all for one Group

Half-Year Financial Report as at 31 March 2019

Extended Focus due to Strategy Offensive 2022. All for One Steeb Changed Name to All for One Group.

Recurring Revenues
in EUR millions

10/2018 – 03/2019	10/2017 – 03/2018
85.1	75.0

+14%

EBIT (adjusted)
in EUR millions

10/2018 – 03/2019	10/2017 – 03/2018
11.2	11.1

+1%

Sales
in EUR millions

10/2018 – 03/2019	10/2017 – 03/2018
180.8	170.1

+6%

EBIT
in EUR millions

10/2018 – 03/2019	10/2017 – 03/2018
10.0	11.1

-10%

- » Cloud Services & Support revenues increase by 22%
- » Recurring revenues account for an increased share of 47% (1 HY 2017/18: 44%)
- » One-off costs for the strategy offensive 2022 and first-time application of IFRS 15 adversely affect EBIT to the tune of EUR 1.2 million in total
- » SAP Pinnacle Award »Customer Experience Partner of the Year«, »Microsoft Eco System Leader Germany SAP on Azure«
- » Non-recurring tax and interest income of EUR 3.2 million from previously disputed tax loss carryforwards
- » Earnings after tax of EUR 10.0 (up 38% year on year)
- » Annual guidance for 2018/19 confirmed

New branding – All for One Group making customers no. 1
Since launching our strategy offensive in mid-November 2018, successful implementation is progressing as scheduled. Increasing the ability of our customers to compete is right at the top of our agenda. Achieving this goal requires the right combination of people, business workflows, data and IT systems in smart networked businesses. This is where our expanded service portfolio comes into play, which will help take our customers right to the top.

The »bold 1« at the centre of our new brand architecture is symbolic of this ambition. From now on, it will define the branding of our entire Group. The logical consequence of which has been to change the name of All for One Steeb AG. Our new name is All for One Group AG and we are still the number 1 in the German SAP midmarket. But that is not the end of the story by far.

All for One Group expands expertise in future areas of growth

Above and beyond transforming our ERP customers to SAP S/4HANA as their »Digital Core«, we also want to play a key role in shaping the fast and furious developments in the lines of business and, in doing so, to further expand our access to the larger midmarket. In keeping with this ambition, we are focusing on further future areas of growth as part of our strategy offensive: New Work, Cybersecurity & Compliance, IoT & Machine Learning, Big Data & Analytics, Recruiting & Talent Management and Customer Experience. We plan to become just as strong in these fields as in ERP, and with just as great a market presence. Which is why we are particularly delighted to be the recipients of a global SAP Pinnacle Award, given by SAP to us as »Customer Experience Partner of the Year«. When it comes to »SAP operation on Microsoft's Azure cloud platform«, the analysts from Information Services Group already rank us among the »Microsoft Eco System Leaders in Germany« (ISG Research 2019). We also want to grow in the field of Recruiting & Talent Management. Since 1 January 2019, we have been including our acquisition of TalentChamp Consulting GmbH, Vienna/Austria, in full in our consolidated financial statements. The company is an acknowledged cloud specialist with years of SAP SuccessFactors expertise, and has excellent references in the larger midmarket. The competitive ability of our customers – most of whom are strongly export-driven – is dictated not least by their international orientation. We have been able to grow our United VARs network – the world's largest and most powerful alliance of SAP resellers – to more than 50 partners. Together with them, we are now locally represented in more than 100 countries. No other SAP Partner can match us in terms of global reach.

Revenue trend shaped by continuing strong growth in recurring cloud revenues

in KEUR	10/2018 – 03/2019	10/2017 – 03/2018
Cloud services and support (1)	**33,916**	**27,695**
Software licenses and support (2)	**72,963**	**73,060**
Software licenses	21,739	25,777
Software support (3)	51,224	47,283
Consulting and services	**73,960**	**69,313**
Sales revenues	**180,839**	**170,068**
Cloud and software revenues (1) + (2)	106,879	100,755
Recurring revenues (1) + (3)	85,140	74,978

In the period Oct 2018 – Mar 2019, non-recurring revenues from the sale of software licenses decreased, as expected, by 16% from the previous year's record level to EUR 21.7 million. In return, we were able to significantly increase our recurring cloud services and support revenues for sixth quarters in succession. Between Oct 2018 – Mar 2019, they rose by 22% to EUR 33.9 million. Compared to the prior half year, recurring revenues increased by 14% to EUR 85.1 million and include both the aforementioned cloud services and support sales, and software support revenues (up 8% to EUR 51.2 million). As such, the share of total sales attributable to recurring revenues increased to 47% (Oct 2017 – Mar 2018: 44%). Transformation projects require comprehensive strategic, management, process and technology consulting. Accordingly, revenue generated with consulting and services rose by 7% to EUR 74.0 million. Total revenues for the half-year period increased by 6% overall to EUR 180.8 million. The inclusion of TalentChamp contributed external revenues of EUR 1.2 million to this result.

