all for one steeb

The Digitisers

Half-Year Financial Report

as at 31 March 2017

Key Figures

IFRS

in KEUR	10/2016 – 03/2017	10/2015 – 03/2016	Difference	in %
Earnings situation				
Sales revenues	148,727	135,438	13,289	10%
EBITDA	15,157	14,671	486	3%
EBITDA margin (in %)	10.2	10.8		
EBIT	10,721	10,347	374	4%
EBIT margin (in %)	7.2	7.6		
Earnings after tax	7,457	6,770	687	10%
Employees				
Number of employees (period end)	1,381	1,245	136	11%
Number of full-time equivalents (ø)	1,220	1,096	124	11%
Share				
Number of shares (ø)	4,982,000	4,982,000	0	0%
Earnings per share (in EUR)	1.49	1.35	0.14	10%

in %	10/2016 – 03/2017	10/2015 – 03/2016		in percentage points
Non-financial performance indicators				
Employee retention	94.2	94.9		-0.7
Health index	96.9	96.9		0.0

in KEUR	31.03.2017	30.09.2016	Difference	in %
Balance Sheet				
Total assets	148,185	155,789	-7,604	-5%
Shareholders' equity	62,354	60,392	1,962	3%
Equity ratio (in %)	42	39		
Net debt (-)/ net liquidity (+)	-5,539	10,006	-15,545	n/a

Certain statements within this interim report 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 German-language version of this interim report is definitive.

The company assumes no obligation to update statements made in this interim report.

Dear Shareholders, Ladies and Gentlemen,

The power of innovation is one of the major strengths of Germany's landscape of small and mid-sized enterprises. The weekly business magazine *WirtschaftsWoche* examined more than 3,500 companies (*The Most Innovative German Small and Medium-sized Businesses, November 2016*) and observed how opportunities and risks associated with digitalisation are clearly at the top of the agenda when it comes to innovation. This was something that the companies within our target industries of machinery and equipment manufacturers, automotive suppliers and consumer goods also recognised. After all, digitalisation represents nothing less than their ability to thrive and grow in the future. The fact that we unite technology, process and IT operations expertise under one roof is what enables us today to provide more comprehensive support than others to the midmarket sector as it undergoes digital transformation. We are also investing heavily in further expanding our business with an eye towards generating recurring revenues.

This end-to-end approach to service and support is also reflected in our half-year figures. We increased 6-month sales by 10% to EUR 148.7 million and the corresponding EBIT by 4% to EUR 10.7 million. Group earnings after tax posted a gain of 10% to EUR 7.5 million.

Major investments in the future of our business continue to complement our strategy of growth. In this first half of our financial year, we continued investing heavily in establishing our infrastructure in an additional data center, the transformation of our industry and add-on solutions to SAP S/4HANA, conducting training within our consulting fields, and in strengthening our strategies that address specialised departments through the acquisition of B4B Solutions and, as at 1 April 2017, inside Unternehmensberatung. We also recently introduced our proprietary and altogether newly developed business process library (scope items) for SAP S/4HANA. This innovative process library not only contains all the industry expertise we developed from the more than 2,000 SAP projects we completed in the past two decades, but is also considered by market observers to be the only one of its kind in the world. This will allow our customers to better master their digital transformation and implement innovations more rapidly, precisely and dependably as they use our highly scalable IT infrastructure from the cloud. And because we serve the largest installed SAP midmarket customer base in countries where German is spoken, the generational change from SAP R/3 to SAP S/4HANA should present us with significant growth opportunities for many years to come.

We acquired inside Unternehmensberatung GmbH, Oldenburg, as at 1 April 2017 in order to enhance our standing as the first choice for digital transformation in the human resources sector under the »KWP« brand and advance to become the Number 1 in the German-speaking SAP HR market. ALLFOYE Managementberatung GmbH, Düsseldorf, a wholly owned subsidiary of All for One Steeb AG, commenced operations in May 2017 as the newly formed spearhead of digital transformation. This strategy of always looking and moving forward was applauded at our annual general meeting that was held on 16 March 2017, and at which all of management's agenda proposals were approved with large majorities, including the decision to increase the dividend from EUR 1.00 per share (prior year) to EUR 1.10 EUR per share.

On 8 May 2017 we further specified the forecast for the financial year 2016/17 that was issued on 21 November 2016, which projected revenues to range from EUR 280 million to 290 million and an EBIT of between EUR 18.5 million and 20.5 million, and now expect revenues within a range of EUR 290 million to 300 million and an EBIT of between EUR 19.0 million and 20.5 million. Although economic activity within our target markets has remained robust so far, it is difficult to gauge how things will develop and what impact our highly volatile licensing business will have as the shift is made to SAP S/4HANA.

