: Onerous contracts and cost of contract performance	14.05.2020	01.01.2022	No	No significant impact
IFRS 3	Update to the reference to the conceptual framework	14.05.2020	01.01.2022	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

Presentation of material accounting and valuation methods

Revenue - Revenue categories

The P&I Group generates revenue from granting licences for its software products, revenue from the use of said 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 mainte-nance 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 other services.

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 dived 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 revenue comprises revenue from the provision of support for the implementation or installation of our software, as well as the provision of 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 customerspecific 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 multicomponent 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 accord-ance 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 because 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 and distributed 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 distributed 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. Contractual obligations 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 accu-mulated 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 straightline 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 signifi-cant, 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
Other operating and office equipment	4 - 16 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 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 pretax 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. P&I measures financial assets at fair value or at amortised cost with the exception of trade receivables that do not contain a significant financing component or for which P&I applied the practical expedient

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. This category is the most significant for the consolidated financial statements.

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 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 passthrough 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 outstanding contractual amounts to their full amount. 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 desig-nated 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 de-recognised 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. In contrast to the previous year, the Group applied these simplified requirements in the year under under review and has consequently not recognised any rights-of-use or liabilities for such leases.

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 owner-ship 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.

Since the cessation of the tax compensation agreement, P&I AG has not been attributed any income taxes nor deferred taxes as a subsidiary company of the corporate and trade tax group from its operations since the 2014/2015 financial year, meaning that it does not report any such items. The deferred taxes recognised in previous years were released in the 2014/2015 financial year.
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 are - 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, while the functional currency of the subsidiary in the USA, which was liquidated at the end of December 2020, is the US dollar. The assets and liabilities of the Swiss subsidiaries are translated into the Group’s presentation currency at the closing rate on the reporting date, and for the sub-sidiary in the USA, the rate as at the liquidation key date. 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 for Switzerland on 31 March 2022 was CHF/EUR 1.0267 (previous year: CHF/EUR 1.1070), while the closing rate for the USA on 31 December 2020 was USD/EUR 1,2271. The average exchange rate for the 2021/2022 financial year was CHF/EUR 1.0680 (previous year: CHF/EUR 1.0763), and USD/EUR 1.1671 for the USA in 2020/2021 (previous year only).

Profit transfer
There is a Control and Profit Transfer Agreement between P&I AG and Athena BidCo GmbH. This agreement allows 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 not recognised as an expense in the income statement in P&I AG's single-entity financial statements prepared under German commercial law, but instead is reported as an appropriation of earnings (see consolidated statement of changes in equity).

The Company's share-based payment transactions
As at 31 March 2022, and as in the previous year, P&I no longer recognised any equity-settled share-based payments to employees.

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 in-flow/outflow from investing activities. In accordance with IAS 7, a distinction is made between cash flows from operating activities, from investments and from financing.

2.2. 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 9 and 10) and the assessment of the recoverability of trade receivables (note 17), capitalised contract costs (note 14), contract balances (notes 15, 23), deferred taxes (note 13) and provisions (note 28). The recognition of lease right-of-use assets and lease liabilities (note 11) 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 level of revenue reported and their distribution over time (note 4).

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 9.

3. Acquisition of the VRZ Group, Dornbirn, Austria

P&I Personal & Informatik GmbH, Vienna, took over the VRZ Group, Dornbirn, with effect from 31 December 2021 through acquisition of 100 percent of the company's shares. The VRZ Group comprises the following companies:

- VRZ Informatik Gesellschaft mbH, Dornbirn, Austria
- Ally Lohn & Personal GmbH, Dornbirn, Austria,
- ThinkCreateAct AG, Romanshorn, Switzerland, and
- VRZ Informatik (Switzerland) GmbH, St. Gallen, Switzerland.

The VRZ Group is an IT system vendor that comprises three divisions: basic IT infrastructure, software development and payroll accounting.

The VRZ Group has been a payroll accounting partner for its customers for over 50 years and is an expert in HR software development, which is an area in which it has been consistently driving innovation for over two decades. The acquisition of VRZ is a means for the P&I Group to strengthen and systematically expand its position in the Austrian HR market. It also further consolidates its payroll ac-counting software and software product development capabilities.

The VRZ Group companies prepared their annual financial statements on 31 December 2021. These statements provide an opening balance for the VRZ Group as of 1 January 2022, which has been included in the consolidated group and fully consolidated as of that date.

The costs for the acquisition were dived as follows on 1 January 2022:

	Fair value in kEUR
Liquid assets	2,510
Trade receivables	627
Other assets and accruals and deferrals	218
Right of use assets in accordance with IFRS 16	1,022
Fixed assets	177
Trade payables and other liabilities	-148
Provisions	-1,108
Lease liabilities	-1,022
Financial liabilities	-306
Contract liabilities / deferred income	-452
HR customer base	2,487
DC customer base	941
Acquired net assets	**4,946**
Deferred taxes	-857
Goodwill from the acquisition	7,467
Net assets/acquisition costs/purchase price obligation	11,556
Cash outflow from the acquisition:	
Outflow of cash (purchase price)	9,085
Acquired cash	2,510
Outflow of funds from the acquisition	**6,575**
Outstanding purchase price payments	2,464

The conditional purchase price obligation arising from the acquisition of the shares in the VRZ Group is primarily based on an agreement under which the P&I Group is to make payments to the maximum amount of kEUR 2,500 depending on the operating result over the next three years. Based on current corporate planning, it is being anticipated that the P&I Group will be paying the maximum amount.

The difference between the carrying amount of the acquired net assets and the purchase price amounts to kEUR 11,556. This difference was initially allocated to the identifiable assets of the HR customer base (kEUR 2,487), DC customer base (kEUR 941) and to goodwill (kEUR 7,467).

The acquired HR customer base will be amortised over 17 years and the DC customer base over ten years.

The goodwill primarily comprises the advantages derived from the anticipated synergies, future market developments and the personnel's‘ expertise. This goodwill is not tax-deductible.

