all for one steeb

360° PARTNER FOR DIGITALISATION IN THE MIDMARKET

Sales (in EUR millions)	10/2017 – 03/2018	10/2016 – 03/2017	Change
Sales	170.1	148.7	+14%
EBIT	11.1	10.7	+3%
Cloud and Software Revenues	100.8	87.1	+16%
Recurring Revenues	75.0	66.0	+14%

All for One Steeb AG: Powerful dynamics and strong growth

Cloud and software revenues as growth engines / First place (IT industry) in »Deutschland Test Digital Champion« survey / SAP Pinnacle Award winner / Investing heavily in the future of the business

The high level of dynamics with which we are expanding our business and helping customers improve their competitiveness continued unabated during this first half of our financial year 2017/18 (Oct 2017 – Mar 2018). Our business model, which uniquely combines expertise in business processes, technology and strategy, sets us clearly apart from all the other market players. We are proud to have taken first place in the IT category of the »Deutschland Test Digital Champion« survey. We, along with our cloud subsidiary B4B Solutions and United VARs, our global alliance that provides worldwide services and support, were recognised three times for outstanding performance, innovations, and customer satisfaction as part of SAP's 2018 Pinnacle Awards programme. We now orchestrate more than 270 SAP HANA instances in our enterprise cloud. This is yet another area where SAP sees us in the lead worldwide. Just about every one of our SAP customers also uses Microsoft products. This is why we are investing heavily in expanding our own services and solutions, such as for the digital workplace and for using the Azure cloud platform in connection with S/4HANA. In doing this, we want to not only create significant added value for our customers both now and in the future, but also garner the same leading market position for Microsoft applications as we already have for SAP.

The agenda of our annual general meeting of 15 March 2018 met with broad approval. Among other business, the supervisory board was newly elected and an increase in the dividend from EUR 1.10 to EUR 1.20 was approved.

A focus on cloud and software revenues along with recurring revenues

The growth of cloud and software revenues (plus 16% to EUR 100.8 million, ratio: 59% of sales) and the recurring revenues item (plus 14% to EUR 75.0 million, ratio: 44% of sales) underscores the tremendous momentum with which we are expanding our business. Cloud and software revenues include the revenues generated from cloud services and support (plus 28% to EUR 27.7 million), software licenses (plus 22% to EUR 25.8 million) and software support (plus 7% to EUR 47.3 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 13% to EUR 69.3 million. Our consulting resources are enjoying a very high rate of utilisation.

We increased total sales revenues on an almost exclusively organic basis by an overall 14% to EUR 170.1 million in this 1st half-year, of which some 2 percentage points are attributable to growth through acquisitions.

EBITDA plus 8% to EUR 16.4 million / EBIT margin of 6.5% (Oct 2016 – Mar 2017: 7.2%)
We continue making major investments in those growth fields for which we see good future prospects. Consequently, we are further expanding our proprietary enterprise process library for SAP S/4HANA. Likewise, we are investing heavily in expanding our Microsoft portfolio, in cloud solutions for specialised departments and operations, such as human resources, sales and marketing (lines of business portfolio, or LOB segment) and in management and transformation consulting. Our investments in technology also allow us to strengthen our capabilities as a multi-cloud service provider, while connecting our own cloud with highly scalable cloud resources from hyperscalers. These investments coincide with increased expenditures for marketing, training and knowledge management, not to mention the costs of growing our workforce. Despite continued major investments, we are keeping a close watch on profitability.

The cost of materials (including purchased services) rose to EUR 63.1 million (plus 15%) at a slightly larger rate of increase over 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 was virtually unchanged at 37%. Personnel expenses also increased at a somewhat disproportionately higher rate than that of sales to EUR 69.8 million (plus 16%). The ratio of personnel expenses to sales remained nearly unchanged at 41%. As the business was expanding strongly, the other operating expenses grew somewhat disproportionately to sales and increased to EUR 22.8 million (plus 17%), whereby the ratio of these expenses to total sales was approximately 13% and thus on par with that of the prior year. Depreciation increased EUR 0.9 million to 5.3 million (plus 19%) and incudes a total of EUR 2.4 million (Oct 2016 – Mar 2017: EUR 2.3 million) in regular amortisation of intangible assets. The EBITDA of EUR 16.4 million (Oct 2016 – Mar 2017: EUR 15.2 million) reflects an EBITDA margin of 9.6% (Oct 2016 – Mar 2017: 10.2%).

