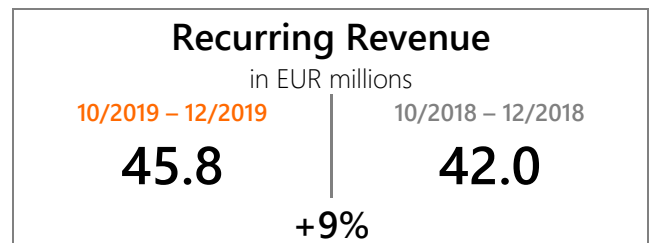
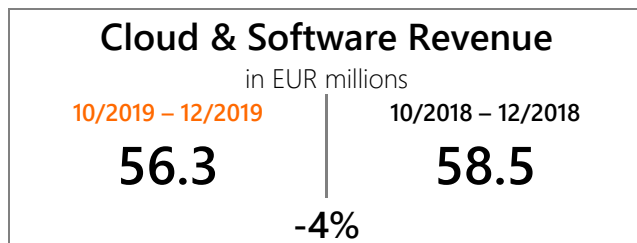
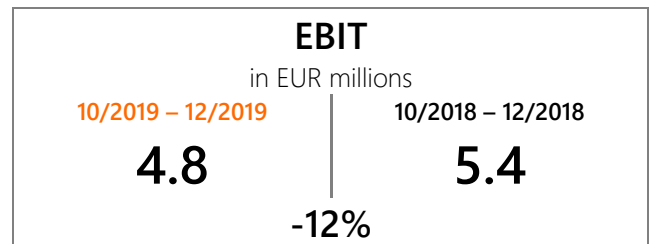
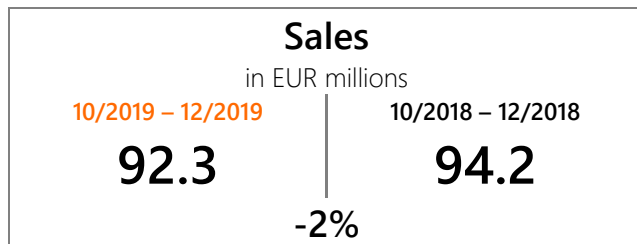


Growth in the Cloud / Reluctance to Invest in Implementation Projects



- » Recurring cloud services and support revenue grows by 12%
- » Decrease in license revenue due to investment restraint and cloud transformation
- » Ratio of recurring revenue increases to 50% (Oct – Dec 2018: 45%)
- » First-time application of IFRS 16: sharp increase in EBITDA and balance sheet total
- » EUR 33.5 million of promissory note bonds successfully issued
- » SAP Partner Excellence Award 2020 as »Top 5 Best Performer in Cloud«
- » Guidance 2019/20 confirmed

Very positive response

The launch of our strategy offensive 2022 was completed on schedule in financial year 2018/19. With the aid of our new strategy and expanded portfolio, we are providing companies with across-the-board support for all aspects of their transformation; an approach that is garnering a very positive response from customers and partners alike.

The demand for our »Mittelstandsforum 2019«, with over 70 presentations, workshops, showcases and a transformation model, from more than 1,200 existing and potential customers was

stronger than ever before. Because digitalisation is affecting all areas of business, visitors included a growing number of »lines of business« heads, in addition to the usual CIOs and heads of IT. SAP awarded us their »Partner Excellence Award 2020« as »Top 5 Best Performer in Cloud« for customer satisfaction, for our excellence in providing customer-specific solutions, and for »sales performance«.

When SAP users are planning investments in cloud platforms, Microsoft Azure is by far the premier choice, according to the DSAG (Association of German-speaking SAP users) Investment

Report in January 2020. Which is why our inclusion by Microsoft in its »Accelerated Growth Initiative« to create an integrated cloud portfolio was of particularly key strategic relevance. Based on our own estimations and the feedback from Microsoft, we already rank among the front-runners in this marketsegment.