Adjusted EBIT within the guidance corridor

in KEUR	10/2018 – 03/2019	10/2017 – 03/2018
EBITDA	**15,630**	**16,366**
IFRS 15 (KEUR 277) / One-off costs for strategy offensive (KEUR 970)	1,247	0
Adjusted EBITDA	**16,877**	**16,366**
Adjusted EBITDA margin	9.3%	9.6%
EBIT	**9,992**	**11,075**
IFRS 15 (KEUR 277) / One-off costs for strategy offensive (KEUR 970)	1,247	0
Adusted EBIT	**11,239**	**11,075**
Adjusted EBIT margin	6.2%	6.5%

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 1.0 million in total. Charges from the first-time application of the new IFRS 15 standard amounted to EUR 0.3 million. After adjustment for purposes of comparability with the corresponding prior-year 6-month period, adjusted EBITDA was EUR 16.9 million (Oct 2017 – Mar 2018: EUR 16.4 million), while adjusted EBIT totalled EUR 11.2 million (Oct 2017 – Mar 2018: EUR 11.1 million). The adjusted EBIT margin fell slightly from 6.5% to 6.2%.

Although cost of materials – including purchased services – increased slightly to EUR 64.0 million (up 1%), the increase was still much smaller than the growth in revenues (plus 6%). The cost of materials ratio therefore declined to 35% (Oct 2017 – Mar 2018: 37%). Personnel expenses increased at a much higher rate than sales – to EUR 76.4 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 42% (Oct 2017 – Mar 2018: 41%). Moreover, other operating expenses also increased at a much higher rate than sales – to EUR 26.1 million (up 15%) – due to the strategy offensive. Depreciation and amortisation (EUR 5.6 million, up 7%) includes a total of EUR 2.3 million (Oct 2017 – Mar 2018: EUR 2.4 million) of scheduled amortisation of intangible assets.

The financial result was minus EUR 0.1 million (Oct 2017 – Mar 2018: minus EUR 0.5 million). Disregarding the adjustments to EBITDA and EBIT for the purpose of comparability with prior-year figures (EUR 1.2 million in total), EBT therefore totalled EUR 9.9 million (Oct

2017 – Mar 2018: EUR 10.6 million) and earnings after tax EUR 10.0 million (Oct 2017 – Mar 2018: EUR 7.2 million). Earnings per share rose by 36% to EUR 2.01. This significant increase in earnings is due to tax and interest income totalling EUR 3.2 million from previously disputed loss carryforwards (Section 8c German corporate income tax law), which has now been recognised in the consolidated income statement. The current liabilities thus decreased accordingly (see note 5 in the notes to the interim report). 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

	CORE		LOB	
in KEUR	10/2018 – 03/2019	10/2017 – 03/2018	10/2018 – 03/2019	10/2017 – 03/2018
Income statement				
Sales to external customers	151,333	142,396	29,506	27,672
Intersegment sales	2,025	1,815	5,093	4,741
Sales revenues	**153,358**	**144,211**	**34,599**	**32,413**
EBIT	**10,172**	**11,592**	**-185**	**-531**
Adjusted EBIT	**11,314**	**11,592**	**-80**	**-531**

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 11.3 million (Oct 2017 – Mar 2018: EUR 11.6 million), while segment sales increased by 6% to EUR 153.4 million. 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 increased by 7% to EUR 34.6 million while adjusted EBIT was minus EUR 0.1 million (Oct 2017 – Mar 2018: minus EUR 0.5 million).

Balance sheet total virtually unchanged at EUR 183.6 million Equity ratio of 45%

Asset performance was predominately influenced by the provisional initial consolidation of TalentChamp GmbH, which caused goodwill to increase temporarily by EUR 5.4 million to 29.0 million. The decrease in cash and cash equivalents by EUR 12.9 million to 23.4 million reflects payment of the provisional purchase price to acquire all shares in TalentChamp. Added to which, the annual general meeting on 13 March 2019 approved payment of a dividend of EUR 6.0 million. Apart from adjustments to the due dates of other liabilities, the changes in equity and liabilities as of 31 March 2019 compared to the balance sheet figures of 30 September 2018 are only minor. Net debt was EUR 6.2 million (30 Sep 2018: net liquidity of EUR 7.0 million).