The disclosure of the hidden reserves of the customer bases in the IFRS balance sheet gives rise to a temporary difference to the tax balance, for which deferred tax assets in the amount of kEUR 857 are being recognised.

The acquired trade receivables have a fair value of kEUR 627. The nominal value is kEUR 627 because of the assumption at the time of acquisition that all trade receivables have fully retained their value and are hence recoverable.

There are no other material hidden reserves or liabilities. There are no contingent liabilities.

The VRZ Group has a turnover of kEUR 1,437 and made a positive contribution to the Group's net operating result (EBITDA) to the amount of kEUR 214 over the period from its acquisition on 1 January 2022 to 31 March 2022.

There are no revenues and results to suggest that the acquisition already took place in the 2020/2021 financial year as there are no reliable IFRS figures for the period before 1 January 2022.

4. Revenue

Revenue broken down by activity developed as follows:

	2021/2022 kEUR	2020/2021 kEUR
P&I LogaHR	70,266	37,100
Other Software as a Service (SaaS)	13,453	15,545
Service Agreements / Application Services Providing (ASP)	10,915	13,892
Software as a Service	94,634	66,537
Maintenance	42,658	48,837
Recurring services	**137,292**	**115,374**
Licenses	6,491	10,392
Consulting (non-recurring business)	23,770	22,312
Other	4,850	3,751
Non-recurring services	**35,111**	**36,455**
Total	**172,403**	**151,829**

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

	2021/2022 kEUR	2020/2021 kEUR
Germany	144,413	125,387
Switzerland	17,764	18,029
Austria	10,168	8,328
Other international	58	85
Total revenue	**172,403**	**151,829**

The P&I Group reports recurring services in a separate revenue category, which comprises income from P&I LogaHR, Software as a Service (SaaS) income, recurring services from service contracts and maintenance income. The services result 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 the percentage of completion meth-od. Revenue from the percentage of completion method amounted to kEUR 1,745 in the con-sulting category (previous year: EUR 858) and kEUR 674 in the licences category (previous year: - kEUR 63). The accumulated costs of the current financial year from construction con-tracts not yet completed as of the reporting date amounted to kEUR 1,892 (previous year: kEUR 619), while the accumulated recognised profits amounted to kEUR 527 (previous year: kEUR 175).

In the 2021/2022 financial year, the majority of revenue was again generated in Germany in the amount of kEUR 144,413 (previous year: kEUR 125,387). The revenue generated in the other countries amounted to kEUR 27,990 (previous year: kEUR 26,442).

No customer accounted for more than 10 % of the Group's revenue during the 2021/2022 and 2020/2021 financial years.

Information on outstanding performance obligations

Information on outstanding performance obligations The total amount of the transaction cost allocated to performance obligations not yet dis-charged or not discharged in full at the end of the 2021/2022 financial year amounts to about EUR 488.1 million (previous year: EUR 371.1 million). This corresponds to the revenue from customer contracts that have not yet been realised. This primarily includes the obligations from recurring services since these customer contracts generally have a term of several years. Approximately 37 % of this amount is anticipated to be realised as revenue in the 2022/2023 financial year.

5. 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 hard-ware, merchandise and other costs of sales categories.

The cost of sales developed as follows:

	2021/2022 kEUR	2020/2021 kEUR
Costs of consulting and SaaS services rendered	39,234	33,363
Cost of goods purchased for time-management hardware, merchandise and other costs of sales	4,754	3,932
Total	**43,988**	**37,295**

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 4,681 (previous year: kEUR 3,927) were incurred for the maintenance and further de-velopment of the 13 international country versions of P&I LOGA / P&I LOGA3 as well as the computerisation and further product development of LogaHR. There were no longer any ex-penses from write-downs of property rights in the 2021/2022 financial year, as the assumed useful life of five years was reached in the previous years.

Selling costs

Selling costs include expenses for staff and partner commissions, advertising expenses and expenses for trade fairs and conferences. For the 2021/2022 financial year, expenses for advertising, trade fairs and conferences in the Group amounted to kEUR 557 (previous year: kEUR 477).

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 audit-ing are also classified as administrative costs.

Amortisation and impairment of customer base and goodwill

The scheduled amortisation of the customer base amounted to kEUR 1,887 (previous year: kEUR 1,778). The reason for the increase are the additions from the acquisitions made over the past two financial years. At the P&I Group, the impairment tests conducted at the end of the financial year did not result in impairment of the customer base (previous year: kEUR 0) or goodwill (previous year: kEUR 0).

Other operating income / expenses

Other operating income amounted to kEUR 1,601 (previous year: kEUR 3,091) and primarily includes the reversal of provisions recognised in previous years.

Other operating expenses amounted to kEUR 671 (previous year: kEUR 2,744) and Primarily comprise specific valuation allowances on receivables, ongoing expenses for the Supervisory Board and non-operating non-recurring expenses.

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

Cost of materials

The cost of materials amounted to kEUR 7,003 in the financial year (previous year: kEUR 6,566). This included the cost of purchased services of kEUR 2,249 (previous year: kEUR 2,634) and of the material required for portal software solutions and time management hardware.

Personnel expenses

At kEUR 62,418, personnel costs were up on the previous year (kEUR 56,767). The number of employees including the Management Board – measured as an average for the year as a whole – was 543 (previous year: 538).

	2021/2022 kEUR	2020/2021 kEUR
Salaries and wages	55,670	50,692
Social security contributions and pension expense	6,748	6,075
Total personnel expenses	**62,418**	**56,767**

The average annual number of employees employed in Germany, including the Management Board, was 288. A total of 205 employees were employed in other countries, with the development centre in Ioannina (Greece) most strongly represented with 129 employees, followed by the two Slovakia development centres with 44 employees.

Most of our employees were employed in the personnel-intensive areas of research and de-velopment at 255 employees, and consulting at 216 employees. Sales and Marketing had 53 employees, while 49 employees worked in the P&I Group's administrative units.

The amount expensed for defined contribution plans in the 2021/2022 financial year was kEUR 1,768 (previous year: kEUR 1,762), of which kEUR 1,573 (previous year: kEUR 1,562) are related to state pension providers.

