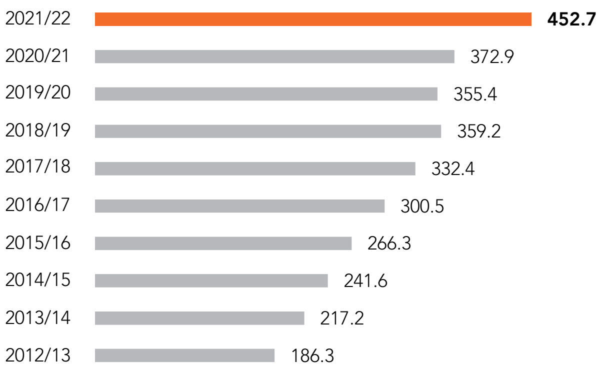
all for one Group

2021/22

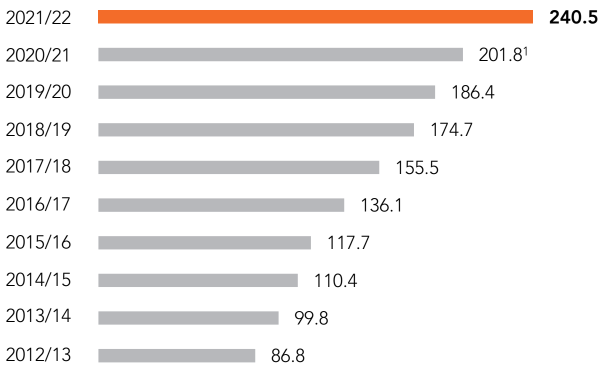
ANNUAL REPORT

KEY FIGURES

Sales in EUR millions

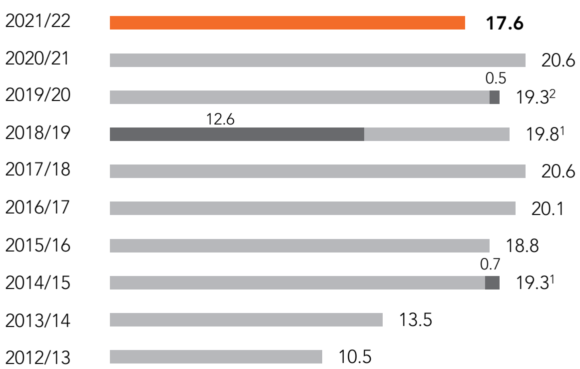


Recurring revenues in EUR millions



1) Figures adjusted

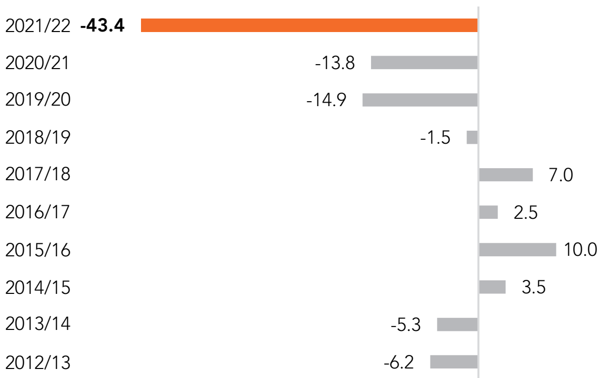
EBIT in EUR millions



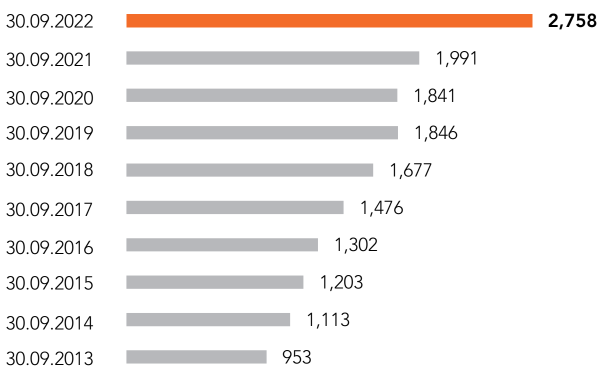
1) EBIT incl. non-recurring income 2) Adjusted EBIT excl. strategy 2022

EBIT before M&A effects (non-IFRS) in EUR millions

Net debt (-) / liquidity (+) in EUR millions



Headcount at year-end



IFRS in EUR millions, unless otherwise stated	10/2021 – 09/2022	10/2020 – 09/2021	Absolute delta	Delta in %
Earnings situation				
Sales revenue	452.7	372.9	79.8	21
EBITDA	47.1	42.1	5.0	12
EBITDA margin (in %)	10.4	11.3		
EBIT before M&A Effects (non-IFRS)	27.3	25.2	2.1	8
EBIT margin before M&A effects (non-IFRS) (in %)	6.0	6.7		
EBIT	17.6	20.6	-3.0	-15
EBIT margin (in %)	3.9	5.5		
Result for the period	11.0	13.5	-2.5	-19
Balance sheet				
Total assets	339.9	264.9	75.0	28
Equity	97.9	91.4	6.5	7
Equity ratio (in %)	29	35		
Net debt	-43.4	-13.8	-29.6	>100
Employees				
Number of employees (at end of financial year)	2,758	1,991	767	39
Full-time equivalents (ø)	2,332	1,710	622	36
Share				
Number of shares (ø)	4,982,000	4,982,000	0	0
Share price (at end of financial year, in EUR)	44.6	68	-23.4	-34
Market capitalisation (at end of financial year)	222.2	338.8	-116.6	-34
Earnings per share (in EUR)	2.20	2.68	-0.48	-18
Non-financial performance indicators				**Delta in Percentage points**
Employee retention (in %)	91.2	93.6		-2.4
Health index (in %)	96.6	97.4		-0.8

ABOUT US

ALL FOR ONE GROUP INCREASES THE
COMPETITIVENESS OF COMPANIES
IN A DIGITAL WORLD

The Group unites strategic and management consulting, process consulting, industry insight and technology expertise in combination with IT consulting and services under one roof. With market leading business software solutions based on SAP, Microsoft and IBM together with over 2,700 experts, All for One Group SE orchestrates all aspects of competitive strength: strategy, business model, customer & employee experience, new work, big data & analytics, but also IoT, artificial intelligence or cybersecurity & compliance and intelligent ERP as the digital core. The leading consulting and IT group supports more than 3,000 clients from Germany, Austria, Poland and Switzerland in their business transformation.

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PROFITABLE GROWTH

FOCUS ON CONSOLIDATION, INTERNATIONALISATION AND SUSTAINABILITY

LARS LANDWEHRKAMP CO-CEO **MICHAEL ZITZ** CO-CEO **STEFAN LAND** CFO

As difficult market conditions persist – dominated by war and the pandemic, inflation and exploding energy prices – All for One Group is confidently looking ahead to the coming financial year. Strategic acquisitions and product innovations are enhancing the Group's broad offerings, which are evolving into a comprehensive portfolio of transformation products and services. With a focus that is becoming more international than ever before and with its growing commitment to environmental, social and governance (»ESG«) sustainability targets, the Group is driving consolidation and profitable growth.

At the same time, All for One Group is paving the way for the next generation in management. Since 1 November 2022, the Group has been managed by two CEOs – Lars Landwehrkamp, who will cease to be active on the management board at the end of financial year 2023/24, and chief sales officer Michael Zitz who has also been appointed Co-CEO and spokesman for the management board. CFO Stefan Land continues to round off the management trio. In this interview, they offer their comments on the financial year just ended and on the outlook for the Company:

Financial year 2021/22 was already being plagued by crisis, but was then made even worse by the Russian war against Ukraine and the negative fallout from the same on the economy. How did All for One Group perform in these conditions?

Stefan Land: We were, of course, unable to dodge these manifold crises. Some of our customers became very hesitant; investments in IT were downsized or deferred. At times, our customers – and indeed, we ourselves! – had to deal with large numbers of people off sick, which made project business difficult. It is testament to the strength of the Group's customer base that we were able to increase sales by 21% to 453 million euros. Particularly gratifying for us is the fact that we managed to grow cloud revenues by 32% thus further increasing our stability. At the same time, however, cost pressure is severe, which is why we will have to pass the higher costs caused by inflation on to our customers. At 17.6 million euros, EBIT is within the range of our adjusted guidance. We managed to increase EBIT before M&A effects (non-IFRS) by 8% to 27.3 million euros – this will be our foremost indicator of performance as we move forward.

What is the strategic significance of the acquisitions and how are they contributing to raising the value of All for One Group?
Lars Landwehrkamp: We are pursuing two strategies: Firstly, we want the acquisitions to strengthen our portfolio and thus directly improve the products and services we can offer our customers. One good example of this is the former POET GmbH, based in Karlsruhe, which we acquired last year and which brings enormous expertise in fields such as eCommerce or customer relationship management (CRM) to the Group. In autumn, we merged POET and our existing subsidiary B4B Solutions GmbH into All for One Customer Experience GmbH to bundle together all the products and services offered by the Group to move our customers' platform- and data-based marketing, sales and service strategies forward. Secondly, we acquired companies specifically for the purpose of securing our ability to deliver. Given the severe shortage of experts in our industry, this is an important move.

WE COMBINE DIFFERENT SOFTWARE PRODUCTS TO CREATE AN INTEGRATED SOLUTION FOR OUR CUSTOMERS

MICHAEL ZITZ
CO-CEO

Und And where do you find the experts that are so urgently needed?
Michael Zitz: To answer this question, we can stay with POET GmbH. As part of this acquisition, we also acquired the majority stake in POET Egypt in Alexandria. Egypt has now become our latest international regional delivery center (RDC) – as we call them – with a headcount of around 50 employees. Just to clarify: We currently also employ a staff of 120 in Turkey, which continues to grow. Development, consulting, support and administration are the main capabilities that are supplied out of Egypt and Turkey. Whereas All for One Poland is somewhat different: Our team of around 500 employees in Poland has its own customer base, which it supports itself – often with major, international SAP rollouts. They also contribute indispensable skills and manpower to our CONVERSION/4 SAP transformation model, for which demand remains high in light of the fact that a large number of companies still have to migrate to SAP S/4HANA. In summarising, we can say that our regional delivery centers take some of the sting out of the indisputable shortage of experts in the IT industry. The RDCs are an essential pillar for supporting or even enhancing the quality and speed of our customer support.

In light of these developments, how is the cultural and organisational change within All for One Group progressing?
Landwehrkamp: We believe we are making good progress with the integration of our new colleagues – as was also the case with our numerous acquisitions in the past. Of course, things are changing – up until two or so years ago our employees virtually all spoke only German – even at our office in Istanbul. That is no longer the case and we are evolving into a bilingual company where English is becoming increasingly important. We are meanwhile executing a lot of customer projects with teams comprised of different nationalities, which – as far as I can see – is working really well.

Zitz: We are also observing organisational change at another level. The tasks commissioned by our customers are increasingly interdisciplinary – for example, a machine manufacturer wants to move its spare parts business more towards online operation. That involves several departments and processes but cannot be implemented with just one software package. At All for One Group we have the skills to excellently deliver solutions to such challenges. We are therefore striving to further improve the cohesion among the various experts within the Group and to promote collaboration that transcends organisational units and national borders.

What does that mean from a technological perspective? How is All for One Group's portfolio of products and services evolving in this respect?
Zitz: You need to bear in mind that the world of IT – and with it our customers – are right in the middle of the cloud transformation. Virtually all new IT stems from the cloud and is offered more or less »ready for use«. In this cloud world, we are not as focused on adapting individual software products or apps for our customers as was the case in the past. Instead, we combine different software products to create an integrated solution for the customer – to enable the performance of interdisciplinary tasks as outlined above. So it's all about integration.

OUR INTEGRATION PLATFORM FLOW ONE LINKS SAP AND MICROSOFT – THIS IS TOTALLY NEW IN THE MARKETPLACE

LARS LANDWEHRKAMP
CO-CEO

Can you name an example; and what innovations can we expect in the near future?
Landwehrkamp: We have just recently developed an integration platform for bringing together the worlds of SAP and Microsoft – the two largest IT providers for our customers. The platform is named Flow ONE – and for a reason. It enables us to ensure the flow of data, information and processes. For example, Flow ONE links SAP S/4HANA to Microsoft Teams or the hundreds of cloud services available on Microsoft Azure. This is totally new in the marketplace. Ultimately, customers no longer notice which of the two spheres of technology they are currently moving in. Instead, they can just enjoy finally being able to work properly without irritating interruptions.

Zitz: In addition, we are increasingly focusing on our own cloud products and apps that we can then embed in such comprehensive solution packages. In doing so, we fill gaps that are not – or not well – covered by SAP or Microsoft. And, of course, we benefit from the fact that our own products generate really good margins as they increasingly scale up. In the long run, we would like to create an additional source of income as a product house.

Talking of which: Let's take a look at the current main source of income: Over the next 5 years, you are probably having to migrate hundreds of customers to the ERP generation SAP S/4HANA. How are you progressing?
Landwehrkamp: Michael has already mentioned our CONVERSION/4 transformation subscription model. It covers the technical migration to SAP S/4HANA, but also offers so much more: Our customers use the migration to trigger genuine improvements in their business processes and to advance their digitalisation. We support this transformation with CONVERSION/4. Overall, we have meanwhile delivered corresponding preparatory projects – so-called »transformation discoveries« – for more than 250 customers where we defined the transformation roadmap together. Added to which, we completely migrated the systems of 11 customers to SAP S/4HANA and completed around 50 CONVERSION/4 projects in the financial year just ended. So we are already making good progress but need to up the speed further.

Zitz: What will also further support us in these efforts is a new SAP S/4HANA cloud offering that we have developed jointly with SAP and which we can use to make the migration easier, particularly for midmarket customers. The offering is very comprehensive and allows us to provide customers with customised SAP S/4HANA from a single source: We deliver the software, incl. support, hosting and operation, in the form of a subscription that also includes the aforementioned Flow ONE integration platform, and in doing so turn SAP S/4HANA into an integrated cloud software package. All of which is offered at a price that the midmarket can afford. As such, customers can simply combine their migration to SAP S/4HANA with a »move to the cloud«. By the way: At present, we are the only SAP partner in the whole world who can offer this cloud solution to its customers.

In these times of crisis, sustainability is a topic that seems occasionally to be neglected. Where is All for One Group concentrating its focus in this respect?
Landwehrkamp: Sustainability requires the people in an organisation to change how they behave. The more willing the people are, the better. Which is why we have already put a number of in-house measures in place to raise staff awareness for sustainability with regard not just to environmental issues but also, for example, to diversity. We want to make sure that the standard driver of decisions madeon procurement, business trips or events is the impact on the environment. The same applies, of course, to our fleet of vehicles, where we are increasingly moving to eMobility. Our second sustainability report for financial year 2021/22 is a good source of reference with regard to setting specific quantitative sustainability targets. One thing we do know is that this is a task that never ends. Sustainability is an ongoing process.

ANCHORING SUSTAINABILITY IN FINANCING WITH AN ESG BRIDGE – GROWTH AND SUSTAINABILITY ARE INSEPARABLE

STEFAN LAND
CFO

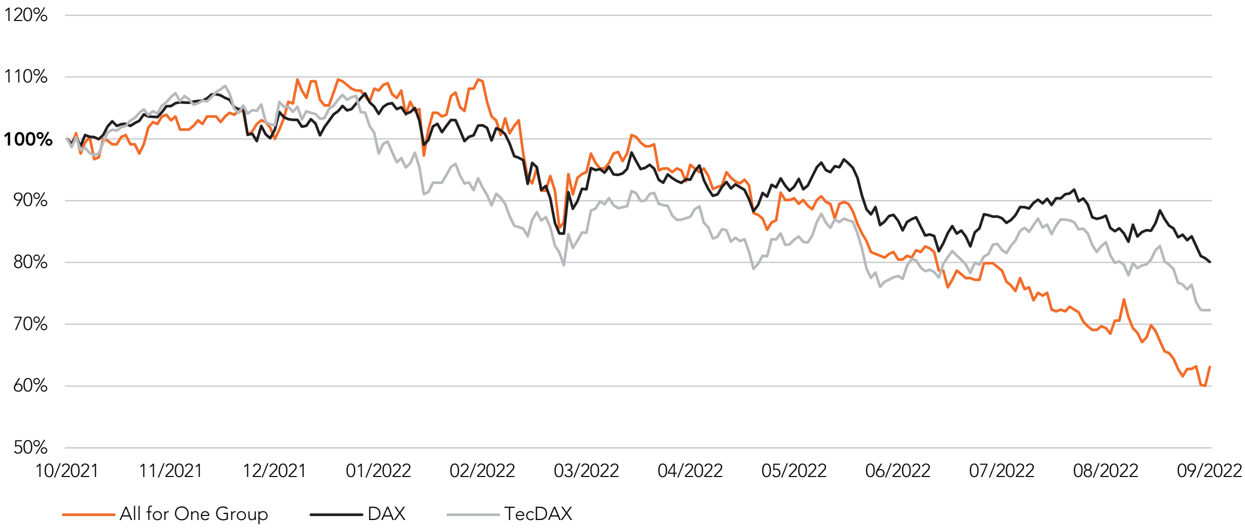
Land: The ESG bridge in the promissory note loans we issued in May 2022 represents a clear commitment to sustainability on our part – to both our employees and the general public. We have undertaken to make significant progress in respect of two indicators of sustainability performance that have yet to be determined. If we fail to do so, the margin for investors increases. The interest shown by the capital market was – to put it mildly – astonishing in these uncertain times. Investors sent an unambiguous signal: growth and sustainability are inseparable, especially for digitalisation providers like ourselves.

A good cue! Is All for One Group also a sustainability enabler?
Landwehrkamp: Definitely! In the marketplace, we want to be part of the solution when it comes to the climate targets and energy efficiency of midmarket companies. There is huge potential that we increasingly want to leverage through intra-Group products and services covering such issues as sustainability roadmaps or sustainability reporting procedures. In doing so, we can really bring to bear our expertise in mapping sustainability from a data perspective. From product carbon footprint – a must-know for a number of companies – to a comprehensive sustainability management information system (SMIS) – at our Co-Innovation Days with customers we get a real, »live« feel for the relevance of All for One Group's contribution to sustainability strategies in the midmarket. As such, we can act as enablers, helping our customers to more accurately quantify, better manage and more quickly achieve their own targets for lowering greenhouse gas emissions.

INVESTOR RELATIONS
UPWARD POTENTIAL

SHARE PRICES TREND CLOSER TO BENCHMARKS SUCH AS THE DAX OR TECDAX, BUT LOSE PACE TOWARDS THE END OF THE FINANCIAL YEAR. MARKET OBSERVERS SEE UPWARD POTENTIAL. ADDED TO WHICH, THE DIVIDEND REMAINS STABLE AT EUR 1.45.

SHARE PERFORMANCE 2021/22, INDEXED



Its broad portfolio of products and services, coupled with its »Cloud First« strategy to enhance the ability of companies to compete in a digital world, will enable All for One Group to keep sustainably growing sales into the future. After a year that not only included four acquisitions and entailed an enormous integration effort but also witnessed a challenging market climate, the Group will strive to improve profitability in the coming financial year.

The financial year was characterised by both peaks and troughs, as reflected by market opinion. *Börse Online*, for example, ranked the company as one of »Germany's top 30 real growth stocks« (»Top 30 Deutschlands Wahre Wachstumswerte«) (7 Jul 2022). »A definitely positive sign that the migration of numerous SAP clients to S/4HANA software is obviously picking up sustainable pace« (»Ein überaus positives Signal ist, dass die Migration vieler SAP-Kunden auf die Software S/4HANA nun offenbar nachhaltig Fahrt aufnimmt«) was the opinion voiced by financial portal *boersengefluester.de* (»Geschäft nimmt Fahrt auf«, 7 Feb 2022). According to *Focus Money* (5 Jan 2022): »(With) All for One Group offering its IT services in line with the megatrend of cloud transformation« (»Die All for One Group bietet ihre IT-Dienstleistungen im Megatrend Cloud-Transformation an«), growth should increase significantly once things return to normal.

MEETINGS WITH INVESTORS AND ONLINE ANNUAL GENERAL MEETING

Four acquisitions in the year under review aimed at perfectly complementing the existing service portfolio and driving the future growth of the Group attracted special attention from the capital market. Added to which, demand for CONVERSION/4 – the transformation model for migrating to SAP S/4HANA – is increasing. These topics were and are discussed in detail – along with other opportunities facing All for One Group – in the interim reports, quarterly video conferences and in this Annual Report. In addition, more than 140 meetings with institutional investors and analysts took place in the year under review at investors' conferences and roadshows, both one on one and in small groups, both virtually and – increasingly – face to face. The annual general meeting 2022 was held virtually for the second time and also generated interest among private investors. The business performance and outlook for the Company were discussed in detail on various channels with social media, for example, playing an increasingly important role. The Investor Relations section on our website also provides a wealth of information about our shares that is constantly updated (www.all-for-one.com/ir-english).

SHARE PRICE UNDER PRESSURE – TECH STOCKS HIT PARTICULARLY HARD

Company shares got off to a positive start to the new financial year, opening at EUR 66.6 and trending close to DAX and TecDAX performance. The share price peaked on 13 December 2022 at EUR 73.0 before external factors prevented a continuation of the upwards trend. The Russia-Ukraine conflict, high inflation rates, interest rate hikes by the European Central Bank (ECB) and a general feeling of uncertainty prompted a drastic slump in share prices that affected not just All for One Group but the international stock market as a whole. At the start of 2022, the Company's shares were unable to escape the general trend on the stock markets and the global pressure. Within the space of one month, the share price fell significantly by EUR 16 to an initial low of EUR 56.2 on 7 March 2022 – in line with the performance of the DAX, TecDAX and other national and international indices. Following a significant recovery (EUR 67.0) towards the end of March, the share price subsequently came under renewed pressure, closing out the first six months of 2022 at EUR 52.8. From then on, the share price tracked the general stock market trend before falling by a greater margin than the benchmarks from its interim high of EUR 49.8 on 31 August 2022 to its closing price of EUR 44.6 (30 Sep 2022).

At present, investors may lack the reassurance and courage to invest heavily in tech stocks again, given the current situation. This is having a noticeable effect on the downwards trend of All for One Group shares. Over the course of the year under review, the market capitalisation decreased by 34% from EUR 338.8 million to EUR 222.2 million. At the current share price, market observers still see substantial upward potential.

On 12 October 2022, All for One Group decided to implement a share repurchase programme. Over the course of 12 months, the Group plans to buy up to 100,000 treasury shares – constituting a maximum volume of EUR 5.5 million – on the stock market.

STABLE DIVIDENDS

A dividend payment of EUR 1.45 (prior year: EUR 1.45) per eligible share will be proposed to the annual general meeting on 16 March 2023. Relative to Group earnings after tax of EUR 11.0 million in financial year 2021/22 (2020/21: EUR 13.5 million), this equates to a distribution quota of 65% (2020/21: 53%) as of 30 September 2022. The company plans to uphold its sustainable dividend policy in the future.