The Group EBIT was EUR 11.1 million and was 3% higher than that of the corresponding prior-year period. The EBIT margin declined from 7.2% (Oct 2016 – Mar 2017) to 6.5%. This slight decrease in the margin is mostly the result of the previously mentioned increase in expenditures for investments in future growth fields. The marginal decrease in the financial result to minus EUR 0.5 million (Oct 2016 – Mar 2017: minus EUR 0.3 million) together with an increase in the income tax rate (based on earnings before tax) to 31% (Oct 2016 – Mar 2017: 28%) led to a decrease in the earnings after tax of 3% to EUR 7.2 million. There was an unchanged average number of 4,982,000 shares outstanding during the period under review. Earnings per share were EUR 1.48 (Oct 2016 – Mar 2017: EUR 1.49).

CORE segment: Revenues plus 12%, EBIT plus 14% / LOB segment with a high pace of growth
The EBIT (plus 14% to EUR 11.6 million) within the CORE segment (ERP and collaboration solution packages for corporate core business processes) increased disproportionally to the rise in the segment sales revenues (plus 12% to EUR 144.2 million). Our LOB segment (lines of business portfolio) is still being established and encompasses our business with the kind of IT solutions for such specialised departments as sales, marketing and human resources, which are being consumed more and more from the cloud. The LOB segment posted a major gain in sales revenues of 24% to EUR 32.4 million. The EBIT for the LOB segment was minus EUR 0.5 million (Oct 2016 – Mar 2017: plus EUR 0.7 million) and includes one-time special items in the amount of minus EUR 0.6 million for adjustment measures.

Little change: Total assets declined 1% to EUR 167.8 million / Equity ratio of 42% (30 Sep 2017: 41%)
The increase in assets was driven mainly by the rise in tangible fixed assets of EUR 2.8 million to 14.6 million (data center technology investments). There was a slight reduction in the amount of trade accounts receivable (minus EUR 1.5 million to 41.3 million) and a significant decrease in the amount of trade accounts payable (minus EUR 4.3 million to 10.6 million). Our earnings performance led to an increase in total equity of EUR 1.2 million to 70.7 million. The increase in non-current financial liabilities of EUR 2.6 million to 23.3 million is mostly attributable to a larger volume of finance lease agreements. Current financial liabilities (31 Mar 2018: EUR 6.9 million) include a tranche of promissory notes in the nominal amount of EUR 5.0 million, which will be converted into a long-term tranche as scheduled on 30 April 2018. The net liquidity of EUR 2.5 million (30 Sep 2017) turned into a net debt of EUR 1.1 million (31 Mar 2018).

Operating cash flow increases by EUR 3.2 million to 8.2 million / Prior-year cash flow heavily burdened by acquisitions
The increase in cash flow from operating activities to EUR 8.2 million (Oct 2016 – Mar 2018: EUR 4.9 million) is due primarily to adjusted income tax payments, which resulted in cash outflows in the amount of EUR 4.7 million in the prior-year period and in cash inflows of EUR 0.6 million in the current reporting period. The cash flow from investing activities was minus EUR 1.6 million. The corresponding prior-year figure (minus EUR 5.0 million) was burdened by acquisitions (minus EUR 2.4 million). The cash flow from financing activities was minus EUR 7.2 million (Oct 2016 – Mar 2017: minus EUR 14.0 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 29.0 million (31 Mar 2017: EUR 18.3 million).

The workforce grew 16% to 1,604 employees / Personnel development is the key to continuing our growth strategy
The increase in full-time positions, a gain of 15% to 1,403, was somewhat greater than the rate at which revenues improved. Our recognition as one of the »Best Employers in Germany« for 2018 (*Focus Money* magazine) was earned largely on the basis of the good online reviews

our employees posted to such platforms as XING and kununu. Our continued good results in such rankings strengthens our employer branding on those job markets that are extremely tight and which require major investments in training, workforce resourcing, human resources marketing and personnel development. Although our employee retention rate declined marginally (minus 0.9 percentage points) to what is now 93.3%, it is still much higher than the industry average. Our health index improved slightly by plus 0.1 percentage points to 97.0%.