Depreciation, amortisation and impairments

The scheduled amortisation of intangible assets, property, plant and equipment and lease right-of-use assets, amounted to kEUR 11,409 (previous year: kEUR 9,868). The scheduled amortisations of the lease rights-of-use that have been capitalised on the basis of IFRS 16 amount to kEUR 3,369 (previous year: kEUR 3,336).

In the previous year, a right-of-use that was capitalised on the basis of IFRS 16 was fully de-preciated (kEUR 409). This right-of-use was disposed of in the 2021/2022 financial year.

Due to the cost of sales method, depreciation and amortisation of property, plant and equipment, other intangible assets and lease rights-of-use of kEUR 9,522 (previous year: kEUR 8,499) are broken down in the income statement into the cost of sales, research and development costs, selling costs and administrative costs.

7. Financial results

Financial income

This item is comprised as follows:

	2021/2022 kEUR	2020/2021 kEUR
Commissions for guarantees	4,816	4,460
Interest income from loans granted	2,033	2,937
Other	61	40
Financial income	**6,910**	**7,437**

Financial expenses

This item is comprised as follows:

	2021/2022 kEUR	2020/2021 kEUR
Interest expenses for leases	507	529
Losses from exchange rate effects	2	52
Other	56	32
Financial expenses	**565**	**613**

8. Tax expenses

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

	2021/2022 kEUR	2020/2021 kEUR
Deferred tax income/expense		
International	-190	-59
	-190	**-59**
Current tax expenses		
Germany	49	-77
International	1,357	1,283
	1,406	**1,206**
Total	**1,216**	**1,147**

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 31.73 % (previous year: 31.23 %). 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 the USA, previous year only: 21 %, for Slovakia 19 % (previous year: 19 %) and for Greece 24 % (previous year: 24 %). No other tax rates were applied.

The following table contains a reconciliation between the tax expense calculated by applying the German tax rates, and the tax expense reported in the annual financial statements:

	2021/2022 kEUR	2020/2021 kEUR
Calculated tax	28,034	23,954
Income tax effects of the PLTA	-26,507	-22,212
Effects of foreign tax rates	-311	-595
Income taxes	**1,216**	**1,147**

9. Goodwill, customer bases and other intangible assets

Goodwill
Goodwill breaks down as follows:

	31 March 2022 kEUR	31 March 2021 TEUR
COMPU-ORGA	3,291	3,291
P&I Service	2,448	2,448
SOLITON	1,969	1,969
KSL	945	945
UBM-Drecker	229	229
Germany total	**8,882**	**8,882**
Soreco	6,183	5,737
Mirus Software	3,373	3,130
PerSal	1,119	1,038
Switzerland total	**10,675**	**9,905**
VRZ	7,467	0
Austria total	**7,467**	0
Goodwill	**27,024**	**18,787**

The reason for the increase was the acquisition of the VRZ Group in Austria in the financial year.

The goodwill includes the value of the acquisition re-presented by the market presence and market reputa-tion of the acquired company and the expertise of its employees, which ex-ceeds the value of the acquired customer base and software product.

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

For the purposes of impairment testing based on the value in use, goodwill was allocated to the cash-gene-rating 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 18 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 2022 kEUR	31 March 2021 kEUR
Germany	11.7 %	9.4 %
Austria	11.7 %	NA
Austria	10.4 %	8.1 %

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 2022 confirmed the recoverability of the existing goodwill from the acquisition of the subsidiaries.

Customer base
The customer base breaks down as follows:

	31 March 2022 kEUR	31 March 2021 kEUR
P&I Service GmbH **)	2,735	2,913
UBM-Drecker *)	2,304	2,611
COMPU-ORGA **)	1,001	1,067
SOLITON **)	778	830
Germany total	**6,818**	**7,421**
VRZ Group HR customer base **)	2,450	0
VRZ Group DC customer base *)	918	0
Austria total	**3,368**	**0**
Soreco *)	2,061	2,516
PerSal *)	1,107	1,185
Mirus *)	0	410
Switzerland total	**3,168**	**4,111**
Customer base	**13,354**	**11,532**

*) 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 1,887 (previous year: kEUR 1,778). The impairment tests conducted on 31 March 2022 on the basis of the value-in-use concept revealed no need to recognise impairment losses.

Other intangible assets
On 31 March 2022, other intangible assets primarily comprise the software acquired as part of the acquisition of UBM-Drecker (kEUR 1,689). The software of PerSal AG acquired as part of the acquisition of PerSal AG was fully value-adjusted and derecognised in the financial year. The scheduled depreciation of the intangible assets amount to kEUR 1,286 (previous year: kEUR 1,212).

10. 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 4,867 (previous year: kEUR 3,542) and was only attributable to scheduled depreciations.

11. Leases

Leases are being reported as follows on the balance sheet as of 31 March 2022 and the income statement for the 2021/2022 financial year:

	31 March 2022 kEUR	31 March 2021 kEUR
Offices	12,262	12,070
Operating and office equipment, vehicle fleet	2,107	2,128
Right-of-use assets IFRS 16	**14,369**	**14,198**

	31 March 2022 kEUR	31 March 2021 kEUR
Non-current lease liabilities	11,884	12,342
Current lease liabilities (Reported under other current liabilities)	3,297	2,973
Lease liabilities	**15,181**	**15,315**

Lease expenses within operating result:

	2021/2022 kEUR	2020/2021 kEUR
Depreciation of right-of-use assets		
Offices	2,074	2,634
Operating and office equipment, vehicle fleet	1,295	1,111
Depreciation of right-of-use assets	**3,369**	**3,745**

Lease expenses within the financial income:

	2021/2022 kEUR	2020/2021 kEUR
Interest expenses for lease liabilities	**507**	**529**

12. Non-current financial assets

Non-current financial assets primarily comprise a loan. P&I AG and Athena BidCo GmbH entered into a loan agreement in the 2011/2012 financial year. This agreement was amended by P&I AG and Athena BidCo GmbH in April 2020. The loan is allocated to non-current financial assets on account of its term and has a fixed interest rate. As of 31 March 2021, the loan plus accrued interest amounted to kEUR 75,962.