Key figures	
ISIN / WKN	DE0005110001 / 511 000
Market segment	Prime Standard
Stock exchange centre	Frankfurt Stock Exchange
Date of listing	30 Nov 1998 (then: AC-Service AG)
Indices	CDAX, Prime All Share, Technology All Share, DAXsector All Software, DAXsector Software, DAXsubsector All IT-Services, DAXsubsector IT-Services
Designated sponsors	BankM, Baader Bank
Highest price financial year 2021/22 [1] (in EUR)	73.0 (13 Dec 2021, 27 Dec 2021, 9 Feb 2022)
Lowest price financial year 2021/22 [1] (in EUR)	39.8 (29 Sep 2022)
Price at start of financial year 2021/22 [1] (in EUR)	66.6 (1 Oct 2021)
Price at end of financial year 2021/22 [1] (in EUR)	44.6 (30 Sep 2022)
Market capitalisation [2] (in EUR millions)	222.2
Earnings per share in financial year 2021/22 (in EUR)	2.20
Share capital (in EUR millions)	14.95
Number of shares	4,982,000 registered shares

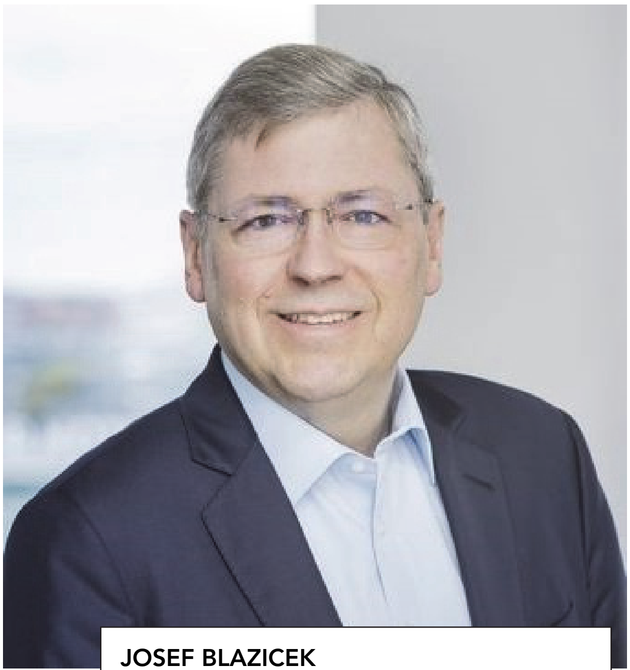
1) End-of-day share price (XETRA)

2) Based on closing share price on 30 September 2022 (XETRA) and 4,982,000 shares

Shareholders' structure	
Unternehmens Invest AG	ca. 15%
UIAG Informatik-Holding GmbH	ca. 25%
UIAG AFO GmbH	ca. 10%
Freefloat [3]	ca. 50%

3) Definition according to German Stock Exchange. For more information see www.all-for-one.com/share_e

REPORT OF THE **SUPERVISORY BOARD**



JOSEF BLAZICEK
CHAIRMAN OF THE SUPERVISORY BOARD

Dear shareholders,

The financial year 2021/22 was dominated by a number of global crises. The fallout from the war in Ukraine and the ensuing energy crisis have already gained enormous significance. These developments started to have a considerably adverse effect on the general economic climate and, indeed, on many of our customers' economic situation, which indirectly also had a negative knock-on effect on the business performance of All for One Group. By contrast, the economic problems caused by the Covid-19 pandemic have faded in significance. The whole Group did, however, still suffer from a much greater number of days off sick among the staff. Higher costs due to inflation, unscheduled project deferrals and non-recurring costs associated with M&A transactions exerted additional pressure on earnings, particularly in the last two quarters.

In light of these challenges, it is worth highlighting the solid performance in financial year 2021/22 even if we did not entirely meet all the targets we had set ourselves. Despite the difficult overall economic situation, very positive trends are noticeable, especially in those areas of key strategic importance for All for One Group. In financial year 2021/22, All for One Group was already able to reap the benefits of expanding its portfolio of IT services through acquisitions and the targeted growth of our customer base in the course of implementing our strategy offensive 2022. We were able to further drive the continuous growth in recurring revenues that we have been pursuing over the past financial years. In addition, migrations to SAP S/4HANA and demand for our customised CONVERSION/4 transformation model continue to grow. The stronger international focus of our business is also opening up numerous additional opportunities for All for One Group in robustly growing IT markets. These trends confirm that the strategy adopted by All for One Group is still moving the Group in the right direction.

The work of our supervisory board continues to be efficient. Meetings still take place in digital or hybrid formats. We do, however, believe that face-to-face discussions within the supervisory board and between the supervisory and management boards still represent a key element of efficient supervisory board work, and therefore increasingly held meetings in person. The supervisory board diligently carried out the duties required of it as prescribed by law, the company's articles of association, the rules of procedure and the German corporate governance code – particularly the duty of advising and overseeing the management board – during financial year 2021/22. The supervisory board was briefed thoroughly and regularly – usually through written, but also verbal reports by the management board – on the course of business, the direction the Company is taking, the economic position of the Company and the Group, in particular the financial and earnings situation, the risk situation, risk management and compliance and also all fundamental issues relating to corporate planning and budgeting (including financial, capital and human resource budgeting), as well as developments, decisions and plans of particular importance for the Company. These also included extraordinary events subject to mandatory reporting.

The supervisory board also requested additional and more in-depth reports as deemed necessary. The management board ensured that the supervisory board was provided with all the required information at all times, and forwarded the essential decision-making documents and files to the members of the supervisory board in good time prior to each supervisory board meeting. There was no cause to warrant special investigations or audits.

Supervisory board work in financial year 2021/22 focused primarily on the main challenges and risks arising from the war in Ukraine and the associated energy crisis, and on further implementing the Group strategy. Added to which, issues of sustainability – not least in connection with the EU Taxonomy Regulation and the new requirements of the German corporate governance code 2022 – increasingly occupied the supervisory board. Further areas of focus in financial year 2021/22 included the acquisition of POET GmbH – whose name has since been changed to All for One Customer Experience GmbH and which has since been merged with All for One Group's Customer Experience (CX) functions – together with its Egyptian subsidiary, as well as the ongoing integration of the less recent acquisitions in Poland and Switzerland. Further strengthening the financial security of All for One Group through additional promissory note loans was also a significant topic for the supervisory board in the financial year just ended.

In between supervisory board meetings, the chairman of the supervisory board was in continuous contact – and also held personal discussions – with the management board, and gathered information about the latest business developments, the status of projects and other important actions and decisions.

FOCUS OF SUPERVISORY BOARD MEETINGS

During its meetings, the supervisory board regularly concerned itself with overseeing the projects, as well as with business development, planning, budgeting, compliance management and corporate governance within the Company. The supervisory board gathered information about the risk situation and further improvements in risk management, especially in regard to the risk early warning and internal control system. In so doing, and by performing spot checks of specific cases and instances, the supervisory board and the audit committee were able to confirm their confidence in the effectiveness and efficiency of the internal and accounting-based control system. This opinion was further reinforced by the management board's statement confirming that the internal control system is appropriate and effective, and by the supporting information provided and the monitoring measures that have been put in place. No grounds were found for any objections. The board also discussed acquisition projects in great detail, and is satisfied that a comprehensive due diligence and auditing system is in place. Enhancing diversity within the Company and dealing with new legal requirements and legislative reforms were also focus of the supervisory board's work during the reporting year. The supervisory board also conducted regular self-assessments of the effectiveness of both the plenary board and its committees in performing their duties. The supervisory board incorporated findings from these assessments into its work. Back in the previous year, the supervisory board had decided on further upskilling courses for the supervisory board members, who then took part in the relevant training sessions. In doing so, the supervisory board was provided with appropriate support from the Company. No further training programmes were carried out in financial year 2021/22.

The supervisory board held 12 meetings in the reporting year. Four meetings were held in person and 8 by telephone and video conference. A number of coordinating discussions were also held by telephone, as well as decisions made electronically, by telephone or in writing. The following matters were discussed in particular:

A report of the material content of the meetings on **2 and 29 November 2021** was included in the supervisory board's report to the annual general meeting on 16 March 2022 and in the annual report 2020/21. In its meeting on 2 November 2021, the supervisory board received reports of ongoing business performance and the status of company acquisition projects. At the meeting on 29 November 2021, the approval of a company acquisition project was discussed.

On **8 December 2021**, the supervisory board reached agreement on general topics relating to the current business performance of the Company and on the upcoming meeting to discuss the annual financial statements.

A report of the material content of the meeting to discuss the annual financial statements on **9 December 2021** was included in the supervisory board's report to the annual general meeting on 16 March 2022 and in the annual report 2020/21. Focus of this meeting centred on advising and discussing in detail the documentation for the annual financial statements, finalising the annual financial statements, approving the consolidated financial statements and the agenda for the annual general meeting.

In its meeting on **19 January 2022**, the supervisory board discussed the proposal submitted and substantiated by the audit committee for electing auditors for the financial year 2021/22, as well as preparing the Company's online annual general meeting and the agenda for the annual general meeting. A report on the status of company acquisition projects and the current state of the Company was also given.

The supervisory board meeting on **9 February 2022** focused particularly on current business development including an outlook for the financial year, the status of company acquisition projects the conclusion of a consulting contract with supervisory board member Karl Astecker and the upcoming annual general meeting.

By circular resolution on 30 March 2022, the management board was authorised to engage a bank to issue further promissory note loans with ESG bridge.

At its meeting on **21 April 2022**, the supervisory board discussed the approval of a corporate acquisition project and the approval for the Company to borrow money through promissory note loans and to execute the agreements governing the promissory note loans with ESG bridge. Approval was also granted to execute a lease contract.

By circular resolution on 5 May 2022, the approval to borrow money through promissory note loans was reiterated following an adjustment to the interest rate.

In its meeting on **9 May 2022**, the supervisory board focused primarily on current business developments and the draft half-year financial report for financial year 2021/22. Further topics on the agenda of this meeting included an in-depth examination of the outlook for the year as a whole, the impacts of the Covid-19 pandemic and of the war in Ukraine on the Company, and the downstream planning process, together with cyber security measures that had been put in place by the Company. An investment budget was also approved.

By circular resolution dated 26 May 2022, the supervisory board approved payments relating to the consultancy agreement with Karl Astecker. The approval of an investment budget was renewed by circular resolution on 8 June 2022.

At its meeting on **27 June 2022**, the supervisory board focused on the strategic orientation of the Company, current and future business developments, and the ongoing planning process. The status of appointing an employee representative to the supervisory board was also discussed, as were the terms of the current supervisory board members. The efficiency of the supervisory board's work was examined, and actions discussed.

Given the general economic developments, the state of the Company and the outlook for financial year 2021/22 were discussed in depth at the meeting on **3 August 2022,** and the quarterly statement was reviewed.

The execution of an agreement was approved by circular resolution on 24 August 2022.

At the supervisory board meeting on **30 August 2022**, measures affecting subsidiaries were discussed and the status of appointing an employee representative to the supervisory board was updated.

By circular resolution on 12 September 2022, the supervisory board approved an investment budget that was brought forward.

At its meeting on **27 September 2022**, the supervisory board primarily discussed the budgets for financial year 2021/22 onwards. Business performance to date was also discussed at this meeting, as was the outlook for financial year 2021/22 as a whole and the status of company acquisition projects. The auditors also informed the audit committee and the supervisory board about the planned audit procedure and changes to legal requirements. The supervisory board also focused on renewing the declaration of conformity with the German corporate governance code. In addition, the execution of a strategic agreement was approved and measures relating to subsidiaries were discussed and approved.

By circular resolution on 11 October 2022, the supervisory board gave its consent to the management board to exercise the share buyback authority granted by the annual general meeting.

In its meeting on 27 October 2022, the supervisory board again discussed the budget for financial year 2021/22 onwards. In addition, matters affecting the management board, which had been prepared by the human resources committee, were discussed and amendments to management board contracts resolved.

The individual members of the board took part in the 12 meetings of the supervisory board over the course of financial year 2021/22 as follows: Josef Blazicek (11 meetings), Paul Neumann (12 meetings), Dr. Rudolf Knünz (12 meetings), Karl Astecker (11 meetings), Maria Caldarelli (12 meetings) and Dr. Matthias Massing (8 meetings).The supervisory board met both with and without the management board.

COMMITTEES

The **audit committee** monitors in particular the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the annual accounts and, in particular, the auditors' independence, qualifications and performance, including the commissioning of additional, non-audit-related services. To this end, the chairman of the audit committee consulted regularly with the auditors with regard to the progress of the audit and reported on the same to the audit committee. The audit committee consulted regularly with the auditors, sometimes without the management board being present. The audit committee also reviews the effectiveness of the compliance management system. The audit committee consists of three members. Deputy chairman of the supervisory board Paul Neumann chairs the committee. The other committee members during the 2021/22 reporting year were the chairman of the supervisory board Josef Blazicek and supervisory board member Karl Astecker.

The audit committee held two meetings during the reporting year. A report of the material content of the meeting on **8 December 2021** was included in the supervisory board's report to the annual general meeting on 16 March 2022 and in the annual report 2020/21. By circular resolution dated 17 January 2022, the audit committee finalised its recommendation regarding the election of the auditors to audit the individual and consolidated financial statements, and approved non-audit-related services by circular resolutions dated 28 March 2022 and 25 August 2022 respectively. During the supervisory board meeting on **27 September 2022**, the audit committee discussed the assessment of the audit risk, as well as the audit strategy and planning process, with the auditors, and agreed the areas of audit focus for the audit of the annual financial statements.

The individual members of the audit committee took part in the two committee meetings held in person over the course of financial year 2021/22 as follows: Paul Neumann (two meetings), Josef Blazicek (two meetings) and Karl Astecker (two meetings).

The **human resources committee** consists of three members. The chairman of the supervisory board Josef Blazicek chairs the committee and coordinates the committee's work. The other committee members during the reporting year were the deputy chairman of the supervisory board Paul Neumann and supervisory board member Dr. Rudolf Knünz.

This committee is primarily responsible for making recommendations to the supervisory board regarding the appointment and removal of members of the management board, for the agreements with company directors, for making preparations to determine the compensation of company directors, as well as for reviewing the management board's compensation system. It focuses on sustainable and long-term planning and takes account of the agreed diversity targets. The human resources committee also focuses on the sustainable and long-term planning of management board succession, taking account of the agreed diversity targets.

The human resources committee held three meetings during the reporting year. In its meetings on **8 and 9 December 2021**, the variable compensation was prepared and approved.

The plans governing long-term management board composition were discussed at the meeting on **16 September 2022.**

At the meeting on 27 October 2022, adjustments to management board contracts in line with the long-term succession plans for the management board were prepared for submission to the supervisory board for the latter's approval. In the interests of long-term succession planning, one of the proposals submitted by the human resources committee was to adjust the contract of management board member Michael Zitz in respect of his remuneration to reflect the changes in his responsibilities and the evaluated succession planning.

Consultations also took place between these meetings.

The individual members of the human resources committee took part in the three committee meetings held in person over the course of financial year 2021/22 as follows: Josef Blazicek (three meetings), Paul Neumann (three meetings), Dr. Rudolf Knünz (three meetings).

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

All for One Group SE's annual general meeting of 16 March 2022 re-elected BDO AG Wirtschaftsprüfungsgesellschaft (»BDO«), Hamburg, to audit the annual financial and consolidated financial statements for financial year 2021/22. The audit committee subsequently engaged BDO to carry out the audit. BDO examined the annual financial statements, the consolidated financial statements, as well as the combined management report prepared by the management board pertaining to financial year 2021/22 and issued an unqualified audit opinion.

The documents relating to the annual accounts and the audit reports from the auditors for financial year 2021/22 were duly submitted for review to the audit committee and the supervisory board. The audit committee discussed and examined the documents at length and in detail with the auditors and management board, who were present at its meeting on **7 December 2022**, and prepared the supervisory board resolution approving the annual and consolidated financial statements in its meeting on 8 December 2022. The auditors discussed the findings of their audit at the audit committee meeting on 7 December 2022. The auditors' explanations, especially those regarding the earnings, assets and financial situation of the Company and Group, were then discussed at length and in detail. All the audit committee's questions were answered. The audit committee was satisfied that there was no evidence of bias or conflicts of interest on the part of the auditors. The audit committee was also briefed in depth about the services BDO provided that were not part of the audit itself.

In line with its supervisory function, the audit committee also reviewed the Group’s internal control and risk management system as well as its compliance management system during its meeting on 7 December 2022 and expressed confidence in its effectiveness. The risk management documents for financial year 2021/22 were presented for examination to the audit committee and supervisory board in good time. Furthermore, the risk manager and the head of internal auditing reported directly to the audit committee about the findings in their reports. The compliance officer also outlined the Group-wide compliance management system and was questioned by the audit committee about compliance violations. All the audit committee’s questions were answered. In its meeting on 7 December 2022, the audit committee also discussed at length and reviewed the sustainability report. The management board provided complete answers to all questions relating to the same. The sustainability report has not been externally audited.

During the supervisory board meeting on **8 December 2022** to finalise the financial statements, the audit committee reported to the supervisory board about its deliberations with the auditor and the management board, its oversight and monitoring of the accounting process, and the findings of its own audit. Furthermore, the audit committee described to the supervisory board how, as part of its supervisory function, it concerns itself with the Group’s internal control and risk management system, the internal audit and the compliance management system and how it had satisfied itself that the systems were effective and appropriate. The supervisory board also expressed its confidence in the effectiveness and appropriateness of the internal control and risk management system and the compliance management system following its own thorough review. The risk manager, the compliance officer, the head of internal auditing, and the management board answered all the questions that the supervisory board had about this subject. The auditor also gave a detailed report to the supervisory board about the audit and the findings that had been presented and discussed earlier in the audit committee meeting. The supervisory board carefully examined the documents relating to the annual accounts in the presence of the auditor on 8 December 2022 and concluded that the audit by BDO was conducted properly and that the audit reports and the audit itself complied with statutory requirements.

The auditor and the management board answered all the questions raised by the supervisory board. In its evaluation of the situation of the company and the Group, the supervisory board concurred with the assessment expressed by the management board in the combined management report. Based on the final results of its own examination of the annual financial statements, the consolidated financial statements, and the combined management report, the supervisory board raised no objections to the annual and consolidated financial statements prepared by the management board, followed the audit committee’s recommendations, and concurred with the findings of the auditor. On 8 December 2022, the supervisory board approved the annual and consolidated financial statements prepared by the management board. The annual financial statements for All for One Group SE were thereby finalised pursuant to Section 172 AktG. After long and careful discussion, the supervisory board approved the management board’s recommendation as presented for the appropriation of the net earnings.

At its meeting on 8 December 2022, the supervisory board also examined the management and supervisory boards’ diversity goals as well as the current business situation. The agenda for the annual general meeting scheduled for 16 March 2023 was discussed. In its meeting on 8 December 2022, the supervisory board also learned more from the audit committee about the latter's review of the sustainability report and discussed and reviewed the same at length itself. The management board provided answers to all questions asked about the same by the supervisory board. Following the conclusion of its own review, the supervisory board raised no objections to the sustainability report compiled by the management board and adopted the recommendations of the audit committee in approving the publication of the same.

DEPENDENT COMPANY REPORT

The management board prepared a report about relationships with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (AktG). The auditors examined this report and issued the following audit opinion:

»Based on our audit and review in accordance with professional standards, we certify that

1. the actual information contained in the report is accurate.
2. the consideration paid by the company for the transactions listed in the report was not inappropriately high.«

The management board informed the audit committee and the supervisory board promptly about the dependent company report and the respective audit report issued by the auditors. The audit committee and the supervisory board thoroughly examined and discussed these documents again in their meetings on 7 and 8 December 2022. These examinations did not give rise to any objections.

CORPORATE GOVERNANCE

During financial year 2021/22, the supervisory board and the management board were both extensively involved in improving and enhancing corporate governance within All for One Group SE and again thoroughly reviewed the new and changed recommendations and suggestions that the Government Commission on the German Corporate Governance Code made in the version of the code dated 28 April 2022, which came into force on 27 June 2022. The recommendations of the GCGC have meanwhile been firmly embedded in the Company's business workflows. The management board and supervisory board fulfilled their obligation to prepare a joint declaration of conformity pursuant to Section 161 AktG in September 2022. The exact wording of the declaration was published on the company's website at www.all-for-one.com/conformity-declaration. Further details on corporate governance can be found in the corporate governance statement on the company's website at www.all-for-one.com/corporate-governance-statement. No conflicts of interest arose between the members of the management and supervisory boards during the reporting period, such as would require disclosure to the supervisory board or notification of the annual general meeting.

The supervisory board thanks the management board, management and all members of staff at All for One Group for their outstanding personal commitment, which formed the foundation for the remarkably stable – given the ongoing crisis situation – result generated by All for One Group in financial year 2021/22 and continues to provide a robust foundation on which to build the success of the Group. The supervisory board believes that the strategic orientation adopted by All for One Group remains valid and that the Group is well prepared to achieve its aims of sustainable development despite the uncertain times ahead.

Filderstadt, 8 December 2022
For the supervisory board

Josef Blazicek
Chairman of the Supervisory Board

COMBINED MANAGEMENT REPORT

ALL FOR ONE GROUP SE, FILDERSTADT
FINANCIAL YEAR FROM 1 OCTOBER 2021 TO 30 SEPTEMBER 2022

COMBINED MANAGEMENT REPORT

OF ALL FOR ONE GROUP

01 GENERAL INFORMATION

REPORTING COMPANY

All for One Group SE, Filderstadt, is a European company (Societas Europaea, SE). The company is listed in the commercial register of the District Court of Stuttgart under registration number HRB 774576. Its registered office is Rita-Maiburg-Strasse 40 in 70794 Filderstadt/Germany. All for One Group SE shares are listed in the Prime Standard of the Frankfurt stock exchange (ISIN: DE0005110001). All for One Group SE and the subsidiaries it controls provide their services mainly in the German-speaking markets of Germany, Austria and Switzerland (DACH region) and also Poland.

BASIS OF PRESENTATION

Accounting and financial statement auditing

All for One Group SE prepares its consolidated financial statements and interim reports in accordance with Section 315e of the German Commercial Code (HGB) and the applicable regulations specified in the International Financial Reporting Standards (IFRS) as applicable in the EU. The annual financial statements are prepared in accordance with the provisions of the HGB.

The option to prepare a combined management report (»management report«) was exercised by All for One Group SE. This management report combines the management reports of All for One Group SE and of All for One Group as a whole. The management report was prepared in accordance with the relevant provisions of the HGB and German accounting standards (DRS) Nos. 17 and 20.