Corporate Governance
Our corporate governance Declaration of Conformity was most recently updated in September 2017 after the Government Commission on the German Corporate Governance Code implemented a new version of the code in April 2017. We are still working diligently to anchor its recommendations within our day-to-day business**.** Additional information can be found in our Corporate Governance Report (Annual Report 2016/17, page 12 ff.)

Opportunities and Risk Report
We reviewed and made 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 2016/17 (see section Opportunities and Risk Report, page 32 ff.). Thus we still categorise the **risks associated with social, political, overall economic and regulatory developments** as being »high«. Although business activity within our target markets has to date been more robust than expected, the severity of potential global crises has increased at the same time. The **risks associated with the dependency on SAP**, likewise assessed as »high«, may well change and, for example, could lead to higher than foreseen investments in broadening our unique selling points in the promising SAP market in line with the cloud-first strategy being driven by SAP. One of the mitigating factors to the risks here is the increase in mutual dependencies stemming from our strong growth and powerful presence within United VARs. This alliance is considered the most high-performance of SAP's global resellers. We undertook early steps to implement measures that will limit our **data protection risks** and **cyber risks** in view of the EU General Data Protection Regulation (GDPR) that comes into force in May 2018. Although we still assess both risks as being »medium« and have enacted enhanced safeguards, we cannot entirely rule out any residual risks. As far as the **risks associated with human resources** – also categorised unchanged as »medium« – are concerned, the growing shortage of skilled workers is being held somewhat in check by the greater investments we are making not only in training and personnel development, but also in our market approach to human resources to improve our reputation and value proposition as an employer.

Outlook for 2017/18 with a refined revenue projection
After making a slight upward adjustment to the revenue side of the forecast for the financial year 2017/18, which on 6 November 2017 projected revenues of EUR 315 million to 325 million and an EBIT of between EUR 20.5 and 22.0 million, we now expect revenues to be within the range of EUR 325 million to 335 million. We remain committed to our EBIT forecast for the financial year 2017/18. Major investments in future growth fields are expected to continue being made and should lead to a more dynamic earnings performance in about 18 to 24 months.

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 Sales by Type of All for One Steeb AG

from 1 October 2017 to 31 March 2018

in KEUR	10/2017 – 03/2018	10/2016 – 03/2017	Difference	
Cloud services and support (1)	**27,695**	**21,700**	**5,995**	**28%**
Software licenses and support (2)	**73,060**	**65,423**	**7,637**	**12%**
Software licenses	25,777	21,101	4,676	22%
Software support (3)	47,283	44,322	2,961	7%
Consulting and services	**69,313**	**61,604**	**7,709**	**13%**
Sales revenues	**170,068**	**148,727**	**21,341**	**14%**
Cloud and software revenues (1) + (2)	100,755	87,123	13,632	16%
Recurring revenues (1) + (3)	74,978	66,022	8,956	14%

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

from 1 October 2017 to 31 March 2018

in KEUR	10/2017 – 03/2018	10/2016 – 03/2017	01/2018 – 03/2018	01/2017 – 03/2017
Profit and Loss Account				
Sales revenues	**170,068**	**148,727**	**78,225**	**69,367**
Other operating income	2,031	1,405	863	833
Cost of materials and purchased services	-63,111	-55,045	-25,336	-23,344
Personnel expenses	-69,791	-60,409	-35,499	-30,522
Depreciation and amortisation (2)	-5,291	-4,436	-2,726	-2,313
Other operating expenses	-22,831	-19,521	-11,135	-9,657
EBIT	**11,075**	**10,721**	**4,392**	**4,364**
Financial income	146	143	71	72
Financial expense	-667	-460	-415	-239
Financial result	**-521**	**-317**	**-344**	**-167**
Earnings before tax (EBT)	**10,554**	**10,404**	**4,048**	**4,197**
Income tax (2)	-3,311	-2,947	-1,365	-1,125
Earnings after tax	**7,243**	**7,457**	**2,683**	**3,072**
attributable to equity holders of the parent	7,369	7,426	2,817	3,042
attributable to non-controlling interests	-126	31	-134	30
Other comprehensive income				
Unrealised profits (+) / losses (-) from currency translation	-92	-73	-37	-20
Items that are or may be reclassified to profit or loss	**-92**	**-73**	**-37**	**-20**
Other comprehensive income	**-92**	**-73**	**-37**	**-20**
Total comprehensive income	**7,151**	**7,384**	**2,646**	**3,052**
attributable to equity holders of the parent	7,277	7,353	2,780	3,022
attributable to non-controlling interests	-126	31	-134	30
Undiluted and diluted earnings per share				
Earnings per share in EUR	1.48	1.49	0.57	0.61
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 31 March 2018

