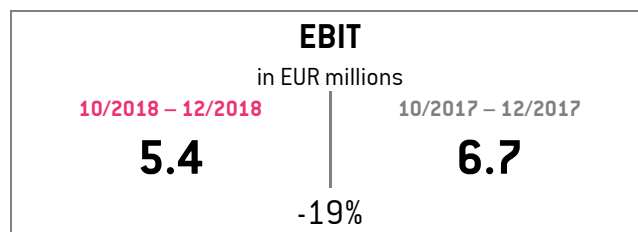
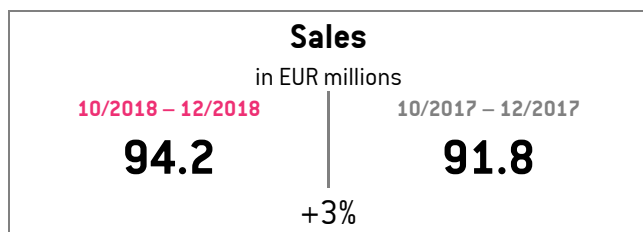
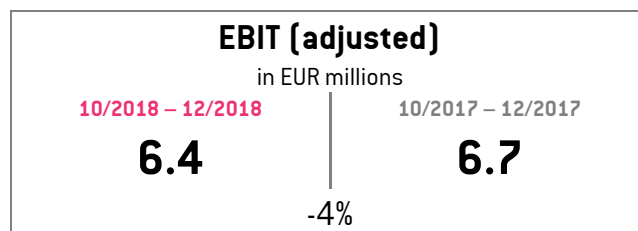
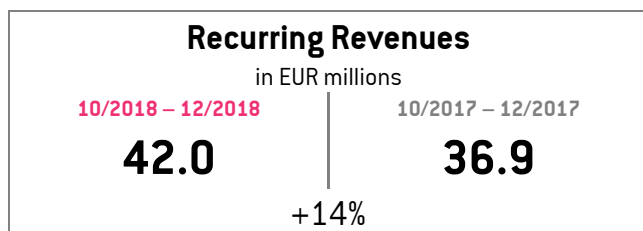


Financial Year 2018/19 Started as Planned Cloud Transformation Continues to Gather Pace



- Cloud services & support revenues increase by 25%
- 45% attributable to recurring revenues (Q1 2017/18: 40%)
- One-off costs for the strategy offensive 2022 and in connection with IFRS 15 adversely affect EBIT to the tune of EUR 1.0 million in total
- Adjusted EBIT within the guidance corridor
- SAP Partner Excellence Award 2019: »Best Performing Partner«
- SAP Cloud HR market leadership following the acquisition of TalentChamp
- Strategy offensive 2022: Annual general meeting on 13 March 2019 to decide whether to change the name of the company to All for One Group AG

Strategy offensive 2022 launched as planned

We launched our strategy offensive 2022 in mid-November 2018 with the aim of advancing into wholly new dimensions with sales of between EUR 550 million and 600 million and an EBIT margin of more than 7% by the financial year 2022/23. We want to focus on digitalising midmarket companies in the German-speaking market and, in doing so, to enhance the competitive ability of our customers. Right at the top of our agenda is our focus on the right areas of innovation and growth with SAP S/4HANA acting as our »Digital Core«. We want to expand our market access with increased focus on the upper midmarket with supplementary cloud solutions for lines of business, security and compliance, new work (Microsoft),

machine learning, and IoT. We already lead the German-speaking SAP midmarket and have the largest customer base. Only recently we gained recognition as »Best Performing Partner« with an SAP Partner Excellence Award 2019: Moving forward, we want to become just as strong and with as large a market presence, with »non-ERP themes« – in HR, for example.

We acquired all the shares in TalentChamp Consulting GmbH, Vienna/Austria, effective 1 January 2019. The company is an acknowledged cloud specialist with years of SAP SuccessFactors expertise, and has excellent references in the upper midmarket, making it a perfect fit for our roadmap. And equally suited for our

plans to strengthen our position as an integrated Group and to roll out a new brand architecture in future. Our annual general meeting on 13 March 2019 will be asked to approve a change in the company's name from All for One Steeb AG to All for One Group AG.