Distinction between parent company and Group

To avoid ambiguity as to which disclosures relate to the parent company and which to the Group, the **parent company** is always referred to as »**All for One Group SE**«. For disclosures relating to the **Group**, the terms »**All for One Group**«, »**Group«, »Company«**, or just plain »**We**« are used. In the absence of these distinctions or any other specific notes, the information relates equally to both the Group and the parent company.

Financial year

At All for One Group SE, the financial year 2021/22 (»the reporting period«, »current reporting year«, »current reporting period«, »year under review«) began on 1 October 2021 and ended on 30 September 2022. The corresponding prior year period (»comparative period«) covers the period from 1 October 2020 to 30 September 2021.

Rounding differences

Unless otherwise indicated, all amounts are reported in thousands of euros (KEUR). For technical reasons, the information provided in this management report may contain rounding differences of +/- one unit (KEUR, %, etc.).

Use of Alternative Performance Measures (APMs)

In addition to the metrics defined or specified in IFRS accounting regulations, All for One Group also publishes financial performance indicators that are derived from or based on the finalised financial statements (**»**Alternative Performance Measures**«** – APMs). The management of All for One Group sees these financial performance indicators as providing important additional information to investors and other readers of the financial reports. These financial performance indicators should therefore be seen as supplementing – but not replacing – the information provided in compliance with IFRS. In accordance with the **»**Guidelines on Alternative Performance Measures**«** issued by the European Securities and Markets Authority (ESMA), All for One Group provides a definition for the reported APMs, the rationale for their use and a reconciliation of the reported APMs to the directly reconcilable items included in the consolidated financial statements of All for One Group in this management report.

Gender-appropriate language

For reasons of better readability, gender-specific language forms are not used in this report. Where personal terms are used in the masculine form only, they are representative of all genders.

FORWARD-LOOKING STATEMENTS

This management report contains statements relating to future developments. These statements reflect both Group and third-party estimates and assumptions (such as statistics relating to the IT industry and global economic development) that were valid at the time they were made or when this report was issued. Forward-looking statements are always subject to uncertainty. If estimates and assumptions prove to be mistaken or only partially correct, actual results may deviate – quite substantially – from expectations.

02

PRINCIPLES OF THE GROUP

2.1 GROUP STRUCTURE AND ORGANISATION

LEGAL GROUP STRUCTURE

All for One Group is managed by its parent company All for One Group SE, which performs the central management tasks for the entire Group. All offices of the operationally active parent company, without exception, are located in Germany. Most of the sales are generated in Germany. In addition, the Group is predominantly present on the markets in Austria, Switzerland and Poland and operates subsidiaries in Turkey and Egypt (extended workbenches). The management board of All for One Group SE is supported by a »Group Management Circle« that acts in an advisory capacity. The panel also serves to better involve the subsidiaries in Group-wide issues and to coordinate the individual units with each other. Given the legal Group structure, the economic situation of the Group is influenced substantially by the economic situation of the parent company. Which is why the company's management board has combined the report on the state of the Group with that of All for One Group SE into one management report.

In addition to All for One Group SE, a total of 11 domestic and 13 foreign subsidiaries are included in the consolidated financial statements of All for One Group as of 30 September 2022.

BUSINESS SEGMENTS

The management of All for One Group is aligned to its two business segments: CORE and LOB. The **CORE segment** focuses on solutions and services for companies' core business processes and especially for ERP (»Enterprise Resource Planning«), New Work & Collaboration, Cybersecurity and Internet of Things (sensor-controlled business workflows, machine learning). Strategy & Management Consulting has also been classified as part of this segment since the start of the financial year. The **LOB segment** (»Lines of Business«) includes the business with IT solutions and services for specialised areas and topics such as sales and marketing (»Customer Experience«), human resources (»Employee Experience«) and business analytics, which are also increasingly being sourced in the cloud.

MERGERS AND ACQUISITIONS: STRATEGY AND TRANSACTIONS

Acquisitions are an important strategic tool for speeding up the expansion of All for One Group's service portfolio, tailoring products and services more closely to the needs of customers, and enabling the provision of integrated support for their digital transformation. The current acquisition strategy therefore focuses particularly on strengthening the portfolio of cloud-based products and services, expanding Microsoft and security business, and further developing product business.

In the current reporting year 2021/22, mergers and acquisitions activities focused on the acquisition of All for One Poland (formerly: »SNP Poland«) and ASC Group in Switzerland, both with effect from 1 October 2021. The acquisitions of blue-zone GmbH (formerly: blue-zone AG) on 1 December 2021 and POET GmbH, together with its Egyptian development company POET Egypt LLC., on 2 May 2022 will strengthen the Group's Customer Experience (CX) portfolio.

All for One Poland
All for One Group SE acquired a majority stake of 51%, effective 1 October 2021, in SNP Poland Sp. z o.o., Suchy Las (Poznan)/Poland, from SNP Schneider-Neureither & Partner SE, Heidelberg. The full transfer of all shares is planned via call and put options from 2023, but will become mandatory following completion of the financial year ending on 30 September 2024. With more than 400 employees and a customer base of more than 400 companies, the leading SAP service provider in Poland, whose name has meanwhile been changed to All for One Poland Sp. z o.o., Suchy Las (Poznan)/Poland (»All for One Poland«), will drive the growth and implementation strength of the Group, especially in the areas of SAP S/4HANA transformation and major international projects. At the beginning of January 2022, All for One Poland

joined United VARs, the international partner network, where it was awarded SAP Platinum Partner status.

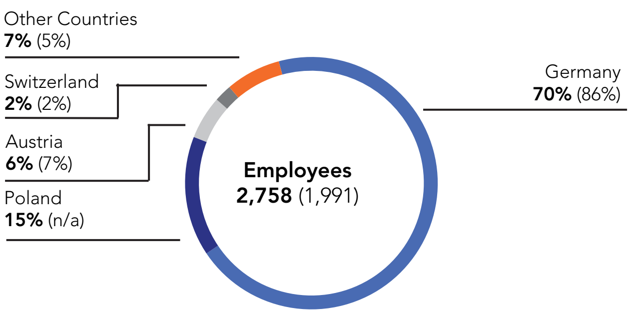
ASC-Gruppe
The acquisition of the consulting companies ASC Management Consulting AG, Engelberg/Switzerland, and Advanced Solutions Consulting GmbH, Baden/Switzerland (together »ASC Group«), effective 1 October 2021, expands All for One Group's business in Switzerland. ASC Group specialises in the fields of business and IT/SAP consulting, providing solutions, in particular, for corporate finance and enterprise performance management, which includes group consolidation, financial controlling and the associated disciplines of business planning, BI reporting and analytics. Together with All for One Group subsidiary Process Partner AG, St. Gallen/Switzerland, a high-performing SAP and IT service consultancy with around 100 internal and external consultants is being created to support both the Swiss midmarket and major key accounts. Since the merger, the three companies have been officially operating as »All for One Switzerland AG« since 7 November 2022, and can now offer their customers an even broader portfolio of products and services

blue-zone
Efficiency and successful marketing and sales efforts will also be achieved using both the sales organisation's digital network and mobile, cloud-based solutions to manage the field sales team. The acquisition of blue-zone GmbH (»blue-zone«) by All for One Group SE effective 1 December 2021 will further intensify the collaboration in the field of CX, which has already been ongoing for several years. With its team of around 20 consultants and as an acknowledged expert in cloud-based product development, blue-zone will also strengthen the product business of the Group.

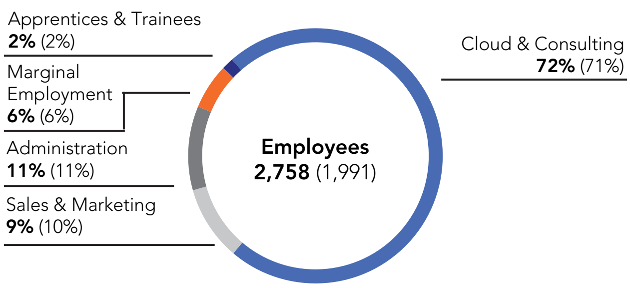
POET
On 2 May 2022, All for One Group acquired all the shares in CX experts POET GmbH, Karlsruhe, as well as a 75% stake in the development company POET Egypt LLC., Alexandria/Egypt, (together »POET«). The acquisition will allow All for One Group to take a large step forward in expanding its CX business. The 110 POET experts will strengthen the Group's portfolio of CX products and services that its subsidiary B4B Solutions GmbH (»B4B«) is already successfully providing to more than 3,000 customers throughout the Group. As an expert for SAP Commerce, POET has been an SAP Gold Partner for many years. Effective 24 October 2022, all CX activities were bundled together under one roof to bring B4B and POET even closer together. In future they will operate in the marketplace as »All for One Customer Experience GmbH«. As a full CX service provider, the new company will ensure even better management of all customer experiences on their journeys, using state of the art digital solutions to make these experiences as user-friendly as possible and thus to strengthen the sales of its customers.

EMPLOYEES

HEADCOUNT BY COUNTRY IN %
(GROUP, 30 SEP 2022)



HEADCOUNT BY FUNCTION IN %
(GROUP, 30 SEP 2022)



Part-time workers are included in full in the headcount, not pro rata.

Personnel development
For an IT services company, sustained business success is closely linked to highly qualified and motivated employees. In light of the shortage of experts in the IT sector – German industry association Bitkom currently estimates that there are 96,000 unfilled vacancies in Germany *(source: Bitkom e.V., Jan 2022)* – and in view of its growth targets, All for One Group has been investing in innovative approaches to recruiting, developing and retaining staff for years. The Group strives to be an attractive employer and to sustain employee motivation at a high level. Corporate culture places a key role in this respect. The »WE ARE ONE« project developed corporate values and leadership guidelines and put them in place throughout the Group. Treating each other with respect and defining

clear goals, courses of action and rules of play gives employees orientation and reassurance, and promotes good and successful collaboration.

Corporate values coupled with a vision and culture are key aspects that define the attractiveness of an employer, which ultimately decides who will triumph in the competition for experts. In a strategic initiative launched by All for One Group to strengthen its »Employer Brand«, surveys and research are being conducted at international level to develop the employer value proposition that will form the basis for finalising the brand strategy. Alongside attractive remuneration, flexible work hours, working time accounts for sabbaticals, modern work environments, part-time options, workations, health promotion schemes and numerous other benefits play an important role in this respect. Training young talent, specifically nurturing high potentials and offering a wide range of training programmes are key to Group-wide personnel development. A large ratio of trainees, close cooperation with universities, and trainee programmes help to better cover the high demand for practically trained experts. In the established talent fostering programme »UP Talent«, »high potentials« are made fit for future challenges. The central learning platform »ONE Academy« supports systemic further education through a Group-wide eLearning management system.

The english@all-for-one project reflects the growing internationalisation of the Group and aims to promote bilingual skills through qualification programmes, software solutions and tools, and in documentation.

Since committed employees who are willing to take on responsibility are crucial to firmly embed an »Entrepreneurial Mindset« – one of the Group's foremost values – a modern OKR (Objectives and Key Results) management system is being gradually rolled out to enable all employees to be involved more closely in strategic issues. All of which aims to heighten employee retention and make the company even more innovative.

Diversity in the company

If employed and managed properly, diversity can boost innovative strength, creativity, customer loyalty and the ability to adjust to rapidly changing markets. It also offers a means of overcoming the shortage of experts in the IT industry. The key criteria we look out for when filling vacancies and jobs are qualifications, professional competence and »cultural fit«. Diversity covers a range of aspects including gender, nationality, age and disability. Every year, the Group analyses the age structure, ratio of women and number of employees of different nationalities with the aim of promoting diversity across the entire Group to ensure that the right people come together and that a work culture can be created that inspires performance, motivation and satisfaction among both the employees and their supervisors while assuring a good balance of young and old. As of 30 September 2022, the average age of all employees was 40 (2020/21: 41). To gain an understanding of the differing interests and concerns, the Group supports networks established and organised by the employees themselves – such as women@all-for-one and the Rainbow Community.

A lot of small steps are necessary to strengthen the presence of women in MINT (maths, IT, natural sciences and technology) professions. In the long run, an IT training programme that specifically targets young women, or campaigns such as »Girls Day« that aim to better familiarise schoolgirls with the options offered by careers in engineering and technology can all strengthen »Diversity«. Likewise, female applicants are increasingly being approached and the inclusion of men and women at equal terms in management positions is being promoted. To improve the compatibility of work and family life, there are also part-time models at management levels and flexible working is generally made possible, independent of fixed times and locations. All for One Group has also developed a mentoring programme to make technical professions more accessible to female students and graduates. Here, experienced mentors accompany young women during their career start phase. As a result, the proportion of women in the Group increased to 35.1% (30 Sep 2021: 33.6%).

Diversity within the company also means recruiting new members of staff regardless of where they come from. In this respect, the »Changemakers« initiative launched by »socialbee« operates an inclusion project together with SAP and eight partners. All for One Group is part of the initiative for the second time and offers refugees an opportunity to pursue a successful IT career and thus build a life for themselves in Germany.

Diversity at All for One Group SE

Proportion of women in %	Actual 30.09. 2022	Target 2021/22	Comparison
Supervisory board	17	17	achieved
Management board	0	20	not achieved
Second-level management	23	10	exceeded
Third-level management	18	20	not achieved

Workforce (Diversity in the Group)

	30.09. 2022	30.09. 2021
Total employees	**2,758**	**1,991**
of which women	969	668
of which men	1,789	1,323

Headcount of All for One Group SE

As of 30 September 2022, All for One Group SE employs 1,270 (30 Sep 2021: 1,193).

2.2 STRATEGY AND BUSINESS MODEL

This section is equally valid for both Group and parent company.

According to market observers such as techconsult (techconsult GmbH, Kassel), ISG (Information Services Group GmbH, Frankfurt) or Lünendonk (Lünendonk & Hossenfelder GmbH, Mindelheim), All for One Group is one of the leading consulting and IT companies in its markets. The corporate strategy is tailored to enhancing the ability of customers to compete in a digital world. The Group uses its expertise and implementation skill to provide companies with comprehensive advice that encompasses all relevant issues, and aims to ensure as perfect and seamless an interaction between people, strategies, processes, data and systems as possible. The integrated business model combines strategic and management consulting, process consulting, industry expertise, technology expertise, IT consulting and services, and transformation management under one roof. In doing so, All for One Group works with its subsidiaries to »orchestrate« the interaction of the core areas and fields of action that are key to establishing the competitive strength of its customers. At the same time, the integrated business model is designed to generate the highest possible recurring revenue from cloud services and support, and software support.

The Group's **customers** mainly rank as midmarket, although a growing number can be classified as »larger« midmarket. These are companies with annual sales up to a range in the middle single-digit billions yet still with an »SME« culture when it comes to their organisation, processes and how importantly they want to be treated by »their« service provider.

The **industry focus** is on companies operating in the fields of machinery and equipment manufacturing, automotive supply, consumer products and project services. In addition, the Group is increasingly operating in a number of other industries – with comprehensive line-of-business solutions, for example, which only differ marginally from one sector to the next (LOB segment).

Driven by the Group's clear vision – »We want to inspire attractive customers, convince them to become long-term customers and sustainably increase their ability to compete through a strong, trusting partnership« – **the sales organisation** was again able to acquire significant new customer projects in the year under review. To achieve this, the Group relies to a large degree on specialisation in the individual sales units, both within All for One Group SE and at the regional units and subsidiaries. This clear focus and pooling of expertise allows the Group to take specific, efficient and agile action along the entire sales and/or customer life cycle and to position the portfolio accordingly. The digital sales unit, whose handling of the entire sales process is purely digital (and was even before the start of the pandemic), enterprise sales with its clear focus on the larger midmarket, or the specialised sales channel for placing the CONVERSION/4 model are just a few examples of how the sales organisation has positioned itself in the recent past and of the direction of future sales to new and regular customers. In addition to acquiring strategically interesting new customers, the sales organisation is therefore focusing in particular on bringing the installed base »into the spotlight«. This challenge is the responsibility of the Group's customer success management function, which actively looks after those Group-wide regular customers with future potential for more than one of the Group's market units. In this respect, the personally assigned customer success manager acts as the central point of contact at All for One Group, orchestrating all of the customer's issues within the Group and acting as trusted advisor for any and all queries of that customer.

Likewise, we have joined forces with a number of carefully selected specialists as part of our »All for One Group Network Partner« scheme. The industry alliance management function assures the ability of industrial customers to compete over the long term, even those operating in sectors that do not form part of All for One Group's core focus. Through partner alliances established specifically for this purpose and with a deliberately chosen market presence of its own, the industry alliance management function supports All for One Group in building new relevant areas of sales and EBIT through access to new target markets and/or new ecosystems. Partners, subsidiaries and regional units help to set up, sell, implement and subsequently support solutions and services.

Geographically, All for One Group is particularly active in Germany, Austria, Switzerland and now also in Poland, and customers are mainly served locally from a large number of locations. This is why the development of the IT market in the DACH region is a significant external factor influencing the Group's business success. In a very short space of time, Covid-19 has fundamentally changed how both All for One Group and its customers work. Having the expertise to provide IT consultancy services via remote access makes it possible for the consultants to work beyond the borders of their home markets. To assure the **global provision of local support** when delivering international projects (usually for international customers), All for One Group co-founded the United VARs network of partners in 2006. Through this alliance, local support can be offered for projects in about 100 countries, together with local, mostly market-leading partner companies, based on uniform quality standards and recognised project methods. In addition to its superb efficiency and performance capability, United VARs also acts as the key to acquiring new accounts in the strongly export-oriented target markets in the German-speaking region. At the same time, United VARs is one of only ten »SAP Global Platinum Resellers«. This outstanding position gives All for One Group a »voice that is heard«, even in the global »SAP Channel«, to spotlight the issues raised by its midmarket customers to the global SAP organisation.

As an integrated IT service provider, All for One Group offers its customers a coordinated portfolio of solutions and services over the entire life cycle of an IT investment. Central to the **services and solution portfolio** is the CORE area focusing on S/4HANA – highly sophisticated corporate software that forms the basis and »Digital Core« of any business software landscape. All for One Group's industry solutions for SAP S/4HANA are based on self-developed business process library (»scope items«) that can quickly and easily be tested and activated by customers, and which contains ready-to-use preconfigured business workflows and scenarios of target industries. During the transformation phases in recent years, the portfolio of services has been largely expanded and nowadays also encompasses »Employee Experience« (optimisation of HR processes), »Customer Experience« (ideal customer experience design, digital solutions to promote customer acquisition and retention), »Business Analytics« (data-based efficient business management using AI) and »IoT & Machine Learning« (sensor-controlled business workflows). Microsoft solutions in the fields of »Cybersecurity & Compliance« (data and information security) and for »New Work & Collaboration« (designing the ideal digital work environment and enabling agile collaboration) complement the portfolio of products and services. To provide even more targeted and comprehensive support to legacy customers, »Value Lifecycle Services« has been established as a new global market unit that encompasses installed base customer relationship management, support, overseeing the customers' extensive application landscapes (»Application Services«) and operating their IT systems (»Managed Services«) in the Enterprise Cloud. This service is provided from dedicated computer centres or via hyperscalers to ensure that the customers' IT systems, applications and business processes operate faultlessly and are always state of the art. The Group also provides strategic, management and transformation consulting at »C Level« (management level). With this comprehensive portfolio, the Group supports customers on their journey to becoming intelligent, networked, and highly progressive and innovative companies.

The **partnerships with SAP and Microsoft** are key, and All for One Group is well positioned to further reap the benefits of the dynamic cloud trend and to grasp business opportunities quickly and efficiently. The esteem in which the Group is held within the SAP ecosystem is frequently confirmed through the widest range of awards that SAP confers on its strategic partners. These include, among others, the status of some Group companies as SAP Platinum Partners, the SAP Pinnacle Award 2021 »Partner of the Year SAP S/4HANA Movement« for the CONVERSION/4 transformation and innovation model, an award presented by SAP Germany in the »SAP Business ByDesign« category for the »largest number of new customers in 2021« and the »highest level of customer satisfaction in 2021« or SAP Quality Awards for specific projects. Added to which, All for One Group is an SAP-certified provider of »SAP-Cloud and Infrastructure Operations« and »SAP-Application Operations for SAP S/4HANA«. The partnership with Microsoft was again significantly enhanced during the current reporting year. Customers also appreciate the broad portfolio of products and services of All for One Group and its expertise, as confirmed in surveys conducted, for example, by brand eins business journal – which pronounced the Group »Best IT service provider in 2022« and »Best Management Consultant in 2022« – or by the third consecutive accolade of »Champion« as winner of the PUR Award (»techconsult«) for Managed Application Services and Microsoft 365 Services. Both partners – SAP und Microsoft – are, moreover, firmly embedded in All for One Group's CONVERSION/4 model, together with **SNP** (Schneider-Neureither & Partner SE, Heidelberg) and the latter's Crystalbridge software. This innovative model not only enables companies to migrate quickly and cost-effectively SAP Business Suite to the new SAP S/4HANA business software, but also provides efficient access to permanent innovations.

All for One Group faces intense **competition**. Besides ERP manufacturers and system resellers outside of SAP, competitors include other SAP system resellers, Microsoft partners and internationally operating IT outsourcing and technology service providers. The Group also competes with specialised suppliers offering software designed for specialised departments, such as personnel management, the financial sector or sales and marketing. Competitors also include the SAP consulting units of major international IT service groups as well as customers' own IT activities.

As part of its strategy offensive 2022, All for One Group further improved its market presence and continued to implement the new **brand architecture** (»Endorsement Strategy«) it had introduced back in 2019. The resulting visual identity is consistent for the entire Group and its individual brands, including All for One Steeb, avantum, OSC, Process Partner, Empleox, allfoye or B4B Solutions. This process is being consistently continued during the integration of newly acquired subsidiaries, such as All for One Poland.

According to studies published by IT industry association Bitkom and by Statista, the German market for IT services is extremely fragmented, comprising some 90,000 companies operating in the areas of IT hardware, software, and IT services *(sources: Statista Research, Aug 2022; Bitkom e.V., Jul 2022)*. Market players are classified as large companies if their sales exceed EUR 250 million. The software and IT services segment comprises 42 companies. As far as its **position in the marketplace** is concerned, All for One Group ranks among the leading IT providers based on this definition and according to various market observers such as ISG, techconsult consult (techconsult GmbH, Kassel) or Lünendonk (Lünendonk & Hossenfelder GmbH, Mindelheim). In 2021, the German market for IT services was estimated to be worth around EUR 41 billion by Lünendonk *(source: The market for IT services in Germany in 2022 [Der Markt für IT-Dienstleistungen in Deutschland 2022], Jul 2022)* and SITSI *(source: SITSI Market Research Services, May 2022)*. Whereby the 10 biggest players only account for 34% of total market share. These figure demonstrate the huge growth potential that still exists for All for One Group, for example in the strongly fragmented German IT market.