Assets in KEUR	31.03.2018	30.09.2017
Non-current assets		
Goodwill	23,642	24,531
Other intangible assets	40,706	41,618
Tangible fixed assets	14,561	11,749
Financial assets (3)	7,046	6,034
Other assets	944	1,115
Deferred tax assets	684	681
	87,583	**85,728**
Current assets		
Inventories	471	1,160
Trade accounts receivable	41,328	42,876
Current income tax assets	1,274	2,304
Financial assets (3)	3,677	3,418
Other assets	4,427	3,485
Cash and cash equivalents	29,047	29,755
	80,224	**82,998**
Total assets	**167,807**	**168,726**

Equity and Liabilities in KEUR	31.03.2018	30.09.2017
Equity (3)		
Issued share capital	14,946	14,946
Capital reserve	11,228	11,228
Other reserves	458	550
Retained earnings	44,030	42,639
Share of equity attributable to equity holders of the parent	**70,662**	**69,363**
Non-controlling interests	**9**	**147**
Total equity	**70,671**	**69,510**
Non-current liabilities		
Provisions	364	361
Post-employment benefit liabilities	2,492	2,468
Financial liabilities (3)	23,271	20,681
Deferred tax liabilities	14,676	14,516
Other liabilities	1,903	2,026
	42,706	**40,052**
Current liabilities		
Provisions	893	649
Current income tax liabilities	3,574	1,441
Financial liabilities	6,921	6,528
Trade accounts payable	10,567	14,907
Other liabilities	32,475	35,639
	54,430	**59,164**
Total liabilities	**97,136**	**99,216**
Total equity and liabilities	**167,807**	**168,726**

Group Cash Flow Statement of All for One Steeb AG
from 1 October 2017 to 31 March 2018

in KEUR	10/2017 – 03/2018	10/2016 – 03/2017
Earnings before tax	**10,554**	**10,404**
Amortisation of intangible assets	2,410	2,290
Depreciation of tangible fixed assets	2,881	2,146
Financial result	521	317
EBITDA	**16,366**	**15,157**
Increase (+) / decrease (-) in cumulative value adjustments and provisions	-439	-46
Other non-cash expense (+) and income (-)	-9	-153
Changes in assets and liabilities:		
Increase (-) / decrease (+) in trade receivables	2,289	-2,269
Increase (-) / decrease (+) in financial assets	-1,272	-235
Increase (-) / decrease (+) in other assets	-978	-2,298
Increase (+) / decrease (-) in trade payables	-4,343	470
Increase (+) / decrease (-) in other liabilities	-4,078	-961
Income tax paid	626	-4,740
Cash flow from operating activities	**8,162**	**4,925**
Purchase of intangible, tangible fixed and other assets	-1,670	-2,871
Sale of intangible, tangible fixed and other assets	11	157
Purchase of consolidated equity interests	0	-2,430
Interest received	95	140
Cash flow from investing activities	**-1,564**	**-5,004**
Cash flow from loans and long-term financial liabilities	0	5
Repayment of loans and long-term financial liabilities	-10	-6
Interest paid	-204	-46
Repayment of finance leases	-1,000	-594
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	**-7,204**	**-14,011**
Increase / decrease in cash and cash equivalents	**-606**	**-14,090**
Effect of exchange rate fluctuations on cash funds	-102	-24
Change in cash and cash equivalents from initial consolidation of fully consolidated equity interests	0	21
Cash funds at the beginning of the period	29,755	32,430
Cash funds at the end of the period	**29,047**	**18,337**

Employees and Non-Financial Performance Indicators of All for One Steeb AG
from 1 October 2017 to 31 March 2018