Cash flow: Acquisition of TalentChamp, payment of a dividend, and increased investments in technology

The decline in operative cash flow to EUR 6.2 million (Oct 2017 – Mar 2018: EUR 8.2 million) was primarily caused by the lower earnings and by higher income tax payments, which accounted for cash inflows of EUR 0.6 million in the prior year compared to cash outflows of EUR 3.7 million in the year under review. Cash flow from investing activities of minus EUR 11.8 million (Oct 2017 – Mar 2018: minus EUR 1.6 million) reflects both higher capital expenditure on technologies to expand our cloud services, and cash used to finance the acquisition of TalentChamp. Cash flow from financing activities was minus EUR 7.4 million (Oct 2017 – Mar 2018: minus EUR 7.2 million). As a result, cash funds totalled EUR 23.4 million (31 Mar 2018: EUR 29.0 million).

»Germany's Best Employers 2019« / »Germany's Best Training Companies« / New headquarters are raising the bar in the field of New Work

	10/2018 – 03/2019	10/2017 – 03/2018
Employees		
Number of employees (period end)	1,794	1,604
Number of full-time equivalents (ø)	1,575	1,403
Non-financial performance indicators		
Employee retention	92.2%	93.3%
Health index	97.3%	97.0%

Developing our human capital is crucial if we are to continue on our growth path. Expenditures on human capital, such as investments in training, recruitment, HR marketing and personnel development remain virtually unchanged at a high level. In addition, we are making considerable investments at our new headquarters and raising the bar in respect of new working worlds, which we also plan to gradually roll out at all other offices. We were recognised as one of »Germany's Best Employers 2019« again and as one of »Germany's Best Training Companies« for the first time. Actions and awards such as these strengthen our standing in the human capital markets, which are becoming increasingly tight. Despite weakening slightly to 92.2% (down 1.1 percentage points), our employee retention is still much better than the average for our industry. Our health index increased slightly by 0.3 percentage points to 97.3%. The increase in the average number of full-time employees (plus 12% to 1,575) was disproportionately high compared to the sales trend (plus 6%) and was mainly due to expanding our expertise in future areas of growth such as new work, cybersecurity & compliance, IoT oder machine learning as part of our strategy offensive 2022.

Corporate governance

The end of January 2019 marked the close of the consultation period for the German Corporate Governance Code, for which the government commission had submitted a thoroughly revised draft on 6 November 2018. So far, the date on which the new version of the Code is to come into effect is not known. We continue to focus our efforts on anchoring the current recommendations (April 2017) in our day-to-day business. Additional information can be found in our Corporate Governance Report (Annual Report 2017/18, page 12 ff.).

Opportunities and risk management

As we progress with the implementation of our strategy offensive 2022 that we started back in mid-November 2018, our opportunities and risks are subject to continuous monitoring and particular focus. Thus we still categorise the risks associated with social, political, overall economic and regulatory developments as being »high«. In its annual economic report, published at the end of January 2019, the German government revised its annual forecast of economic growth in 2019 from 1.8% down to 1%. So far, fears of a widespread economic downswing have not materialised, especially in our particular area of focus in the midmarket. Moving forward, we are keeping very close track of trends to enable us to respond as effectively as possible. Serious economic setbacks could have a significantly adverse effect on the achievement of our guidance.

We continue to classify the risks associated with the competitive situations with strategic partners as persisting and »high«. As part of our strategy offensive, we are involving not just SAP but also, increasingly, Microsoft and other partners in our monitoring of these risks. Our close collaboration with strategic partners at all levels continues to mitigate these risks, as does the increase in mutual interdependencies in the wake of our growth, and our leading role in ecosystems, such as the United VARs alliance, which we have again expanded further.

Bearing our strategy offensive in mind, we are also keeping an eye on the risks associated with human resources, which we continue to classify as »medium«. Actions such as adjusting our organisational structure or building new »Market Units« could result in unplanned departures – to a greater extent than anticipated – as well as compromising the quality of our customer relationship management and jeopardising the achievement of our growth targets. We are paying particular attention and employing our communication skills to ensure that our employees are not just aware of, but also develop a passion for, the manifold changes that lie ahead. Likewise, we are raising the bar when it comes to creating entirely new kinds of working environments that will further strengthen our »Employer Branding« and should cushion the risks associated with the enormous shortage of specialists.

We reviewed and made further selective adjustments to our risk assessment over the course of the current reporting period. Nevertheless, we continue to stand by the overall assessments we made in our Annual Report 2017/18 (see section Opportunities and Risk Report, page 30 ff.).

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 a gradual increase in margins from 2020. In the financial year 2022/23 we continue to expect sales revenues in the range of between EUR 550 million and 600 million (incl. acquisitions) and an EBIT margin in excess of 7%.

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, we affirm that the consolidated interim financial statements give a true and fair view of the assets, financial position and earnings of the Group, and that the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principle opportunities and risks associated with the expected development of the Group in the remaining financial year.