2.3 MANAGEMENT SYSTEM – FINANCIAL AND NON-FINANCIAL TARGETS

All for One Group is managed by the management board of All for One Group SE, which is solely responsible for managing the business, defining targets and strategies, and implementing the growth strategy.

The foremost goal of corporate development is to raise the value of the business in the interests of all stakeholders and to ensure profitable growth while actively practising sustainability. The plans that are necessary to manage the operational units and the resulting need for action are derived from the long-term corporate plan – with due consideration of the trends in the competitive and market environments. The following management indicators are used to manage both the Group and All for One Group SE.

FINANCIAL PERFORMANCE INDICATORS

The following two financial performance indicators are deemed the most important for managing the business targets:

- Sales revenue (IFRS)
- EBIT before M&A effects (non-IFRS)

Planning and management efforts focus primarily on the sales and earnings performance of All for One Group.

In terms of **sales revenue**, the main focus is on recurring revenue from »Cloud Services and Support« and »Software Support«. Earnings before interest and taxes (EBIT) have been used up to now for management purposes, to compare operational performance over time, and to issue forecasts. In future, management intends to use the metric of EBIT adjusted for income and expenses related to acquisitions (**»EBIT before M&A effects (non-IFRS)«**) for this purpose. This metric is disclosed in the statement of profit and loss and reflects the »undistorted« result of operations. Both performance indicators are aligned to each other with a view to securing a profitable path of growth that is as sustainable as possible.

All for One Group pursues a strategy aimed at driving both organic and inorganic growth. In light of the four acquisitions in financial year 2021/22, the importance of mergers & acquisitions (»M&A«) has increased recently. The effects of company acquisitions influence the result of operations not just in the year of the transaction but also in subsequent years, for example with regard to acquisition-related amortisation and impairment on intangible assets. In light of this (and unlike prior years), EBIT is adjusted for income and expenses relating to M&A transactions and reconciled to EBIT before M&A effects (non-IFRS). As part of this reconciliation, the result is adjusted for both acquisition-related amortisation and impairment on intangible assets (e.g. goodwill, trademark rights, orders on hand, customer bases) and other acquisition-related external expenses and income (e.g. legal and consulting costs, due diligence costs, ancillary transaction costs). The adjustment is performed for pending, aborted and successfully completed acquisitions.

Orders on hand do not constitute a separate performance metric at All for One Group. The figure is not calculated for the business as a whole. In light of the heterogeneous nature of the individual types of business (such as license sales, project business, cloud subscriptions, managed cloud services agreements, software support), such a metric would only have very limited meaning. To a certain extent, an informative indication of the amount of orders on hand is provided by the disclosure of »recurring revenue«. Their revolving nature is underpinned by corresponding contracts governing cloud services and support and software support.

NON-FINANCIAL PERFORMANCE INDICATORS

In addition to the financial performance indicators, the management board also tracks the most important non-financial performance indicators. Given the key importance in many respects of »human capital« in a services company such as All for One Group, the Group-wide management system tracks the following two primary non-financial performance indicators:

– Employee retention
– Health index

Employee retention
The success of All for One Group’s business depends significantly on the quality of service and support offered to its customers, business partners, suppliers and shareholders. Personnel continuity and the ability on this basis to establish and maintain business partner relationships that are stable, sustainable and resilient play a crucial role in how the quality of this service and support is perceived. Given this background, »employee retention« (100% minus the ratio of unwanted departures to headcount at the beginning of the reporting period, plus additions to the workforce during the financial year) is of central importance.

Health index
The established health management programme aims to maintain and enhance the workforce’s high level of capability and effectiveness. In addition, the aim is to proactively counteract potential health-related absences. In this context, the »health index« (100% minus the ratio of number of days off sick to target work days in any reporting period) is of central importance.

A standardised system is used to calculate, analyse and plan these non-financial indicators on a Group-wide basis and then monitor them in terms of achieving the benchmarks and their impact on attaining the financial objectives. These performance indicators – employee retention and health index – are also geared to securing a profitable path of growth that is as sustainable as possible.

Detailed discussions of the development of the financial and non-financial performance indicators can be found in the sections »Report on economic position« and »Outlook«. Other non-financial performance indicators at subsidiary, department and team leadership levels are used for fine tuning purposes. These involve what are primarily qualitative goals. As an example, specific qualification programmes are an integral part of the performance objective agreements for many employees in the consulting field.

2.4 RESEARCH AND DEVELOPMENT

Neither All for One Group nor the parent company All for One Group SE conducts research in the narrower sense of the word. Development activities to date have focused primarily on configuration and »customising« add-on solutions. Add-ons such as these include a comprehensive business process library (»scope items«) for SAP S/4HANA. They give customers a clear competitive advantage while at the same time speeding up rollout projects. All for One Group is increasingly »developing« add-on solutions for Microsoft (Collaboration) software, as well, which are being used by a lot of customers. »Development expenses« such as these are not capitalised by All for One Group as the processes between customer-specific and non-customer-specific development phases are generally iteratively closely connected and reliable separation of the expenses is therefore not possible. (See also the notes to the consolidated financial statements, section »F.13. Intangible assets«).

03 REPORT ON ECONOMIC POSITION

3.1 GENERAL ECONOMIC CONDITIONS

OVERALL ECONOMIC DEVELOPMENT AND DEVELOPMENT OF OUR TARGET MARKETS

Over the course of the calendar year 2021, the global economy continued its recovery in spite of the ongoing situation caused by the pandemic and in spite of occasional supply and material bottlenecks. Although pre-crisis levels have not yet been attained, gross domestic product increased again year on year in 2021 *(source: German Federal Statistical Office, 14 Jan 2022)*. The war in Ukraine that started on 24 February 2022 coupled with the subsequent rise in inflation and worsening global supply bottlenecks put severe pressure on global economic development. Global economic output weakened in the first half of 2022 *(source: ECB, Economic Bulletin, Apr 2022)*. Despite the ongoing war and higher energy prices, the German economy proved to be resistant in the first half of 2022, with economic output on a par with the prior year (*source: Ifo forecast of economic growth, Sep 2022*). In the 3rd Quarter 2022, leading German economic institutes Ifo, IfW, RWI and IWH lowered their forecasts for German economic output considerably and expect the economy to go into recession and inflation to rise in the calendar year 2023 *(source: Handelsblatt, 12 Sep 2022)*.

While our target markets – the manufacturing and consumer goods sectors – were able to grow production by 6.4% in the calendar year 2021 compared to 2020, ongoing supply bottlenecks and the risks surrounding the war in Ukraine raised concerns in the calendar year 2022. In July 2022, the sector recorded a year-on-year decline of 14% in incoming orders compared to the calendar year 2021. Although the order books remain well filled, the German Mechanical Engineering Industry Association *VDMA [Verband Deutscher Maschinen- und Anlagenbau]* expects production to grow by just 1% in the calendar year 2022 in the wake of supply bottlenecks and rising energy prices *(source: VDMA, 1 Sep 2022)*. By contrast, the German electronics and digital industry, which is home to numerous customers operating in the automotive supply sector, was able to record an increase versus the prior year of 6.6% in just the first seven months of the calendar year 2022, thus demonstrating strong performance across the board *(source: ZVEI, 15 Sep 2022)*. Looking ahead, however, uncertainty surrounds the future performance of the relevant companies, given the fears regarding inflation, recession, the availability of gas and the Covid-19 pandemic *(source: ifo Institut, 29 Sep 2022)*.

TRENDS IN THE IT INDUSTRY

Industry association Bitkom predicts year-on-year growth of 4.3% for the German ITC (information technology, telecommunications and consumer electronics) market in the calendar year 2022. IT services are expected to grow by 3.7% compared to somewhat stronger increases of 6.7% in IT hardware and 8.8% in software *(source: Bitkom e.V., Jul 2022)*. On the downside, companies are facing uncertainty from geopolitical and social problems, such as the shortage of experts in IT professions, rising inflation, the progress of the Covid-19 pandemic and disruptions to the IT supply chain *(sources: Handelsblatt, Feb 2022; DIHK, Mar 2022)*.

All for One Group has been working closely together with its two most important partners – Microsoft and SAP – for many years and recently expanded these partnerships with focus on developing smart solutions for digital supply chains, Industry 4.0 and expanding cloud solutions *(source: SAP, Mar 2022)*.

COVID-19 PANDEMIC AND RUSSIA-UKRAINE CONFLICT

As the restrictions imposed by the Covid-19 pandemic continue, it remains difficult to predict the resulting impacts on All for One Group. All for One Group is not directly affected by the fallout from the Russia-Ukraine conflict as it does not have any business relationships of any importance with suppliers and customers in Ukraine or Russia.

The war in Ukraine does, however, considerably impact the strategic risk posed by the general economic and geopolitical conditions. Regardless of the continued substantial risk posed by the Covid-19 pandemic for the global economy – as recently noticeable in China – the war in Ukraine is changing the geopolitical and economic outlook and the risk assessment of the same. The war in Ukraine and the political and economic fallout from the same – such as sanctions and possible countermeasures – could give rise to far-reaching risks for the global economy. Although All for One Group's business in Russia or Ukraine is not material, the war in Ukraine could, nevertheless, negatively impact the production processes, as well as the procurement and logistics processes of the Group's customers, for example as a result of disruptions to supply chains and energy supplies, or shortages of components, commodities and interim products. The war could, moreover, indirectly cause inflation to soar, taking with it the prices for commodities, energy and input goods. This could result in severe distortions in the global economy and on the currency, capital and foreign exchange markets if the central banks raise key interest rates too quickly or too aggressively. The war in Ukraine is, moreover, increasing the risk of renewed escalation of the trade conflict between the US and China. The management of All for One Group observes the economic, political, geopolitical and regulatory environment in all key markets in an effort to quickly adjust its business operations and processes to changing conditions. In light of the highly volatile situation and prevailing uncertainty, however, it is not possible to entirely predict the full extent of the global impacts and consequences.

3.2 OVERALL ASSESSMENT OF BUSINESS PERFORMANCE

OVERALL STATEMENT ON BUSINESS PERFORMANCE AND THE ECONOMIC POSITION

The Group
Based on the aforementioned analysis of business performance and of the earnings, financial and asset situation, and after consideration of all relevant facts and circumstances, the management board of All for One Group SE believes that the Group is still in a solid economic posi-

tion. Looking beyond the end of financial year 2021/22 and after completion of the first weeks of financial year 2022/23, the management board believes that the economic position of All for One Group also remains very solid.

All for One Group SE
After consideration of all relevant facts and circumstances and completion of the first weeks of financial year 2022/23, the management board believes that the economic position (assets, financial and earnings situation) of All for One Group SE is still very solid.

COMPARISON OF ACTUAL BUSINESS PERFORMANCE WITH THE ISSUED GUIDANCE

Guidance 2021/22 versus actual

in EUR millions, unless otherwise stated	Actual 2021/22	Original guidance 2021/22 [1]	Adjusted guidance 2021/22	Comparison
Group				
Sales revenue (IFRS) [2]	452.7	430 – 450	440 – 460	achieved
EBIT (IFRS) [3]	17.6	24 – 26	17 – 21	achieved
Employee retention (in %)	91.2	93.1 – 93.6	93.1 – 93.6	not achieved
Health index (in %)	96.6	96.9 – 97.4	96.9 – 97.4	not achieved
All for One Group SE				
Sales revenue (IFRS)	285.1	270 – 280	270 – 280	slightly exceeded
EBIT (IFRS)	3.4	7 – 8	7 – 8	not achieved
Employee retention (in %)	93.3	94.2 – 94.7	94.2 – 94.7	not achieved
Health index (in %)	96.4	96.9 – 97.4	96.9 – 97.4	not achieved

1) Original guidance as reported in the combined management report 2020/21.

2) Original guidance was raised on 9 May 2022.

3) Original guidance was reduced on 28 July 2022.

The Group
The sales and EBIT guidance issued in the combined management report 2020/21 for financial year 2021/22 was exceeded in terms of sales and not achieved in terms of EBIT.

In light of the progress with integrating the newly acquired companies and of the strong demand for digitalisation services in the 1st half-year 2021/22, the sales guidance was raised to a range of between EUR 440 million and EUR 460 million on 9 May 2022. The Group achieved this higher target. The war in Ukraine, the ongoing Covid-19 pandemic and supply chain problems increasingly impacted All for One Group's customers and directly and indirectly affected the Company. Uncertainty surrounding economic development, for example, increasingly prompted customers to defer or suspend projects at short notice. Inflation is at its highest level since German reunification, resulting in unplanned cost increases. Initial steps have been taken to enhance efficiency, to prepare the Group for the tense economic situation and its possible impacts. In light of these developments, All for One Group was unable to meet its original EBIT target and, on 28 July 2022, adjusted its earnings guidance for EBIT to between EUR 17 million and EUR 21 million. The actual result was within the newly published range.

In terms of sales, the Group witnessed strong organic growth in the first half of the year under review, and reaped additional benefit from integrating the newly acquired companies. For example, consulting and services revenues increased significantly while licensing revenues grew unexpectedly strongly. In the second half of the financial year, All for One Group had to deal with several negative influences at once. The pandemic resulted in larger numbers of employees going off sick, licensing revenues slumped considerably, and higher prices as a result of inflation pushed down sales and had a disproportionately adverse impact on earnings. The ongoing Covid-19 pandemic, supply chain bottlenecks and uncertainty surrounding future economic development resulted in a growing number of projects being postponed or suspended at short notice in both the CORE and LOB segments.

Closer analysis of the deviation between the **EBIT guidance** for financial year 2021/22 that was issued in our combined management report 2020/21 and actual EBIT reveals, above all, higher-than-budgeted costs of materials and purchased services resulting from the increase in sales, the increased use of external consulting resources (»freelancers«) from the Group's partner network, and higher prices for electricity in computer centres. The ratio of personnel expenses to sales was in line with the budget whereas other operating expenses rose due to the costs associated with due diligence and preparing corporate purchases, inflation-related increases in costs, for petrol for example, and more travel. In addition, depreciation, amortisation and impairment on intangible, fixed and right-of-use assets were above budget in connection with the consolidation of the newly acquired companies.

The impacts of the Omicron wave are visible in a much greater number of days off sick in the 2nd half-year 2021/22 and, accordingly, in a lower **health index** of 96.6% compared with the guidance of 96.9% – 97.4%. The Group was unable to meet the target for **employee retention**. It believes that the lockdowns caused by Covid-19 and the uncertainty in the market had generally dampened employees' willingness to change, which was reflected in a very low turnover rate in the previous year. As the labour market returned to normal and given the severe shortage of experts in the IT sector, the latter started rising again. As a result, employee retention at 91.2% is below target due to competition- and acquisition-related factors, although the management of All for One Group believes it is still in line with the industry average.

All for One Group SE

At parent company level, the sales guidance for financial year 2021/22 issued in our combined management report 2020/21 was slightly exceeded. The earnings target was not achieved.

The closer analysis of the deviations between guidance and actual Group performance is largely valid for All for One Group SE as well.

The target range for Group EBIT was adjusted on 28 July 2022, although the guidance for the parent company was not explicitly corrected. The cost and illness effects discussed in the consolidated analysis rendered it impossible to meet the EBIT target for All for One Group SE as issued in the 2020/21 management report.

As was also the case with the Group, the actual employee retention and health index results fell short of the targets.

3.3 GROUP EARNINGS SITUATION

SALES REVENUE in EUR millions	10/2021 – 09/2022	10/2020 – 09/2021	
	452.7	372.9	+21%

RECURRING REVENUE [1] in EUR millions	10/2021 – 09/2022	10/2020 – 09/2021	
	240.5	201.8	+19%

EBIT BEFORE M&A EFFECTS (NON-IFRS) in EUR millions	10/2021 – 09/2022	10/2020 – 09/2021	
	27.3	25.2	+8%

EBIT in EUR millions	10/2021 – 09/2022	10/2020 – 09/2021	
	17.6	20.6	-15%

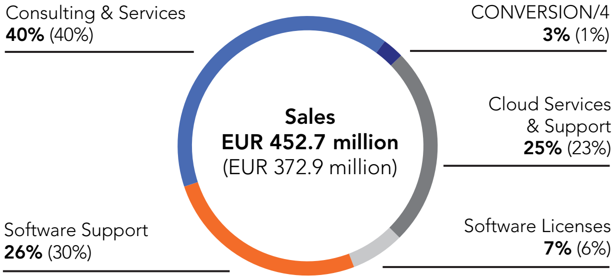
1) Prior-year figures adjusted (see section »1. Sales revenue« in the notes to the consolidated financial statements)

Sales revenue by type of revenue [1]

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021	Delta in %
Cloud services and support (1)	**112,028**	**85,100**	**32**
Software licenses and support (2)	**146,607**	**134,451**	**9**
Software licenses	30,176	22,922	32
Software support (3)	116,431	111,529	4
Consulting and services	**181,949**	**148,239**	**23**
CONVERSION/4 (4)	**12,068**	**5,147**	**>100**
Total	**452,652**	**372,937**	**21**
Cloud and software revenue (1)+(2)	**258,635**	**219,551**	**18**
Recurring revenue (1)+(3)+(4)	**240,527**	**201,776**	**19**

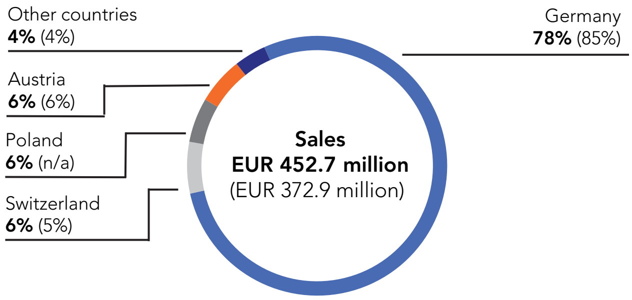
1) Prior-year figures adjusted (see section »1. Sales revenue« in the notes to the consolidated financial statements)

BREAKDOWN OF SALES BY TYPES OF REVENUE IN % [1]



1) Prior-year figures adjusted (see section »1. Sales revenue« in the notes to the consolidated financial statements)

BREAKDOWN OF SALES BY COUNTRY IN % [1]



1) Based on the domicile of the customer

ANALYSIS OF SALES REVENUE

The trend towards digitalisation, cloud transformation, and customers' requirements with regard to migration to SAP S/4HANA is persisting although customers are in some cases deferring their decisions in response to overall economic development. Orders and demand for the Group's digitalisation products and services remain stable, especially in the CORE (ERP and collaboration solutions) segment. The Group was able to double its sales associated with CONVERSION/4 to EUR 12.1 million, which were therefore much higher year on year (2020/21: EUR 5.1 million).

Sales revenues, including acquisitions, totalled EUR 452.7 million, a significant improvement of 21% on the prior-year figure of EUR 372.9 million. Organic sales growth was 7% in the year under review. Recurring revenues increased further both from cloud services and support (plus 32% to EUR 112.0 million) and from software support (plus 4% to EUR 116.4 million). At EUR 240.5 million in total (plus 19%), recurring revenues accounted for 53% (2020/21: 54%) of total sales.

Since there is no stopping the trend towards the cloud, the Group expects license sales to trend downwards in the future, while cloud revenues increase. The existing licensing models will nevertheless continue to play a key role for many of the Group's installed customer base, even when migrating from SAP ERP to SAP S/4HANA. Year on year, licensing revenues increased by 32% to EUR 30.2 million as a result of both strong demand in the 1st half-year 2021/22 and the acquisition in Poland.

The prior-year consulting and services revenues were exceeded by 23% (2020/21: EUR 148.2 million).

ANALYSIS OF EARNINGS SITUATION

Earnings performance

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Sales revenue	452,652	**372,937**
Cost of materials and purchased services	-168,226	-141,838
Personnel expenses	-206,049	-169,567
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	-29,491	-21,444
Impairment losses on financial assets	-434	387
Other operating expenses/income	-30,852	-19,842
EBIT	**17,600**	**20,633**
Financial result	-1,683	-1,310
EBT	**15,917**	**19,323**
Income tax	-4,880	-5,808
Result for the period	**11,037**	**13,515**

The higher cost of materials and purchased services (plus 19% to EUR 168.2 million) is a result of the growth in sales and the increased use of external consulting resources (»freelancers«) from our partner network, but was also caused by higher prices for electricity in our computer centres. The cost of materials ratio was 37% compared to 38% in the prior year.

Personnel expenses increased overall by 22% to EUR 206.0 million. The ratio of personnel expenses to sales was 46% (2020/21: 45%) and the personnel expenses per full-time employee (plus 36% to an average of 2,332 FTEs) decreased from EUR 99.2 million to EUR 88.4 million due to the integration of the newly acquired companies and the expansion of our subsidiary in Turkey.

In conjunction with the consolidation of the newly acquired companies, depreciation, amortisation and impairment of intangible, fixed and right-of-use assets increased to EUR 29.5 million (plus 38%).

Other operating income includes marketing subsidies as well as income from disposals of fixed assets. At EUR 5.7 million overall, this figure is higher than the prior-year level of EUR 4.2 million.

Other operating expenses increased significantly to EUR 36.5 million (plus 52%). This increase was due to the integration of the new companies, higher costs – for petrol, for example – as a result of inflation, and more travel.

Impairment losses on financial assets, mainly for trade receivables, changed from plus EUR 0.4 million by EUR 0.8 million to minus EUR 0.4 million.

Earnings before interest, taxes, depreciation and amortisation (»EBITDA«) increased by 12% to EUR 47.1 million (2020/21: EUR 42.1 million). The EBITDA margin was 10.4% (2020/21: 11.3%). EBIT declined by 15% to EUR 17.6 million, so that the EBIT margin of 3.9% (2020/21: 5.5%). was significantly lower than the prior year.

ANALYSIS OF EBIT BEFORE M&A EFFECTS (NON-IFRS)

EBIT before M&A effects (non-IFRS) increased by 8% to EUR 27.3 million (2020/21: EUR 25.2 million). The corresponding EBIT margin before M&A effects (non-IFRS) was 6.0% (2020/21: 6.7%). Since the effect of acquisition-related depreciation, amortisation and impairment on intangible assets on EBIT will persist as long as All for One Group continues to build its portfolio by acquiring businesses, this performance indicator will become increasingly relevant as it shows the »undistorted« development of operations.

Reconciliation to EBIT before M&A effects (non-IFRS)

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Earnings before interest and taxes (EBIT)	**17,600**	**20,633**
+ impairment of goodwill	0	0
+ acquisition-related depreciation, amortisation and impairment on other intangible assets	8,717	3,562
+/- other acquisition-related expenses (and income)	962	958
EBIT before M&A effects (non-IFRS)	**27,279**	**25,153**

The financial result was minus EUR 1.7 million and is thus below the prior-year level (2020/21: minus EUR 1.3 million). EBT amounted to EUR 15.9 million (minus 18%).

Income taxes were EUR 4.9 million (2020/21: EUR 5.8 million), resulting in an increase in the income tax rate from 30% to 31%. The result for the period declined by 18% to EUR 11.0 million and earnings per share by 18% to EUR 2.20. The average number of shares in free float was unchanged in financial year 2021/22 at 4,982,000.