The revenue trend is being driven by the transformation from non-recurring licensing revenues to recurring cloud revenues

in KEUR	10/2018 – 12/2018	10/2017 – 12/2017
Cloud services and support (1)	16,753	13,420
Software licenses and support (2)	41,796	44,793
Software licenses	16,505	21,361
Software support (3)	25,291	23,432
Consulting and services	35,635	33,630
Sales revenues	94,184	91,843
Cloud and software revenues (1) + (2)	58,549	58,213
Recurring revenues (1) + (3)	42,044	36,852

In the period Oct – Dec 2018, non-recurring revenues from the sale of software licenses decreased, as expected, by 23% from the previous year's record level to EUR 16.5 million. In contrast, we were able to increase recurring cloud services and support revenues by 25% to EUR 16.8 million. Overall, recurring revenues increased by 14% to EUR 42.0 million and include both the aforementioned cloud services and support sales, and software support sales (up 8% to EUR 25.3 million). As such, the share of total sales attributable to recurring revenues increased to 45% (Oct – Dec 2017: 40%). Transformation projects require active ongoing support. Accordingly, revenue generated with consulting and services rose by 6% to EUR 35.6 million. Total revenues for the 3-month period increased purely organically by 3% overall to EUR 94.2 million.

Adjusted EBIT within the guidance corridor

in KEUR	10/2018 – 12/2018	10/2017 – 12/2017
EBITDA	8,186	9,246
IFRS 15 (KEUR 382) / One-off costs for strategy offensive (KEUR 594)	976	0
Adjusted EBITDA	9,162	9,246
Adjusted EBITDA margin	9.7%	10.1%
EBIT	5,440	6,683
IFRS 15 (KEUR 382) / One-off costs for strategy offensive (KEUR 594)	976	0
Adjusted EBIT	6,416	6,683
Adjusted EBIT margin	6.8%	7.3%

In the course of the current reporting period, implementation of the strategy offensive 2022 has incurred one-off costs (personnel expenses, other operating expenses) of EUR 0.6 million in total. First-time application of new IFRSs resulted in allocation effects totalling minus EUR 0.4 million in the 1st quarter. After adjustment for purposes of comparability with the corresponding prior-year quarter, EBITDA was therefore on a par with the prior-year total of EUR 9.2

million, while adjusted EBIT totalled EUR 6.4 million (Oct – Dec 2017: EUR 6.7 million), equivalent to an EBIT margin of 6.8% (Oct – Dec 2017: 7.3%).

Cost of materials – including purchased services – decreased to EUR 35.7 million (down 6%). This trend was dictated by the sales mix and reflects, above all, the marked decline in licensing revenues. The cost of materials ratio amounted to 38% (Oct – Dec 2017: 41%). Personnel expenses increased at a much higher rate than sales – to EUR 37.2 million (up 9%) – following an increase in the headcount and in connection with the strategy offensive. The ratio of personnel expenses to sales increased to 40% (Oct – Dec 2017: 37%). Moreover, other operating expenses also increased at a much higher rate than sales – to EUR 13.8 million (up 18%) – due to the strategy offensive. Depreciation and amortisation (EUR 2.7 million, up 7%) includes a total of EUR 1.1 million (Oct – Dec 2017: EUR 1.2 million) of scheduled amortisation of intangible assets.

The financial result (down EUR 0.2 million) and the income tax rate (30% based on the pre-tax result) did not change versus the corresponding prior-year quarter. Disregarding the adjustments to EBITDA and EBIT for the purpose of comparability with prior-year figures (EUR 1 million in total), EBT therefore totalled EUR 5.2 million (Oct – Dec 2017: EUR 6.5 million) and earnings after tax EUR 3.6 million (Oct – Dec 2017: EUR 4.6 million). During the period under review, the average number of shares in free float was unchanged at 4,982,000.