Lars Landwehrkamp Chief Executive Officer	Stefan Land Chief Financial Officer

Consolidated Income Statement of All for One Group AG

from 1 October 2018 to 31 March 2019

in KEUR	10/2018 – 03/2019	10/2017 – 03/2018	01/2019 – 03/2019	01/2018 – 03/2018
Profit and Loss Account				
Sales revenues	**180,839**	**170,068**	**86,655**	**78,225**
Other operating income	1,346	2,002	648	911
Cost of materials and purchased services	-63,985	-63,111	-28,290	-25,336
Personnel expenses	-76,418	-69,791	-39,178	-35,499
Depreciation and amortisation	-5,638	-5,291	-2,892	-2,726
Other operating expenses	-26,120	-22,761	-12,348	-11,107
Impairment of financial assets[1)]	-32	-41	-43	-76
EBIT	**9,992**	**11,075**	**4,552**	**4,392**
Financial income	404	146	346	71
Financial expenses	-528	-667	-267	-415
Financial result	**-124**	**-521**	**79**	**-344**
Earnings before tax (EBT)	**9,868**	**10,554**	**4,631**	**4,048**
Income tax	106	-3,311	1,699	-1,365
Earnings after tax	**9,974**	**7,243**	**6,330**	**2,683**
attributable to owners of the parent	10,002	7,369	6,313	2,817
attributable to non-controlling interests	-28	-126	17	-134
Other comprehensive income				
Unrealised profits (+) / losses (-) from currency translation	64	-92	-26	-37
Items that may be reclassified to profit or loss in subsequent periods	**64**	**-92**	**-26**	**-37**
Other comprehensive income	**64**	**-92**	**-26**	**-37**
Total comprehensive income	**10,038**	**7,151**	**6,304**	**2,646**
attributable to owners of the parent	10,066	7,277	6,287	2,780
attributable to non-controlling interests	-28	-126	17	-134
Undiluted and diluted earnings per share				
Earnings per share in EUR	2.01	1.48	1.27	0.57
Average number of shares outstanding (undiluted and diluted)	4,982,000	4,982,000	4,982,000	4,982,000

1) Prior year adjusted

Consolidated Balance Sheet of All for One Group AG

as at 31 March 2019

Assets in KEUR	31.03.2019	30.09.2018
Non-current assets		
Goodwill	28,997	23,642
Other intangible assets	37,963	38,605
Tangible fixed assets	19,697	17,279
Financial assets	7,290	6,569
Other assets	2,362	1,036
Deferred tax assets	1,620	1,413
	97,929	**88,544**
Current assets		
Inventories	493	690
Trade accounts receivable and other receivables	46,162	47,257
Current tax assets	4,720	2,678
Other financial assets	3,996	3,766
Other assets	6,808	3,909
Cash and cash equivalents	23,446	36,331
	85,625	**94,631**
Total assets	**183,554**	**183,175**

Equity and Liabilities in KEUR	31.03.2019	30.09.2018
Equity		
Issued share capital	14,946	14,946
Capital reserve	11,228	11,228
Other reserves	329	265
Retained earnings	56,072	50,769
Share of equity attributable to owners of the parent	**82,575**	**77,208**
Non-controlling interests	**-351**	**-189**
Total equity	**82,224**	**77,019**
Non-current liabilities		
Provisions	433	357
Post-employment benefit liabilities	2,518	2,446
Financial liabilities	27,230	27,343
Deferred tax liabilities	15,574	14,516
Other liabilities	984	513
	46,739	**45,175**
Current liabilities		
Provisions	1,170	1,331
Current tax liabilities	2,091	4,326
Financial liabilities	2,374	1,967
Trade accounts payable	14,047	15,532
Other liabilities	34,909	37,825
	54,591	**60,981**
Total liabilities	**101,330**	**106,156**
Total equity and liabilities	**183,554**	**183,175**

Consolidated Cash Flow Statement of All for One Group AG

from 1 October 2018 to 31 March 2019

in KEUR	10/2018 – 03/2019	10/2017 – 03/2018
Earnings before tax (EBT)	**9,868**	**10,554**
Amortisation of intangible assets	2,331	2,410
Depreciation of tangible fixed assets	3,307	2,881
Financial result	124	521
EBITDA	**15,630**	**16,366**
Increase (+) / decrease (-) in impairments and provisions	-786	-439
Other non-cash expenses (+) and income (-)	23	-9
Changes in assets and liabilities:		
Increase (-) / decrease (+) in trade accounts receivable and other receivables	2,735	2,289
Increase (-) / decrease (+) in other financial assets	-878	-1,272
Increase (-) / decrease (+) in other assets	-1,292	-978
Increase (+) / decrease (-) in trade accounts payable	-782	-4,343
Increase (+) / decrease (-) in other liabilities	-4,698	-4,078
Income tax paid	-3,725	626
Cash flow from operating activities	**6,227**	**8,162**
Purchase of intangible, tangible fixed and other assets	-5,709	-1,670
Sale of intangible, tangible fixed and other assets	42	11
Purchase of subsidiary, net of cash acquired	-6,260	0
Sale of subsidiary, net of cash disposed	-5	0
Interest received	119	95
Cash flow from investing activities	**-11,813**	**-1,564**
Repayment of loans and financial liabilities	-10	-10
Repayment of finance leases	-902	-1,000
Acquisition of non-controlling interests	-380	0
Interest paid	-94	-204
Dividend payments to shareholders and non-controlling interests	-5,995	-5,990
Cash flow from financing activities	**-7,381**	**-7,204**
Increase / decrease in cash and cash equivalents	**-12,967**	**-606**
Effect of exchange rate fluctuations on cash funds	82	-102
Cash funds at the beginning of the period	36,331	29,755
Cash funds at the end of the period	**23,446**	**29,047**

