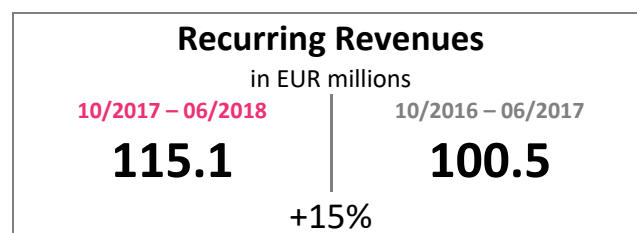
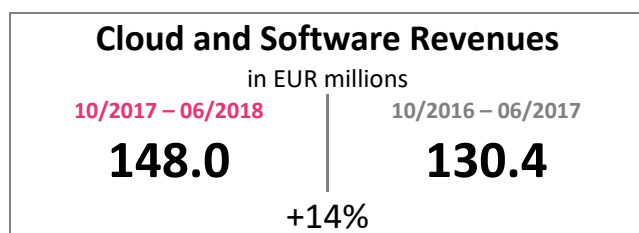
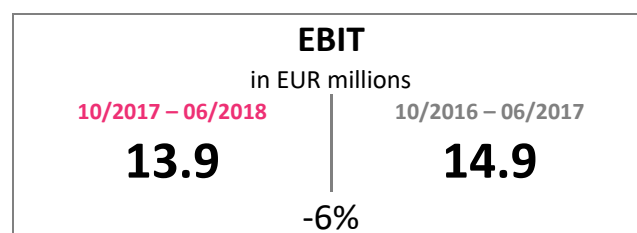
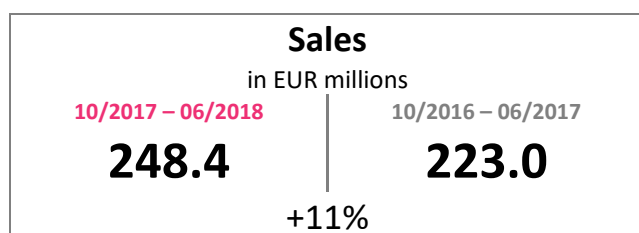


**360° PARTNER FOR
DIGITALISATION IN THE MIDMARKET**



All for One Steeb AG: Cloud business growing rapidly / Continued major investments in future of the business / Impact on earnings

Good momentum / »Private Cloud Leader Germany« / Strategic option: Running SAP in the public cloud

Digitalisation has now arrived in the midmarket. Our highly regarded market study »Digitalisation in the Midmarket Segment 2018« conducted together with the IUBH University of Applied Sciences in Bad Honnef, the European Institute for Leadership and Transformation in Cologne, and our Allfoye management consulting unit, also clearly shows the following: The road to actual implementation is a lengthy one, and our potential along the way is enormous. The high level of dynamics with which we are expanding our business and helping customers improve their competitiveness continued unabated during the first 9 months of our financial year 2017/18 (Oct 2017 – Jun 2018). The market observers from ISG (Information Services Group) ranked us a »Leader Germany« in their ISG Provider Lens Study »Infrastructure & Data Center / Private Cloud 2018«. An important up-and-coming option is »Running SAP in the Public Cloud«, as predicted by our survey of the same name conducted together with Crisp Research AG, Hanover. We want to use this powerful momentum to not only make greater investments in such platforms as Microsoft Azure, but also in our customers' transformation to SAP S/4HANA as the new digital core and new software solutions for specialised lines of business. Public cloud platforms such as these will be given a lasting place in our portfolio and significantly enhance our »cloud readiness«. We therefore see ourselves well-positioned to ensure the successful transformation of our large customer base.