Trade journal brandeins also ranks All for One Group among the »IT providers 2020« with the best overall score. Coming second from among the 17,500 largest companies in Germany in the major »Top Career Opportunities« survey of employers conducted by Focus Money (»IT consultants« category) strengthens our »Employer Branding« in tight labour markets.

Midmarket hesitant to invest

Nearly one in every three companies expects economic growth to slow down over the coming months, according to the »Ernst & Young Midmarket Barometer« (January 2020). The hesitation to invest in implementation projects was also noticeable in the decrease in license revenue in the first quarter. Nevertheless, it is not influencing our corporate strategy and orientation, nor the challenges facing our customers. In order to remain competitive, companies will continue to digitalise their processes and business models.

Sales performance

in KEUR	10/2019 – 12/2019	10/2018 – 12/2018
Cloud services and support (1)	18,847	16,753
Software licenses and support (2)	37,421	41,796
Software licenses	10,428	16,505
Software support (3)	26,993	25,291
Consulting and services	36,077	35,635
Sales revenue	92,345	94,184
Cloud and software revenue (1) + (2)	56,268	58,549
Recurring revenue (1) + (3)	45,840	42,044

Non-recurring revenue from the sale of software licenses decreased substantially to EUR 10.4 million (minus 37%). This trend was due primarily to a subdued willingness to invest in light of the economic uncertainty prevailing in our target markets and the ongoing transformation towards recurring cloud revenue.

We were able to substantially grow our recurring revenue from cloud services and support (plus 12% to EUR 18.8 million). Our cloud business – a core module in our strategy offensive 2022 – is therefore continuing its growth. Overall, recurring revenue increased by 9% to EUR 45.8 million quarter on quarter and includes both the aforementioned cloud services and support sales, as well as software support revenue (up 7% to EUR 27.0 million). As such, the share of total sales attributable to recurring revenue increased to 50% (Oct – Dec 2018: 45%). The increase in recurring revenue (plus EUR 3.8 million) was, however, not sufficient to completely

offset the decline in non-recurring revenue from the sale of software licenses (minus EUR 6.1 million). Including consulting and services sales (plus 1% to EUR 36.1 million), total revenue for the quarter (Oct – Dec 2019) amounted to EUR 92.3 million (minus 2%).

Earnings performance

We started applying IFRS 16 (»Leases«) with effect from 1 October 2019. Prior-year figures were not amended (modified retrospective method).

in KEUR	10/2019 – 12/2019	10/2018 – 12/2018 ¹⁾
Sales revenue	92,345	94,184
Cost of materials and purchased services	-31,944	-35,694
Personnel expenses	-40,151	-37,241
Depreciation and impairment on intangible assets and fixed assets	-5,740	-2,746
Impairment expenses of financial assets	98	11
Other operating expenses/income	-9,817	-13,074
EBIT	4,791	5,440
Financial result	-378	-202
EBT	4,413	5,238
Income tax	-1,287	-1,594
Result for the period	3,126	3,644

1) Limited prior year comparison due to IFRS 16

Impact of first-time application of IFRS 16 for the period Oct – Dec 2019

in KEUR	IFRS 16 effect
EBITDA	+2,335
Depreciation and impairment on intangible assets and fixed assets	-2,369
EBIT	-34
Financial expense	-70
EBT	-104
Income tax	+31
Result for the period	-73

With license revenue declining, software license procurement volumes also decreased, resulting in a correspondingly lower cost of materials. Cost of materials also reflects a decline in purchased services (»Freelancers«) compared to the prior year. As such, cost of materials and purchased services decreased by minus 11% to EUR 31.9 million. The cost of materials ratio is now 35% (Oct – Dec 2018: 38%). Personnel expenses increased at a higher rate than sales, to EUR 40.2 million (plus 8%), mainly as a result of recruitments (plus 7% to 1,665 full-time employees on average). As a result, the ratio of staff costs to sales increased to 43% (Oct – Dec 2018: 40%). The decrease in other operating expenses of 18% to EUR 11.3 million is primarily due to IFRS 16. From a purely operational perspective,

they declined by a mere 1%. Amortisation and depreciation of intangible assets and fixed assets more than doubled as a result of IFRS 16, to EUR 5.7 million. Without IFRS 16, the figure would have increased by 23%.