Consolidated Statement of Changes in Equity of All for One Group AG

from 1 October 2018 to 31 March 2019

	Share of equity attributable to owners of the parent					Non-controlling interests	Total shareholders' equity
in KEUR	Issued share capital	Capital reserve	Other reserves	Retained earnings	Total		
30.09.2018 (as previously reported)	**14,946**	**11,228**	**265**	**50,769**	**77,208**	**-189**	**77,019**
First-time application IFRS 9/IFRS 15[1)]	0	0	0	1,495	1,495	47	1,542
01.10.2018 (adjusted)	**14,946**	**11,228**	**265**	**52,264**	**78,703**	**-142**	**78,561**
Earnings after tax	0	0	0	10,002	10,002	-28	9,974
Other comprehensive income	0	0	64	0	64	0	64
Total comprehensive income	**0**	**0**	**64**	**10,002**	**10,066**	**-28**	**10,038**
Dividend distribution	0	0	0	-5,978	-5,978	0	-5,978
Distribution to non-controlling interests	0	0	0	0	0	-17	-17
Acquisition of non-controlling interests	0	0	0	-216	-216	-164	-380
Transactions with owners of the company	**0**	**0**	**0**	**-6,194**	**-6,194**	**-181**	**-6,375**
31.03.2019	**14,946**	**11,228**	**329**	**56,072**	**82,575**	**-351**	**82,224**
01.10.2017	**14,946**	**11,228**	**550**	**42,639**	**69,363**	**147**	**69,510**
Earnings after tax	0	0	0	7,369	7,369	-126	7,243
Other comprehensive income	0	0	-92	0	-92	0	-92
Total comprehensive income	**0**	**0**	**-92**	**7,369**	**7,277**	**-126**	**7,151**
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 non-controlling interests	0	0	0	0	0	0	0
Transactions with owners of the company	**0**	**0**	**0**	**-5,978**	**-5,978**	**-12**	**-5,990**
31.03.2018	**14,946**	**11,228**	**458**	**44,030**	**70,662**	**9**	**70,671**

1) Further information in note 3 in the notes to the interim report

Notes to the Interim Report of All for One Group AG (formerly All for One Steeb AG)

from 1 October 2018 to 31 March 2019

1. Change of company name and move to new headquarters

The change in the company's name from All for One Steeb AG to All for One Group AG was entered in the commercial register on 22 March 2019.

Furthermore, the company moved into its new headquarters at Rita-Maiburg-Strasse 40 in 70794 Filderstadt on 1 April 2019, not far from the old head office.

2. Significant transactions and changes in the scope of the consolidation

With effect from 1 January 2019, All for One Group AG acquired all shares in TalentChamp Consulting GmbH, Vienna/Austria, and its subsidiary TalentChamp Deutschland GmbH, Munich (»TalentChamp«). This talent management and SAP cloud specialist has been fully included in All for One Group AG’s consolidated financial statements from 1 January 2019 onwards. The provisional total purchase price for the acquisition is EUR 7.6 million, of which EUR 7.0 million has already been paid from cash in hand. This amount does not include variable (»Earn-Out«) purchase price components, the amount of which is dependent on the future earnings performance (adjusted EBIT) of TalentChamp over the next 24 months and which will become due for payment in full in the financial year 2020/21.

This strategic acquisition is consistent with the efforts of All for One Group AG to attain market leadership in the German-speaking SAP HR cloud market. The management, planning and control of TalentChamp will be allocated to our LOB (»Lines of Business«) segment.

The fair value of the acquired assets and debts at the time of acquisition, together with their carrying amounts at the time of the business combination, are shown in the table below. The figures are provisional:

in KEUR	Fair value (preliminary)
Goodwill	5,355
Other intangible assets	1,322
Tangible fixed assets	52
Other financial assets	5
Trade accounts receivable and other receivables	1,206
Current tax assets	157
Other assets	66
Cash and cash equivalents	752
Total assets	**8,915**
Deferred tax liabilities	390
Current tax liabilities	147
Trade accounts payable	319
Other liabilities	474
Total debts	**1,330**
Net assets	**7,585**
Consideration transferred	7,585
Net of cash acquired	752
Net purchase price (preliminary)	**6,833**

The fair value of the trade accounts receivable does not differ materially from the gross amounts receivable.