In the 2021/2022 financial year, new loan tranches in the amount of kEUR 93,069 were granted on instruction of Athena BidCo GmbH. As of 31 March 2022, the loan granted amounts to kEUR 97,110 (previous year: kEUR 75,962). The interest accrued up until 31 March 2022 amounted to kEUR 22,565 (previous year: kEUR 20,532) and is reported together with the loan. Following an amendment to the loan agreement in April 2020 and including accrued interest, the loan has to be repaid by 31 December 2027.

13. Deferred taxes

Deferred taxes are calculated according to the liability method, taking into account temporary differences. The tax rate used for Germany was 31.73 % (previous year: 31.23 %), for Austria 25 % (previous year: 25 %), for Switzerland 20 % (previous year: 20 %), for the Netherlands 20 % (previous year: 20 %), for the USA, previous year only: 21 %, 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:

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
Other	0	0	0	0	0	0
Deferred tax assets	**143**	**0**	**49**	**0**	**0**	**192**
Customer base	822	857	-203	0	0	1,476
Software	0	0	0	0	0	0
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**

2020/2021	Opening balance 01.04.2020	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 31.03.2021
Temporary differences						
Liabilities	272	0	-152	0	0	120
Lease right-of-use	12	0	-10	0	0	2
Software	4	0	17	0	0	21
Deferred tax assets	**288**	**0**	**-145**	**0**	**0**	**143**
Customer base	1,111	0	-289	0	0	822
Software	0	0	0	0	0	0
Other	34	21	64	0	0	119
Deferred tax liabilities	**1,145**	**21**	**-225**	**0**	**0**	**941**
Deferred tax (net)	**-857**	**0**	**0**	**0**	**0**	**-798**

There are temporary differences from shareholdings in subsidiaries amounting to kEUR 692 (previous year: kEUR 941) for which no deferred tax liabilities were recognised.

14. Capitalised contract costs (IFRS 15)

	31 March 2022		31 March 2021	
	Non-current kEUR	Current kEUR	Non-current kEUR	Current kEUR
Contract acquisition costs	1,701	1,043	998	594
Contract performance costs	294	223	465	209
Capitalised contract costs	**1,995**	**1,266**	**1,463**	**803**

Expenses for the amortisation of the contract acquisition costs and contract performance costs amount to kEUR 861 (previous year: kEUR 299) i.e. to kEUR 209 (previous year: kEUR 129) in the 2021/2022 financial year.

15. Contract assets (IFRS 15)

	31 March 2022 kEUR	31 March 2021 kEUR
Non-current contract assets	17,390	8,286
Current contract assets	2,457	2,477
Contract assets	**19,847**	**10,763**

The increase in the 2021/2022 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 developed as follows:

	31 March 2022 kEUR	31 March 2021 kEUR
Receivables from the application of PoCM	24,777	23,151
Advance payments received	-22,331	-21,125
Other contract assets	11	451
Current contract assets	**2,457**	**2,477**

The receivables from the application of the percentage of completion method are receivables from contracts with customers in which revenue is recognised depending on the percentage of services provided by the P&I companies. Revenue from PoCM in the financial year amounted to kEUR 2,217 (previous year: kEUR 794). In the financial year, PoC receivables generated in previous years were impaired in the amount of kEUR 8 (previous year: kEUR 0).

16. Inventories

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

17. Trade receivables

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

	31 March 2022 kEUR	31 March 2021 kEUR
Trade receivables	10,963	9,920
Value adjustments	-386	-475
Trade receivables	**10,577**	**9,445**

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 2022, trade receivables were adjusted in the amount of kEUR 386 (previous year: kEUR 475). The impairments, in the form of individual value adjustments, were based on various issues, such as default, the threat of inability to pay, over-indebted-ness, 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 experi-ences 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
31 March 2020	**249**	**291**	**540**
Addition	312	9	321
Utilisation	-211	-3	-214
Reversal	-85	-87	-172
31 March 2021	**265**	**210**	**475**
Addition	0	16	16
Utilisation	0	-1	-1
Reversal	-103	-1	-104
31 March 2022	**162**	**224**	**386**

As of 31 March 2022, the age structure of the trade receivables was as follows:

	Overdue in days, but not impaired					
	> 91 kEUR	90 to 61 kEUR	60 to 31 kEUR	1 to 30 kEUR	Not overdue nor impaired kEUR	Total TEUR
31 March 2022	492	309	460	2,221	7,481	10,963
31 March 2021	556	6	566	1,163	7,629	9,920

18. Other current assets

The other current assets comprise:

	31 March 2022 kEUR	31 March 2021 kEUR
Accruals and deferrals	1,985	1,853
Rental deposits	130	173
Other	97	135
Other current assets	**2,212**	**2,161**

19. Cash and cash equivalents

As of 31 March 2022, the fair value of cash and cash equivalents was kEUR 46,813 (previous year: kEUR 71,757).

Of that amount, kEUR 2,716 (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 facili-ty 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 of kEUR 50,000. 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.

20. Issued capital and reserves

As of 31 March 2022, 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 Jan-uary 2017 resolved to reduce the share capital by withdrawing 168,873 no-par-value shares in a simplified withdrawal procedure according to Art. 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 2021/2022 financial year and none are in circulation.

The capital reserves recognised in the consolidated balance sheet are comprised as follows:

	31 March 2022 kEUR	31 March 2021 kEUR
P&I AG capital reserves	770	770
Offsetting of IPO costs	-1,199	-1,199
Share-based payments	2,763	2,763
Capital reserves	**2,334**	**2,334**

The share-based remuneration related to the Management Board and the Supervisory Board and resulted from the share-based remuneration plans of previous years.

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).

21. Retained earnings

On the basis of the existing Control and Profit Transfer Agreement with Athena BidCo GmbH, P&I AG's accounting profit must be transferred to Athena BidCo GmbH. This has been re-ported as a liability from profit transfer.