EBITDA totalled EUR 10.5 million (Oct – Dec 2018: EUR 8.2 million), up 29%. The EBITDA margin relative to sales was 11.4% (Oct – Dec 2018: 8.7%). Disregarding IFRS 16, EBITDA would have been on a par with the prior-year figure. The effect of IFRS 16 on EBIT – which decreased by 12% to EUR 4.8 million – was virtually zero. As a result, the EBIT margin amounted to 5.2% (Oct – Dec 2018: 5.8%). The prior-year figure of EUR 5.4 million included separately recognised extraordinary costs (minus EUR 0.6 million) relating to the strategy offensive 2022. Accordingly, the comparable EBIT in the prior-year period (without extraordinary costs) totalled EUR 6.0 million. The resulting decrease of EBIT by EUR 1.2 million to 4.8 million (minus 21%) over the quarter Oct – Dec 2019 is virtually entirely due to the declining non-recurring revenue from license sales and corresponding contributions to earnings.

Likewise, the financial result (minus EUR 0.4 million, Oct – Dec 2018: minus EUR 0.2 million) and income taxes of minus EUR 1.3 million (Oct – Dec 2018: minus EUR 1.6 million) changed only marginally. Accordingly, EBT amounted to EUR 4.4 million (minus 16%), while the slightly lower income tax rate of 29% (Oct – Dec 2018: 30%) reduced the earnings for the period by 14% to EUR 3.1 million.

Sales and earnings performance by segment

in KEUR	CORE		LOB	
	10/2019 – 12/2019	10/2018 – 12/2018	10/2019 – 12/2019	10/2018 – 12/2018
Statement of profit and loss				
Sales to external customers	76,652	80,301	15,693	13,883
Intersegment sales	1,276	946	2,409	2,375
Sales revenue	77,928	81,247	18,102	16,258
Segment EBIT ¹⁾	5,047	6,874	-258	-842

1) Prior year figures adjusted to reflect extraordinary costs of strategy offensive

The **CORE** segment comprises ERP and collaboration solutions for companies' core business processes. Current segment performance is influenced, above all, by targeted investments in preparations to migrate our customer base to SAP S/4HANA. In addition to our business process library (»Scope Items«), platform business (Microsoft Azure, AWS) is playing an increasingly important role. Our investments in our CORE segment are, moreover, focusing on building our portfolio of IoT & machine learning, cyber security & compliance and new work & collaboration expertise to enable fast and targeted implementation of our strategy offensive. The strong decline in non-recurring license sales is particularly noticeable in the CORE segment sales, which decreased to EUR 77.9 million (minus 4%) in total. The segment's EBIT declined to EUR 5.0 million

(minus 27%). In our only relatively recently established **LOB** (»Lines of Business«) segment, which focuses predominantly on cloud-sourced solutions for lines of business, break-even point is already in reach. Investments in this segment focused primarily on expanding our business with customer experience and analytics solutions. LOB segment sales increased by 11% to EUR 18.1 million while EBIT improved to minus EUR 0.3 million (Oct – Dec 2018: minus EUR 0.8 million).

Net assets

The changes in the balance sheet structure as of 31 December 2019 were predominantly influenced by IFRS 16 and the issuance of further promissory note bonds. With the application of IFRS 16, we introduced a separate balance sheet item – »Right-of-use assets« – to enhance transparency. All financial commitments relating to lease and rental contracts (office equipment, real estate, etc.) that are subject to recognition are now reported under this item. The promissory note bonds issued in October 2019 with a total volume of EUR 33.5 million are split into two spot tranches with terms of six years (EUR 7.5 million in total) and eight years (EUR 16.0 million in total) and one forward tranche (value date: 30 April 2020) with a term of 6.5 years (EUR 10.0 million in total). The main purpose of the forward tranche is to redeem a residual tranche of EUR 8.5 million on 30 April 2020. All three tranches incur interest at fixed rates ranging between 0.90% and 1.10%, depending on the tranche. The balance sheet total has increased to EUR 249.3 million (plus 25%).