	10/2017 – 03/2018	10/2016 – 03/2017	Difference	
Employees				
Number of employees (period end)	1,604	1,381	223	16%
Number of full-time equivalents (ø)	1,403	1,220	183	15%
Non-financial performance indicators				
Employee retention	93.3%	94.2%		-0.9 Pp
Health index	97.0%	96.9%		+0.1 Pp

Pp: percentage points

Group Statement of Changes in Equity of All for One Steeb AG
from 1 October 2017 to 31 March 2018

in KEUR	Share of equity attributable to equity holders of the parent					Non-controlling interests	Total share-holders' 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	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 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**
31 March 2018	**14,946**	**11,228**	**458**	**44,030**	**70,662**	**9**	**70,671**
1 October 2016	**14,946**	**11,228**	**604**	**33,499**	**60,277**	**115**	**60,392**
Earnings after tax	0	0	0	7,426	7,426	31	7,457
Other comprehensive income	0	0	-73	0	-73	0	-73
Total comprehensive income	**0**	**0**	**-73**	**7,426**	**7,353**	**31**	**7,384**
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	0	0	69	69
Transactions with owners of the company	**0**	**0**	**0**	**-5,480**	**-5,480**	**59**	**-5,421**
31 March 2017	**14,946**	**11,228**	**531**	**35,445**	**62,150**	**204**	**62,354**

1) Acquisition of subsidiary with non-controlling interests

Segment Reporting of All for One Steeb AG
from 1 October 2017 to 31 March 2018

in KEUR	CORE		LOB		Consolidation		Total	
	10/2017 – 03/2018	10/2016 – 03/2017	10/2017 – 03/2018	10/2016 – 03/2017	10/2017 – 03/2018	10/2016 – 03/2017	10/2017 – 03/2018	10/2016 – 03/2017
Income statement								
Sales to external customers	142,396	126,544	27,672	22,183	0	0	170,068	148,727
Intersegment sales	1,815	1,682	4,741	4,055	-6,556	-5,737	0	0
Sales revenues	**144,211**	**128,226**	**32,413**	**26,238**	**-6,556**	**-5,737**	**170,068**	**148,727**
Other operating income	2,626	1,671	418	590	-1,013	-856	2,031	1,405
Cost of materials[1]	-61,824	-53,817	-7,411	-6,336	6,124	5,108	-63,111	-55,045
Personnel expenses	-50,892	-46,280	-18,899	-14,129	0	0	-69,791	-60,409
Depreciation	-2,909	-2,247	-309	-200	14	0	-3,204	-2,447
Other operating expenses	-18,206	-16,014	-6,070	-4,896	1,445	1,389	-22,831	-19,521
EBITA	**13,006**	**11,539**	**142**	**1,267**	**14**	**-96**	**13,162**	**12,710**
Amortisation[2]	-1,414	-1,414	-673	-575	0	0	-2,087	-1,989
EBIT	**11,592**	**10,125**	**-531**	**692**	**14**	**-96**	**11,075**	**10,721**

1) Including purchased services
2) Amortisation of other intangible assets that were identified in connection with acquisitions

Notes to the Interim Report of All for One Steeb AG

from 1 October 2017 to 31 March 2018

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

We already reported in detail within the Annual Report 2016/17 about All for One Steeb AG having acquired all the shareholdings of inside Unternehmensberatung GmbH, Oldenburg, with an effective date of 1 April 2017 (see Annual Report 2016/17, Notes to the Consolidated Financial Statements, section F, Scope of the Consolidation and Changes in Group Structure, page 55 ff.). inside Unternehmensberatung GmbH has been included by way of full consolidation within the Group financial accounting and reporting of All for One Steeb AG since that date. A preliminary allocation of the fair value acquisition costs of the acquired assets and liabilities and their carrying amounts immediately prior to the business combination was undertaken at the acquisition date. After the final verification was made in the current reporting period, this purchase price allocation is as follows:

in KEUR	Carrying amount	Adjustments to fair value	Opening carrying value
Goodwill	0	3,505	3,505
Other intangible assets	7	5,231	5,238
Tangible fixed assets	258		258
Financial assets	144		144
Trade accounts receivable	878		878
Current income tax assets	6		6
Other assets	118		118
Cash and cash equivalents	599		599
Total assets	**2,010**	**8,736**	**10,746**
Provisions	18		18
Provisions for income tax	491		491
Financial liabilities	118		118
Deferred tax liabilities	11	1,632	1,643
Trade accounts payable	149		149
Other liabilities	896		896
Total debts	**1,683**	**1,632**	**3,315**
Net assets	**327**	**7,104**	**7,431**
Purchase price			7,431
Assumed cash			599
Net purchase price			**6,832**