22. Accumulated other comprehensive income

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

23. Contract liabilities

The contract liabilities accrued up until 31 March 2022 amounts to kEUR 42,370 (previous year: kEUR 45,072) and comprise:

	31 March 2022 kEUR	31 March 2021 kEUR
Non-current contract liabilities	270	468
Current contract liabilities — deferred income	41,028	44,205
Current contract liabilities — other	1,072	399
Contract liabilities	**42,370**	**45,072**

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

	31 March 2022 kEUR	31 March 2021 kEUR
Deferred maintenance costs	21,189	24,610
Deferred other Software as a Service (SaaS)	8,526	8,992
Deferred P&I LogaAll-in	7,920	6,437
Deferred Service Agreements/Application Service Provision (ASP)	3,393	4,166
Contract liabilities - accruals and deferrals	**41,028**	**44,205**

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 2021 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 2021/2022 financial year led to the real-isation of revenue to the amount of kEUR 100 (previous year: kEUR 100).

24. 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.

25. Trade payables

Trade payables primarily relate to the purchase of materials for maintaining operating activities.
vices and are comprised as follows:

26. 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 73,921 (previous year: kEUR 73,954) and liabilities to the amount of kEUR 696 (previous year: kEUR 0) from the corporate- and sales-tax consolidation agreement with Athena BidCo GmbH as the parent company.

27. Tax liabilities

The tax liabilities of kEUR 1,089 (previous year: kEUR 1,506) 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 (pre-vious year: kEUR 14).

28. Provisions

Provisions developed as follows in the 2021/2022 financial year:

	1 April 2021 TEUR	Addition kEUR	Utilisation kEUR	Reversal kEUR	Interest effects kEUR	31 March 2022 kEUR
Provisions for project risks	2,435	21	2,375	0	0	81
Provisions	**2,435**	**21**	**2,375**	**0**	**0**	**81**

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.

In the 2021/2022 financial year, P&I ended a number of legal disputes related to a major project through a settlement and utilised the provisions created for project risks for that purpose.

29. Other current liabilities

Other current liabilities are comprised as follows:

	31 March 2022 kEUR	31 March 2021 kEUR
Premiums, salaries and variable compensation	23,376	18,720
Current lease liabilities	3,297	2,973
Wage/church tax and social security contributions	1,514	969
Holiday obligations	1,093	829
Value Added Tax	529	817
Other	1,585	1,722
Other current liabilities	**31,394**	**26,030**

30. 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, HR, Consulting, Internal IT and Research and Development.

Dr. Carlo Pohlhausen, board member responsible for Operations, M&A, Business Development, Finance, Legal and Administration.

Remco van Dijk, member responsible for Sales.

At the P&I Personal & Informatik AG Supervisory Board meeting on 2 April 2020, Vasilios Triadis was reappointed as a member and Chairman of the Management Board for a period of another five years, i.e. from 10 April 2020 until 9 April 2025.

At the P&I Personal & Informatik AG Supervisory Board meeting on 27 April 2020, Dr. Carlo Pohlhausen was appointed a member of the Management Board for a period of three years, from 1 August 2020 to 31 July 2023, and is responsible for Operations, M&A, Business Development, Finances, Legal Division and Administration.

At the P&I Personal & Informatik AG Supervisory Board meeting on 27 April 2020, Remco van Dijk was appointed a member of the Management Board for a period of three years, i.e. from 1 August 2020 to 31 July 2023, and is responsible for Sales.

The Management Board members Dr. Carlo Pohlhausen and Remco van Dijk are authorised to represent the Company together with one other member of the Management Board or an author-ised signatory. The Chairman of the Management Board, Vasilios Triadis, is authorised to repre-sent 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 ac-cordance with the tax regulations.

In accordance with Art. 95 AktG in conjunction with Art. 8 of the articles of association, the Company has a Supervisory Board consisting of five members.

The Supervisory Board of P&I AG is composed as follows:

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 Chairman of the Supervisory Board receives a fixed remuneration of kEUR 200 for each full financial year in the office of Chairman. The Deputy Supervisory Board Chairman and the 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 2021/2022 financial year amounts to kEUR 4,680 (previous year: kEUR 4,572) and the total compensation paid to the Supervisory Board amounts to kEUR 200 (previous year: kEUR 200).

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

	2021/2022 kEUR	2020/2021 kEUR
Non-performance-related remuneration		
Salary	2,010	2,007
Other*)	120	148
Performance-related remuneration		
Tantieme/bonus program	2,550	2,417
Total remuneration	**4,680**	**4,572**

*) Insurance contributions and cash

31. 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 2021/2022 financial year:

- Athena Holdco S.à r.l., Luxembourg, Luxembourg, as the ultimate parent company of the Group to which Athena BidCo GmbH, Wiesbaden, the direct parent company of P&I AG, belongs
- Athena BidCo GmbH, Wiesbaden, as the direct parent company
- Schustermann & Borenstein GmbH, Aschheim
- TRANSPOREON GmbH, Ulm
- Teamviewer Germany GmbH, Göppingen,
- AgenturWebfox GmbH, Berlin,
- FOCUS Dienstleistungen GmbH, Rostock,
- the subsidiaries of P&I AG listed in note 36 of the appendix

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

	31 March 2022 kEUR	31 March 2021 kEUR
Receivables		
Athena BidCo GmbH, Wiesbaden	97,110	75,962
Schustermann & Borenstein GmbH, Aschheim	3	31
TRANSPOREON GmbH, Ulm	0	15
Total receivables	**97,113**	**76,008**
Liabilities		
Athena BidCo GmbH, Wiesbaden	74,617	73,954
TRANSPOREON GmbH, Ulm	2	0
Total liabilities	**74,619**	**73,954**