Yours sincerely,

Lars Landwehrkamp
Chief Executive Officer

Stefan Land
Chief Financial Officer

Interim Management Report of All for One Steeb AG

from 1 October 2016 to 31 March 2017

All for One Steeb AG's financial year 2016/17 deviates from the calendar year and begins on 1 October 2016 and ends on 30 September 2017. The current reporting periods for the 1st half-year and the 2nd quarter cover the timeframes of 1 October 2016 to 31 March 2017 and 1 January to 31 March 2017 respectively, as well as the corresponding prior-year periods. The half-year financial report of All for One Steeb AG as at 31 March 2017 was prepared in accordance with the International Financial Reporting Standards (IFRS) as formulated by the International Accounting Standards Board (IASB) and §51a of the rules and regulations of the »Frankfurter Wertpapierbörse« (FWB, the Frankfurt Stock Exchange). The consolidated interim report has not been audited.

Acquisitions

Acquisition of the remaining 40% share of OSC AG

The enlargement of the equity interest in OSC AG, Lübeck, from 60% to 100% with an effective date of 1 October 2016 was completed as scheduled (see Annual Report 2015/16, note 38, Subsequent Events in the notes to the consolidated financial statements). The purchase price for this equity enlargement was EUR 7.9 million. Earnout payments in the amount of EUR 1.8 million were also rendered and a profit and loss transfer agreement was concluded with OSC AG.

Acquisition of a majority interest in the cloud specialist B4B Solutions GmbH

In order to further expand our cloud business, we completed the share purchase to acquire 70% of the shareholdings in B4B Solutions GmbH, Graz/Austria, on 1 November 2016 (see Annual Report 2015/16, note 38, Subsequent Events in the notes to the consolidated financial statements). This SAP cloud specialist has been included by way of full consolidation within All for One Steeb AG's Group financial accounting and reporting since that date. This transaction is a business combination in accordance with IFRS 3. The net purchase price for the acquisition of the shares was EUR 0.7 million. More details about the purchase price allocation can be found in the notes to this interim report.

A summary of the initial information regarding the **acquisition of the SAP HR Cloud specialist inside Unternehmensberatung GmbH**, Oldenburg, with an effective date of 1 April 2017, can be found in the Subsequent Events section.

Sales Performance

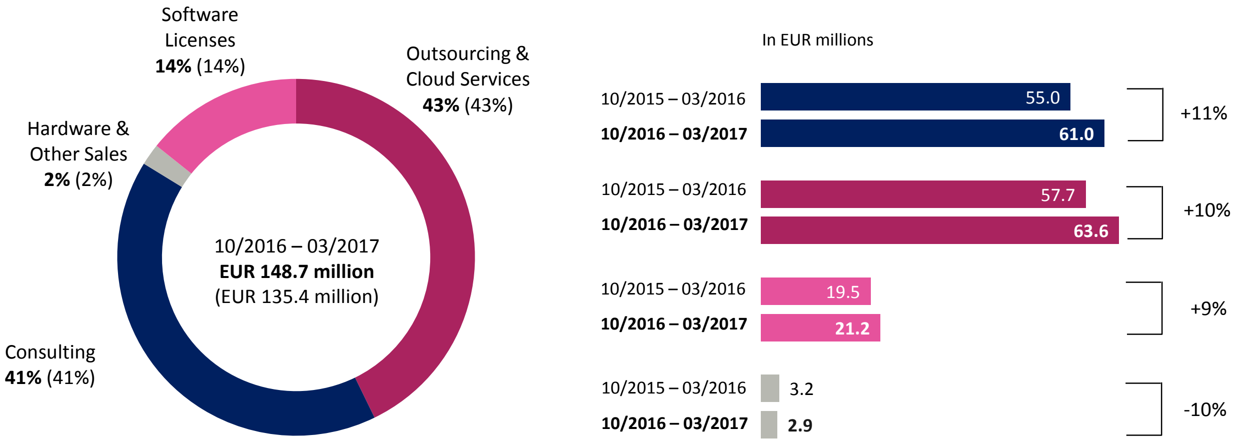
Half-year sales up 10% / Recurring revenues up 10% / High demand for digital transformation consulting

Digital transformation is progressively reshaping the world of our established key industries as well. More than 60% of IT budgets are projected to flow into digitalisation, according to the investment survey that the DSAG (German-speaking SAP User Group) published in late January 2017. Without a digital core in the form of an entirely new generation of business software – SAP S/4HANA on the basis of the SAP HANA in-memory database – it is unlikely that any pervasive transformation to a real-time enterprise can be accomplished successfully. Thanks to our newly developed process library and add-on solutions, we are seeing new customers starting off almost without exception with SAP S/4HANA and how this digitalisation platform is growing in importance for our current SAP customers as well.

Cloud computing is yet another key element of digital transformation, notes the IDC in a release it published in February 2017 about its »Cloud Computing in Germany« study. IDC market research analysts prepared this study with the support of All for One Steeb. All of this opens up the prospect of a huge digitalisation potential for us as the Number 1 in the SAP midmarket segment with the largest customer base in such sectors as the machinery and equipment manufacturing, automotive, and consumer goods industries, and which we expect will be a source of significant growth opportunities for many years to come. This is why we are following SAP's lead and continuing to invest heavily in our customers' cloud transformation while carefully expanding our service portfolio.