The identifiable intangible assets obtained through the acquisition are shown as follows:

in KEUR	Purchase price	Estimated useful life Months
Customer base	919	60-144
Orders on hand	348	12-60
Brand name	55	36
Total	**1,322**	

The goodwill of EUR 5.4 million consists in particular of intangible assets. These can neither be identified nor recognised separately as an asset other than as goodwill, and include »human capital«, such as the consultants' qualifications and expertise. All for One Group AG assumes that the goodwill recognised in the financial year 2018/19 will not be deductible for tax purposes.

External revenues of EUR 1.2 million and a contribution to earnings after tax of EUR 0.2 million are attributable to the acquisition of TalentChamp for the period from 1 January to 31 March 2019. This figure includes depreciation of EUR 0.1 million on the assets acquired as part of the acquisition of TalentChamp.

The non-recurring transaction expenses relating to the acquisition recorded as expenditure during the reporting period amounted to EUR 0.1 million.

Initial consolidation of TalentChamp at the beginning of the financial year 2018/19 would have resulted in pro forma group revenues of EUR 181.9 million and pro forma group earnings after tax of EUR 10.0 million. These pro forma figures were determined for indicative and comparative purposes only. They do not constitute reliable information about the operating results that would actually have been achieved had the acquisition been made at the beginning of the financial year, nor about future revenues and earnings.

3. First-time application of new accounting standards IFRS 9 and IFRS 15 in the financial year 2018/19

Starting in the financial year 2018/19, All for One Group AG 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 of IFRS 9 and IFRS 15 totalling KEUR 1,542 were recognised in equity as of 1 October 2018. In compliance with the relevant transition rules, the prior-year figures have not been adjusted. Comparability with the prior-year figures is therefore only limited to a marginal extent overall.

Initial application of IFRS 9 in the financial year 2018/19 did not have any material impacts on the net assets, financial position and results of operations of All for One Group AG. Starting in the financial year 2018/19, expected losses must be recognised as soon as the financial asset is recognised for the first time (»expected credit loss model«). Previously, IAS 39 specified that impairment was to be recognised when it was objectively indicated, e.g. an amount receivable that was already overdue (»incurred loss model«). All for One Group AG adopts the simplified approach when recognising trade accounts receivable and measures applicable impairment on an ongoing basis relative to total maturity. Conversion to the new impairment model resulted in a marginal increase of KEUR 143 in existing impairments of financial assets as of 1 October 2018 and, accordingly, in a marginal reduction in the carrying amount of »Trade accounts receivable and other receivables«. For reasons of materiality, no impairment was recognised on the contract assets. As a result of the mandatory application of IFRS 9, All for One Group AG has implemented the consequential amendments relating to IAS 1 Presentation of Financial Statements requiring the recognition of the impairment of financial assets as a separate item on the consolidated profit and loss account in the future.

Compared to the former procedure of recognising sales revenues, first-time application of IFRS 15 in the financial year 2018/19 resulted in not inconsiderable shifts in period allocation of the sales revenues recognised in the consolidated income statement in the case of a few contracts with customers. Differences compared to the previous recognition of sales emerged primarily with regard to long-term projects comprising a package of both license sales and maintenance, and consultancy services.

All for One Group AG used the modified retrospective method to implement IFRS 15 as of 1 October 2018. In doing so, the standard was applied to new and existing contracts of All for One Group that had not yet been fulfilled at the time of initial application. First-time application of IFRS 15 from the financial year 2018/19 onwards resulted in the following specific impacts on the consolidated financial statements of All for One Group AG:

- If several services are provided to one customer, they must either be specified in separate individual contracts or combined into a single contract consisting of several performance obligations. Services that are agreed with a customer in separate, individual contracts within a narrow time frame must be collated into a standard multi-component contract under IFRS 15. Irrespective of whether collation has been performed or not, IFRS 15 requires that the total transaction price of a multi-component contract be split among the individual performance obligations, based on relative individual sale prices. As a result of these adjustment effects, All for One Group recognised »Contract assets« of KEUR 1,541 and »Contract liabilities« of KEUR 237 for the first time upon initial application (1 October 2018). These items are included in »Other assets« and »Other liabilities« respectively in the balance sheet and are classified by maturities.
- The balances of POC contracts that are recognised as assets (sales recognised when performance rendered) continue to be recognised under »Trade accounts receivable and other receivables«, and the balances of POC contracts recognised as liabilities are recognised as contract liabilities under »Other liabilities« in the balance sheet.
- In compliance with IAS 11/IAS 18 regulations, the cost of contract acquisition was previously not capitalised in the consolidated financial statements of All for One Group AG. Under IFRS 15, by contrast, the cost of contract acquisition must be capitalised and written off parallel to the transfer of right of disposal to the underlying goods and services to the customer. All for One Group AG is choosing to avail itself of the option of immediately recognising an expense in cases where the period of amortisation would be less than one year. Upon first-time application on 1 October 2018, the Group capitalised sales commission of KEUR 1,044 for the first time. This item is included in »Other assets« in the balance sheet and classified by maturities.