Q1 plus 25%, Q2 plus 30%, Q3 plus 33% – Powerful dynamics driving cloud services and support revenues from quarter to quarter

We are pushing cloud transformation forward in great strides. The 9-month performance in cloud and software revenues (plus 14% to EUR 148.0 million, ratio: 60% of sales) and the recurring revenues (plus 15% to EUR 115.1 million, ratio: 46% of sales) simply underscore this considerable momentum. Cloud and software revenues include the revenues generated from cloud services and support (plus 29% to EUR 43.6 million), software licenses (plus 10% to EUR 32.9 million) and software support (plus 7% to EUR 71.5 million). The recurring revenues item includes the aforementioned cloud services and support revenues, as well as the revenues from software support (maintenance). Transformation projects require a great deal of consulting and active support. In the case of revenues from consulting and services, we posted an increase of 8% to EUR 100.4 million. We increased total sales revenues by an overall 11% to EUR 248.4 million in this 9-month period, of which some 2 percentage points are attributable to growth through acquisitions.

EBITDA of EUR 21.8 million on par with prior year / EBIT margin declines to 5.6% (Oct 2016 – Jun 2017: 6.7%)

The cost of materials (including purchased services) rose to EUR 90.2 million (plus 11%) at a proportional rate to that of sales. The revenue mix is what determines this trend, which in turn is attributable primarily to greater purchases of licenses and software maintenance as a result of the major increases in sales from software licenses and support. Furthermore, we again made greater use of consulting resources from our partner network to carry out customer projects. The cost of materials ratio declined slightly to 36%. Personnel expenses increased at a somewhat disproportionately higher rate than that of sales to EUR 105.2 million (plus 14%). The ratio of personnel expenses to sales increased slightly to 42%. As the business was expanding strongly, the other operating expenses grew disproportionately to sales and increased to EUR 34.6 million (plus 18%), whereby the ratio of these expenses to total sales was approximately 14% and thus slightly higher than the prior year. Depreciation increased EUR 0.9 million to 7.8 million (plus 13%) and includes a total of EUR 3.5 million (Oct 2016 – Jun 2017: EUR 3.6 million) in regular amortisation of intangible assets. The EBITDA of EUR 21.8 million (Oct 2016 – Jun 2017: EUR 21.8 million) reflects an EBITDA margin of 8.8% (Oct 2016 – Jun 2017: 9.8%).

The Group EBIT was EUR 13.9 million and was 6% higher than that of the corresponding prior-year period. The EBIT margin declined from 6.7% (Oct 2016 – Jun 2017) to 5.6%. The marginal decrease in the financial result to minus EUR 0.7 million (Oct 2016 – Jun 2017: minus EUR 0.5 million) together with an increase in the income tax rate (based on earnings before tax) to 32% (Oct 2016 – Jun 2017: 29%) led to a decrease in the earnings after tax of 12% to EUR 9.0 million. There was an unchanged average number of 4,982,000 shares outstanding during the period under review. Earnings per share were EUR 1.84 (Oct 2016 – Jun 2017: EUR 2.03).

Segment sales: CORE plus 10% to EUR 209.9 million, LOB plus 16% to EUR 48.2 million / Contrasting earnings performance

Within the LOB segment (lines of business solutions portfolio) we are investing more intensively in expanding the workforce (sales, marketing and consulting) and the corresponding recruitment and training, but also in changes to the organisation (one-time charges: EUR 0.6 million). As a result, the significant increase in LOB segment revenues of 16% to EUR 48.2 million was offset by a major decline in EBIT of EUR 1.8 million to minus 0.8 million. Despite major investments in SAP S/4HANA (know-how, experience, business process library), the Internet of Things (IoT), machine learning and our platform business (SAP Leonardo, Microsoft Azure, AWS), our CORE segment (ERP and collaboration solution packages for corporate core business processes) was able to increase its EBIT by 5% to EUR 14.7 million and its segment revenues by 10% to EUR 209.9 million.

Total assets increased by 3% to EUR 173.4 million / Equity ratio of 42% (30 Sep 2017: 41%) / Substantial increase in net liquidity

The increase in assets was driven by the rise in tangible fixed assets of EUR 2.5 million to 14.3 million (data center technology investments). There was a significant reduction in the amount of trade accounts receivable (minus EUR 3.6 million to 39.3 million) and a decrease in the amount of trade accounts payable (minus EUR 2.0 million to 12.9 million). In contrast, the amount of cash funds increased by EUR 8.1 million to 37.8 million. Our earnings performance led to an increase in total equity of EUR 2.8 million to 72.4 million. Current income tax liabilities also rose by EUR 3.0 million. The significant increase in non-current financial liabilities of EUR 7.1 million to 27.8 million includes a tranche of promissory notes in the nominal amount of EUR 5.0 million, which were converted into a long-term tranche as scheduled on 30 April 2018. Current financial liabilities declined to EUR 2.0 million. Net liquidity rose significantly from EUR 2.5 million (30 Sep 2017) to EUR 8.1 million (30 Jun 2018).