All for One Steeb AG achieved a significant increase in sales revenues of 10% to EUR 148.7 million (Oct 2015 – Mar 2016: EUR 135.4 million) in the 1st half-year of 2016/17. We posted noticeable gains in all types of revenues in line with our integrated business model of being a full-service provider for all things relating to SAP, information technology and business.

Sales by Type
(Deviations result from the calculation of values in KEUR, figures may contain rounding differences)



Recurring sales revenues from outsourcing and cloud services (including software maintenance) posted a gain of 10% to EUR 63.6 million (Oct 2015 – Mar 2016: EUR 57.7 million) in the current 6-month period. The share of these revenues to total sales was an unchanged 43% in the current reporting period. The 6-month revenues from the sale of software licenses increased by 9% to EUR 21.2 million (Oct 2015 – Mar 2016: EUR 19.5 million). The commercial launch of the new SAP S/4HANA business software is heightening the volatility of licensing revenues. Whereas licensing revenues were EUR 17.0 million in the period of October to December 2016 (Oct – Dec 2015: EUR 13.3 million), they were only EUR 4.2 million in this 2nd quarter of our financial year 2016/17 (Jan – Mar 2016: EUR 6.2 million). Demand for our consulting services still remains high. All of this enabled us to post a gain in consulting revenues of 11% to EUR 61.0 million (Oct 2015 – Mar 2016: EUR 55.0 million). Our consulting teams have an extremely heavy workload.

Earnings Performance

EBITDA up 3% to EUR 15.2 million / EBIT margin of 7.2% / Group earnings after tax up 10% to EUR 7.5 million

The cost of materials – purchased services included – increased proportionally to sales by 10% to EUR 55.0 million (Oct 2015 – Mar 2016: EUR 50.1 million). The total cost of materials ratio in the current reporting period was an unchanged 37%. Personnel expenses increased – slightly disproportionate to sales – by 12% to EUR 60.4 million (Oct 2015 – Mar 2016: EUR 54.1 million). The share of personnel expenses to sales revenues rose from 40% (Oct 2015 – Mar 2016) to 41% (Oct 2016 – Mar 2017). The other operating expenses increased 11% to EUR 19.5 million (Oct 2015 – Mar 2016: EUR 17.6 million). The ratio of these expenses to total sales in the current reporting period was an unchanged 13%. Depreciation and amortisation increased slightly by 3% to a total of EUR 4.4 million (Oct 2015 – Mar 2016: EUR 4.3 million). This item includes regular amortisation of intangible assets in the amount of EUR 2.3 million (Oct 2015 – Mar 2016: EUR 2.3 million).

The EBITDA after 6 months was EUR 15.2 million (Oct 2015 – Mar 2016: EUR 14.7 million), which is an increase of 3%. The corresponding EBIT was EUR 10.7 million (Oct 2015 – Mar 2016: EUR 10.3 million), which was 4% higher than the prior-year figure. The EBIT margin of 7.2% of sales is slightly below the prior-year level of 7.6% (Oct 2015 – Mar 2016). This slight drop in the margin is primarily a result of our major investment in the future. In addition to building up our infrastructure in an additional data center and the high costs involved in developing our S/4HANA add-on solutions and process library, the incidental costs linked to the acquisitions of B4B Solutions and inside Unternehmensberatung also had an influence on the EBIT margin.

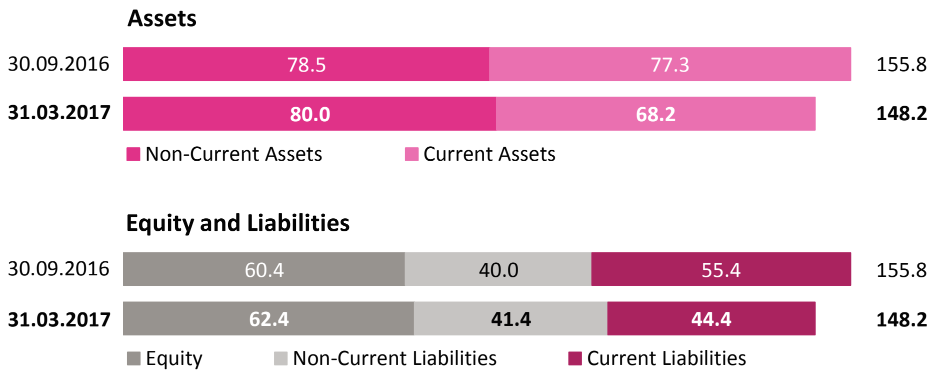
The enlargement of the 60% equity interest in OSC AG to 100% was concluded in the current reporting period. Therefore, the adjustments to the purchase price obligations, along with the contractually guaranteed dividends, which were included in the financial result of the prior-year period (Oct 2015 – Mar 2016), no longer apply and are not reflected in the current reporting period. The financial result after 6 months thus improved from minus EUR 1.0 million (Oct 2015 – Mar 2016) to minus EUR 0.3 million (Oct 2016 – Mar 2017). The EBT increased by 11% after 6 months to EUR 10.4 million (Oct 2015 – Mar 2016: EUR 9.4 million). The income tax burden of 28% was at the same level as the prior year. Group earnings after tax rose to EUR 7.5 million (Oct 2015 – Mar 2016: EUR 6.8 million), which is an increase of 10%. The average number of shares outstanding in the reporting period was an unchanged 4,982,000. The earnings per share for this 6-month period were EUR 1.49 (Oct 2015 – Mar 2016: EUR 1.35).