The opening carrying value of the trade accounts receivable comprises the following:

in KEUR	
Gross receivables	878
Value adjustments	0
Fair value	**878**

After final verification of what to date had been preliminary carrying amounts, the identifiable intangible assets assumed through the acquisition are shown as follows:

in KEUR	Purchase price	Estimated useful life Months
Customer base	4,000	36 – 144
Orders on hand	200	6
Brand name	1,031	unlimited
	5,231	

The goodwill of EUR 3.5 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.

After completion of the final verification, the carrying amounts for the customer base and the orders on hand were adjusted slightly upwards and the estimated useful life of the customer base was in part extended as compared to the purchase price allocation categorised as »preliminary« in the Annual Report 2016/17 (see Annual Report 2016/17, Notes to the Consolidated Financial Statements, section F, Scope of the Consolidation and Changes in Group Structure, page 55 ff.). This led to the subsequent recognition of amortisation of other intangible assets in the total amount of EUR 0.1 million in the current reporting period.

This transaction is a business combination in accordance with IFRS 3. In September 2017 the acquired company was merged into KWP INSIDE HR GmbH, Heilbronn, retroactively to 1 April 2017. The purchase price, less acquired cash, for the acquisition was EUR 6.8 million. Fixed purchase price components of EUR 5.2 million have already been paid in cash from on-hand liquidity in the financial year 2016/17. Furthermore, the total purchase price includes additional fixed purchase price instalments of EUR 1.5 million, which are due payable in three tranches during the period of April 2017 to September 2019, as well as earnout components measured at EUR 0.7 million and whose amounts depend on the KWP INSIDE Group's business performance during the period of April 2017 to March 2020. There is no provision for an upper limit. The earnout components are calculated and due for payment each year. A discount of EUR 0.3 million for the future purchase price installments and the earnout components was recognised at the acquisition date.

For all additional information regarding this transaction, please see the Annual Report 2016/17, Notes to the Consolidated Financial Statements, section F, Scope of the Consolidation and Changes in Group Structure, page 55 ff.

2. Notes to the Income Statement

The item **depreciation and amortisation** includes regular amortisation of intangible assets in the amount of KEUR 2,410 (comparable period: KEUR 2,290). Of the reported **income tax expense**, an amount of KEUR 255 is deferred taxes (comparable period: KEUR 142).

3. Notes to the Balance Sheet

The **financial assets** as at 31 March 2018 primarily include receivables from finance lease agreements totalling KEUR 10,165 (30 Sep 2017: KEUR 8,860), of which KEUR 3,569 (30 Sep 2017: KEUR 3,276) are current. The statement of changes in equity as at 31 March 2018 shows an increase of KEUR 7,151 (total comprehensive income). The annual general meeting of 15 March 2018 approved a dividend for the financial year 2016/17 of EUR 1.20 (prior year: EUR 1.10) per share entitled to dividends, which led to a distribution in the amount of KEUR 5,978 (prior year: KEUR 5,480). There were no other significant changes in **equity** to report. The **financial liabilities** as at 31 March 2018 include liabilities to financial institutes in the total amount of KEUR 23,489 (30 Sep 2017: KEUR 23,491), of which KEUR 5,045 (30 Sep 2017: KEUR 5,052) are current. Financial liabilities as at 31 March 2018 also include obligations from finance lease agreements totalling KEUR 6,704 (30 Sep 2017: KEUR 3,666), of which KEUR 1,876 (30 Sep 2017: KEUR 1,424) 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.

4. 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 2016/17, page 81 (note 31).

5. Number of Voting Rights

The total number of shares with voting rights of All for One Steeb AG as at 31 March 2018 was an unchanged 4,982,000.

6. Events after the Balance Sheet Date

No events subject to disclosure occurred since 31 March 2018.

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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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.

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More info:
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