Operating cash flow increases by EUR 9.3 million to 19.1 million / Prior-year cash flow heavily burdened by acquisitions

The sharp increase in cash flow from operating activities to EUR 19.1 million (Oct 2016 – Jun 2018: EUR 9.9 million) is due primarily to adjusted income tax payments, which resulted in cash outflows in the amount of EUR 6.7 million in the prior-year period and in cash outflows of only EUR 0.5 million in the current reporting period. The cash flow from investing activities was minus EUR 2.5 million. The corresponding prior-year figure (minus EUR 10.5 million) was burdened by acquisitions (minus EUR 7.8 million). The cash flow from financing activities was minus EUR 8.4 million (Oct 2016 – Jun 2017: minus EUR 11.8 million). Due to the enlargement of the shareholdings in OSC AG, a one-time cash outflow in the amount of EUR 7.9 million was incurred in the prior year. Thus the cash funds at the end of the period totalled EUR 37.8 million (30 Jun 2017: EUR 20.7 million).

Number of employees increased 13% to 1,631 / Recognised as offering »Germany's Best Jobs with a Future«

We successfully launched our »At Home at All for One Steeb« recruiting offensive and employer branding campaign. And the consistently good results we earn in various rankings, this time in the »Germany's Best Jobs with a Future 2018« survey (*Focus Money*), enhances our position on the job markets, which besides becoming even tighter also demand increased investments in training, recruitment, human resources marketing, and personnel development. Although our employee retention rate declined marginally to 92.4% (minus 2.0 percentage points), it is still much higher than the industry average. Our health index improved slightly by plus 0.1 percentage points to 97.3%. Our ability to develop and empower people is a critical factor in pursuing our growth strategy.

Outlook – A focus on cloud business growth and improved margins

Our intensive investments in the groundwork for the successful and efficient transition of our customers' to SAP S/4HANA and in fully establishing our cloud-driven LOB segment will continue into the fourth quarter of our financial year 2017/18. In terms of sales, we are committed to our annual forecast for 2017/18, which was most recently raised in May 2018 to project total revenues of between EUR 325 million and 335 million. Our EBIT forecast for 2017/18 remains in the range of EUR 20.5 million to 22.0 million and could be achieved at its lower end.

Group Sales by Type of All for One Steeb AG from 1 October 2017 to 30 June 2018

| in KEUR | 10/2017 – 06/2018 | 10/2016 – 06/2017 | Difference | |
|--|-------------------|-------------------|---------------|------------|
| Cloud services and support (1) | 43,611 | 33,689 | 9,922 | 29% |
| Software licenses and support (2) | 104,388 | 96,668 | 7,720 | 8% |
| Software licenses | 32,884 | 29,880 | 3,004 | 10% |
| Software support (3) | 71,504 | 66,788 | 4,716 | 7% |
| Consulting and services | 100,360 | 92,674 | 7,686 | 8% |
| Sales revenues | 248,359 | 223,031 | 25,328 | 11% |
| Cloud and software revenues (1) + (2) | 147,999 | 130,357 | 17,642 | 14% |
| Recurring revenues (1) + (3) | 115,115 | 100,477 | 14,638 | 15% |