Assets and Financial Situation

Group Balance Sheet

Despite a sharp increase in business volume, the balance sheet total decreased to EUR 148.2 million as at 31 March 2017 (30 September 2016: EUR 155.8 million). This reduction in total assets is attributable primarily to the following developments:

Balance Sheet Structure
in EUR millions
(Figures may contain rounding differences.)



Non-current assets increased slightly from EUR 78.5 million (30 September 2016) to EUR 80.0 million (31 March 2017). This gain of EUR 1.5 million is attributable for the most part to the increase in tangible fixed assets (major investments and the purchase of B4B Solutions) as well as the increase in goodwill of EUR 0.5 million (the purchase of B4B Solutions). At the same time, the amount of other intangible assets (minus EUR 1.4 million) declined over the course of what was nearly regular amortisation.

Total **current assets** declined from EUR 77.3 million (30 September 2016) to EUR 68.2 million (31 March 2017) while cash and cash equivalents decreased by EUR 14.1 million to 18.3 million (30 September 2016: EUR 32.4 million). One-time payments in the total amount of EUR 10.3 million were made for the acquisition and enlargement of the shareholdings in consolidated companies. In addition, the annual general meeting of 16 March 2017 approved the distribution of a dividend in the amount of EUR 5.5 million (prior year: EUR 5.0 million). Trade accounts receivable posted a disproportionately small increase compared to sales of EUR 2.4 million to 39.5 million (30 September 2016: EUR 37.1 million). Gains were also made in the amount of current income tax assets (plus EUR 1.6 million) and the other assets item (plus EUR 1.1 million).

Total equity as at 31 March 2017 further improved as a result of this good earnings performance and increased by EUR 2.0 million to 62.4 million (30 September 2016: EUR 60.4 million). The equity ratio increased by 3 percentage points to 42% (30 September 2016: 39%).

The increase in **non-current liabilities** by EUR 1.4 million to 41.1 million (30 September 2016: 40.0 million) is mainly due to a change in financial liabilities (plus EUR 1.2 million).

Current liabilities declined significantly by EUR 11.0 million to 44.4 million (30 September 2016: EUR 55.4 million). This change is due primarily to the decline in other liabilities of EUR 11.7 million to 28.2 million (30 September 2016: EUR 39.9 million). This is mostly a result of the enlargement of the equity interest in OSC AG. During the half-year period, net liquidity in an amount of EUR 10.0 million (30 September 2016) turned into net debt in an amount of EUR 5.5 million (31 March 2017).

Overall, the balance sheet as at 31 March 2017 shows a significant contraction that is attributable to transactions of a one-time nature, primarily the enlargement of the equity interest in OSC to 100%, and to transactions that are typical for a given period, such as the dividend distribution.

Cash Flow and Investments

Despite an improved level of earnings – the EBITDA was EUR 15.2 million (Oct 2015 – Mar 2016: EUR 14.7 million) – the **cash flow from operating activities** in the 1st half-year of 2016/17 decreased to EUR 4.9 million (Oct 2015 – Mar 2016: EUR 7.0 million). This development is attributable mainly to increased income tax payments in the amount of EUR 4.7 million (Oct 2015 – Mar 2016: EUR 1.6 million).

Cash flows from investing activities totalled minus EUR 5.0 million (Oct 2015 – Mar 2016: minus EUR 1.9 million) and, besides technology investments for the further expansion of our managed cloud services, primarily include EUR 2.4 million in cash used for the acquisition of consolidated companies. The free cash flow therefore amounted to minus EUR 0.1 million in the current reporting period (Oct 2015 – Mar 2016: EUR 5.0 million).

The **cash flow from financing activities** totalled minus EUR 14.0 million (Oct 2015 – Mar 2016: minus EUR 17.9 million). A payment of EUR 7.9 million was made in the reporting period for the enlargement of the equity interest in OSC AG to 100%. The increased cash outflow in the prior year is primarily a result of the repayment of promissory notes totalling EUR 12.0 million. Cash funds therefore totalled EUR 18.3 million as at 31 March 2017 (31 March 2016: EUR 28.2 million).

Employees

We increased our staffing strength by 11% to 1,381 employees (31 March 2016: 1,245 employees). The average personnel capacity for the 6-month period rose 11% from 1,096 (Oct 2015 – Mar 2016) to 1,220 (Oct 2016 – Mar 2017) full-time positions. The tight labour market still necessitates major expenditures for recruitment and personnel development. In addition to that, we continue to invest more in vocational training schemes. Two non-financial performance indicators also serve as important control parameters for building, sustaining, and improving human resources. The employee retention rate was 94.2% (prior year: 94.9%, quarterly rolling 12-month period), and the health index remained unchanged from the prior year at 96.9%. The very good ranking we achieved among »Germany's Best Employers« for 2017 (*Focus magazine, February 2017*) also serves as a valuable benchmark of our human resource related activities.