	2021/2022 kEUR	2020/2021 kEUR
Revenue		
Schustermann & Borenstein GmbH, Aschheim	329	293
TRANSPOREON GmbH, Ulm	232	104
FOKUS Dienstleistungen GmbH, Rostock	157	74
Total revenue	**718**	**471**
Interest income		
Athena BidCo GmbH, Wiesbaden	6,849	7,397
Total interest income	**6,849**	**7,397**
Total revenue and income	**7,567**	**7,868**
Other operating expenses		
Athena BidCo GmbH, Wiesbaden	36	36
TeamViewer Germany GmbH, Göppingen	26	0
FOKUS Dienstleistungen GmbH, Rostock	2	2
AgenturWebfox GmbH	0	14
Total expenses	**64**	**52**

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 allows 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 73,921 (previous year: kEUR 73,954) to Athena BidCo GmbH. In the view of the Man-agement 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. This loan was increased in the 2021/2022 financial year on the basis of the approval of new loan tranches in the amount of kEUR 93,069 (previous year: kEUR 37,174). As of 31 March 2022, the loan including accrued interest amounts to a total of kEUR 97,110 (previous year: kEUR 75,962). The accrued loan interest of kEUR 22,565 (previous year: kEUR 20,532) 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 in the amount of kEUR 696 due to the corporate- and sales-tax consolidation 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 2022.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility of kEUR 50,000. 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.

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 2021/2022 financial year amounted to kEUR 4,816 (previous year: kEUR 4,460).

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

The liabilities arising from this loan agreement 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 the current corporate planning of P&I AG for the coming years and the associated liquidity inflow, the Management Board sees no significant risk to the Company in entering into these credit 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 loan agreement and its 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 30.

32. Auditor‘s fee

The total fee charged by the auditor for the 2021/2022 and previous financial year amounts to:

	2021/2022 kEUR	2020/2021 kEUR
Audit	199	198
Other certification services	0	0
Tax consultation	0	0
Other services	0	0
Total	**199**	**198**

33. Other financial obligations, continent liabilities and contingencies

Other financial obligations
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 allows 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 73,921 (previous year: kEUR 73,954) 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. Equally, the financial statements take possible payment obligations into account providing the 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 correspond-ing 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 2022.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility of kEUR 50,000. 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.

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 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 2021/2022 financial year amounted to kEUR 4,816 (previous year: kEUR 4,460).

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

The liabilities arising from this loan agreement 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 the current corporate planning of P&I AG for the coming years and the associated liquidity inflow, the Management Board sees no significant risk to the Company in entering into these credit 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 loan agreement and its consequences for P&I.

Bank guarantees
P&I has concluded a general agreement with Commerzbank AG on 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 2,716 (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 2,716 (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.

34. 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 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 require-ment 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. Capital is monitored regularly on the basis of various indicators. In that respect, the liquidity / equity gearing ratio and equity ratio are the most important financial indicators. As there is no financial debt, but rather a positive net position, the gearing ratio is negative.

	31 March 2022 kEUR	31 March 2021 kEUR
Cash and cash equivalents	46,813	71,757
Liquidity	**46,813**	**71,757**
Equity*)	**77,781**	**64,567**
Equity ratio (Total equity)	31.6 %	27.9 %
Gearing**)	-60.2 %	-111.1 %

*) Equity not including accumulated other comprehensive income.
**) Liquidity/equity not including accumulated other comprehensive income.

Even after granting further loan tranches totalling kEUR 93,069 (previous year: kEUR 37,174) to the controlling company in the past financial year, the Group has a high level of cash and cash equivalents amounting to kEUR 46,813 (previous year: kEUR 71,757) 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 kEUR 1,534 (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.

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

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

35. Additional information on financial instruments

At the instruction of the former parent company P&I Zwischenholding GmbH (the legal suc-cessor of which is Athena BidCo GmbH), a longterm unsecured loan was extended to the former in the 2011/2012 financial year. This loan was increased in the 2021/2022 financial year on the basis of the approval of new loan tranches in the amount of kEUR 93,068 (previous year: kEUR 37,174). As of 31 March 2022, the loan including accrued interest amounts to a total of kEUR 97,110 (previous year: kEUR 75,962). The accrued loan interest of kEUR 22,565 (previous year: kEUR 20,532) 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 2022, 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 financial liabilities have the following maturities:

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	3,464	0	**3,464**
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**
Total	**122,515**	**11,463**	**5,341**	**139,319**

31 March 2021	Less than 1 year kEUR	1 to 5 years kEUR	More than 5 years kEUR	Total kEUR
Non-current contract liabilities	0	468	0	**468**
Non-current financial liabilities	0	1,000	0	**1,000**
Lease liabilities	2,973	5,923	6,419	**15,315**
Trade payables	2,876	0	0	**2,876**
Contract liabilities – accruals and deferrals	44,205	0	0	**44,205**
Contract liabilities – other	399	0	0	**399**
Liabilities from profit transfer	73,954	0	0	**73,954**
Total	**124,407**	**7,391**	**6,419**	**138,217**

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 17. 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. This loan was increased in the 2021/2022 financial year on the basis of the approval of new loan tranches in the amount of kEUR 93,068 (previous year: kEUR 37,174). As of 31 March 2022, the loan including accrued interest amounts to a total of kEUR 97,110 (previous year: kEUR 75,962). The accrued loan interest of kEUR 22,565 (previous year: kEUR 20,532) 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 2022.

Athena BidCo GmbH was furthermore granted a capex facility to the amount of kEUR 30,000 and a revolving facility of kEUR 50,000. 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.

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 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 ex-isting 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 2021/2022 financial year amounted to kEUR 4,816 (previous year: kEUR 4,460).