Segments: EBIT adjusted for purposes of comparability with the prior year

in KEUR	CORE		LOB	
	10/2018 – 12/2018	10/2017 – 12/2017	10/2018 – 12/2018	10/2017 – 12/2017
Income statement				
Sales to external customers	80,301	78,807	13,883	13,036
Intersegment sales	946	863	2,375	2,238
Sales revenues	81,247	79,670	16,258	15,274
EBIT	6,280	7,421	-842	-749
Adjusted EBIT	7,218	7,421	-804	-749

In our LOB («Lines of Business») segment, capital expenditure continues to focus on expanding the teams (sales, marketing, consulting), and, accordingly, investing in recruiting and training. Segment sales (adjusted) increased by 7% to EUR 16.3 million while adjusted EBIT was minus EUR 0.8 million (Oct – Dec 2017: minus EUR 0.7 million). Business development in the CORE segment (ERP and collaboration solutions for companies' core business processes) also remains characterised by extensive capital expenditure on SAP S/4HANA (expertise, building experience, business process library), IoT, machine learning and platform business (SAP Leonardo, Microsoft Azure, AWS). Adjusted EBIT amounted to EUR 7.2 million (Oct – Dec 2017: EUR 7.4 million), while segment sales increased by 2% to EUR 81.6 million.

Balance sheet total up 5% at EUR 192.4 million / Equity ratio of 43% (30 Sep 2018: 42%) / Net liquidity of EUR 2.7 million (30 Sep 2018: EUR 7.0 million).

Asset performance was driven predominantly by higher trade receivables and other accounts receivable (up EUR 11.5 million to 58.7 million), primarily as a result of license sales towards the end of the quarter. Trade payables also increased as a result, by EUR 5.8 million to 21.3 million. In contrast, cash and cash equivalents decreased by EUR 4.6 million to 31.7 million. Equity increased by EUR 5.2 million to 82.3 million, mainly as a result of earnings performance.

Cash flow: increased capital expenditure on technologies

The decline in cash flow from operations to minus EUR 2.0 million (Oct – Dec 2017: plus EUR 0.8 million) was primarily caused by the lower earnings and by higher income tax payments, which only accounted for cash outflows of EUR 0.6 million in the prior year compared to EUR 2.1 million in the year under review. Cash flow from investing activities of minus EUR 2.2 million (Oct – Dec 2017: minus EUR 0.7 million) reflects both higher capital expenditure on technologies to expand our cloud services, and cash used to increase our stake in one of our subsidiaries. Cash flow from financing activities was unchanged at minus EUR 0.5 million. As a result, cash and cash equivalents totalled EUR 31.7 million (31 Dec 2017: EUR 29.3 million).

Headcount up 13% at 1,734 / Human Resources Excellence Award for »At home with All for One Steeb«

	10/2018 – 12/2018	10/2017 – 12/2017
Employees		
Number of employees (period end)	1,734	1,539
Number of full-time equivalents (ø)	1,550	1,374
Non-financial performance indicators		
Employee retention	92.2%	93.6%
Health index	97.4%	97.3%

We received a Human Resources Excellence Award for our recruiting drive and employer branding campaign entitled »At home with All for One Steeb«. This has given us a stronger standing in the job markets, which are becoming increasingly tight and requiring sustained high levels of investment in training, recruitment, personnel marketing and personnel development. Despite weakening slightly to 92.2% (down 1.4 percentage points), our employee retention is still much better than the average for our industry. Our health index increased slightly by 0.1 percentage points to 97.3%. Developing our human capital is crucial if we are to continue on our growth path. The average number of full-time equivalents has increased to 1,550 (up 13%).

Opportunities and risk management

We started implementing our strategy offensive 2022 in mid-November 2018. In its annual economic report, published at the end of January 2019, the German government significantly revised its annual forecast of economic growth in 2019 from 1.8% down to 1%. We currently believe that both of these factors are reasonably reflected in our present assessment of opportunities and risks, although serious economic setbacks could have a significantly adverse effect on the achievement of our guidance. Moving forward, we are keeping very close track of trends to enable us to respond as effectively as possible.