Corporate Governance

Our corporate governance Declaration of Conformity was most recently updated in September 2016. The Government Commission on the German Corporate Governance Code issued new recommendations in February 2017 that took effect in April 2017. The reconciliation with our present corporate governance practices is currently in process.

Opportunities and Risk Report

We reviewed and made selective adjustments to our risk assessment over the course of the current reporting period. The **risks associated with social, political, overall economic and regulatory developments** that were reported under environmental risks and assessed as being »high« may well be accentuated with the European Union's General Data Protection Regulation (GDPR) that is anticipated for 2018. We are already carefully working on preparations to implement these new statutory provisions with an eye towards systematically reducing our extent of risk exposure. The **risks associated with the dependency on SAP** reported in the strategy risks category, and likewise assessed as being »high«, could become more acute with the major investments being made in our proprietary scope items for integrating our extensive industry expertise into the new SAP S/4HANA enterprise software generation. The market and commercial success of our industry solution could be impaired, for example, by SAP's own cloud infrastructure and services. Our increasing mutual dependency are just one aspect that exercises a risk-mitigating effect. Our remarkable achievements as both the Number 1 in the SAP midmarket segment and a member of United VARs (the leading SAP Global Platinum Partner) are of major significance in terms of SAP's own business performance. Assessed as »infrequent«, the **risks associated with acquisitions** reported under operational risks could increase with the acquisitions of B4B Solutions and inside Unternehmensberatung (see Subsequent Events). For this reason, we not only took a very close look at the integration risks in the process of preparing the transactions, particularly those involving customers and employees, but also incorporated the seller side into achieving the mutual success of the combined company in an effort to mitigate risk.

Despite the specific adjustments made to the risk assessment in this current reporting period, the determinations contained in the overall assessment of opportunities and risks have not changed materially overall from those in the Annual Report 2015/16 (see section Opportunities and Risk Report, page 34 ff.).

Outlook for the Financial Year 2016/17

On 8 May 2017, in the wake of the acquisition of inside Unternehmensberatung, we further specified the forecast for the financial year 2016/17 that was issued on 21 November 2016, which projected revenues to range from EUR 280 million to 290 million and an EBIT of between EUR 18.5 million and 20.5 million, and now expect revenues within a range of EUR 290 million to 300 million and an EBIT of between EUR 19.0 million and 20.5 million. Although economic activity within our target markets has remained robust so far, it is difficult to gauge how things will develop and what impact our highly volatile licensing business will have as the shift is made to SAP S/4HANA.

Subsequent Events

Acquisition of 100% of shareholdings of inside Unternehmensberatung GmbH

All for One Steeb has acquired all the shareholdings of inside Unternehmensberatung GmbH, Oldenburg, effective 1 April 2017. Like our subsidiary KWP team HR, the company, which was founded in 1989, specialises in end-to-end SAP human capital management services. The firm employs 40 people and generates sales of some EUR 8 million. About one third of this figure is already attributable to a significantly growing amount of recurring cloud-based revenues from software as a service (SaaS) and software maintenance, which ensures a high degree of customer loyalty, a stable cash flow and sustainable profitability. The preliminary purchase price for acquiring all of the shareholdings of inside Unternehmensberatung amounted to EUR 5.2 million and was paid in April 2017. In addition to this one-time payment, the total purchase price includes additional purchase price instalments as well as a performance-based component during a three-year earnout phase. The transaction was funded using the company's own capital resources. The determination of the purchase price allocation is still pending. This acquisition is to be merged into the All for One Steeb subsidiary KWP team HR in order to strengthen the shared business approach.

The newly founded company **ALLFOYE Managementberatung GmbH**, Düsseldorf, a wholly owned subsidiary of All for One Steeb AG and specialised in comprehensive consulting on all matters relating to digital transformation, commenced operations in May 2017. ALLFOYE was formed by splitting off a team of management consultants from one of All for One Steeb AG's subsidiaries.

No further events subject to disclosure occurred since 31 March 2017.

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

Group Income Statement and Other Comprehensive Income

from 1 October 2016 to 31 March 2017

in KEUR	10/2016 – 03/2017	10/2015 – 03/2016	01/2017 – 03/2017	01/2016 – 03/2016
Profit and Loss Account				
Sales revenues	**148,727**	**135,438**	**69,367**	**64,657**
Other operating income	1,405	1,035	833	411
Cost of materials and purchased services	-55,045	-50,124	-23,344	-22,730
Personnel expenses	-60,409	-54,091	-30,522	-27,303
Depreciation and amortisation (5)	-4,436	-4,324	-2,313	-2,115
Other operating expenses	-19,521	-17,587	-9,657	-8,333
EBIT	**10,721**	**10,347**	**4,364**	**4,587**
Financial income	143	154	72	78
Financial expense	-460	-1,109	-239	-469
Financial result	**-317**	**-955**	**-167**	**-391**
Earnings before tax (EBT)	**10,404**	**9,392**	**4,197**	**4,196**
Income tax (9)	-2,947	-2,622	-1,125	-1,085
Earnings after tax	**7,457**	**6,770**	**3,072**	**3,111**
attributable to equity holders of the parent	*7,426*	*6,728*	*3,042*	*3,083*
attributable to non-controlling interests	*31*	*42*	*30*	*28*
Other comprehensive income				
Unrealised profits (+) / losses (-) from currency translation	-73	20	-20	-7
Items that are or may be reclassified to profit or loss	**-73**	**20**	**-20**	**-7**
Other comprehensive income	**-73**	**20**	**-20**	**-7**
Total comprehensive income	**7,384**	**6,790**	**3,052**	**3,104**
attributable to equity holders of the parent	*7,353*	*6,748*	*3,022*	*3,076*
attributable to non-controlling interests	*31*	*42*	*30*	*28*
Undiluted and diluted earnings per share				
Earnings per share in EUR	1.49	1.35	0.61	0.62
Average number of shares outstanding (undiluted and diluted)	4,982,000	4,982,000	4,982,000	4,982,000