Other comprehensive income totalled plus EUR 2.7 million (2020/21: plus EUR 1.2 million) and, in addition to unrealised losses of EUR 0.1 million (2020/21: EUR 0.1 million) from currency translation, mainly includes remeasurements of defined benefit liability plans (including related tax) of plus EUR 2.8 million (2020/21: plus EUR 1.2 million) in total.

ANALYSIS OF SALES REVENUE AND EARNINGS BY SEGMENT

	CORE		LOB	
in KEUR	**10/2021 – 09/2022**	**10/2020 – 09/2021 [1]**	**10/2021 – 09/2022**	**10/2020 – 09/2021 [1]**
Statement of profit and loss				
External sales revenue	382,012	310,992	70,640	61,945
Intersegment revenue	6,015	4,767	11,277	9,933
Sales revenue	**388,027**	**315,759**	**81,917**	**71,878**
Segment EBIT	**13,375**	**15,999**	**4,215**	**4,624**
Segment EBIT margin (in %)	3.4	5.1	5.1	6.4

1) Prior-year figures adjusted (see section »20. Segment reporting« in the notes to the consolidated financial statements)

Sales in the **CORE** (ERP and collaboration solutions) segment 23% to EUR 388.0 million due, particularly, to higher cloud and software revenues and to the acquisitions in Poland and Switzerland. The segment's EBIT decreased by minus 16% to EUR 13.4 million. The strong growth in CONVERSION/4 business will continue to have a positive impact on the sales of this segment. Since the segment also covers areas such as IoT & Machine Learning and New Work & Collaboration, Strategy & Management Consulting have also been classified as part of the CORE segment since the start of the financial year. Prior-year figures have been adjusted accordingly to improve comparability.

The **LOB** (»Lines of Business«) segment offers additional growth and margin potential through recurring cloud subscriptions and self-developed add-on solutions. Capacity utilisation was below expectations as a result of the uncertainty among customers with regard to the Covid-19 pandemic and economic development. LOB segment sales increased by 14% to EUR 81.9 million, but EBIT decreased by 9% to EUR 4.2 million. The segment's EBIT margin, at 5.1% (2020/21: 6.4%), is above the EBIT margin for the Group as a whole. In the medium run, the Group expects the situation in the LOB segment to return to normal, albeit it will not be possible to make good the additional unplanned burdens witnessed during the year under review.

3.4 GROUP ASSETS AND FINANCIAL SITUATION

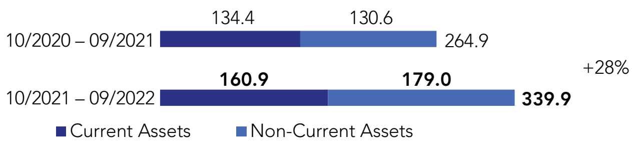
ANALYSIS OF ASSETS SITUATION

Assets situation

	30.09.2022	30.09.2021	Δ in %	Definition
Equity ratio (in %)	29	35	-17	Equity / Total capital
Cash and cash equivalents (in EUR millions)	77.5	75.0	3	Cash and cash equivalents (as per consolidated balance sheet)
Net debt (in EUR millions)	-43.4	-13.8	>100	Liabilities to financial institutions, lease liabilities less cash and cash equivalents (as per consolidated balance sheet)
Days of sales outstanding (in days)	43	40	8	Trade receivables (12 months ∅) / Sales revenue x 360 days
Equity to assets (in %)	80.8	120.3	-33	Equity / (Fixed assets + goodwill + other intangible assets) (as per consolidated balance sheet)

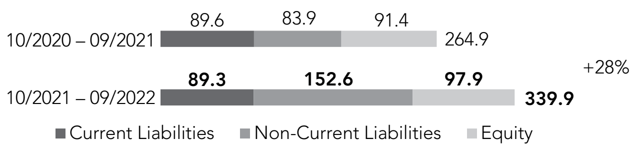
BALANCE SHEET: ASSET STRUCTURE IN EUR MILLIONS

Assets



BALANCE SHEET: CAPITAL STRUCTURE IN EUR MILLIONS

Liabilities and equity



The balance sheet total as of 30 September 2022 increased to EUR 339.9 million (plus 28%) due to the acquisitions. Overall, **assets** increased in value by EUR 74.9 million. Cash and cash equivalents increased slightly by EUR 2.5 million to EUR 77.5 million. Goodwill (plus EUR 35.3 million), other intangible assets (plus EUR 9.3 million) and trade receivables (plus EUR 16.2 million) increased significantly in the wake of consolidating the new subsidiaries.

In spite of the established claims management system put in place, the average days of sales outstanding increased slightly to 43 days (2020/21: 40 days).

The development of **liabilities** was partly due to higher liabilities to financial institutions (plus EUR 29.0 million) following the issuance of new promissory note loans. At the same time, other liabilities (plus EUR 27.6 million) also increased. They include purchase price obligations relating to variable purchase price components, including for the shares in All for One Poland, blue-zone and POET. The increase in equity (plus EUR 6.5 million) reflects both the total earnings (EUR 13.8 million) and, in particular, the countervailing dividend payment (minus EUR 7.2 million).

Net debt now amounts to EUR 43.4 million (30 Sep 2021: EUR 13.8 million). The equity ratio decreased to 29% (30 Sep 2021: 35%) as a result of the balance sheet extension.

ANALYSIS OF FINANCIAL SITUATION

Financial situation

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Cash flow from operating activities	28,062	34,783
Cash flow from investing activities	-29,803	-5,651
Cash flow from financing activities	3,858	-23,215
Free Cashflow	7,640	17,154

Calculation of free cash flow

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Cash flow from operating activities	**28,062**	**34,783**
Payments for purchase of intangible and fixed assets	-6,416	-6,337
Proceeds from sale of intangible and fixed assets	677	774
Repayment of lease liabilities	-14,683	-12,066
Free cash flow	**7,640**	**17,154**

Cash flow from operating activities totalled EUR 28.1 million (2020/21: EUR 34.8 million). The lower figure was substantially due to the reduced EBIT and a significant increase in outstanding receivables following inclusion of the new subsidiaries. Compared to the prior year (increase of EUR 2.2 million) trade accounts payable decreased by EUR 3.2 million in the period under review.

Cash flow from investing activities totalled minus EUR 29.8 million (2020/21:minus EUR 5.7 million and therefore increased significantly. The cash outflows were virtually entirely due to the payment of purchase prices to acquire the new subsidiaries.

Cash flow from financing activities totalled plus EUR 3.9 million (2020/21: minus EUR 23.2 million) mainly due to cash inflows from promissory note loans amounting to EUR 40.0 million, and countervailing cash outflows to redeem promissory note loans (EUR 11.0 million). The repayment of lease liabilities) (EUR 14.7 million) and higher dividend payments (EUR 7.3 million) also affected the cash flow from financing activities. As a result, cash funds totalled EUR 77.2 million (30 Sep 2021: EUR 75.0 million).

Free cash flow decreased to EUR 7.6 million (2020/21: EUR 17.2 million) due to the lower cash flow from operating activities and to the repayment of lease liabilities.

GROUP FINANCIAL MANAGEMENT PRINCIPLES AND OBJECTIVES

Financial management at All for One Group is primarily understood as liquidity management, capital structure management and the management of interest rates. Currencies are of only minor importance. The financial management function at All for One Group strives to preserve financial independence by assuring the availability of sufficient liquidity. In doing so, it aims to sustain the good financial strength of the Group at all times. Risks should be avoided to the greatest possible extent, while risks to operational business need to be effectively hedged. Accordingly, All for One Group does not engage in speculative forward transactions nor does it currently make use of any derivative financial instruments. One particular area of financial management focus is also to monitor and ensure compliance with the covenants governing the promissory note loans used to fund the company. The financing and liquidity risks are discussed in Section »4. Opportunities and risk report«.

The Group is strongly influenced by its operationally active parent company All for One Group SE. As such, the annual financial statements of All for One Group SE indicate that business performance was very similar to that discussed in the consolidated financial statements of All for One Group.

3.5 ASSETS, FINANCIAL AND EARNINGS SITUATION OF ALL FOR ONE GROUP SE

The annual financial statements of All for One Group SE are prepared in line with the generally accepted accounting principles as specified in Sections 242 to 256a and 264 to 288 HGB, together with the special regulations specified in the German Stock Corporation Act (Aktiengesetz, AktG).

ANALYSIS OF ASSETS, FINANCIAL AND EARNINGS SITUATION

Balance sheet of All for One Group SE (condensed version, HGB)

in KEUR	30.09. 2022	30.09. 2021
Intangible assets	12,089	14,936
Fixed assets	26,465	24,913
Financial assets	104,561	64,435
Inventories	0	0
Receivables and other assets	34,215	31,423
Cash resources	38,431	39,568
Accruals	10,069	10,369
Total assets	**225,830**	**185,644**
Equity	79,108	75,631
Provisions	35,870	25,844
Liabilities	106,664	80,787
Deferrals	2,646	1,268
Deferred tax liabilities	1,542	2,114
Total liabilities	**225,830**	**185,644**

Statement of profit and loss of All for One Group SE (condensed version, HGB)

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Sales revenue	285,078	261,469
Change in inventory	2,091	5,716
Other operating income	8,672	8,475
Cost of materials	-133,901	-123,927
Gross profit	**161,940**	**151,733**
Personnel expenses	-117,588	-111,506
Depreciation and amortisation	-12,254	-11,695
Other operating expenses	-33,485	-25,655
Operating result	**-1,387**	**2,877**

Earnings situation

All for One Group SE was able to further increase sales revenues by 9% to EUR 285.1 million (2020/21: EUR 261.5 million). Recurring revenues increased by 7% to EUR 176.4 million and accounted for 62% (2020/21: 63%) of total sales. The increase was substantially due to an increase of EUR 12.3 million in revenues from cloud services and support whereas software support revenues were virtually unchanged year on year.

Licensing sales increased significantly, by 26% to EUR 24.2 million. Consulting and services revenues rose by 7% to EUR 80.7 million.

The item »Change in work in progress« increased to EUR 2.1 million (2020/21: EUR 5.7 million) and includes, above all, a growing volume of consultancy projects that have already commenced but are not yet, or have only been partially, completed.

Other operating income increased by 2% to EUR 8.7 million and includes benefits in kind to employees and income from the reversal of provisions and from marketing support.

In line with the business expansion, the cost of materials increased by 8% to EUR 133.9 million. The main driver of the cost of commodities, consumables and supplies and of purchased goods was the increase in license sales, which led to correspondingly higher expenses. Overall, the cost of materials ratio of 47% was slightly less than the prior-year level of 48%. As a result, gross profit increased by 7% to EUR 161.9 million.

Personnel expenses increased by 5% to EUR 117.6 million while the average headcount rose by 69 to 1,200. The ratio of personnel expenses to sales decreased from 43% to 41%.

The increase in depreciation and amortisation at All for One Group SE of 5% to EUR 12.3 million was due in particular to investments in cloud technologies in our computer centres.

The increase in other operating expenses of 31% to EUR 33.5 million was primarily due to a renewed rise in travel expenses which had decreased sharply in the previous year due to the Covid-19 pandemic, increased internal IT costs and risk provisioning for customer projects.

Accordingly, the operating result was minus EUR 1.4 million after EUR 2.9 million in the prior year.

All for One Group SE generated income of EUR 14.5 million (2020/21: EUR 7.9 million) in the reporting year through profit distributions and transfers from subsidiaries' profit transfer agreements.

Tax expenses for the current year amounted to EUR 1.2 million (2020/21: EUR 2.2 million). Net profit for the year increased by 40% to EUR 10.7 million.

Assets and financial situation

The balance sheet total as of 30 September 2022 of All for One Group SE increased by 22% year on year to EUR 225.8 million.

Intangible assets declined to EUR 12.1 million (minus EUR 2.8 million) in the course of scheduled amortisation. In the course of expanding its cloud services, the Group invested in replacements and additions to its computer centres. Fixed assets thus increased to a total of EUR 26.5 million (plus EUR 1.6 million). Capital expenditure on fixed assets totalled EUR 10.7 million in the current reporting year (2020/21: EUR 14.0 million). As of 30 September 2022, additional investment commitments existed for legal and/or business reasons. With a total volume of EUR 13.3 million (prior year: EUR 0.7 million), they mainly relate to planned investment in computer centres (purchase commitments).

Following the aforementioned acquisitions, financial assets totalled EUR 104.6 million and were therefore above the prior-year level of EUR 64.4 million.

In inventories, work in progress was netted completely against advance payments received for purchase orders. At zero, the net item is therefore unchanged year on year. This includes both EUR 55.6 million for consultancy projects that have commenced but not yet been completed (30 Sep 2021: EUR 53.5 million) and an equivalent amount for advance payments received for purchase orders.

In total, trade receivables and other assets increased to EUR 34.2 million year on year (plus EUR 2.8 million) due to higher trade receivables (plus EUR 3.4 million to EUR 24.1 million) in the wake of the business expansion, and to an increase in other assets to EUR 1.8 million (plus EUR 0.9 million). In contrast, receivables from affiliated companies decreased mainly due to the repayment of loans from subsidiaries (plus EUR 3.4 million to EUR 24.1 million). Cash and cash equivalents declined to EUR 38.4 million (minus EUR 1.1 million).

Provisions increased to EUR 35.9 million (plus EUR 10.0 million). The increase was mainly due to obligations that are still outstanding with regard to purchase price payments for acquisitions (earn-outs). The increase in liabilities of EUR 25.9 million to EUR 106.7 million was mainly due to higher liabilities to credit institutions in connection with the issuance of promissory note loans. Equity increased overall from EUR 75.6 million to EUR 79.1 million and resulted from the current net profit for the year less the dividend distribution of the reporting year. Accordingly, the equity ratio was 35% (30 Sep 2021: 41%). Net debt increased to EUR 39.1 million (30 Sep 2021: EUR 8.9 million).

Despite the uncertain economic environment discussed above, the financial position of All for One Group SE as of 30 September 2022 was robust and stable.

FINANCIAL MANAGEMENT PRINCIPLES AND OBJECTIVES OF ALL FOR ONE GROUP SE

The same principles and objectives apply for financial management at All for One Group SE as for the Group as a whole.

ALL FOR ONE GROUP SE RATING

In light of the solid financing structure and financial instruments used by the Company, there was still no need for All for One Group SE to commission external rating agencies to carry out assessments of the company's creditworthiness.

The Deutsche Bundesbank rated the Company as possessing central bank eligibility initially until 24 May 2023. That means that lending banks can use loan receivables owing from All for One Group SE as collateral for refinancing purposes with Deutsche Bundesbank.

04 OPPORTUNITIES AND RISK REPORT

4.1 GROUP GOVERNANCE MODEL

Unless indicated otherwise, the disclosures in this opportunities and risk report are valid equally for both Group and parent company.

All for One Group is value-based and operates in a dynamic market environment. A group governance model was established to ensure the successful implementation of strategies, sustainably profitable growth, and the achievement of financial and non-financial targets and forecasts. This model is being continuously further developed. It builds on the corporate culture »WE ARE ONE« and the principles of good corporate governance: responsible, sustainable and transparent leadership. The group governance model is specifically designed within the framework of the following three pillars:

- Opportunities and risk management system
- Compliance management system (incl. data protection)
- Internal control system (with internal audits)

Each pillar has specific »mechanisms« for planning and managing financial and non-financial issues, and their interactions and interdependencies. All for One Group's approach to opportunities and risk management (how opportunities and risks are identified, evaluated, managed, communicated and monitored) is the same for both financial and non-financial issues. Non-financial aspects, such as sustainability aspects, are also monitored as part of the opportunities and risk management system.

The management board is responsible for implementing effective internal control and risk management systems that are appropriate for the business activities and risk situation of All for One Group, and for assuring that the group governance model is effective. It therefore monitors both the effectiveness and the application of the systems. To this end, the risk manager, compliance officer, data protection officer and head of internal audits report to the management board. On this basis, the management board uses its discretionary judgement to evaluate the effectiveness of the relevant systems in an ongoing manner. If necessary, external consultants are engaged during the evaluation process. The supervisory board also consults directly with the people responsible with regard to the development and application of the relevant processes.

OPPORTUNITIES AND RISK MANAGEMENT SYSTEM

Entrepreneurial activities and grasping opportunities inevitably involve taking risks. Which is why the foremost aim of the group governance model is to ensure that relevant opportunities and risks are identified, assessed, and appropriate steering mechanisms implemented at the earliest possible stage. This process aims to ensure the best possible exploitation of opportunities and the promotion of growth while at the same time mitigating risks and averting threats that might jeopardise the survival of the Group. All for One Group therefore defines opportunities as potential success that extends beyond the targets set for normal operations. Risk is defined as a development or incident that results in deviation from a target with corresponding negative impact for the Company. As such, the term opportunities and risk management system is used to mean all organisational rules and actions taken to identify and handle the opportunities and risks associated with business activity.

Opportunities management

The innovative strength and quality of solutions are critical for the businesses of All for One Group's customers. They show how to successfully digitalise business workflows or even how to design and expand new business models in order to secure competitive advantages for customers while at the same time making the Company fit for the future. The numerous individual »opportunities« offered by digital transformation therefore define the entire opportunities management to a very considerable degree. At the same time, internal workflows are becoming more efficient through the targeted use of new technologies and help the Company to successfully realise the opportunities.

An essential part of the Group's opportunities management effort is carefully examining the current and future needs of customers and their industry-specific success factors with particular regard to ongoing digital transformation. Market, industry and technology trends, opportunities, SAP, Microsoft and IBM innovations and their related software solutions are analysed with regard to how to employ them for the benefit of customers. The approach to opportunities is based on whether they enhance the value of the Company. The Group also assesses opportunities in terms of investments, personnel resources, capabilities, and other factors that are vital for best accessing and grasping the identified opportunities. This assessment is then reconciled with the appropriate risk mitigation measures in an attempt to achieve the best possible balance between opportunities and risks.

Revenue and earnings forecasts (see section »5. Outlook«) reflect the degree to which the Group believes those opportunities described below are likely to arise.

Risk management

All for One Group and its parent company All for One Group SE, are exposed to a number of different risks. As part of its overall responsibility for the Group, the management board established a risk management and internal control system specifically for the purpose of early identification, assessment and implementation of appropriate and effective countermeasures against risks. In addition, a uniform compliance management system has been established throughout the Group. In particular, this system forms the basis for adequately ensuring achievement of the planned financial, non-financial, operational and strategic goals and compliance with rules and regulations. Early risk warning and internal controls are integral parts of the budgeting, control and reporting processes and as such are firmly anchored within business processes and workflows in the form of a number of monitoring and management mechanisms. Consequently, the risk management system represents an important cornerstone in business decision-making processes. Risk consolidation includes the same entities as the scope of consolidation of All for One Group.

Within the framework of the risk management system, gross risks (i.e. before risk-mitigating countermeasures) and thus also risks that can largely be avoided due to appropriate countermeasures are recorded. Risk reports are based on net figures, i.e. taking into account risk-mitigating countermeasures, and divided into various risk groups (see section »4.4. Risks associated with future business development« and specifically the sub-section »List of individual risks«).

The basic structure of the risk management organisation is essentially unchanged compared to the prior year. The organisation is headed by the risk manager under whose leadership the risk management team performs its operational risk management functions. Risk officers from the operational departments of All for One Group form the core of this team. Risk officers have also been appointed in the subsidiaries.

The risk officers continuously monitor both the development of the risks associated with their areas of responsibility and with the Company, and the effectiveness of the risk mitigation measures, and on the basis of this prepare a risk analysis and assessment, and report regularly to the risk manager. The risk manual prescribes a standardised method, documents the risk management organisation, processes and responsibilities and provides tools for the continuous documentation of the analysis results. The risk manager regularly hosts workshops and consultations with the risk officers. The corresponding findings and results are incorporated into the risk report that the risk manager prepares and submits to management. The management board and the risk manager discuss and review the identified and remaining risks in detail. If necessary, the management board adjusts and/or extends the existing control measures. To further enhance the ability of the management board of All for One Group SE to monitor and steer the risk management system, the intervals between issuance of the relevant reports were shortened in financial year 2021/22, thus intensifying the reporting procedure.

In addition, the risk management system was aligned to the methodology stipulated in the new IDW Audit Standard 340 (Auditing risk early warning systems) during the period under review; a process that focused particularly on improving the risk assessment scales. Furthermore, a risk capacity concept was put in place for the first time to quantify the potential financial cost to All for One Group to cover the losses that might possibly result from the identified risks. As such, the risk capacity concept constitutes an additional pillar for assuring the effectiveness of the risk management system.

Organisational security and control mechanisms integrated into processes are the foremost means of monitoring the risk management system. Alongside this, the corresponding risks are also monitored on a decentralised basis within each of the departments and subsidiaries by means of special analyses and additional assigned duties and responsibilities. Added to which, the auditors engaged by All for One Group assess the suitability for purpose of the risk early warning system as part of the annual audit. This ensures that, on balance, improvements that need to be made to the risk management system are identified early on and improvements put in place.

This risk management system is fully integrated within the organisational and operational structure and provides the foundation for risk early warning and control. The internal control system and compliance management system are closely linked to the risk management system.

COMPLIANCE MANAGEMENT SYSTEM

All for One Group's compliance management system, which has been established throughout the Group, is designed to ensure compliance with and adherence to laws, regulations, guidelines and voluntary commitments, as well as conformity with standards. At the core of the system is a code of conduct derived from All for One Group's corporate values, which sets forth binding rules about behaviour that apply to each and every employee and executive. The compliance management organisation oversees adherence to the code of conduct. This organisation is led by a compliance manager and is reinforced by a compliance department and compliance coordinators in the subsidiaries. Every employee is given access to, and may review, the individual elements of our compliance management system on our intranet. Tip-offs and suspected misconduct can be reported via an externally published whistleblowing portal that is valid throughout the Group (https://all-for-one.integrityline.org).

The compliance management system was further improved during financial year 2021/22 and centred around further adapting the organisation and processes across the entire Group to the strategy and business model of All for One Group, as well as providing training on issues relating to compliance and data protection. Focus centred on closely integrating all Group units – from management board to office team member.

INTERNAL CONTROL SYSTEM

Basic principles of the internal control system
The Group's internal control system is based on principles, processes and measures aimed at implementing management decisions. Accordingly, the purpose of the internal control system is to operationalise and reduce business risks. Its foremost aim is to assure effectiveness and the economic viability of the business operations, the proper and dependable design of the in-house and external accounting processes, and compliance with those legal regulations of relevance for the Company.

Key features of the internal control system include:

– Control environment
– Risk assessment
– Control activities
– Information and communication
– Monitoring

One of the objectives of All for One Group's control systems is for the management board, managing directors and other executives at All for One Group to lead by example, setting the »tone from the top« when it comes to compliance with, and implementation of laws and in-house policies. In doing so, they should contribute to a corporate culture that highlights the importance of ethical values and integrity in determining the success of a business while at the same time promoting widescale understanding of the need for internal controls.