Asset performance (plus EUR 49.8 million) was primarily influenced by the increase in cash and cash equivalents (plus EUR 22.1 million) and in right-of-use assets (plus EUR 32.0 million). **Liabilities** were likewise influenced by higher liabilities to financial institutions (plus EUR 23.4 million) and increased current and non-current lease liabilities (plus EUR 32.1 million). As a result, net debt increased substantially to EUR 35.0 million (30 Sep 2019: EUR 1.5 million) – mainly as a result of IFRS 16 and the issuance of promissory note bonds. The decline in the equity ratio to 34% (30 Sep 2019: 41%) was also primarily due to IFRS 16.

Financial situation

The increase in **cash flow from operating activities** to EUR 3.8 million (Oct – Dec 2018: minus 2.0) was mainly due to cash inflows from income tax refunds (EUR 0.9 million), compared to cash outflows of EUR 2.1 million in the prior year. Cash outflows from changes in working capital totalled EUR 6.0 million (Oct – Dec 2018: EUR 7.7 million). **Cash flow from investing activities** totalled minus EUR 2.2 million, with no significant changes year on year (Oct – Dec 2018: minus EUR 1.8 million). By contrast, **cash flow from financing activities** changed considerably. The issuance of promissory note bonds produced cash inflows of EUR 20.4 million in total (Oct – Dec 2018: minus EUR 0.9 million). As a result, cash and cash equivalents totalled EUR 50.6 million (31 Dec 2018: EUR 31.7 million).

Employees

	10/2019 – 12/2019	10/2018 – 12/2018
Employees		
Number of employees (period end)	1,859	1,734
Number of full-time equivalents (ø)	1,665	1,550
Non-financial performance indicators		
Employee retention	92.7%	92.2%
Health index	97.0%	97.4%

We invest carefully and specifically in growing our workforce, strengthening employee retention and improving the health index. Our efforts to grow our headcount are primarily driven by the preparatory work needed to transform our large customer base to SAP S/4HANA and by the aforementioned expansion of the relatively new activities in our CORE and LOB segments. Accordingly, the average number of full-time employees (plus 7% to 1,665) has changed to a greater extent than sales (minus 2%). Our health index dropped by minus 0.4 percentage points to 97.0% whereas employee retention increased by 0.5 percentage points to 92.7% and is, we believe, well above the industry average.

Opportunities and risk management

Our opportunities and risk situation is subject to constant monitoring and review. In the current period under review, we saw no reason to amend any of our recent risk assessments (please refer to our Annual Report 2018/19, starting on page 38). We are paying particular attention to current economic trends and changes in the competitive situation in the marketplace.

Outlook

In order to remain competitive, companies will continue to digitalise their processes and business models. Our solutions on platforms such as SAP S4/HANA or Microsoft's Azure play key roles in this respect. We expect the reluctance to invest in new implementation projects to decrease over the coming quarters. Looking ahead to the end of financial year 2019/20, we are confirming our guidance of total revenue between EUR 375 million and 385 million and EBIT in the range of EUR 20 million to 22 million.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF ALL FOR ONE GROUP AG

from 1 October to 31 December 2019

in KEUR	10/2019 – 12/2019	10/2018 – 12/2018 ¹⁾
Sales revenue	92,345	94,184
Other operating income	1,517	694
Cost of materials and purchased services	-31,944	-35,694
Personnel expenses	-40,151	-37,241
Depreciation and impairment on intangible assets and fixed assets	-5,740	-2,746
Impairment expenses on financial assets	98	11
Other operating expenses	-11,334	-13,768
EBIT	4,791	5,440
Financial income	1	59
Financial expense	-379	-261
Financial result	-378	-202
Earnings before tax (EBT)	4,413	5,238
Income tax	-1,287	-1,594
Result for the period	3,126	3,644
attributable to owners of the parent	3,081	3,689
attributable to non-controlling interests	45	-45
Earnings per share		
Undiluted and diluted earnings per share (in EUR)	0.62	0.74