4. Sales revenues

Sales revenues are classified as follows:

Sales by type

in KEUR	10/2018 – 03/2019	10/2017 – 03/2018
Cloud services and support (1)	**33,916**	**27,695**
Software licenses and support (2)	**72,963**	**73,060**
Software licenses	21,739	25,777
Software support (3)	51,224	47,283
Consulting and services	**73,960**	**69,313**
Sales revenues	**180,839**	**170,068**
Cloud and software revenues (1) + (2)	106,879	100,755
Recurring revenues (1) + (3)	85,140	74,978

Sales by country

in KEUR	10/2018 – 03/2019	10/2017 – 03/2018
Germany	154,076	146,055
Austria	10,568	9,735
Switzerland	8,248	6,774
Luxemburg	5,002	5,099
Italy	1,226	410
Other countries	1,719	1,995
Total	**180,839**	**170,068**

5. Income statement

The item depreciation and amortisation includes regular amortisation of intangible assets of KEUR 2,331 (comparable period: KEUR 2,410).

Earnings after tax include non-recurring tax income of KEUR 2,926 comprising refunds of corporate income tax, solidarity surcharges and trade tax for the 2015 and 2016 tax years as well as interest income of KEUR 287. The tax income is a result of non-capitalised loss carryforwards totalling EUR 19.7 million (Section 8c German corporate income tax law), where recognition was initially withdrawn (in 2015) after changes in the shareholder structure of the company (in 2011). The company appealed against the ruling. In March 2018 the appeal was upheld in the form of revised provisional tax assessments for the tax year 2011. Up to and including 2016, the loss carryforwards were fully offset against profits through revised tax assessments. Until now, it seemed likely that reimbursement of these refunds would be demanded by the tax authorities. This is why the tax and interest income received was recognised with no impact on profit or loss (current liabilities on the balance sheet). Having examined recent facts and circumstances, the conclusion has been reached that it is no longer probable according to IAS 37 that the return of the refunds will be demanded. Accordingly, the transaction previously recognised with no impact on profit or loss, has now been recognised in the consolidated income statement and only remains as a contingent liability (see note 7).

Of the reported income tax expenses, an amount of KEUR 36 is attributable to deferred taxes (comparable period: KEUR 255).

6. Balance sheet and statement of changes in equity

The financial assets as at 31 March 2019 primarily include receivables from finance lease agreements totalling KEUR 10,747 (30 Sep 2018: KEUR 9,792), of which KEUR 3,931 (30 Sep 2018: KEUR 3,575) are current. The statement of changes in equity as at 31 March 2019 shows an increase of KEUR 10,038 (total comprehensive income) (prior year: 7,151 TEUR). The annual general meeting of 13 March 2019 approved a dividend for the financial year 2017/18 of EUR 1.20 (prior year: EUR 1.20) per share entitled to dividends, which led to a distribution of KEUR 5,978 (prior year: KEUR 5,978). There were no other significant changes in equity to report. The financial liabilities as at 31 March 2019 include liabilities to financial institutes of KEUR 23,513 in total (30 Sep 2018: KEUR 23,504), of which KEUR 147 (30 Sep 2018: KEUR 147) are current. Financial liabilities as at 31 March 2019 also include obligations from finance lease agreements totalling KEUR 6,092 (30 Sep 2018: KEUR 5,806), of which KEUR 2,227 (30 Sep 2018: KEUR 1,820) are current. The finance lease agreements consist primarily of lease-to-own agreements on IT infrastructure for Managed Cloud Services, the legal ownership of which is transferred to the company upon payment of the final lease instalment.

7. Contingent liabilities

A contingent liability exists in connection with deducted loss carryforwards totalling KEUR 3,213. Due to existing taxation uncertainties, the withdrawal of the recognition of the loss carryforwards is not remote (see note 5).