The structure of the internal control system is determined substantially by the need to identify those incidents and activities that could potentially have an adverse effect on the business performance and the net assets, financial position and results of operations of All for One Group. The risk management system – which is firmly embedded in the structural and workflow organisation – is therefore closely linked to the internal control system and plays a substantial role in shaping the latter.

To assure the effectiveness of the internal control system, it includes, above all, guidelines, Group-wide accounting policies, control mechanisms embedded in processes and IT systems, and the principles of risk-oriented segregation of duties. The internal control system is based on the pillars of the »principle of dual control«, »segregation of duties«, »integrated reporting« and »internal audits«. The »principle of dual control« is implemented at operational level and monitored within the Group with the help of structured, documented and communicated policies, such as signatory guidelines, operational rules and organisational guidance. Another effective control and security mechanism is the carefully crafted and tailored rights and authorisations concept. Access and activities of individuals and groups of people to what are predominantly SAP-based and Microsoft-based applications are thus precisely defined across the entire management organisation and its functional areas. These internal systems and applications, along with their respective rights and authorisation concepts, were further developed during the reporting year. The »segregation of duties« within critical business processes further enhances the security and quality of the workflow. Individual groups of people are also assigned horizontal duties, so that a system of mutual checks and balances is implemented across the various departments and areas of responsibility.

The functional reliability and effectiveness of the internal control system at All for One Group is audited and monitored, in particular, by the internal auditing function. To enable it to perform its duties independently, the internal auditing function has been given comprehensive rights to information, auditing and inspection.

Basic principles of the internal audits
As part of internal audits, selected companies and Group processes and procedures undergo a separate audit each year that also examines their compliance with internal regulations. The management board defines the areas of main audit focus, with the audit committee adding to them where necessary. Auditing procedures and scopes are agreed in consultation with the management board. Equally, the management board is kept up to date on the progress of any audit findings over the course of the year. Audit findings and remedies are monitored centrally by the internal auditing function.

Accounting-related internal control and risk management system
The internal control and risk management system for the accounting processes is embedded in the Group-wide risk management system and includes principles, methods

and actions for assuring that the accounting processes are not only effective, cost efficient and proper, but also comply with the legel requirements pursuant to Sections 289 (4) and 315 (4) HGB.

With regard to the Group accounting process, the purpose of the internal control and risk management system is to provide adequate assurance that the financial reporting for both the consolidated financial statements of All for One Group and the individual financial statements of all subsidiaries included in the consolidation are compliant with both pertinent laws and generally accepted accounting principles.

Key features of the system include clearly defined control mechanisms (designed as technical and manual coordination processes), the segregation of duties (»principle of dual control«) and the availability of and compliance with policies and work instructions. Regardless of the design of an internal control system (»ICS«), it can never completely guarantee that material misstatements in the accounts will be avoided or discovered. They may occur, for example, as a result of misguided discretionary judgements, inadequate controls, or criminal activity.

In-house IFRS accounting policies govern the standardised accounting and measurement principles for the companies in Germany and abroad that are included in the consolidated financial statements. The companies belonging to All for One Group prepare their financial statements locally and are responsible both for complying with local regulations and for correctly reconciling their local financial statements to the IFRS reporting packages that are prepared using accounting and measurement methods that are the same throughout the Group. The accounting manual issued by All for One Group aims to provide unambiguous instructions to restrict the discretionary scope of the staff when recognising, measuring and stating assets and liabilities, thus minimising the risk of inconsistent accounting practices within the Group. The process of preparing the consolidated financial statements is coordinated and monitored centrally by Group Accounting using a specified schedule of deadlines and activities.

Integrated reporting includes a detailed planning, control and reporting system with numerous analyses and reports about the Group's situation, position and outlook. The planning process runs from the bottom up and on a monthly basis. In addition, regular forecasting is carried out for the business units (segments), their companies and departments in order to further improve management controls, to recognise any discrepancies or deviations as early as possible and to be able to counteract them with appropriate measures. The current Group information system is supplemented by management meetings and business reviews on various levels within the individual departments, companies and business units. The handling of specialist issues and developments transcends departments, corporate entities and business units, and risks are discussed, tracked, evaluated and documented.

Key changes to accounting processes in the wake of new laws, amendments to laws or changes to in-house processes are analysed promptly by Group Accounting to determine their effects and – where relevant – to integrate them into the accounting manual. Certain accounting or complex issues that are exposed to particular risks or require special expertise are monitored and addressed centrally. If necessary, external experts are engaged, especially for impairment testing, measuring pension provisions or the presentation of company acquisitions.

All key accounting-related processes are standardised throughout the Group and mapped in an IT environment. This integration of all key financial systems assures the integrity of the data relating to the individual and consolidated financial statements. Together with the accounting manual that is mandatory throughout the Group, the use of a standardised account plan throughout the Group and the centralised maintenance of the account system ensures the standardised accounting treatment of similar business transactions. This standardisation ensures, above all, uniform, proper and prompt accounting of all material business transactions. This also serves as the basis for legally compliant Group consolidation.

Specific accounting-related risks might occur, for example, in connection with unusual or complex transactions. In addition, a latent risk exists with regard to business transactions that are not processed routinely. A limited number of people have had to be granted discretionary scope with regard to the recognition and measurement of assets and liabilities, which could give rise to further potential accounting-related risks.

Group Accounting is centrally responsible for all consolidation actions and requisite coordination activities. Subsidiaries use the Group-wide standardised report schedule to submit their financial data to Group Accounting for purposes of consolidation. System controls are used to technically validate the financial statement figures submitted by the Group companies. In addition, the individual financial statements submitted by the consolidated entities are validated centrally in conjunction with the reports issued by the auditors. Proper and complete elimination of intra-Group transactions is ensured by system-based deduction and formalised enquiries. The in-house auditing function routinely evaluates the effectiveness of the internal accounting control system.

Risk reporting procedures relating to the use of financial instruments
The risks associated with financial instruments are discussed in detail in the notes to the consolidated financial statements under »Additional information about financial instruments«.

STATEMENT ISSUED BY THE MANAGEMENT BOARD WITH REGARD TO THE APPROPRIATENESS AND EFFECTIVENESS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The discussions above outline the material principles behind the management board's oversight of the internal control and risk management systems. In light of this basis, the management board believes that both systems are appropriate and effective. A substantive examination of this statement by the auditors ist not planned.

4.2 OVERALL STATEMENT ON OPPORTUNITIES AND RISKS

Financial year 2021/22 was a key milestone on All for One Group's journey towards becoming a provider of digitalisation. Implementation of the strategy offensive 2022 not only created a strong and broad foundation of IT services, but also specifically expanded the installed customer base of All for One Group. The portfolio of products and services was enhanced by the four acquisitions during the year under review. The international business orientation (focusing on Germany, Switzerland, Austria and Poland) and the diverse business areas offer numerous opportunities for the Group in strongly growing IT markets. Over the coming financial year, efforts will focus on concluding the strategy offensive that was launched in 2018/19 but delayed by the pandemic. Focus will centre, for example, around involving the regional delivery centers more closely in business operations, expanding Microsoft business and improving margins following completion of the integration of the newly acquired companies.

Moreover – in the interests of presenting a balanced picture of the opportunities and risks – both the following opportunities (see section »4.3. Opportunities for future business development«) and the below risks (see section »4.4. Risks associated with future business development«) are appropriately reflected in our revenue and earnings forecasts (see section »5. Outlook«).

According to the overall assessment and in spite of the apparent domination of reported risks compared to the opportunities explained below, the opportunities outweigh the risks. Given the market position with the large and ever-growing number of regular customers, and in light of the highly trained workforce, and the further expanded foundation of solutions and services, management is convinced that it will be able to successfully meet the new challenges posed by this latest overall risk profile. As such, no risks have been identified which – on their own or in combination with other risks – could jeopardise the survival of the Company.

The digitalisation of business processes within All for One Group's customer markets and the generational change to the SAP S/4HANA business software in close connection with cloud solutions for lines of business are also likely to continue in the medium to long term. The organisation and range of products and services will continue to be specifically geared to the powerful momentum of these trends.

4.3 OPPORTUNITIES FOR FUTURE BUSINESS DEVELOPMENT

The Company's mission »We increase the competitiveness of companies in a digital world« is a brief and concise description of what All for One Group is striving to achieve. The Company invested heavily in expanding new business and service units during the transformation phases to help it meet these targets. Building on strategic cornerstones that have been defined jointly, opportunities have been identified that the Company plans to focus on driving and grasping to generate sales and earnings potential.

OPPORTUNITIES OFFERED BY DIGITAL TRANSFORMATION AND MIGRATION TO SAP S/4HANA WITH CONVERSION/4

The pending discontinuation in 2027 of maintenance for obsolete SAP systems is forcing a lot of companies to migrate to SAP S/4HANA. Accordingly, many of All for One Group's installed base customers will probably be transforming their SAP landscapes to SAP S/4HANA in the years to come. Successful evolution into an intelligent, networked company is virtually unattainable without a »digital core« comprised of an entirely new generation of business software – SAP S/4HANA. The CONVERSION/4 subscription offered by All for One Group is based on the Crystalbridge technology developed by its partner SNP and assures customers of a largely automated technical transformation. In addition, customers can avail themselves of an all-inclusive package of services comprising cloud infrastructure and operation, improvements in business processes and access to ongoing innovations. Since the CONVERSION/4 subscription model was launched, numerous contracts have been signed, and demand from customers remains strong. This offers the opportunity of retaining customer loyalty over an even longer period and further strengthening collaboration. Equally, the SAP installed base comprising more than 5,000 businesses in

Germany alone offers enormous growth potential. After all, the innovative model, which is offered in tandem with the »Rise with SAP« business transformation model, should give numerous other SAP business users the opportunity for a smart migration to SAP S/4HANA and, in doing so, make more use of All for One Group's standing in the SAP midmarket and the high level of visibility within the SAP and – increasingly – Microsoft organisations.

This also offers the opportunity to further increase recurring revenues and to improve the planability and scalability of the business. A higher than planned penetration of the target markets – especially with the expanded portfolio – could have a positive impact on the net assets, financial position and results of operations and could lead to deviations from the revenue and earnings forecasts (see section »5. Outlook«).

OPPORTUNITIES TO GENERATE RECURRING REVENUES BY EXPANDING PRODUCT BUSINESS AND CLOUD FIRST STRATEGY

The marketplace is increasingly moving towards the cloud – a trend that is unstoppable and that will result in a greater share of recurring revenues – and thus in the improved ability to budget – from software subscription models. SAP, for example, is driving this trend with the Rise project, while other manufacturers such as Microsoft are also driving the transformation from licensing to subscription model. For years now, All for One Group has been offering business process optimisation solutions in an ERP environment through its business process library. A subsidiary focusing on developing IOT (»Internet of Things«) products for customers has been operating successfully in this field for years. Last but not least, the acquisition of blue-zone and its dedicated product development expertise marks an important step towards expanding the Company's own product business independently of any manufacturers. In doing so, the Company is striving to set itself apart in the marketplace with self-developed solutions that are closely aligned to the Group portfolio, but which can be sold as standalone products, ideally through the Company's own network, but also through distribution partners.

This also offers the opportunity to further increase recurring revenues and to improve the planability and scalability of the business. A higher than planned penetration of the target markets – especially with new products – could have a positive impact on the net assets, financial position and results of operations and could lead to deviations from the revenue and earnings forecasts (see section »5. Outlook«).

OPPORTUNITIES AS AN ALL-INCLUSIVE, INTEGRATED PROVIDER AND STRONG GROUP, IN BOTH THE MAIN AND LARGER MIDMARKETS

All for One Group is an integrated digitalisation provider and with the involvement of its subsidiaries, can digitally support all business processes of its customers. To promote this, the Group-wide corporate governance structure has been reorganised and focus centred on »customer success management«. At the same time, the Company is gaining more access to customers in the larger midmarket as a result – these are largely internationally operating companies of midmarket size. The wide range of products and services opens up opportunities to craft new or extended integrated solutions, to add to solutions, to offer our customers ongoing and comprehensive support in all areas of digitalisation and to enhance their ability to compete. The Group has specifically adapted its portfolio and market approach to respond to the pioneering role adopted, not just by the IT department but also by the specialist departments, in particular, when it comes to numerous new topics. The Company has strengthened its technology partnership with Microsoft to further enhance this development. This could enable the Group to secure even closer involvement as the consulting, solutions and services partner of choice in IT projects for digitalising business workflows and business models than has so far been the case.

OPPORTUNITIES OF AN EXTENDED PORTFOLIO – EXPANDING THE LINES OF BUSINESS SOLUTIONS AND MICROSOFT

Smarter business processes and better technologies alone are not enough to maintain the future viability of companies and expand their competitive positions. Without the right strategy, a sophisticated »Customer Experience« for the customers of All for One Group's customers, the agility of new working worlds (»New Work and Collaboration«), the high-quality data needed for informed decisions (»Business Analytics«), and without motivated experts (»Employee Experience«), it is rare for a corporate transformation to be sustainably successful. All for One Group's portfolio therefore extends far beyond business process and technology solutions for enterprise resource planning (»ERP«). Added to which, the ability to offer solutions to complete and network Microsoft environments is gaining in importance. Since the digital transformation affects every single area and department of a company and thus creates many new challenges, the expanded portfolio is increasingly coming into its own. The growth and margin potential offered by lines of business solutions is huge, and the Company plans to drive stronger growth in this area. At the same time, All for One Group sees good opportunities to be gained from expanding the Microsoft portfolio, from organic growth, and from possible acquisitions.

As a result, the opportunities for conquering sub-markets related to »ERP« are growing. Executing more projects than budgeted could impact the net assets, financial position and results of operations and could lead to positive deviations from the revenue and earnings forecasts (see section »5. Outlook«).

OPPORTUNITIES OF THE BUY & BUILD STRATEGY

Transformation pressure and the pace of innovation in the Group's markets continue to increase. This development increases the opportunities for external growth above and beyond the organic growth targets (see section »5. Outlook«). Further successful acquisitions could significantly influence the assets, financial and earnings situation. Given the very limited ability to plan, such opportunities are only included in our revenue and earnings forecasts for financial year 2022/23 if the transactions are already sufficiently realistic.

OPPORTUNITIES OFFERED BY THE COMPETITIVE ADVANTAGE OF SUSTAINABILITY WITHIN THE GROUP AND VIS-À-VIS CUSTOMERS

As a digitalisation and transformation partner, All for One Group helps around 3,000 customers to enhance their ability to compete. In the process, demand for solutions, products and services offering enhanced sustainability is growing. Sustainability – such as the careful use of natural resources and lowering greenhouse gas emissions – is becoming increasingly important to customers. Which is why the portfolio of »sustainability solutions« is being gradually and specifically expanded. Important progress in the »sustainability@allforone« strategic initiative was made in the financial year 2021/22 under review. In addition to important groundwork, such as identifying and evaluating the solutions offered by SAP and Microsoft as a basis for self-developed software services, the first co-innovation projects with customers have already been launched.

Accordingly, All for One Group sees good opportunities for increasingly advising customers on numerous aspects of sustainability with made-to-measure solutions and services. Focus will remain on raising the degree of digitalisation, especially of workflows of particular relevance for reducing greenhouse gas emissions and, as a result, lowering energy consumption. In doing so, it will not just be possible to meet emissions targets more quickly and reliably. In addition, customers operating in sectors that are particularly energy intensive can be shown how to counter the sharp rise in energy costs. If efforts to build and expand sustainability succeed even more than expected, so that it evolves into an acknowledged competitive advantage, positive deviations from the revenues and earnings forecasts (see section »5. Outlook«) could be achieved.

OPPORTUNITIES OFFERED BY REGIONAL DELIVERY CENTERS

In response to the severe shortage of experts in the IT sector, All for One Group is increasingly hiring qualified candidates in countries outside its core markets, and is steadily expanding its nearshore offices (»regional delivery centers«). At its subsidiary in Istanbul, for example, the headcount has been increased to 120 employees. The start of the financial year marked the acquisition of what is now All for One Poland, a leading provider of SAP services in Poland with more than 400 employees. These colleagues are contributing their expertise to drive the growth of the Group, particularly in the areas of CONVERSION/4 and major international projects. Last but not least, the acquisition of POET GmbH included the integration of development company POET Egypt in Alexandria and its team of 50 employees into the Group.

In a very short space of time, the Covid-19 pandemic has changed how both the Group and its customers work. Work that customers previously only would have accepted being delivered in a consultancy capacity on site is now being increasingly performed remotely. By the same token, customers are now much more willing to accept online distribution channels and nearshore delivery services. Moving forward, the clearly defined aim of these efforts is to strengthen local consulting projects with experts from the regional delivery centers. In doing so, All for One Group can offer its customers international tech skills and capacity despite a prevailing shortage of experts, while at the same time achieving cost savings and enhancing project delivery efficiency.

OPPORTUNITIES OFFERED BY BETTER CUSTOMER PENETRATION – SPOTLIGHT ON CUSTOMER BASE

In addition to acquiring strategically interesting new customers, the sales organisation is focusing in particular on bringing the installed customer base »into the spotlight« with the aim of integrating Group-wide skills and services over the long term to build end-to-end solutions and processes that add value for these customers. The Company also plans to optimise collaboration within All for One Group, given that customers are increasingly demanding integrated solutions and expecting All for One Group to master this complexity for them as their integrated provider, to understand the issues and challenges they are facing, and to support them in rethinking their business models and adjusting their organisations.

This challenge is the responsibility of the Group's customer success management (»CSM«), which actively looks after those Group-wide installed base customers with future potential for more than one of the Group's market units. In this respect, the personally assigned customer success manager acts as the central point of contact at All for One Group, orchestrating all of the customer's issues within the Group and acting as trusted advisor for any and all queries of that customer. Working in partnership with the customer, the #Customer4Life process is addressed, aimed at gradually getting to know the customer better and steadily building the relationship as specific actions are implemented.

The customer innovation programme EDGE/4 goes hand in hand with the support provided by customer success management and represents another important piece of the puzzle for building a sustainable partnership with installed base customers. In addition to a multitude of specific benefits, the Group also offers the space and the necessary infrastructure to jointly discuss innovation projects and bring them to life as part of the EDGE/4 programme. Here again, different levels have been established – to reflect the individual goals, potentials and general parameters of each customer. The aims of the programme include further raising customer satisfaction and loyalty while at the same time using the implementation of specific co-innovation projects to position the Group in the marketplace as a partner for innovation and, in doing so, to create a USP vis-à-vis other partners and providers in the marketplace.

In addition to CSM, the value lifecycle services unit also constitutes a key cornerstone for ensuring the comprehensive management of installed base customer relationships. This unit supports the Group's customers throughout the entire lifecycle of their processes and applications, and actively supports the customers with consulting services, solutions and other valuable application and managed cloud services and support.

OPPORTUNITIES OFFERED BY A STRONG INNOVATION CULTURE AND PARTNER NETWORKS

Ongoing innovation and the early identification of technology trends are crucial for coping with technological change and constantly evolving requirements – with regard to data protection, cybersecurity and networked systems, for example – coupled with the relatively short lifecycles of IT systems, technologies and software solutions. Through »Smart Innovation«, the creation of a culture of innovation is already firmly embedded in the Group's value system. Its purpose is to harness creativity and a passion for design in order to develop innovations that bring added value. Not just at All for One Group but also for its customers. A Group-wide idea management programme and a smart innovation community of interested employees encourages the submission of ideas that might evolve into specific strategic initiatives. Increasingly, this change is being embraced jointly with customers as co-innovation partners with the aim of developing made-to-measure solutions to future challenges.

At the same time, new trends and areas for innovation need to be identified early on through close links to the relevant ecosystems. These efforts can be boosted by collaborating with the innovation network »Gründermotor« which acts as the interface between science and business, with the accelerator up2b to gain access to startups, or with universities on innovation issues.

In addition, the established partner network helps customers »as if from a single source« to comprehensively, effectively and efficiently strengthen their ability to compete in a digital world. In this respect, the expanded »All for One Group Partner Management« network is proving to be increasingly beneficial. It includes experts not associated with All for One Group's core sectors – such as the Bau Allianz, Life Sciences Alliance or Food & Beverages Alliance. With their support, All for One Group can penetrate target markets even further and generate additional revenue as well as implement IT services efficiently. The aim is to profitably acquire new customers and develop the more than 600 regular customers in the industries (life sciences, construction, food and beverages) through the new visibility gained externally and internally.

Better-than-planned progress in innovation could lead to positive deviations from our revenue and earnings forecasts (see section »5. Outlook«).

OPPORTUNITIES TO BE GAINED FROM FOCUSING ON THE WORKFORCE – »WE CARE«

Qualified and motivated employees are key to the success of All for One Group. Both recruiting, but also keeping and developing experts is hugely important. A culture that promotes diversity and equal opportunities is just as important as in-depth onboarding, training programmes, modern work environments and development schemes. The competition for the best talent is prompting All for One Group to push ahead with establishing and nurturing its employer brand. After all, the requirements demanded of an employer are growing in complexity and – due to the Group's strong growth – becoming more diverse. These requirements are joined by the changing work environment, internationalisation, digitalisation and demographic change – including not just an ageing society but also gender shifts in various areas of society. All these aspects will be incorporated into the future employer brand, which will be designed on an international basis. The purpose of all these efforts is to make All for One Group attractive for its employees.

OPPORTUNITIES TO BE GAINED FROM ENHANCING IN-HOUSE EFFICIENCY THROUGH DIGITALISATION AND ECONOMIES OF SCALE

Following completion of the transformation phases, focus is now on both exploiting new sales potential, and increasing the operating result and thus raising efficiency. These efforts include, for example, rolling out a digital travel management function as a digital end-to-end process from booking a trip to settling the costs, the Group Analytics project to roll out a Group-wide reporting platform that uses standardised metrics, or focusing on distribution efficiency by putting a Group-wide customer relationship management (»CRM«) system in place. The new CRM improves analytics quality and enables KPIs to be established that are spot on. At the same time, it optimises collaboration that transcends all units and departments. From marketing to distribution to delivery, the business units can pull together even more strongly and serve customers even better. In terms of Group-wide reporting procedures, customer analytics and 360-degree customer views, the new CRM will allow the Company to take a huge step forward and aims to enhance efficiency and productivity throughout the whole Group.

4.4 RISKS ASSOCIATED WITH FUTURE BUSINESS DEVELOPMENT

In the current reporting year, the identification and assessment of risks to future business development are again largely determined by external influences and developments.