1) Limited prior year comparison due to IFRS 16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF ALL FOR ONE GROUP AG

from 1 October to 31 December 2019

in KEUR	10/2019 – 12/2019	10/2018 – 12/2018
Result for the period	3,126	3,644
Items that will not be reclassified to profit or loss in subsequent periods		
Items that may be reclassified to profit or loss in subsequent periods		
Unrealised profits (+) / losses (-) from currency translation	-52	90
Other comprehensive income	-52	90
Total comprehensive income	3,074	3,734
attributable to owners of the parent	3,029	3,779
attributable to non-controlling interests	45	-45

CONSOLIDATED BALANCE SHEET OF ALL FOR ONE GROUP AG

as at 31 December 2019

Assets in KEUR	31.12.2019	30.09.2019 ¹⁾
Current assets		
Cash and cash equivalents	50,559	28,498
Finance lease receivables	4,010	4,035
Trade receivables	47,119	49,556
Contract assets	5,033	3,993
Income tax assets	1,308	3,767
Other assets	7,395	7,849
	115,424	97,698
Non-current assets		
Goodwill	30,725	30,724
Other intangible assets	35,783	36,786
Fixed assets	17,930	17,257
Right-of-use assets	38,156	6,160
Finance lease receivables	6,532	6,630
Deferred tax assets	537	547
Other assets	4,166	3,700
	133,829	101,804
Total assets	249,253	199,502
Liabilities and equity in KEUR	31.12.2019	30.09.2019 ¹⁾
Current liabilities		
Other provisions	487	1,492
Liabilities to financial institutions	8,504	8,499
Lease liabilities	10,540	2,562
Trade payables	20,934	24,421
Contract liabilities	7,112	7,346
Liabilities to employees	17,212	25,241
Income tax liabilities	1,464	1,406
Other liabilities	11,017	7,372
	77,270	78,339
Non-current liabilities		
Pension provisions	3,910	3,862
Other provisions	635	599
Liabilities to financial institutions	38,337	14,904
Lease liabilities	28,162	4,039
Deferred tax liabilities	14,764	14,794
Other liabilities	810	674
	86,618	38,872
Equity		
Issued capital	14,946	14,946
Reserves	70,658	67,629
Share of equity attributable to owners of the parent	85,604	82,575
Non-controlling interests	-239	-284
	85,365	82,291
Total liabilities and equity	249,253	199,502

1) Limited prior year comparison due to IFRS 16

CONSOLIDATED CASH FLOW STATEMENT OF ALL FOR ONE GROUP AG

from 1 October to 31 December 2019

in KEUR	10/2019 – 12/2019	10/2018 – 12/2018
Result for the period	3,126	3,644
Income tax	1,287	1,594
Financial result	378	202
Depreciation and impairment on intangible assets and fixed assets	5,740	2,746
Increase (+) / decrease (-) in value adjustments and provisions	-1,561	-396
Increase (-) / decrease (+) in trade receivables	2,987	-11,088
Increase (+) / decrease (-) in trade payables	-3,491	5,780
Increase (+) / decrease (-) in other assets and other liabilities	-5,489	-2,392
Income tax refunds (+) / income tax payments (-)	872	-2,081
Cash flow from operating activities	3,849	-1,991
Payments for purchase of intangible and fixed assets	-2,488	-1,902
Proceeds from sale of intangible and fixed assets	167	5
Purchase of subsidiary, net of cash and cash equivalents acquired	-65	0
Sale of subsidiary, net of cash and cash equivalents disposed of	-7	0
Interest received	210	56
Cash flow from investing activities	-2,183	-1,841
Repayment of lease liabilities	-2,924	-433
Proceeds from liabilities to financial institutions	23,500	0
Payment for acquisition of non-controlling interests	0	-380
Interest paid	-160	-53
Dividend payments to shareholders and non-controlling interests	0	-17
Cash flow from financing activities	20,416	-883
Increase (+) / decrease (-) in cash and cash equivalents	22,082	-4,715
Effect of exchange rate fluctuations on cash funds	-21	77
Cash funds at start of period	28,498	36,331
Cash funds at end of period	50,559	31,693