Group Income Statement and Other Comprehensive Income of All for One Steeb AG from 1 October 2017 to 30 June 2018

| in KEUR | 10/2017 – 06/2018 | 10/2016 – 06/2017 | 04/2018 – 06/2018 | 04/2017 – 06/2017 |
|--|-------------------|-------------------|-------------------|-------------------|
| Profit and Loss Account | | | | |
| Sales revenues | 248,359 | 223,031 | 78,291 | 74,304 |
| Other operating income | 3,330 | 2,046 | 1,298 | 641 |
| Cost of materials and purchased services | -90,169 | -81,482 | -27,058 | -26,438 |
| Personnel expenses | -105,175 | -92,507 | -35,384 | -32,098 |
| Depreciation and amortisation | -7,840 | -6,962 | -2,548 | -2,525 |
| Other operating expenses | -34,573 | -29,260 | -11,742 | -9,739 |
| EBIT | 13,932 | 14,866 | 2,857 | 4,145 |
| Financial income | 208 | 306 | 62 | 162 |
| Financial expense | -943 | -766 | -276 | -306 |
| Financial result | -735 | -460 | -214 | -144 |
| Earnings before tax (EBT) | 13,197 | 14,406 | 2,643 | 4,001 |
| Income tax | -4,225 | -4,256 | -914 | -1,308 |
| Earnings after tax | 8,972 | 10,150 | 1,729 | 2,693 |
| attributable to equity holders of the parent | 9,173 | 10,132 | 1,805 | 2,706 |
| attributable to non-controlling interests | -201 | 18 | -76 | -13 |
| Other comprehensive income | | | | |
| Unrealised profits (+) / losses (-) from currency translation | -141 | -67 | -49 | 6 |
| Items that are or may be reclassified to profit or loss | -141 | -67 | -49 | 6 |
| Other comprehensive income | -141 | -67 | -49 | 6 |
| Total comprehensive income | 8,831 | 10,083 | 1,680 | 2,699 |
| attributable to equity holders of the parent | 9,032 | 10,065 | 1,756 | 2,712 |
| attributable to non-controlling interests | -201 | 18 | -76 | -13 |
| Undiluted and diluted earnings per share | | | | |
| Earnings per share in EUR | 1.84 | 2.03 | 0.36 | 0.54 |
| Average number of shares outstanding (undiluted and diluted) | 4,982,000 | 4,982,000 | 4,982,000 | 4,982,000 |

Group Balance Sheet of All for One Steeb AG

As at 30 June 2018

| Assets in KEUR | 30.06.2018 | 30.09.2017 |
|---|-------------------|-------------------|
| Non-current assets | | |
| Goodwill | 23,642 | 24,531 |
| Other intangible assets | 39,595 | 41,618 |
| Tangible fixed assets | 14,268 | 11,749 |
| Financial assets | 6,864 | 6,034 |
| Other assets | 804 | 1,115 |
| Deferred tax assets | 705 | 681 |
| | 85,878 | 85,728 |
| Current assets | | |
| Inventories | 392 | 1,160 |
| Trade accounts receivable | 39,256 | 42,876 |
| Current income tax assets | 2,277 | 2,304 |
| Financial assets | 3,827 | 3,418 |
| Other assets | 3,963 | 3,485 |
| Cash and cash equivalents | 37,841 | 29,755 |
| | 87,556 | 82,998 |
| Total assets | 173,434 | 168,726 |
| Equity and Liabilities in KEUR | 30.06.2018 | 30.09.2017 |
| Equity | | |
| Issued share capital | 14,946 | 14,946 |
| Capital reserve | 11,228 | 11,228 |
| Other reserves | 409 | 550 |
| Retained earnings | 45,834 | 42,639 |
| Share of equity attributable to equity holders of the parent | 72,417 | 69,363 |
| Non-controlling interests | -66 | 147 |
| Total equity | 72,351 | 69,510 |
| Non-current liabilities | | |
| Provisions | 365 | 361 |
| Post-employment benefit liabilities | 2,567 | 2,468 |
| Financial liabilities | 27,760 | 20,681 |
| Deferred tax liabilities | 14,478 | 14,516 |
| Other liabilities | 1,727 | 2,026 |
| | 46,897 | 40,052 |
| Current liabilities | | |
| Provisions | 318 | 649 |
| Current income tax liabilities | 4,460 | 1,441 |
| Financial liabilities | 1,951 | 6,528 |
| Trade accounts payable | 12,910 | 14,907 |
| Other liabilities | 34,547 | 35,639 |
| | 54,186 | 59,164 |
| Total liabilities | 101,083 | 99,216 |
| Total equity and liabilities | 173,434 | 168,726 |