RISK ASSESSMENT

The following tables, which were adjusted in the reporting period, are used to assess identified risks (net risks, i.e. taking into account risk-mitigating countermeasures) in terms of their probability of occurrence and their impact on the net assets, financial position and results of operations and the revenue and earnings forecasts:

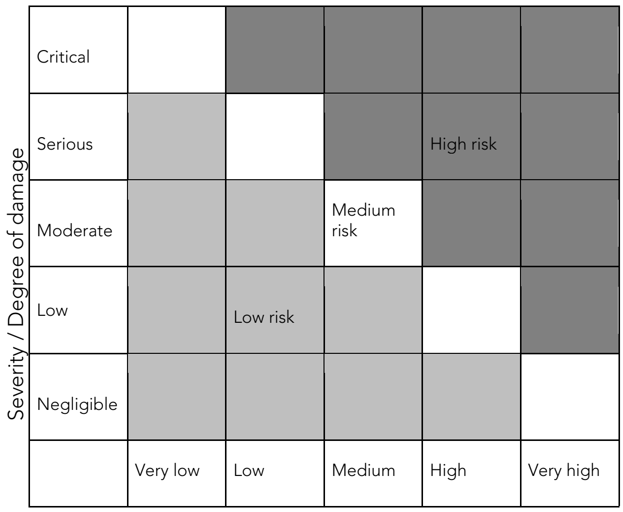
Probability of occurrence	Description
Up to 5%	Very low
> 5% up to 15%	Low
> 15% up to 30%	Medium
> 30% up to 50%	High
> 50%	Very high

In the year under review, the scale was expanded to include risks with a probability of occurrence of >50% and was also redefined to reflect changes in audit requirements. In addition to All for One Group's own experience and external appraisals, the assessment also includes comparative values from other market participants.

The severity or degree of damage that these identified risks can present ranges from »negligible« to »critical« according to the following scale. The previous – purely qualitative – classification in line with the Group-wide methodology explained below, was also modified and a quantitative assessment added during the year under review. With the help of the presented scale, even risks that are difficult to quantify – such as reputation risks – can still be consistently tracked and managed. The timeframe for the assessment of these impacts corresponds at least to the forecast period specified in the forecast (see section »5. Outlook«).

Severity/ Degree of damage	Description	Impact in EUR
Negligible	Negligible negative impact on net assets, financial position and results of operations	0 – 250,000
Low	Limited negative impact on net assets, financial position and results of operations	250,000 – 500,000
Moderate	Some potential negative impact on net assets, financial position and results of operations	500,000 – 2,500,000
Serious	Considerable negative impact on net assets, financial position and results of operations	2,500,000 – 5,000,000
Critical	Detrimental negative impact on net assets, financial position and results of operations	Over 5,000,000

Risk matrix
Both assessments – namely the probability of occurrence and severity/degree of damage – are combined in the form of risk priority figures in the following risk matrix. In this way, the corresponding risk classification, which ranges from »low risk« to »medium risk« up to »high risk«, is determined for each individual risk.



Probability of occurrence

SUMMARY OF THE RISK SITUATION

The following is a list of the respective risks (in summary) that are identified and tracked within the framework of the risk management system.

It should be noted that comparability with the previous year is only possible to a limited extent following modification of the method for applying the risk assessment scales as discussed above.

Individual risks

	Probability of occurrence	Severity / Degree of damage	Risk category
Environmental risks			
Risks associated with social, political, overall economic and regulatory developments	high	serious	high
Market and industry risks	medium	moderate	medium
Strategy risks			
Risks associated with »co-competition« with strategic partners	high	moderate	high
Financial risks			
Financial and liquidity risks	very low	serious	low
Risks associated with bad debts and customer insolvencies	medium	moderate	medium
Operational risks			
Risks associated with the operation of computer centres	low	critical	high
Cyber risks	low	critical	high
Data protection risks	low	serious	medium
Risks associated with human resources	low	serious	medium
Risks associated with acquisitions	low	moderate	low
Project risks	medium	moderate	medium
Risks associated with legal disputes	low	serious	medium
Compliance risks	low	serious	medium

ENVIRONMENTAL RISKS

The »environmental risks« category is where the risks stemming from overall economic, political, social and regulatory changes and developments, as well as special risks in the markets and industries of All for One Group’s customers, are examined.

Risks associated with social, political, overall economic and regulatory developments
Looking ahead, the global political and overall economic situation will probably continue to be surrounded by considerable uncertainty. Further adverse impacts from Covid-19, in particular, are conceivable. Although numerous countries significantly reduced their Covid-19 restrictions over the course of the past year, future lockdowns – especially in China – and employee absences due to illness cannot be entirely ruled out, nor can the resulting disruptions to production and supply chains. Added to which, the soaring prices for energy and commodities as a result of the Russia-Ukraine war could put further pressure on the economic recovery – in spite of government relief packages. The war and associated sanctions and embargos could, moreover, exacerbate the supply chain problems, as described, and exert even more pressure on inflation rates that are already high. Uncertainty also prevails as to whether interest rate hikes – both past and future – will actually help to lower inflation or whether they might in fact subdue any willingness to invest and thus result in stagnating or shrinking economic output. Given these factors outlined above, the overall economic situation could remain volatile into the future and create risks that could have a severely adverse effect on the business performance of All for One Group.

Added to which, social developments and the resulting stricter regulatory requirements could create considerable additional difficulties. Possible triggers prompting such stricter regulations could include ambitious targets for climate protection and energy management as well as other sustainability aspects . In addition to the burdens described above, these trends could also increase the demand for solutions, products and services for promoting sustainability and thus strengthen the »Sustainability Solutions« portfolio that All for One Group is currently expanding.

To ensure the earliest possible identification of the pace of development of the risks associated with social, political, overall economic and regulatory developments and the implementation of specific countermeasures, the trends – some of which are contradictory – are observed very closely. Given that the relevant variables are, for the most part, outside All for One Group's control, the effectiveness of any countermeasures is of course limited.

Therefore, the probability of occurrence for the risks associated with social, political, overall economic and regulatory developments is assessed as »high«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »serious«. In the overall assessment, the risks are therefore still classified as »high«.

Market and industry risks

As already discussed under the risks associated with social, political, overall economic and regulatory developments, Covid-19 and the Russia-Ukraine war could further restrict mobility and disrupt supply chains. In addition, economic growth could increasingly come under pressure in the face of soaring inflation and rising energy and commodity prices. The geographic markets of particular relevance for All for One Group (Germany, Austria and Switzerland) could be hit particularly hard by these developments. The same holds true for the machinery and equipment manufacturing, automotive supply and consumer goods industries, all of which are key sectors with a high dependency on exports and energy. The problem is further exacerbated by the fact that, in particular, companies operating in the automobile industry – who are of course customers in the supply sector – are still in the midst of far-reaching changes. These trends and changes could compete with investments in IT solutions and services – at least temporarily – and have an adverse effect on the sales success and thus the business performance of All for One Group.

As a »trusted advisor« to its customers, All for One Group is also facing an »innovator's dilemma« with regard to market and industry risks. Considerable effort must be invested in both building and expanding new topics at the same time to be able to continue comprehensively supporting customers in strengthening their ability to compete.

Furthermore, the ongoing transformation towards cloud computing is also associated with risks. Sustainable success in the sale of cloud solutions to raise our recurring revenues could increasingly lead to lower-than-planned non-recurring revenues from the sale of conventional software licenses, before they are more than offset by – albeit lower but at least recurring – revenues from cloud-based software utilisation, which could take years to materialise. Ongoing market consolidation and the rapid pace of innovation could, moreover, impact the further expansion and orientation of our managed services for operating and supporting extensive corporate software landscapes.

To reduce market and industry risks, All for One Group places great importance on an integrated market presence and a comprehensive, Group-wide customer approach that targets both new and installed base customers. It is precisely the targeted, proactive support and further development of Group-wide installed base customers by the customer success management team that allows the Group-wide service and product portfolio to be positioned, and potential better leveraged. As a result, All for One Group is increasingly acting as a service provider who has mastered both the business software platforms and, above all, the integration of the same and can therefore professionally manage and support its customers' entire software landscape and the operation of the same. All for One Group also achieves a high level of customer satisfaction and the resulting increase in customer loyalty by providing its customers with integrated advice on all aspects of their process, solution and system architecture.

To further intensify customer relationships and improve the resulting customer experience, All for One Group is also continuously strengthening its Group-wide sales organisation. This included the rollout of a new customer relationship management system in the year under the review, which is standardised throughout the Group and aims to improve sales and marketing activities. The »EDGE/4« customer innovation programme – which was launched in 2021 and is subject to continuous improvement – is aimed at expanding customer relationships, raising the perception across the market of All for One Group as an innovation partner, and developing profitable innovation projects. In addition, All for One Group is extending its market access from SMEs towards the »larger« midmarket while at the same time raising its skill levels to ensure its ability to grow internationally with its customers, as well. To achieve this, All for One Group is intensifying its collaboration within the United VARs alliance and, at the same time, targeting specific acquisitions. These measures aim not just to strengthen the ability of All for One Group to compete, but also to counter the transformation risks and the prevailing pressure on prices and margins.

The range of solutions and services in our CORE segment (business software for companies' core business processes) is clearly aligned to the specific needs of the large reference customer base in selected industries. This is not the case in the LOB (»Lines of Business«) segment, where All for One Group meets very similar requirements with its specific range of solutions and services in virtually all sectors of industry and can thus increasingly venture into new industries. Overall, All for One Group’s »industry mix« will be expanded and dependencies on particularly export-dependent markets reduced.

In addition, the CONVERSION/4 model established by All for One Group offers its customers a subscription option for smart migration to SAP S/4HANA. This migration is being necessitated by the announced end of SAP maintenance by 2027. Here, too, All for One Group is constantly striving to improve the design of its products and services in order to better meet the specific requirements of its customers. In doing so, All for One Group can reduce the transformation risks of its customers overall while increasing its own recurring revenues and setting itself apart from the competition.

In an attempt to further reduce market and industry risks, All for One Group's managed cloud services are being ever more closely connected to the computing resources of large hyperscalers, such as Microsoft Azure and increasingly Amazon Web Services (AWS), with their virtually limitless upward and downward scalability. Furthermore, computer centres are consistently used in the form of co-location services from leading providers and their facilities. This offers added flexibility.

Given that the knock-on effects of Covid-19 and the Russia-Ukraine war, especially, are largely outside the sphere of influence of All for One Group, certain market and industry risks remain despite the mitigation. Their probability of occurrence is assessed as »medium«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »moderate«. In the overall assessment, these risks are therefore classified as »medium«.

STRATEGY RISKS

The »strategy risks« category is where the impacts of changing competitive situations along the supply chains and in »business networks« are analysed. These include, in particular, the risks associated with strategic partnerships, their solutions, technologies, partner models and resulting competitive situations (»co-competition«). These trends and the associated risks are assessed individually as follows:

Risks associated with »co-competition« with strategic partners

The strategic partners of All for One Group are also exposed to severe transformation pressure and are continuously adapting and aligning their strategies. Changes such as these could increasingly lead to risks of competition (»co-competition«) from strategic customers or suppliers.

For example, customers could implement strategic initiatives to cement their customers' loyalty that involve the development of their own industrial platforms and proprietary IT-affiliated business models that build on the same. The IT resources and services needed to achieve this could, to a greater extent than planned, be provided by the company itself, or procured directly from strategic partners of All for One Group.

In addition, suppliers – particularly operators of major platforms (»hyperscalers«), for example – could successfully attempt to offer All for One Group's customers their own higher quality support on top of their infrastructure-based services and thus increase the price and margin pressure on the Group-wide service portfolio. All for One Group's strategy of increasingly helping »larger« midmarket companies to enhance their ability to compete could also lead to new competitive situations with major »players«.

Further risks are associated with All for One Group's focus on the portfolio of a few selected providers of business software, especially SAP and Microsoft. In addition, the strategic cooperation of All for One Group SE with SNP Schneider-Neureither & Partner SE, Heidelberg, could also lead to diverging business interests and thus increase the risks of competitive situations with strategic partners.

Adjustments to the midmarket strategies of strategic partners, and changes to contractual rules, terms and conditions for partner sales could adversely affect the further success of All for One Group's products and services in the marketplace. Such risks come into play in »Rise with SAP«, for example, which brings together a range of business transformation service offerings designed to make it easier for customers to migrate to SAP S/4HANA Cloud. Overall, »Rise with SAP« is expected to have a significant adverse effect on future license and software support revenues and All for One Group's own partner programme within SAP's ecosystem, but could at the same time increase subscription revenues.

Innovations on the part of strategic partners could also be subject to unexpected shifts and changes in direction. Trends to which All for One Group does not react appropriately or quickly enough could thus take a different direction than planned, temporarily result in gaps in the service portfolio or impair the quality of our customer service and support.

To reduce the above risks, dependencies on strategic partners are closely monitored. For example, All for One Group examines in detail which self-developed solutions can set the Company and its customers apart. The standard scope of the solutions is then expanded in a very specific manner, and customer-specific service and solution architectures are crafted. Examples of this include the integration of »Rise with SAP« in the CONVERSION/4 transformation model.

The creation of synergies with strategic partners also helps to reduce the risks. The performance of All for One Group in the SAP market and as a member of United VARs – one of only ten SAP global platinum resellers – is important for the progress of SAP’s own business. Moreover, the global standing of United VARs, which is well respected by SAP globally as a key »sounding board«, is helping All for One Group to promote the interests of its midmarket customers within the global SAP organisation.

Added to which, All for One Group always maintains very close contact with its strategic partners. Working together on a co-innovation level, new customer requirements are identified and customised solutions developed in response. As a result, All for One Group is not only able to continuously optimise its portfolio of products and services and align it to market needs; it can also raise its perception as a key innovation partner in the widescale market.

Microsoft also plans to further increase the growth momentum of its indirect business, to which end it is increasingly relying on major partners with extensive innovative and distribution competence. Added to which, Covid-19 has increased the pace of development towards agile and digitalised working worlds enormously. This is providing additional tailwind to All for One Group’s »communications & collaboration activities«. All for One Group has also developed new service packages based on Microsoft and thus strengthened its position within Microsoft's partner sales. This ensures that the Group is increasingly able to draw attention to its interests. The risks associated with our strategic partnership with SNP are reduced partly through comprehensive and well-balanced cooperation agreements and by the acquisition of »All for One Poland«.

The probability of occurrence of the risks associated with »co-competition« with strategic partners is assessed as »high«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »moderate«. In the overall assessment, these risks are therefore still classified as »high«

FINANCIAL RISKS

The »financial risks« category is where mainly financial- and liquidity-related risks and risks associated with bad debts and customer insolvencies are addressed. These risks are assessed individually as follows:

Financial and liquidity risks

All for One Group’s liabilities to financial institutions largely comprise issued promissory note loans (see section »3.4. Group assets and financial situation«). For example, in the period under review All for One Group SE successfully placed new promissory note loans for EUR 40 million on the capital market at attractive long-term financing terms.

The promissory note loans are unsecured and not subordinated. Should certain events occur, the holders of the promissory notes are authorised to raise the interest margin or, as applicable, to call the promissory note loans due immediately. These events primarily involve adhering to the agreed targets for the amount of equity and for the ratio of net debt and EBITDA. Should there be certain changes in the shareholder structure of All for One Group SE (change of control), the creditors will also be authorised to completely cancel their loan commitments and call the loans due immediately. In addition, the promissory note loans issued by All for One Group SE in the year under review include for the first time sustainability components that influence the margin.

All for One Group carefully monitors compliance with the terms and conditions of the promissory note loans. Furthermore, earnings, as well as the assets and financial situation, are monitored monthly using a Group-wide reporting system and variances to budget are analysed to specifically counteract any unplanned outflows or insufficient inflows of cash.

The probability of occurrence of these financial and liquidity risks is assessed as »very low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »serious«. In the overall assessment, these risks are therefore classified as »low«.

Risks associated with bad debts and customer insolvencies

The risks associated with bad debts and customer insolvencies are also included within the category of »financial risks«. The factors already described in the discussion of risks associated with social, political, overall economic and regulatory developments – and particularly the severe rises in energy prices – could culminate in a larger number of insolvencies among All for One Group's customer base. Added to which, legal relief regarding the mandatory declaration of insolvency could increase the risk of customer defaults and insolvencies.

All for One Group has implemented systems and practices for the early detection of risks of insolvency among customers in order to limit exposure as effectively as possible. Strict claims management, based on a software program, enables changes in the payment behaviour of individual customers to be identified and monitored from an early stage. Appropriate insurance cover reduces this risk further.

Given the current developments, the probability of occurrence of risks associated with bad debts and customer insolvencies is assessed as »medium«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »moderate«. In the overall assessment, these risks are therefore classified as »medium«.

OPERATIONAL RISKS

Risks associated with the operation of computer centres, cyber risks, data protection risks, risks associated with human resources, risks associated with acquisitions, project risks, risks associated with legal disputes and compliance risks are all addressed under »operational risks«. These risks are assessed individually as follows:

Risks associated with the operation of computer centres

As a provider of computer centre services, All for One Group is exposed to the risk of unscheduled interruptions to service, for example due to the failure of hardware components. These could have a severe adverse impact on the operations not just of All for One Group but also its customers, which could negatively affect business performance and the reputation of the Group.

Extensive measures are employed to reduce the risks associated with the operation of computer centres. Systems and applications are operated redundantly in modern buildings and infrastructures that are geographically separate from each other. In the event of an interruption in systems operations, which in the case of disaster could extend to the failure of an entire computer centre, operations can be continued from other computer centres. Likewise, All for One Group places great importance on regularly reviewing workflow and communication disaster recovery plans that have been put in place and are modified when necessary to ensure their continuous improvement. All for One Group also invests in sophisticated and cutting-edge technologies – for permanent data mirroring and backup purposes, for example – from pre-eminent manufacturers.

When assessing the risks associated with its operation of computer centres, All for One Group always includes current political and overall economic developments in its considerations. For example, the current energy situation in Germany could result in power supply restrictions or failures. State of the art and redundant emergency power generators and cooling systems, in particular, reduce this risk. If a temporary power failure occurs, they assure the continued operation of the computer centre. Added to which, possible new Covid-19 restrictions over the 2022/23 winter period can be cushioned by the option of controlling and monitoring the systems and applications entirely remotely and system-supported – an approach that has already been sufficiently tried and tested.

The probability of occurrence of risks associated with the operation of computer centres is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »critical«. In the overall assessment, these risks are therefore classified as »high«.

Cyber risks

The business model of All for One Group and the business operations of its customers are dependent to a large degree on unimpaired data and workflows. Cyber attacks on All for One Group – regardless of whether they are launched by third parties or employees – could result in considerable interruptions to operations, data losses, ransom demands and the manipulation of access systems or payment processes for both All for One Group and its customers. Such attacks can include using malware to infiltrate software applications, distributed denial of service (DDoS) attacks, or the theft or misuse of data. Ultimately, cyber attacks can cause huge losses and massive reputational damage.

Cyber attacks are noticeably becoming steadily more frequent, diverse and professional. The Federal Office for Information Security [Bundesamt für Sicherheit in der Informationstechnik] has even identified a heightened threat for Germany in the context of the war in Ukraine, which comes on top of an already tense overall situation (see Situation Assessment of the Federal Office for Information Security [Lageeinschätzung des Bundesamts für Sicherheit in der Informationstechnik] dated 3 Aug 2022).

Against this backdrop, the management of cyber risks continues to occupy a very large space for All for One Group. To effectively reduce the corresponding risks and to better protect the data and systems of its customers as well as its own application landscapes, All for One Group has established a Group-wide cybersecurity organisation. Supported by external service providers and in-house cybersecurity & compliance consultants, this organisation continuously optimises the Group-wide information security management system and implements and coordinates measures to reduce cyber risks. For example, All for One Group is continuously expanding its existing measures and tools to manage vulnerability and monitor its IT landscape to identify any gateways and new types of attack patterns as early as possible and to take appropriate remedial action. In addition, employees attend regular mandatory training programmes to raise awareness. These programmes cover both general principles that must be observed as well as current developments and new lessons learned. The purpose of the training is to take even better account of the »human safety factor« and the additional safety requirements of mobile working.

Another risk-minimising factor is that All for One Group's IT service management is subject to strict process definitions that also meet the requirements of international auditing standard ISAE 3402 (»International Standard on Assurance Engagements 3402«). IT service management is continuously being adapted to reflect lessons learned, and compliance is monitored. As All for One Group also protects and controls access to its information systems through comprehensive authorisation systems, a very high level of security is achieved for both its own and its customers' data. Furthermore, insurance policies – specifically cyber insurance – reduce the risk and can limit the potential damage.

Various audits and certifications are regularly conducted by third parties and also serve as supplementary quality control for All for One Group's information security management system. Examples include ISO/IEC 27001 certification (information security) and other manufacturer-related certifications (e.g. SAP-Certified Provider in Hosting Operations).

Considering the multitude of established technical and organisational measures, the probability of occurrence of cyber risks is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »critical«. In the overall assessment, these risks are therefore classified as »high«.

Data protection risks

As an IT service provider, especially for cloud services and human resources business process outsourcing, All for One Group processes a large amount of personal data – relating to employees, suppliers, customers and business partners, for example – on behalf of its customers. Extensive personal information is also processed with the systems and applications used for in-house processes. Such data is particularly sensitive and is subject to the very strict requirements of the EU General Data Protection Regulation, which, among other things, obliges service providers such as All for One Group to comply with extensive information, documentation, verification and reporting obligations. Violations can incur extremely heavy fines and enormous reputational damage.

During the run-up to the regulatory developments of the past years, All for One Group was already starting to implement a uniform Group-wide data protection management system. In addition to the ISO 27001 audit (information security), a certification of the data protection processes as per ISO 27018 (data protection for cloud services) was successfully completed. The corresponding certifications are maintained on an ongoing basis and serve to assure both external quality control and an even better dovetailing of the in-house data protection and cybersecurity organisation, which already collaborates very closely.

In financial year 2021/22, a large number of well-coordinated individual steps were implemented to ensure the targeted expansion of the data protection management system. Focus was on further improving and digitalising the process organisation of the data protection management system, which is now presented even more prominently and accessibly on the Company's intranet. In addition, the in-house training programme was optimised to further raise employee awareness of data protection. Most recently, the further development of the reporting system was also advanced in order to ensure an even faster response to risks related to data protection.

Overall, the implemented measures aim to maintain and continuously expand the existing high level of protection for (personal) data at All for One Group. The probability of occurrence of data protection risks is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »serious«. In the overall assessment, these risks are therefore classified as »medium«.

Risks associated with human resources

The sustainability of economic success is inseparably linked to a sufficiently highly qualified and motivated workforce. Failure to recruit new resources, retain and develop existing staff or find adequate replacements for departing employees promptly could impair the quality of advice and customer loyalty and thus also the business performance of All for One Group.