Outlook: Annual guidance confirmed

We are confirming without change our guidance for the transitional financial year 2018/19 as published on 16 November 2018. Accordingly, for the year 2018/19 as a whole, we continue to expect sales of between EUR 345 million and 355 million, and EBIT in the range of EUR 21 million to 22 million before one-off costs relating to the strategy offensive. The latter are expected to have a non-recurring effect at EBIT level in the mid-single-digit millions in the financial year 2018/19. We expect margins to gradually increase from 2020 onwards.

Group Income Statement and Other Comprehensive Income of All for One Steeb AG

from 1 October to 31 December 2018

in KEUR	10/2018 – 12/2018	10/2017 – 12/2017
Profit and Loss Account		
Sales revenues	94,184	91,843
Other operating income	718	1,168
Cost of materials and purchased services	-35,694	-37,775
Personnel expenses	-37,241	-34,292
Depreciation and amortisation	-2,746	-2,566
Other operating expenses	-13,781	-11,695
EBIT	5,440	6,683
Financial income	59	74
Financial expense	-261	-252
Financial result	-202	-178
Earnings before tax (EBT)	5,238	6,505
Income tax	-1,594	-1,945
Earnings after tax	3,644	4,560
attributable to equity holders of the parent	3,689	4,552
attributable to non-controlling interests	-45	8
Other comprehensive income		
Unrealised profits (+) / losses (-) from currency translation	90	-55
Items that are or may be reclassified to profit or loss	90	-55
Other comprehensive income	90	-55
Total comprehensive income	3,734	4,505
attributable to equity holders of the parent	3,779	4,497
attributable to non-controlling interests	-45	8
Undiluted and diluted earnings per share		
Earnings per share in EUR	0.74	0.91
Average number of shares outstanding (undiluted and diluted)	4,982,000	4,982,000

Group Balance Sheet of All for One Steeb AG

as at 31 December 2018

Assets in KEUR	31.12.2018	30.09.2018
Non-current assets		
Goodwill	23,642	23,642
Other intangible assets	37,624	38,605
Tangible fixed assets	16,776	17,279
Financial assets	7,061	6,569
Other assets	2,242	1,036
Deferred tax assets	1,481	1,413
	88,826	88,544
Current assets		
Inventories	675	690
Trade and other receivables	58,729	47,257
Current tax assets	3,193	2,678
Financial assets	3,815	3,766
Other assets	5,477	3,909
Cash and cash equivalents	31,693	36,331
	103,582	94,631
Total assets	192,408	183,175
Equity and Liabilities in KEUR	31.12.2018	30.09.2018
Equity		
Issued share capital	14,946	14,946
Capital reserve	11,228	11,228
Other reserves	355	265
Retained earnings	56,104	50,769
Share of equity attributable to equity holders of the parent	82,633	77,208
Non-controlling interests	-367	-189
Total equity	82,266	77,019
Non-current liabilities		
Provisions	358	357
Post-employment benefit liabilities	2,478	2,446
Financial liabilities	26,920	27,343
Deferred tax liabilities	14,474	14,516
Other liabilities	989	513
	45,219	45,175
Current liabilities		
Provisions	1,431	1,331
Current tax liabilities	4,550	4,326
Financial liabilities	2,109	1,967
Trade payables	21,317	15,532
Other liabilities	35,516	37,825
	64,923	60,981
Total liabilities	110,142	106,156
Total equity and liabilities	192,408	183,175