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

The liabilities arising from this loan agreement are borne by Athena BidCo GmbH. Athena Bid-Co 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 the current corporate planning of P&I AG for the coming years and the associated liquidity inflow, the Management Board sees no significant risk to the Company in entering into these credit 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 loan agreement and its 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 2022 kEUR	31 March 2021 kEUR	31 March 2022 kEUR	31 March 2021 kEUR
Loans and receivables from amortised cost				
Non-current financial assets *)	97,204	76,050	194,408	152,100
Trade receivables	10,577	9,445	10,577	9,445
Cash and cash equivalents	46,813	71,757	46,813	71,757
Separate category				
Non-current contract assets **)	17,390	8,286	17,390	8,286
Non-current capitalised contract costs **)	1,995	1,463	1,995	1,463
Current contract assets **)	2,457	2,477	2,457	2,477
Current capitalised contract costs **)	1,266	803	1,266	803
Non-current contract liabilities **)	270	468	270	468
Contract liabilities - accruals and deferrals **)	41,028	44,205	41,028	44,205
Contract liabilities – other **)	1,072	399	1,072	399
Non-current lease liabilities	11,884	12,342	11,884	12,342
Current lease liabilities ***)	3,297	2,973	3,297	2,973
Other financial liabilities from amortised cost				
Non-current financial liabilities	3,464	1,000	3,464	1,000
Trade payables	4,383	2,876	4,383	2,876
Liabilities towards affiliated companies	74,617	73,954	74,617	73,954

*) Including loans granted in the sum of kEUR 97,110 (previous year: kEUR 75,962)
**) 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 in-vestment 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.a. 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 2022	Level 1 kEUR	Level 2 kEUR	Level 3 kEUR
Non-current financial assets	0	97,204	0
31 March 2021			
Non-current financial assets	0	76,050	0

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

36. Group companies

The consolidated financial statement as of 31 March 2022 includes the following companies:

- P&I Service GmbH, Iserlohn,
- COMPU-ORGA Gesellschaft für Computer-Organisation mit beschränkter Haftung, Kaarst
- 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, Österreich,
  - VRZ Informatik Gesellschaft mbH, Dornbirn, Austria
  - Ally Lohn & Personal GmbH, Dornbirn, Austria
  - ThinkCreateAct AG, Romanshorn, Switzerland
  - VRZ Informatik (Switzerland) GmbH, St. Gallen, Switzerland

On 1 April 2021 (effective merger date), SOLITON Software GmbH, Berlin, was merged with P&I Personal & Informatik AG.

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 2022 and according to the financial statements under national law is as follows:

	Share in capital	Annual net profit 2021/2022 kEUR	Equity 2021/2022 kEUR
P&I Personal & Informatik AG, Thalwil, Switzerland *)	100 %	3,938	19,677
Mirus Software AG, Davos, Switzerland **)	100 %	3,650	3,938
P&I Personal & Informatik GmbH, Vienna, Austria	100 %	1,040	2,169
VRZ Informatik Gesellschaft mbH, Dornbirn, Austria ***)	100 %	27	1,159
ThinkCreateAct AG, Romanshorn, Switzerland ***)	100 %	18	169
VRZ Informatik (Schweiz) GmbH, St. Gallen, Switzerland ***)	100 %	-3	92
Ally Lohn & Personal GmbH, Dornbirn, Austria ***)	100 %	43	351
COMPU-ORGA Gesellschaft für Computer-Organisation mit beschränkter Haftung, Kaarst	100 %	-949	269
P&I Service GmbH, Iserlohn	100 %	-727	272
P&I Personeel & Informatica B.V., Zevenaar, Netherlands	100 %	-12	48
P&I Personal & Informatik s.r.o., Bratislava, Slovakia	100 %	215	627
P&I Hellas Limited Liability Company, Ioannina, Greece ****)	100 %	230	624
FOCUS Dienstleistungen GmbH, Rostock *****)	22 %	21	162

*) The net annual profit of P&I Personal & Informatik AG, Thalwil, includes dividend payments from Mirus Software AG in the sum of kEUR 3,666
**) 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

37. Shares held by the Company and members of executive bodies

As of 31 March 2022, P&I Personal & Informatik AG does not hold any treasury shares.

P&I Personal & Informatik AG last held 168,873 P&I treasury shares as of 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 pro cedure according to Art. 237 (3) no. 2, (4) and (5) of the German Stock Corporation Act (AktG).

No convertible bonds or similar securities in accordance with Art. 160 (1) no. 5 AktG had been issued by P&I Personal & Informatik AG or other companies as of 31 March 2022.

As of 31 March 2022, the members of the Management Board and Supervisory Board did not hold any P&I shares or options.

38. 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.

39. Events after the reporting date

There were no significant events after the reporting date.

Following the completion of the preparation of the consolidated financial statement on 22 June 2022 and of the audit of the consolidated financial statement on the same date, the consolidated financial statement will be presented to the Supervisory Board, which will decide whether to approve it at its accounts meeting on 22 June 2022.

Wiesbaden, 22 June 2022

Vasilios Triadis   Dr. Carlo Pohlhausen   Remco van Dijk

Performance of intangible assets and property

		Cost additions				
	01 April 2021	Changes in 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, amortisation and impairment				Carrying amounts	
	01 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**

Performance of intangible assets and property

				Cost additions			
	01 April 2020	Changes in consolidated group	Currency translation	Additions	Disposals	Reclassification	31 March 2021
In kEUR							
Intangible assets							
Customer base	30,173	5,026	-196	0	150	0	34,853
Goodwill	11,519	7,708	-440	0	0	0	18,787
Other intangible assets	12,360	61	-37	604	10	0	12,978
Total intangible assets	**54,052**	**12,795**	**-673**	**604**	**160**	**0**	**66,618**
Property, plant and equipment							
Rights-of-use IFRS 16	17,648	0	0	3,247	569	0	20,326
Leasehold improvements	1,779	0	0	54	10	0	1,823
Operating and office equipment	4,128	19	0	416	430	34	4,167
IT equipment	11,290	68	0	4,243	227	-34	15,340
Assets under construction	0	0	0	0	0	0	0
Total property, plant and equipment	**34,845**	**87**	**0**	**7,960**	**1,236**	**0**	**41,656**
Total	**88,897**	**12,882**	**-673**	**8,564**	**1,396**	**0**	**108,274**