Group Cash Flow Statement of All for One Steeb AG from 1 October 2017 to 30 June 2018

| in KEUR | 10/2017 – 06/2018 | 10/2016 – 06/2017 |
|---|-------------------|-------------------|
| Earnings before tax | 13,197 | 14,406 |
| Amortisation of intangible assets | 3,547 | 3,610 |
| Depreciation of tangible fixed assets | 4,293 | 3,352 |
| Financial result | 735 | 460 |
| EBITDA | 21,772 | 21,828 |
| Increase (+) / decrease (-) in cumulative value adjustments and provisions | -1,004 | -132 |
| Other non-cash expense (+) and income (-) | -157 | -210 |
| Changes in assets and liabilities: | | |
| Increase (-) / decrease (+) in trade receivables | 4,420 | -2,585 |
| Increase (-) / decrease (+) in financial assets | -1,241 | -724 |
| Increase (-) / decrease (+) in other assets | -62 | -2,580 |
| Increase (+) / decrease (-) in trade payables | -1,999 | 344 |
| Increase (+) / decrease (-) in other liabilities | -2,099 | 646 |
| Income tax paid | -510 | -6,723 |
| Cash flow from operating activities | 19,120 | 9,864 |
| Purchase of intangible, tangible fixed and other assets | -2,842 | -3,523 |
| Sale of intangible, tangible fixed and other assets | 187 | 456 |
| Purchase of consolidated equity interests | 0 | -7,751 |
| Interest received | 161 | 302 |
| Cash flow from investing activities | -2,494 | -10,516 |
| Cash flow from loans and financial liabilities | 5,000 | 10,133 |
| Repayment of loans and financial liabilities | -5,010 | -7,006 |
| Interest paid | -952 | -585 |
| Repayment of finance leases | -1,480 | -949 |
| Increase in shareholding in consolidated equity interests | 0 | -7,880 |
| Dividend payments to shareholders, non-controlling interests and other parties | -5,990 | -5,490 |
| Cash flow from financing activities | -8,432 | -11,777 |
| Increase / decrease in cash and cash equivalents | 8,194 | -12,429 |
| Effect of exchange rate fluctuations on cash funds | -108 | -67 |
| Change in cash and cash equivalents from initial consolidation of fully consolidated equity interests | 0 | 770 |
| Cash funds at the beginning of the period | 29,755 | 32,430 |
| Cash funds at the end of the period | 37,841 | 20,704 |

Employees and Non-Financial Performance Indicators of All for One Steeb AG from 1 October 2017 to 30 June 2018

| | 10/2017 – 06/2018 | 10/2016 – 06/2017 | Difference | |
|---|-------------------|-------------------|------------|---------|
| Employees | | | | |
| Number of employees (period end) | 1,631 | 1,446 | 185 | 13% |
| Number of full-time equivalents (ø) | 1,420 | 1,245 | 175 | 14% |
| Non-financial performance indicators | | | | |
| Employee retention | 92.4% | 94.4% | | -2.0 Pp |
| Health index | 97.3% | 97.2% | | +0.1 Pp |

Pp: percentage points

Group Statement of Changes in Equity of All for One Steeb AG from 1 October 2017 to 30 June 2018