Group Cash Flow Statement of All for One Steeb AG

from 1 October to 31 December 2018

in KEUR	10/2018 – 12/2018	10/2017 – 12/2017
Earnings before tax	5,238	6,505
Amortisation of intangible assets	1,126	1,152
Depreciation of tangible fixed assets	1,620	1,411
Financial result	202	178
EBITDA	8,186	9,246
Increase (+) / decrease (-) in cumulative value adjustments and provisions	-393	437
Other non-cash expense (+) and income (-)	-3	-2
<i>Changes in assets and liabilities:</i>		
Increase (-) / decrease (+) in trade and other receivables	-11,088	-14,526
Increase (-) / decrease (+) in financial assets	-470	-955
Increase (-) / decrease (+) in other assets	388	92
Increase (+) / decrease (-) in trade payables	5,780	10,405
Increase (+) / decrease (-) in other liabilities	-2,310	-3,291
Income tax paid	-2,081	-593
Cash flow from operating activities	-1,991	813
Purchase of intangible, tangible fixed and other assets	-1,902	-704
Sale of intangible, tangible fixed and other assets	5	8
Purchase of consolidated equity interests	-380	0
Interest received	56	11
Cash flow from investing activities	-2,221	-685
Interest paid	-53	-45
Repayment of finance leases	-433	-487
Dividend payments to shareholders and non-controlling interests	-17	-12
Cash flow from financing activities	-503	-544
Increase / decrease in cash and cash equivalents	-4,715	-416
Effect of exchange rate fluctuations on cash funds	77	-77
Cash funds at the beginning of the period	36,331	29,755
Cash funds at the end of the period	31,693	29,262

Segment Reporting of All for One Steeb AG

from 1 October to 31 December 2018

in KEUR	CORE		LOB		Consolidation		Total	
	10/2018 – 12/2018	10/2017 – 12/2017	10/2018 – 12/2018	10/2017 – 12/2017	10/2018 – 12/2018	10/2017 – 12/2017	10/2018 – 12/2018	10/2017 – 12/2017
Income statement								
Sales to external customers	80,301	78,807	13,883	13,036	0	0	94,184	91,843
Intersegment sales	946	863	2,375	2,238	-3,321	-3,101	0	0
Sales revenues	81,247	79,670	16,258	15,274	-3,321	-3,101	94,184	91,843
Other operating income	1,174	1,331	224	303	-680	-466	718	1,168
Cost of materials ¹	-34,293	-36,978	-4,046	-3,683	2,645	2,886	-35,694	-37,775
Personnel expenses	-27,990	-25,065	-9,251	-9,227	0	0	-37,241	-34,292
Depreciation	-1,639	-1,433	-123	-157	2	11	-1,760	-1,579
Other operating expenses	-11,524	-9,397	-3,613	-2,979	1,356	681	-13,781	-11,695
EBITA	6,975	8,128	-551	-469	2	11	6,426	7,670
Amortisation ²	-695	-707	-291	-280	0	0	-986	-987
EBIT	6,280	7,421	-842	-749	2	11	5,440	6,683
EBIT adjusted	7,218	7,421	-804	-749	2	11	6,416	6,683

1) Including purchased services

2) Amortisation of other intangible assets that were identified in connection with acquisitions

Additional Information

General Principles

These consolidated interim financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as formulated by the International Accounting Standards Board (IASB), with §51a of the rules and regulations of the »Frankfurter Wertpapierbörse« (FWB, the Frankfurt Stock Exchange) and with IAS 34 »Interim Financial Reporting«. The consolidated interim financial statements have not been audited and were prepared using the accounting and valuation methods that applied for the consolidated financial statements as at 30 September 2018. All current business transactions, accruals and deferrals, which in the view of the company are necessary to ensure a true and fair view of the interim results, were taken into account. The company believes that the information and explanations are presented properly and that they provide an accurate picture of the earnings, assets and financial situation. Our business is subject to various seasonal fluctuations. In addition, the signing of major contracts and the servicing of large orders can result in significant differences in sales revenues and earnings.

Certain statements within these consolidated interim financial statements constitute forward-looking statements that involve forecasts, estimates or expectations and are subject to risks and uncertainties. The actual results, performance and achievements can deviate from those expressed or implied in these forward-looking statements. Changes in the general economic and competitive situation, particularly in the core business divisions and markets, and changes in legislation, particularly those related to taxes, can cause such deviations. The company assumes no obligation to update statements made in these consolidated interim financial statements. The German-language version of this interim report is definitive.