Performance of intangible assets and property

	Accumulated depreciation, amortisation and impairment						Carrying amounts	
	01 April 2020	Additions	Depreciation	Disposals	Reclassi-fication	31 March 2021	31 March 2021	31 March 2020
In kEUR								
Intangible assets								
Customer base	21,618	1,778	0	75	0	23,321	11,532	8,555
Goodwill	0	0	0	0	0	0	18,787	11,519
Other intangible assets	7,910	1,212		10	0	9,112	3,866	4,450
Total intangible assets	**29,528**	**2,990**	0	**85**	**0**	**32,433**	**34,185**	**24,524**
Property, plant and equipment								
Rights-of-use IFRS 16	2,926	3,336	409	543	0	6,128	14,198	14,722
Leasehold improvements	355	156	0	10	0	501	1,322	1,424
Operating and office equipment	2,152	537	0	383	0	2,306	1,861	1,976
IT equipment	6,585	2,849	0	200	0	9,234	6,106	4,705
Assets under construction	0	0	0	0	0	0	0	0
Total property, plant and equipment	**12,018**	**6,878**	**409**	**1,136**	**0**	**18,169**	**23,487**	**22,827**
Total	**41,546**	**9,868**	**409**	**1,221**	**0**	**50,602**	**57,672**	**47,351**

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 2022, 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 2021 to 31 March 2022, 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 2021 to 31 March 2022.

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 2022 as well as of the group's results for the financial year from 1 April 2021 to 31 March 2022 and
- 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 statement, 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 statement 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 statement 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 statement 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 statement gives 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 misstatement, whether due to fraud or error.

In preparing the financial statement, 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 statement, 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 statement 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 statement as a whole is free from material misstatement, 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 statement 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 misstatement 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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 group 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 significant deficiencies in internal control that we identify during the audit.

Frankfurt am Main, 22 June 2022

Deloitte GmbH	**Kirsten Gräbner-Vogel**	**Dr. Steffen Umlauf**
Audit firm	Auditor	Auditor

04/

AG FINANCIAL STATEMENT

82 / Statement of income
83 / Statement of financial position

Statement of income

Profit and loss 1 April 2021 to 31 March 2022	2021/2022	2020/2021
	kEUR	kEUR
1. Revenue	136,362	121,415
2. Increase in work in progress	947	118
3. Other operating income	1,377	3,032
- of which from currency translations kEUR 3 (previous year: kEUR 4)		
4. Cost of materials		
a) Cost of raw, auxiliary and operating materials and purchased goods	-1,771	-1,525
b) Cost of purchased services	-13,760	-12,274
5. Personnel expenses		
a) Wages and salaries	-36,336	-35,236
b) Social security contributions	-3,177	-3,085
6. Depreciation of intangible assets and property, plant and equipment	-6,275	-4,738
7. Other operating expenses – of which from currency translations kEUR 0 (previous year: kEUR 0) – of which from currency translations kEUR 0 (previous year: kEUR 136)	-10,266	-9,893
8. Income from investments – of which from affiliated companies kEUR 6,517 (previous year: kEUR 8,710)	6,517	8,710
9. Income from loans from financial assets – of which from affiliated companies kEUR 2,033 (previous year: kEUR 2,937)	2,033	2,937
10. Other interest and similar income – of which from affiliated companies kEUR 4,816 (previous year: kEUR 4,460) – of which from discounting kEUR 0 (previous year: kEUR 0)	4,877	4,469
11. Depreciation of financial investment and securities (current assets) – of which from depreciation of financial investments kEUR 6,537 (previous year: kEUR 0)	-6,537	0
12. Interest and similar expenses – of which from affiliated companies kEUR 0 (previous year: kEUR 18) – of which from compounding kEUR 0 (previous year: kEUR 0)	-17	-21
13. Expenses from tax on income and earnings (previous year earnings: kEUR 53)	-34	53
14. Result after taxes	**73,940**	**73,962**
15. Other taxes	-19	-8
16. Result before profit transfer	**73,921**	**73,954**
17. Profit transferred based on the profit transfer agreement	-73,921	-73,954
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 2022

Assets			31 March 2022	31 March 2021
			kEUR	kEUR
A.		**Fixed assets**		
	I.	Intangible assets		
	1.	Purchased software	2,609	3,609
	2.	Purchased customer bases	3,082	2,611
	3.	Goodwill	2,200	422
			7,891	**6,642**
	II.	Property, plant and equipment		
	1.	Leasehold improvements	1,192	1,292
	2.	Operating and office equipment	9,770	7,262
	3.	Advance payments and assets under construction	0	0
			10,962	**8,554**
	III.	Financial assets		
	1.	Shares in affiliated companies	20,160	27,916
	2.	Loans to affiliated companies	103,104	76,182
			123,264	**104,098**
		Fixed assets	**142,117**	**119,294**
B.		**Current assets**		
	I.	Inventories		
	1.	Services in progress	5,246	4,299
	2.	Merchandise	264	186
			5,510	**4,485**
	II.	Receivables and other assets		
	1.	Trade receivables	6,969	6,371
	2.	Receivables from affiliated companies	1,021	1,072
	3.	Other assets	372	110
			8,362	**7,553**
	III.	Cash-in-hand and bank balances	23,883	49,334
		Current assets	**37,756**	**61,372**
C.		**Deferred income**	**1,451**	**1,485**
D.		**Positive difference from asset allocation**	**0**	**2**
			181,324	**182,153**

Statement of financial position as of 31 March 2022

Liabilities			31 March 2022	31 March 2021
			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	21,454	22,260
		Provisions	**21,468**	**22,274**
C.		Liabilities		
	1.	Advance payments received on orders	22,667	21,235
	2.	Trade payables - of which have a remaining term of up to one year kEUR 1,596 (previous year: kEUR 375)	1,596	375
	3.	Liabilities towards affiliated companies - of which have a remaining term of up to one year kEUR 76,338 (previous year: kEUR 75,091)	76,338	75,091
	4.	Other liabilities - of which have a remaining term of up to one year kEUR 891 (previous year: kEUR 1,309) - of which from taxes kEUR 583 (previous year: kEUR 861) - of which are related to social security kEUR 2 (previous year: kEUR 2)	891	1,309
		Liabilities	**101,492**	**98,010**
D.		Deferred income	**30,589**	**34,094**
			181,324	**182,153**

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