Group Balance Sheet

as at 31 March 2017

ASSETS in KEUR	31.03.2017	30.09.2016
Non-current assets		
Goodwill	20,082	19,608
Other intangible assets	40,118	41,508
Tangible fixed assets	11,732	9,347
Financial assets (6)	5,470	5,284
Other assets	1,329	1,558
Deferred tax assets	1,246	1,195
	79,977	**78,500**
Current assets		
Inventories	660	694
Trade accounts receivable	39,499	37,092
Current income tax assets	2,328	765
Financial assets (6)	3,237	3,216
Other assets	4,147	3,092
Cash and cash equivalents	18,337	32,430
	68,208	**77,289**
Total assets	**148,185**	**155,789**

EQUITY AND LIABILITIES in KEUR	31.03.2017	30.09.2016
Equity (7)		
Issued share capital	14,946	14,946
Capital reserve	11,228	11,228
Other reserves	531	604
Retained earnings	35,445	33,499
Share of equity attributable to equity holders of the parent	**62,150**	**60,277**
Non-controlling interests	**204**	**115**
Total equity	**62,354**	**60,392**
Non-current liabilities		
Provisions	357	353
Post-employment benefit liabilities	4,567	4,367
Financial liabilities (8)	22,603	21,384
Deferred tax liabilities	13,631	13,621
Other liabilities	290	296
	41,448	**40,021**
Current liabilities		
Provisions	594	863
Current income tax liabilities	1,381	1,241
Financial liabilities (8)	1,273	1,040
Trade accounts payable	12,901	12,318
Other liabilities	28,234	39,914
	44,383	**55,376**
Total liabilities	**85,831**	**95,397**
Total equity and liabilities	**148,185**	**155,789**

Group Cash Flow Statement

from 1 October 2016 to 31 March 2017

in KEUR	10/2016 – 03/2017	10/2015 – 03/2016
Earnings before tax	**10,404**	**9,392**
Amortisation of intangible assets	2,290	2,329
Depreciation of tangible fixed assets	2,146	1,995
Financial result	317	955
EBITDA	**15,157**	**14,671**
Increase (+) / decrease (-) in cumulative value adjustments and provisions	-46	-47
Other non-cash expense (+) and income (-)	-153	-120
Changes in assets and liabilities:		
Increase (-) / decrease (+) in trade receivables	-2,269	-1,718
Increase (-) / decrease (+) in financial assets	-235	-658
Increase (-) / decrease (+) in other assets	-2,298	-487
Increase (+) / decrease (-) in trade payables	470	1,961
Increase (+) / decrease (-) in other liabilities	-961	-5,080
Income tax paid	-4,740	-1,566
Cash flow from operating activities	**4,925**	**6,956**
Purchase of intangible, tangible fixed and other assets	-2,871	-2,794
Sale of intangible, tangible fixed and other assets	157	702
Purchase of consolidated equity interests	-2,430	0
Interest received	140	153
Cash flow from investing activities	**-5,004**	**-1,939**
Cashflow from loans and long-term financial liabilities	5	0
Repayment of loans and long-term financial liabilities	-6	-12,000
Interest paid	-46	-251
Repayment of finance leases	-594	-620
Increase in shareholding in consolidated equity interests		
Dividend payments to shareholders, non-controlling interests and other parties	-5,490	-4,987
Cash flow from financing activities	**-14,011**	**-17,858**
Increase / decrease in cash and cash equivalents	**-14,090**	**-12,841**
Effect of exchange rate fluctuations on cash funds	-24	13
Change in cash and cash equivalents from initial consolidation of fully consolidated equity interests	21	0
Cash funds at the beginning of the period	32,430	41,041
Cash funds at the end of the period	**18,337**	**28,213**