8. Segment reporting

	CORE		LOB		Consolidation		Total	
in KEUR	**10/2018 – 03/2019**	**10/2017 – 03/2018**	**10/2018 – 03/2019**	**10/2017 – 03/2018**	**10/2018 – 03/2019**	**10/2017 – 03/2018**	**10/2018 – 03/2019**	**10/2017 – 03/2018**
Income statement								
Sales to external customers	151,333	142,396	29,506	27,672	0	0	180,839	170,068
Intersegment sales	2,025	1,815	5,093	4,741	-7,118	-6,556	0	0
Sales revenues	**153,358**	**144,211**	**34,599**	**32,413**	**-7,118**	**-6,556**	**180,839**	**170,068**
Other operating income	2,290	2,626	487	418	-1,416	-1,013	1,361	2,031
Cost of materials and purchased services	-61,642	-61,824	-8,089	-7,411	5,746	6,124	-63,985	-63,111
Personnel expenses	-57,183	-50,892	-19,235	-18,899	0	0	-76,418	-69,791
Depreciation	-3,356	-2,909	-250	-309	5	14	-3,601	-3,204
Other operating expenses	-21,931	-18,206	-7,024	-6,070	2,788	1,445	-26,167	-22,831
EBITA	**11,536**	**13,006**	**488**	**142**	**5**	**14**	**12,029**	**13,162**
Amortisation[1]	-1,364	-1,414	-673	-673	0	0	-2,037	-2,087
EBIT	**10,172**	**11,592**	**-185**	**-531**	**5**	**14**	**9,992**	**11,075**
Adjusted EBIT[2]	**11,314**	**11,592**	**-80**	**-531**	**5**	**14**	**11,239**	**11,075**

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

2) Adjustment includes IFRS 15 and one-off costs of strategy offensive

9. Related party transactions

No such transactions took place during the current reporting period. Additional information about related parties can be found in the Annual Report 2017/18, page 78 (note 31).

10. Number of voting rights and parent company of the Group

The total number of shares with voting rights of All for One Group AG as at 31 March 2019 was unchanged at 4,982,000.

Unternehmens Invest AG and UIAG Informatik-Holding GmbH, both registered in Vienna/Austria, continue to each hold a direct stake of 25.07% of the share capital of All for One Group AG. An agreement on voting rights has been concluded between both shareholders. In January 2019, Unternehmens Invest AG raised its stake in UIAG Informatik-Holding GmbH from 49.55% to 90.95%. Since then, All for One Group AG has been included in the fully consolidated financial statements of Unternehmens Invest AG.

11. Events after the balance sheet date

No events subject to disclosure occurred since 31 March 2019.

Additional Information

General principles
Unless otherwise indicated, »All for One Group AG«, »All for One Group«, »company«, »firm« or »Group« in this Interim Report all refer to All for One Group AG, including its subsidiaries. This half-year financial report of All for One Group AG as specified in Sections 115 and 117 Securities Trading Act [WpHG] has been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with Section 51a of the regulations issued by the Frankfurt Stock Exchange (FWB). The Interim Report also complies with the requirements of IAS 34 Interim Financial Reporting and has not been audited. Apart from the first-time application of new accounting standards, which is discussed separately in this half-year financial report, the consolidated financial statements were prepared in accordance with the accounting and measurement methods applying as of 30 September 2018. The figures include all ongoing business transactions and deferrals that the company deems necessary to ensure correct presentation of the interim results. The company believes that the information and explanations presented in this report present a fair and true picture of its net assets, financial position and results of operations. Our business is subject to various seasonal fluctuations, while major contract acquisitions and the execution of large contracts can significantly change sales and earnings results.

This interim report contains forecasts, estimates and expectations that involve risks and uncertainties. Actual results and developments may differ considerably from our expectations and assumptions. Such deviations may be the result of changes in the general economic situation and competitive environment, especially in our core business areas and markets, or amendments to laws, especially those governing taxation. The company is under no obligation to update the statements in this interim report.

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

All for One Group AG

All for One Group AG (ISIN DE0005110001) enhances the competitive ability of its customers in a digital world. The Group unites strategic and management consulting, process consulting, industry insight and technology expertise, IT consulting and services under one roof. With market leading business software solutions based on SAP, Microsoft and IBM together with more than 1,800 experts, All for One Group AG orchestrates all aspects of competitive strength: intelligent Enterprise Resource Planning (ERP) as the digital core of any future-proof corporate IT, strategy, business model, customer & employee experience, new work, big data & analytics, but also IoT, artificial intelligence or cybersecurity & compliance. All for One Group AG is assisting more than 2,500 clients with their transformation and the expansion of their ability to compete. Market observers rank the leading consulting and IT Group as the number 1 in the German-speaking SAP market. As a founding member of United VARs – the most powerful global alliance of SAP Partners – All for One Group AG also provides a comprehensive portfolio of consulting and other services, together with best-in-class local support in more than 100 countries. In the financial year 2017/18, All for One Group AG generated sales of EUR 332 million and is listed in the Prime Standard on the Frankfurt Stock Exchange.

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