First-time application of new accounting standards IFRS 9 and IFRS 15

Starting in the financial year 2018/19, we will be applying the mandatory new accounting standards IFRS 9 »Financial Instruments« and IFRS 15 »Revenue from Contracts with Customers«. The cumulative effects of first-time application will be recognised in equity as of 1 October 2018. In keeping with the simplified procedure provided in both accounting standards, prior-year figures have **not** been adjusted. The impacts of first-time application are as follows in each case:

First-time application of IFRS 9 only resulted in a marginal increase in existing impairments of financial assets (1 Oct 2018: plus EUR 0.1 million) and, correspondingly, to a marginal reduction in the carrying amount of trade receivables (new »expected credit loss model«). As such, there were no material effects on the net assets, financial position and results of operations of All for One Steeb AG.

In contrast, **first-time application of IFRS 15** resulted in not considerable shifts in period allocation of the sales relating to some customer contracts that must be recognised in the Group income statement, especially in the case of long-term rollout projects comprised of both license sales and maintenance and consulting services. These impacts are stated separately in this quarterly statement, in addition to the Group income statement and segment report.

As far as the balance sheet is concerned, the contract assets and liabilities recognised as of 1 October 2018 for the first time as a result of these allocation effects are of minor importance and are included under other assets and other liabilities, respectively. The carrying amount of the cost of contract acquisition, which was recognised for the first time in the balance sheet as of 1 October 2018

and was formerly stated as a direct expense, is also of only minor relevance. These costs are, moreover, only capitalised if written off over a period of more than one year.

Depending on specific projects and the applicable business models, material impacts on our net assets, financial position and results of operations cannot be ruled out in the future, either. With regard to future contracts with customers, the anticipated effects of the newly required allocation of total transaction prices to individual performance obligations (based on relative unit sale prices) on period allocation of the sales are difficult to judge.

Subsequent events after the interim reporting period Q1

2018/19: Acquisition of TalentChamp

With effect from 1 January 2019, All for One Steeb AG acquired all shares in TalentChamp Consulting GmbH, Vienna/Austria. The company is a recognised talent management and cloud specialist in the German-speaking marketplace, generates annual revenues in excess of EUR 4 million, currently employs 35 people, and has successfully completed far in excess of 150 SuccessFactors projects. Following the acquisition, All for One Steeb has become market leader in the German-speaking SAP Cloud HR market. The transaction constitutes a business combination under IFRS 3. The entity will be fully included in the consolidated financial statements from 1 January 2019 onwards. The provisional total purchase price for acquiring all the shares in TalentChamp is in the mid-single-digit millions range plus a performance-related two-year earn-out component. Purchase price allocation is still outstanding.

IR Services

Our website offers extensive investor relations services. Apart from finding company reports, analyst reports and financial presentations, you can also add your name to the distribution list to receive press releases and financial announcements.

www.all-for-one.com/ir-english

All for One Steeb AG

All for One Steeb AG (ISIN DE0005110001) is a leading IT services and consulting provider and sought-after digitalisation partner for the midmarket. The full-service provider's portfolio comprises end-to-end services and solutions across the entire IT value chain, from management and technology consulting, SAP industry solutions and cloud applications up to highly scalable multi-cloud services out of German data centers, where All for One Steeb is orchestrating highly available IT operations for all business-related IT systems – including SAP as well as Microsoft. This is why market observers also rank All for One Steeb as the number 1 in the German-speaking SAP market amongst the leading IT service providers for Cloud Transformation, SAP HANA and SAP S/4HANA, Business Analytics and Performance Management, Human Capital Management, Customer Engagement & Commerce, Application Management Services, IT Security or Communications and Collaboration (New Work). As an SAP Platinum Partner, All for One Steeb is a reliable general contractor and serves with more than 1,700 employees over 2,000 clients in Germany, Austria and Switzerland, mainly among the manufacturing and consumer goods industry. As a founding member of United VARs, the largest global network of leading SAP partners, All for One Steeb guarantees a comprehensive consulting and service portfolio as well as the best local support in some 90 countries. In the financial year 2017/18, All for One Steeb AG achieved a turnover of EUR 332.4 million. The company is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

www.all-for-one.com/en

All for One Steeb AG

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