Statement of Changes in Equity of the Group

from 1 October 2016 to 31 March 2017

in KEUR	Share of equity attributable to equity holders of the parent: Issued share capital	Capital reserve	Currency translation	Retained earnings	Non-controlling interests	Total share-holders' equity
1 October 2016	**14,946**	**11,228**	**604**	**33,499**	**115**	**60,392**
Earnings after tax	0	0	0	7,426	31	7,457
Other comprehensive income	0	0	-73	0	0	-73
Total comprehensive income	**0**	**0**	**-73**	**7,426**	**31**	**7,384**
Dividend distribution	0	0	0	-5,480	0	-5,480
Distribution to non-controlling interests	0	0	0	0	-10	-10
Acquisition of subsidiary with non-controlling interests	0	0	0	0	69	69
Transactions with owners of the company	**0**	**0**	**0**	**-5,480**	**59**	**-5,421**
31 March 2017	**14,946**	**11,228**	**531**	**35,445**	**204**	**62,354**
1 October 2015	**14,946**	**11,228**	**606**	**26,936**	**89**	**53,805**
Earnings after tax	0	0	0	6,728	42	6,770
Other comprehensive income	0	0	20	0	0	20
Total comprehensive income	**0**	**0**	**20**	**6,728**	**42**	**6,790**
Dividend distribution	0	0	0	-4,982	0	-4,987
Distribution to non-controlling interests	0	0	0	0	-5	-5
Acquisition of subsidiary with non-controlling interests	0	0	0	0	0	0
Transactions with owners of the company	**0**	**0**	**0**	**-4,982**	**-5**	**-4,987**
31 March 2016	**14,946**	**11,228**	**626**	**28,682**	**126**	**55,608**

Shares Held by Board Members

as at 31 March 2017

SHARES	31.03.2017 Direct	31.03.2017 Indirect	30.09.2016 Direct	30.09.2016 Indirect
Supervisory Board				
Josef Blazicek	6,500	12,000	6,500	12,000
Peter Brogle	42,513	0	42,513	0
Peter Fritsch	24,000	0	24,000	0
Paul Neumann (as of 11 November 2016)	0	0	–	–
Jörgen Dalhoff	250	0	250	0
Detlef Mehlmann	0	0	0	0
Management Board				
Lars Landwehrkamp	50,000	22,500	50,000	22,500
Stefan Land	32,000	0	32,000	0
	155,263	**34,500**	**155,263**	**34,500**

Notes to the Interim Report of All for One Steeb AG

from 1 October 2016 to 31 March 2017

1. General Principles

The consolidated interim financial statements of All for One Steeb AG as at 31 March 2017 were prepared in accordance with the International Financial Reporting Standards (IFRS) as formulated by the International Accounting Standards Board (IASB). These consolidated interim financial statements comply with IAS 34 »Interim Financial Reporting«. The consolidated interim financial statements have not been audited.

The consolidated interim financial statements take into account 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. 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.

2. Significant Transactions and Changes in the Scope of the Consolidation

The acquisition of 70% of the shareholdings in B4B Solutions GmbH, Graz/Austria, was closed on 1 November 2016 (see Annual Report 2015/16, note 38, Subsequent Events in the notes to the consolidated financial statements). This SAP cloud specialist has been included by way of full consolidation within All for One Steeb AG's Group financial accounting and reporting since that date. This transaction is a business combination in accordance with IFRS 3. The purchase price for the acquisition of the shares was KEUR 731 and an amount of KEUR 630 was paid.

All for One Steeb wants to use this strategic acquisition to win over more of the midmarket sector to cloud software solutions, combine its expertise in the field of cloud applications with that of the resources it has taken over, and offer a complete range of cloud and industry-specific full-service packages from one single source.

The allocation of the fair value acquisition costs of the acquired assets and liabilities undertaken at the acquisition date and their carrying amounts immediately prior to the business combination are shown in the following table:

in KEUR	Carrying amount	Adjustments to fair value	Opening carrying value
Goodwill	0	570	570
Other intangible assets	1	471	472
Tangible fixed assets	116		116
Financial assets	2		2
Deferred tax assets	17		17
Trade accounts receivable	338		338
Current income tax assets	2		2
Other assets	47		47
Cash and cash equivalents	21		21
Total assets	**544**	**1,041**	**1,585**
Non-controlling interests	0	68	68
Financial liabilities	124		124
Deferred tax liabilities	0	127	127
Trade accounts payable	212		212
Other liabilities	323		323
Total debts	**659**	**127**	**854**
Net assets	**-115**	**914**	**731**
Purchase price			731
Assumed cash			21
Net purchase price			**710**

External revenues of EUR 1.6 million and a contribution of earning after taxes of minus KEUR 105 are attributable to the B4B Solutions GmbH acquisition for the period of 1 November 2016 to 31 March 2017. This includes KEUR 97 in depreciation and amortisation of the assets acquired in conjunction with the B4B Solutions GmbH acquisition.

The accumulated one-time transaction expenses during the reporting period totalled EUR 0.2 million.

Pro Forma Disclosures (IFRS 3)

Had the initial consolidation of B4B Solutions GmbH been made at the beginning of the financial year 2016/17, then this would have resulted in pro forma revenues of EUR 148.9 million and pro forma earnings after tax of EUR 7.5 million. The pro forma figures were determined for indicative and comparative purposes only. They provide no 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.