ADDITIONAL INFORMATION

General principles

This quarterly statement 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 quarterly statement has not been audited. Unless otherwise indicated, »All for One Group«, »company«, »firm« or »Group« in this quarterly statement all refer to All for One Group AG, including its subsidiaries. The first-time application of new accounting standards will be discussed below. Otherwise the quarterly statement was prepared in accordance with the accounting and measurement methods applying as at 30 September 2019. The figures include all ongoing business transactions and deferrals that

we deem necessary to ensure correct presentation of the interim results. We believe that the information and explanations presented in this report present a fair and true picture of our 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.

Our quarterly statement 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. We are under no obligation to update the statements in this quarterly statement.

First-time application of IFRS 16 in financial year 2019/20

Initial application of the new accounting standard **IFRS 16 Leases** starting on 1 October 2019 (financial year 2019/20) had not inconsiderable impacts overall on the net assets, financial position and results of operations of All for One Group AG. The modified retrospective method was used. Comparability with prior-year figures is limited to a not inconsiderable degree since – in keeping with the transition rules – the comparative figures from financial year 2018/19 have not been amended to reflect IFRS 16.

Within the scope of its business transactions, All for One Group acts as a lessee (of buildings, computer centres and vehicles, for example) and as a lessor (of buildings that it rents out and of IT products). The effects of first-time application of IFRS 16 on the consolidated financial statements of All for One Group are limited largely to lessee accounting. IFRS 16 replaces the former regulations governing lease accounting (including IAS 17 and IFRIC 4) and introduces a standardised accounting model for recognition by lessees of right-of-use assets for all leases and a corresponding lease liability equivalent to the outstanding lease payments («right-of-use model»). Accordingly, the previous distinction between finance and operating leases has been eliminated for lessees. Right-of-use assets are recognised separately in the consolidated balance sheet.

Nucleus Beteiligungs GmbH takeover offer

On 8 November 2019, Nucleus Beteiligungs GmbH, Vienna/Austria, submitted a mandatory (cash) offer to the shareholders of All for One Group AG to acquire their shares in All for One Group AG in return for payment of a cash consideration of EUR 41.59 per share (see www.nucleus.co.at). Paul Neumann, member of our supervisory board, is sole shareholder and managing director of Nucleus Beteiligungs GmbH. On 12 November 2019, the management board and supervisory board of All for One Group AG issued a joint statement about the bidder's mandatory offer (see <https://www.all-for-one.com/uebernahmeangebot-nov-2019> (German only)). On its website, www.nucleus.co.at, Nucleus Beteiligungs GmbH is providing information about the number of shares acquired between now and the close of the takeover offer on 6 December 2019, and has declared that it has no intention of holding onto the shares tendered under the mandatory offer following completion of the bidding procedure.

All for One Group AG

Dirk Sonntag
Head of Corporate & Investor Relations

Rita-Maiburg-Strasse 40
70794 Filderstadt
Germany
Tel. +49 (0) 711 788 07-260

www.all-for-one.com

IR SERVICE

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

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 1,850 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. All for One Group AG is listed in the Prime Standard on the Frankfurt Stock Exchange and achieved sales of approx. EUR 360 million in the financial year 2018/19.