| in KEUR | Share of equity attributable to equity holders of the parent | | | | | Non-controlling interests | Total shareholders' equity |
|--|--|-----------------|----------------------|-------------------|---------------|---------------------------|----------------------------|
| | Issued share capital | Capital reserve | Currency translation | Retained earnings | Total | | |
| 1 October 2017 | 14,946 | 11,228 | 550 | 42,639 | 69,363 | 147 | 69,510 |
| Earnings after tax | 0 | 0 | 0 | 9,173 | 9,173 | -201 | 8,972 |
| Other comprehensive income | 0 | 0 | -141 | 0 | -141 | 0 | -141 |
| Total comprehensive income | 0 | 0 | -141 | 9,173 | 9,032 | -201 | 8,831 |
| Dividend distribution | 0 | 0 | 0 | -5,978 | -5,978 | 0 | -5,978 |
| Distribution to non-controlling interests | 0 | 0 | 0 | 0 | 0 | -12 | -12 |
| Acquisition of subsidiary ¹ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transactions with owners of the company | 0 | 0 | 0 | -5,978 | -5,978 | -12 | -5,990 |
| 30 June 2018 | 14,946 | 11,228 | 409 | 45,834 | 72,417 | -66 | 72,351 |
| 1 October 2016 | 14,946 | 11,228 | 604 | 33,499 | 60,277 | 115 | 60,392 |
| Earnings after tax | 0 | 0 | 0 | 10,132 | 10,132 | 18 | 10,150 |
| Other comprehensive income | 0 | 0 | -67 | 0 | -67 | 0 | -67 |
| Total comprehensive income | 0 | 0 | -67 | 10,132 | 10,065 | 18 | 10,083 |
| Dividend distribution | 0 | 0 | 0 | -5,480 | -5,480 | 0 | -5,480 |
| Distribution to non-controlling interests | 0 | 0 | 0 | 0 | 0 | -10 | -10 |
| Acquisition of subsidiary ¹ | 0 | 0 | 0 | 945 | 945 | 69 | 1,014 |
| Transactions with owners of the company | 0 | 0 | 0 | -4,535 | -4,535 | 59 | -4,476 |
| 30 June 2017 | 14,946 | 11,228 | 537 | 39,096 | 65,807 | 192 | 65,999 |

1) Acquisition of subsidiary with non-controlling interests

Segment Reporting of All for One Steeb AG from 1 October 2017 to 30 June 2018

| in KEUR | CORE | | LOB | | Consolidation | | Total | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 10/2017 – 06/2018 | 10/2016 – 06/2017 | 10/2017 – 06/2018 | 10/2016 – 06/2017 | 10/2017 – 06/2018 | 10/2016 – 06/2017 | 10/2017 – 06/2018 | 10/2016 – 06/2017 |
| Income statement | | | | | | | | |
| Sales to external customers | 207,169 | 187,612 | 41,190 | 35,419 | 0 | 0 | 248,359 | 223,031 |
| Intersegment sales | 2,775 | 2,589 | 7,003 | 6,208 | -9,778 | -8,797 | 0 | 0 |
| Sales revenues | 209,944 | 190,201 | 48,193 | 41,627 | -9,778 | -8,797 | 248,359 | 223,031 |
| Other operating income | 4,411 | 2,550 | 602 | 763 | -1,683 | -1,267 | 3,330 | 2,046 |
| Cost of materials ¹ | -88,323 | -79,571 | -10,867 | -9,808 | 9,021 | 7,897 | -90,169 | -81,482 |
| Personnel expenses | -77,104 | -69,834 | -28,071 | -22,673 | 0 | 0 | -105,175 | -92,507 |
| Depreciation | -4,314 | -3,483 | -450 | -337 | 16 | 0 | -4,748 | -3,820 |
| Other operating expenses | -27,769 | -23,727 | -9,244 | -7,604 | 2,440 | 2,071 | -34,573 | -29,260 |
| EBITA | 16,845 | 16,136 | 163 | 1,968 | 16 | -96 | 17,024 | 18,008 |
| Amortisation ² | -2,122 | -2,122 | -970 | -1,020 | 0 | 0 | -3,092 | -3,142 |
| EBIT | 14,723 | 14,014 | -807 | 948 | 16 | -96 | 13,932 | 14,866 |

1) Including purchased services

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

Additional Information

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 2017. 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.

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

All for One Steeb AG

All for One Steeb AG (ISIN DE0005110001) is the number 1 in the German-speaking SAP market, a leading IT service provider and 360° partner for digitalisation in 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 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 or Communications and Collaboration. As an SAP Platinum Partner, All for One Steeb is a reliable general contractor and serves with more than 1,600 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 2016/17, All for One Steeb AG achieved a turnover of EUR 300.5 million.

www.all-for-one.com/en

More info:
www.all-for-one.com

All for One Steeb AG
Dirk Sonntag
Head of Corporate & Investor Relations

Gottlieb-Manz-Strasse 1
70794 Filderstadt-Bernhausen
Germany
Tel. +49 (0) 711 788 07-260

www.all-for-one.com