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

OTHER INTANGIBLE ASSETS in KEUR	Purchase price	Estimated useful life Months
Customer base	276	120
Orders on hand	119	4
Brand name	77	60
	472	

The goodwill of EUR 0.6 million consists in particular of intangible assets that 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 Steeb AG assumes that the goodwill recognised in the financial year 2016/17 will not be deductible for tax purposes.

3. Accounting and Valuation Methods

These consolidated interim financial statements were prepared using the accounting and valuation methods that applied for the consolidated financial statements as at 30 September 2016.

4. Seasonal Fluctuations

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.

5. Depreciation and Amortisation

This item includes regular amortisation of intangible assets in the amount of KEUR 2,290 (comparable period: KEUR 2,329).

6. Financial Assets

The financial assets as at 31 March 2017 primarily include receivables from finance lease agreements totalling KEUR 8,264 (30 September 2016: KEUR 7,926), of which KEUR 3,167 (30 September 2016: KEUR 3,069) are current.

7. Equity

The statement of changes in equity as at 31 March 2017 especially shows an increase of KEUR 7,384 (total comprehensive income). The annual general meeting of 16 March 2017 approved a dividend for the financial year 2015/16 of EUR 1.10 per share entitled to dividends, which led to a distribution in the amount of KEUR 5,480 (prior year: KEUR 4,982). There were no other significant changes in equity to report.

8. Financial Liabilities

The financial liabilities as at 31 March 2017 include liabilities to financial institutes in the total amount of KEUR 20,526 (30 September 2016: KEUR 20,376), of which KEUR 0 (30 September 2016: KEUR 0) are current. Financial liabilities as at 31 March 2017 also include obligations from finance lease agreements totalling KEUR 3,350 (30 September 2016: KEUR 2,048), of which KEUR 1,273 (30 September 2016: KEUR 1,040) 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.

9. Income Taxes

Of the reported income tax expense, an amount of KEUR 142 is deferred taxes (comparable period: KEUR 55).

10. Related Party Transactions

No transactions of this kind took place during the current reporting period. Additional information about related parties can be found in the Annual Report 2015/16, page 79 (note 30).

11. Number of Voting Rights

The total number of shares with voting rights of All for One Steeb AG as at 31 March 2017 was an unchanged 4,982,000.

12. Events after the Balance Sheet Date

Acquisition of 100% of shareholdings of inside Unternehmensberatung GmbH

All for One Steeb has acquired all the shareholdings of inside Unternehmensberatung GmbH, Oldenburg, effective 1 April 2017. This transaction is a business combination in accordance with IFRS 3. The firm employs 40 people and generates sales of some EUR 8 million. The preliminary purchase price for acquiring all of the shareholdings of inside Unternehmensberatung amounted to EUR 5.2 million. In addition to this one-time payment, the total purchase price includes additional purchase price instalments as well as a performance-based component during a three-year earnout phase. The transaction was funded using the company's own capital resources. The determination of the purchase price allocation is still pending. For this reason, no statements can yet be made regarding the revenues and earnings of the combined company. The transaction and integration preparation costs incurred to date have been directly recognised as an expense. The acquisition is to be merged into the All for One Steeb subsidiary KWP team HR in order to strengthen the shared business approach.

The newly founded company **ALLFOYE Managementberatung GmbH**, Düsseldorf, a wholly owned subsidiary of All for One Steeb AG and specialised in comprehensive consulting on all matters relating to digital transformation, commenced operations in May 2017. ALLFOYE was formed by splitting off a team of management consultants from one of All for One Steeb AG's subsidiaries.

No further events subject to disclosure occurred since 31 March 2017.

Investor Relations

Facts and Figures

Key Figures of the Share

ISIN / WKN	DE0005110001 / 511 000
Market Segment	Prime Standard
Date of Listing	30 November 1998
Share Capital	EUR 14.95 million
Number of Shares	4,982,000 (registered shares)
Par Value	EUR 3

Shareholder Structure

(Approximate distribution based on shareholder statements)

Unternehmens Invest AG	25%
UIAG Informatik-Holding GmbH	25%
BEKO HOLDING GmbH & Co. KG	12%
Qino Capital Partners AG	10%
Management and Supervisory Board (direct and indirect)	4%

Financial Calendar

9 August 2017	Publication of Quarterly Statement as at 30 June 2017
13 December 2017	Publication of Annual and Consolidated Financial Statements 2016/17
13 December 2017	Press Conference on Annual and Consolidated Financial Statements
14 December 2017	Analyst Conference

IR Service

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

www.all-for-one.com/investor-relations

All for One Steeb

All for One Steeb AG (ISIN DE0005110001) is the Number 1 in the German-speaking SAP market and a leading IT service provider. 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 hosting and cloud services out of its German data centers, where All for One Steeb is orchestrating highly available IT operations for all business-related IT systems – including SAP solutions as well as Microsoft Exchange or SharePoint. This is why market observers also rank All for One Steeb amongst the leading IT service providers for Outsourcing and Cloud Services, SAP HANA, Business Analytics and Performance Management, Human Capital Management, 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 1,300 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 80 countries. In the financial year 2015/16, All for One Steeb AG achieved a turnover of EUR 266 million. The company is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

www.all-for-one.com

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