The shortage of experts is the driving factor behind the risks associated with human resources and it is worsening noticeably. The growing demand for specialists and correspondingly tight labour markets is likely to persist, given the faster pace of innovation and increased transformation pressure, both in the IT market and among customers. Other factors can also influence the risks associated with human resources. Since the Covid-19 pandemic, for example, mobile working has increased and more people are working out of office. In light of this trend, there is the danger of losing personal contact and thus a »feeling« for key changes affecting the Company's employees, customers and suppliers. In addition, project risks (see sub-section »Project risks«) could impact the workload of consultants and, in particular, result in their not having enough to do. These factors could each impair employee retention and employer attractiveness and thus have a negative impact on All for One Group.

To reduce the risks associated with human resources, All for One Group is continuously expanding its personnel development and training programmes. In doing so, the Group makes extensive use of its Group-wide eLearning platform »ONE Academy«, which employees can use very flexibly, even when they are out of office. These efforts also aim to strengthen the high level of expertise of All for One Group's employees so that they can continue to advise customers comprehensively on all aspects of digitalisation. Other programmes enable and simplify in-house job changes, thus reducing staff turnover.

To avoid the loss of personal contact to employees, regular and transparent bulletins on key events, developments, programmes and initiatives provide information, particularly in Group-wide video conferences and on the wide-reaching intranet platform. As maintaining employee health is one of All for One Group's highest priorities, special training sessions and health promotion schemes are offered that also address the possible effects of mobile working on mental and physical health. Group-wide »stay healthy rules« also promote health maintenance and ensure a safe working environment at our offices while observing Covid-19 restrictions. Furthermore, All for One Group continuously monitors its non-financial performance indicators, which are geared towards managing our human capital (see section »2.3. Management system – financial and non-financial targets«).

In light of the difficulty in recruiting consulting resources, some of the marketplace's leading automation tools have been embedded in the CONVERSION/4 program. This enables at least some of the individual transformation steps to be mechanically processed, and allows the more efficient use of the available human capital. To reduce the risk associated with the shortage of experts, more qualified employees have been recruited to the regional delivery centers.

To make the Group's corporate values even more tangible externally and in house, and to sustainably increase employee loyalty and recruitment success even during transformation processes, All for One Group is also driving the establishment and maintenance of its employer brand – a process with widescale employee involvement, for example in workshops and digital surveys. This is another way of anchoring the corporate values and leadership guidelines even more firmly in day-to-day business. The work of the SE works council also helps to mitigate the risks associated with human resources – with the aid of the HR Council composed of equal numbers of SE works council and corporate management representatives.

In view of the countermeasures taken, the probability of occurrence of risks associated with human resources is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »serious«. In the overall assessment, these risks are therefore classified as »medium«.

Risks associated with acquisitions

Corporate acquisitions can be subject to economic, legal or cultural misjudgements. They are also, by their very nature, exposed to integration risks, particularly with regard to acquired customers and employees. If said risks materialise, they could have a negative impact on the expansion of All for One Group's regional delivery centers and on the leveraging of planned synergies. Risks associated with acquisitions can therefore seriously harm business development and, accordingly, the balance sheet value of the acquired investment interests.

To reduce the risk, All for One Group always subjects its projects to comprehensive due diligence involving both in-house resources and external experts. These resources were expanded in financial year 2021/22. Added to which, extensive post-merger actions are implemented, which are always flanked by professional change management to ensure acquisitions are assimilated into All for One Group in both an organisational and cultural sense. The Group-wide eLearning platform »ONE Academy« and the in-house »English@all-for-one« project that is increasingly establishing English as the main language for in-house and external communication also both serve to reduce potential integration risks.

Despite All for One Group’s wealth of experience with acquisitions and the care taken with preparation, due diligence and integration, risks always remain. The probability of occurrence of risks associated with acquisitions is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »moderate«. In the overall assessment, these risks are therefore classified as »low«.

Project risks
One key element of All for One Group's business model is the planning and implementation of extensive software and systems landscapes at customer locations. These projects can extend over periods of several years. Partners are often involved in the delivery of projects, alongside the Company's own consultants. Added to which, the success of projects is dependent to a large degree on the resources and requisite involvement of customers.

Projects can take longer than planned, for example if customers choose to defer projects in light of overall economic developments. The same applies in cases where recommended best practices result in new functional requirements or deviations or when the dynamics of the customer's business demand that resources be directed more to their daily operations than to the project. As a result, fixed-price projects particularly can have a negative impact on returns. Added to which, customer dissatisfaction with the delivery of a project could lead to defaults and legal disputes and could harm the good reputation of All for One Group and hinder the acquisition of new projects.

In order to reduce the impact of project risks, All for One Group concentrates its project business on selected industries in countries where German is spoken. Reinforced by ongoing qualification measures for its consultants, the Group has amassed a high level of business process competence through this focus. The self-developed integrated project management methods also help to ensure compliance with the agreed project objectives. For example, aspects such as quality and risks, project progress and resources, cost and communication within the project are monitored on an ongoing basis. All for One Group has its own business process and add-on solutions that offer considerable help in containing project risks as does the global partner network United VARs in the case of international projects.

When migrating to the new software generation, All for One Group relies on market-leading transformation technologies that have been firmly embedded in its »CONVERSION/4« subscription model.

In addition, insurance cover is in place to limit project risks. All for One Group also considers relevant project risks when planning its financial budgets.

In spite of these countermeasures, project risks remain. Their probability of occurrence is assessed as »medium«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »moderate«. In the overall assessment, these risks are therefore classified as »medium«.

Risks associated with legal disputes
Due to its sustained growth over many years and its portfolio of products and services, All for One Group is naturally exposed to heightened risks from potential legal disputes that could arise as a consequence of the individual risks described above. Disputed rollout projects, for example, could lead to defaults and even to demands for compensation. Added to which, All for One Group is continuously investing in the expansion of its strategies and, increasingly, in the development of self-developed products. In doing so, violations of existing third-party property rights could occur. In addition, more legal disputes relating to employment relationships could occur on the human capital side, given the strong growth of the Company.

To limit the risks associated with legal disputes, All for One Group has further expanded its own legal and compliance organisation, and has adjusted existing insurance policies. In addition, specialised external law firms are engaged to provide support where necessary.

The probability of occurrence of risks associated with legal disputes is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »serious«. In the overall assessment, these risks are therefore classified as »medium«.

Compliance risks
Compliance risks include all types of violations of applicable laws and the regulations in place at All for One Group, such as the Code of Conduct. Compliance risks can lead not only to heavy fines, but also to criminal charges, claims from parties who have suffered losses, and enormous reputational damage. Both the Group and the parent company could suffer considerable damage as a result of failure to comply with applicable laws or standards of integrity, for example violations of anti-corruption and bribery legislation or discriminatory acts.

All for One Group has established a compliance management system to reduce compliance risks (see section »4.1 Group Governance Modell«, sub-section »Compliance Management System«).

The probability of occurrence of compliance risks is assessed as »low«. The potential impact on the net assets, financial position and results of operations as well as on the revenue and earnings forecasts (see section »5. Outlook«) is considered to be »serious«. In the overall assessment, these risks are therefore classified as »medium«.

05

OUTLOOK

5.1 OVERALL ECONOMIC OUTLOOK

Compared to the prior year, the economy contracted sharply in the year 2022 with gross domestic product estimated to be just 1.4% – significantly below the spring forecast of 2.7% (*source: Handelsblatt, 27 Sep 2022*). In the year 2023, by contrast, the four leading economic research institutes expect a recession, with gross domestic product declining by 0.4%, and higher inflation *(as of: Sep 2022).* The main cause is expected to be lower private consumer spending. At the start of the year 2023, in particular, further noticeable increases in electricity and gas prices will drive inflation up to 8.8% (*source: Handelsblatt, 27 Sep 2022*). Core inflation will probably remain high for the time being, not least due to higher wages negotiated in new collective bargaining agreements. At the same time, however, real disposable income should start rising again from mid-2023 onwards and thus boost consumer spending. Supply bottlenecks are expected to continue to cause problems that will, however, gradually disappear as the global economy cools down (*source: ifo Institut, 12 Sep 2022).*

In light of much weaker growth in China, the war in Ukraine, high inflation and rising interest rates, investments will probably be subdued despite order books in mechanical and plant engineering that are still well filled (*source: VDMA, 1 Sep 2022*). The German electronics and digital industry is also still generating double-digit growth in incoming orders (*source: ZVEI, Oct 2022*). Higher material costs and shortages are having a dampening effect on the construction industry as are rising financing costs, and the consumer barometer issued by the German trade association [*Handelsverband Deutschland*] has reached an all-time low (*source: HDE, Oct 2022*). It therefore remains to be seen how the uncertainty will impact economic growth. Recovery is expected to set in with an increase of 2.3% in 2024 compared to 2023 (*source: Süddeutsche Zeitung, 12 Oct 2022).*

5.2 PROBABLE DEVELOPMENT OF THE INDUSTRY

At the start of the year 2022, inflation – together with the uncertainty surrounding the Russia-Ukraine conflict and the further progress of the pandemic – is dampening the expectations of IT service providers with regard to any dynamic development of the market. Nevertheless, the need for digital and IT spending is expected to continue to grow. Unlike the outlook for the economy as a whole, forecasts for the year 2023 expect sales to increase by between 4% and 12%, depending on the market segment (*sources: Lünendonk, Jul 2022; SITSI Market Research, May 2022; Bitkom e.V., Jul 2022*).

Transformation-related topics such as cybersecurity and information security will be dominant in the years 2023 and 2024. 84% of all German companies are making every effort to safeguard their corporate networks against attacks and theft with particular focus on cloud transformation, IT modernisation and process efficiency.

Given the shortage of experts, entire work packages are increasingly being awarded to IT providers such as All for One Group, especially projects focusing on software development and managed services. As a strategic service partner, in-depth understanding of industries and target groups is crucial, as are a broad portfolio of IT products and services and the appropriate expertise. The ability to independently deliver end-to-end-projects is also crucial (*source: Lünendonk, 2022).*

5.3 PROBABLE DEVELOPMENT OF THE GROUP AND ALL FOR ONE GROUP SE

in EUR millions, unless otherwise stated	**Actual 2021/22**	**Forecast 2022/23**
Group		
Sales revenue (IFRS)	452.7	470 – 500
EBIT before M&A effects (non-IFRS)	27.3	27.5 – 30.5
Employee retention (in %)	91.2	91 – 92
Health index (in %)	96.6	96.8 – 97.3
All for One Group SE		
Sales revenue (IFRS)	285.1	290 – 310
EBIT before M&A effects (non-IFRS)	4.1	6 – 8
Employee retention (in %)	93.3	92.5 – 93.5
Health index (in %)	96.4	96.8 – 97.3

Financial year 2022/23 will focus on consolidating business activities, improving in-house interdisciplinary collaboration, and increasing efficiency and margins.

Efforts continue to drive the targeted expansion of cloud business to produce higher and sustainable recurring revenues. The sale of conventional software licenses will probably continue to fluctuate significantly and to decline further overall – mainly due to transformation factors and strategy considerations (»Rise with SAP«). Software support revenues are expected to stabilise at their present level while revenues from cloud services, and consulting and services, are expected to increase.

In the CORE segment (ERP and collaboration solutions), the broad portfolio of solutions focusing on ERP will be supplemented by growth anticipated from the rising demand for transformation projects with CONVERSION/4. Likewise, the Group plans to expand organically – and inorganically, if possible – the portfolio of Microsoft-based services for improving communication and collaboration in companies on their journey towards digital worlds of work (»new work«) and for cybersecurity & compliance.

The LOB (»Lines of Business«) segment is expected to offer additional growth and margin potential through recurring cloud subscriptions and self-developed add-on solutions. Customers' uncertainty regarding the pandemic and economic growth could continue to have a dampening effect on capacity utilisation this financial year. When the general economic environment returns to normal, the cloud-based »Employee Experience« activities (HR planning, personnel development, recruitment, knowledge management, etc.) and the »Business Analytics« activities for analysing business data to aid corporate budgeting and management offer good growth and margin potential. In addition, CX business – which enables customers to better manage their sales, marketing and service units – has been further strengthened by the addition of two acquisitions.

Overall, capital expenditure is expected to decrease slightly in financial year 2022/23, as the focus will be on consolidating and increasing profitability. In the previous year, substantial amounts were invested in expanding and increasing the scalability of the business model with the acquisition of four companies. If opportunities arise in the field of cybersecurity or in the Microsoft environment, the Group plans to leverage them to add to the portfolio.

Improving in-house processes, generating economies of scale and increasing the intra-Group integration of employees in regional delivery centers should all raise the profitability of business operations and thus result in higher margins.

In light of unpredictable influences outside the Group's control, it must be taken into account that the management board believes the publication of reliable guidance to be only possible to a limited extent.

Renewed economic setbacks due to the pandemic, inflation, customers' supply chain problems, etc. cannot be ruled out, by any means, and would result in lower demand, and increased defaults and insolvency among our customer base, which could jeopardise achieving the guidance.

Sales are predicted in a range of between EUR 470 million and EUR 500 million for financial year 2022/23 (2021/22: EUR 452.7 million).

In derivation, the management board anticipates EBIT before M&A effects (non-IFRS) of between EUR 27.5 million and EUR 30.5 million (2021/22: EUR 27.2 million).

Sales and EBIT before M&A effects (non-IFRS) are used as the financial performance indicators for both All for One Group and for the parent company, All for One Group SE. On the other hand, the annual financial statements of All for One Group SE are prepared in accordance with German commercial law (HGB).

The non-financial performance indicators of employee retention and health index were again used by the parent company All for One Group SE as well as the Group as a whole as supplemental management and control parameters. For the financial year 2022/23, both parent company and the Group have set the target of maintaining the »employee retention« level of the 2021/22 reporting year. The Group expects the »health index« to again be up year on year in financial year 2022/23.

MEDIUM-TERM OUTLOOK

In light of the global uncertainty prevailing in the markets, it is again difficult at present to offer a medium-term outlook. All for One Group is budgeting for robust organic sales growth over the coming years in the mid-single-digit percentage range (depending on future inflation levels, among other things) that will be supplemented by inorganic growth in areas of the portfolio offering future promise. The Group expects EBIT before M&A effects (non-IFRS) to range between 7% and 8% of sales revenues between now and financial year 2025/26.

06

INFORMATION CONCERNING TAKEOVERS

INFORMATION PERSUING TO SECTIONS 289A, 315A HGB

Composition of issued share capital (no. 1)
The issued share capital of EUR 14,946,000 (30 Sep 2021: EUR 14,946,000) consists of 4,982,000 (30 Sep 2021: 4,982,000) registered no-par-value shares with a nominal value of EUR 3 per share.

Restrictions on voting rights or the transfer of shares (no. 2)
The management board is not aware of any restrictions affecting voting rights or the transfer of shares, or in particular of any restrictions that could result from agreements among the shareholders.

Direct or indirect shares in the capital that exceed 10% of the voting rights (no. 3)
- Unternehmens Invest AG, Vienna/Austria
- UIAG Informatik-Holding GmbH, Vienna/Austria
- UIAG AFO GmbH, Vienna/Austria

Holders of shares with special rights (no. 4)
No All for One Group SE shares confer special rights of control.

Type of voting rights control for employee shares (no. 5)
There are no employees holding an interest in the share capital of All for One Group SE, who cannot directly exercise their rights of control.

Legal provisions and stipulations in the company articles of association governing the appointment and removal of members of the management board and on amending the company articles of association (no. 6)

a) Appointment of members of the management board
In accordance with Section 84 (1) AktG and Article 7 (1) of the company's articles of association, the members of the management board are appointed by the supervisory board for a maximum term of five years. The management board consists of at least two people in accordance with Article 7 (2) of the company's articles of association. Furthermore, the supervisory board determines the number of members on the management board in accordance with the provisions set forth by law. The supervisory board can appoint a member of the management board to be chairman of the management board and may also appoint deputy members of the management board. Pursuant to Section 85 (1) AktG the court can, in urgent cases and on petition by an involved party, appoint a member in the event that the management board is a member short (for example when there is only one member of the management board in office). Pursuant to Section 85 (2) AktG, the term of the court-appointed member of the management board expires as soon as the original deficiency is corrected.

b) Removal of members of the management board
The supervisory board may revoke the appointment as member of the management board and the appointment as chairman of the management board with good cause in accordance with Section 84 (4) sentence 1 AktG. Good cause according to Section 84 (4) sentence 2 AktG is gross dereliction of duty, inability to properly manage the business or a vote of no confidence by the annual general meeting, unless such confidence by the shareholders was withdrawn for clearly irrelevant reasons. The revocation of appointment to the management board is effective according to Section 84 (4) sentence 4 AktG until such time as the invalidity of such revocation may be judged legally final.

c) Amendments to the company's articles of association
Pursuant to Section 179 (1) sentence 1 AktG, a resolution of the annual general meeting is required for any amendment to the company's articles of association. The supervisory board is, however, authorised according to Article 18 of the company's articles of association in connection with Section 179 (1) sentence 2 AktG to approve amendments to the company's articles of association that only affect its wording.

According to Section 179 (2) sentence 1 AktG, a resolution by the annual meeting on amending the company's articles of association requires a majority vote that includes at least three-quarters of the represented share capital at the time the resolution was adopted. According to Section°179 (2) sentence 2 AktG, the company's articles of association may set forth other requirements and a different capital majority, although only a larger capital majority may be stipulated for any changes to the corporate purpose. On the basis of this statutory authority, Article 15 (3) sentence 3 of the company's articles of association provides that resolutions for amending the company's articles of association be approved by simple majority vote to the extent that such is legally permissible.

Authority of the management board, particularly regarding its ability to issue or repurchase shares (no. 7)
In accordance with Article 6 (5) of the company's articles of association, and with the consent of the supervisory board, the management board is authorised until 11 March 2025 to increase the share capital by as much as EUR 7,473,000 through one or more issues of new registered shares for cash and/or contributions in kind (2020 Authorised Capital). Shareholders must always be granted subscription rights. The new shares may also be taken over by one or more financial institutions with the obligation to offer them for subscription to the shareholders. The management board, with the consent of the supervisory board, will specify the conditions of the share issue.

The supervisory board is authorised to revise the wording of the company's articles of association to reflect the scope of the capital increase from authorised capital or after the expiration of the authorisation period. The management board is, however, authorised with the consent of the supervisory board to exclude statutory subscription rights for shareholders:

a) to the extent needed to even out fractional amounts;

b) when a given volume of shares does not exceed 50% of the share capital and is being issued for contributions in kind for the purpose of buying companies or equity interests in companies or business units, or for the purpose of acquiring claims against the company;

c) when a capital increase in exchange for cash contributions does not exceed 10% of the share capital and the issue price of the new shares is not substantially lower than the stock exchange price (Section 186 (3) sentence 4 AktG); when using this authorisation to exclude subscription rights according to Section 186 (3) sentence 4 AktG, the exclusion of subscription rights on the basis of other authorisations according to Section 186 (3) sentence 4 AktG must be taken into account.

The annual general meeting of 12 March 2020 authorised the management board in accordance with Section 71 (1) No. 8 AktG to repurchase shares of All for One Group SE stock in a total amount of up to 10% of the share capital by 11 March 2025. This corresponds to 498,200 registered no-par-value shares. The management board made no use of this authorisation during the reporting period.

Material agreements under the condition of a change of control as a result of a takeover bid (no. 8)
Certain changes in the shareholder structure of All for One Group (change of control) may result in the holders of the promissory note loans being able to call their share of the bonds due payable immediately.

Indemnity agreements in the event of a takeover bid (no. 9)
No company indemnity agreements with members of the management board or other employees have been made for the event of a takeover bid.

07

DEPENDENT COMPANY REPORT

All for One Group SE has compiled a dependent company report for financial year 2021/22 as required in Section 312 (3) AktG.

Unternehmens Invest AG, together with its subsidiaries UIAG Informatik-Holding GmbH, Vienna/Austria, and UIAG AFO GmbH, Vienna/Austria, holds the majority of voting rights in All for One Group SE and thus controls it. All for One Group SE, Filderstadt, is therefore a company solely dependent on Unternehmens Invest AG pursuant to Sections 16 (1), (2); 17 (2) AktG.

In its concluding statement on the dependent company report, the management declares that All for One Group SE received appropriate consideration for all of the legal transactions listed in the dependent company report in accordance with the circumstances known to it at the time the legal transactions were conducted. No measures were taken or omitted at the instigation of or in the interests of the controlling company or one of its affiliates.

08

NON-FINANCIAL GROUP REPORT

8.1 SUSTAINABILITY REPORT

All for One Group SE has prepared and published its sustainability report that adheres to the criteria of the DNK (Deutscher Nachhaltigkeitskodex/German Sustainability Code) as issued by the RNE (Rat für Nachhaltige Entwicklung/Council for Sustainable Development). It includes the disclosures required under the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz, CSR RUG) relating to the five aspects required of the combined non-financial statement as per Sections 289b, 289c, 315b, 315c HGB: environmental matters, staff matters, social matters, respect for human rights, combating corruption and bribery. The sustainability report also includes the EU taxonomy disclosures.

In addition, the sustainability report also complies with specific standards issued by the Global Reporting Initiative (GRI) and includes a discussion of how the NAP (»National action plan for economic growth and human rights«) is implemented. Calculation and disclosure of direct and indirect greenhouse gas emissions (GHG emissions) were based on the provisions of the »Greenhouse Gas Protocol«.

Pursuant to Section 317 (2) sentence 4 HGB, these disclosures are not subject to a substantive examination by the auditors. The DNK has, however examined the sustainability report to ensure its completeness and has provided a qualified feedback. Following the final review, the DNK confirmed the inclusion of its feedback by All for One Group SE (certified »Sustainability Code User«).

The supervisory board of All for One Group SE has reviewed this sustainability report and approved it for publication at its meeting to discuss the annual financial statements on 8 December 2022. The sustainability report has been published on both the Company website at www.all-for-one.com/csr_e and the DNK website at www.deutscher-nachhaltigkeitskodex.de.

8.2 EU TAXONOMY

EU taxonomy disclosures as specified in Taxonomy Regulation 2020/851 were included in the sustainability report of All for One Group SE together with the additional delegated acts.

09

COMPENSATION REPORT

All for One Group SE has compiled the compensation report for financial year 2021/22 in compliance with the regulations of Section 289f (2) (1a) in conjunction with Section 315d HGB. The report is available on the Company website at www.all-for-one.com/compensation-report. A substantive examination by the auditors is not planned.

10

CORPORATE GOVERNANCE STATEMENT

All for One Group SE has published its corporate governance statement (Section 289f HGB), respectively the Group corporate governance statement (Section 315d HGB) on the Company website at www.all-for-one.com/corporate-governance-statement. The statement includes the declaration of compliance with the German Corporate Governance Code as required in Section 161 AktG, which can be viewed at www.all-for-one.com/conformity-declaration. A substantive examination by the auditors is not planned.

Filderstadt, 7 December 2022
All for One Group SE

Lars Landwehrkamp CEO	Michael Zitz CSO	Stefan Land CFO

CONSOLIDATED FINANCIAL STATEMENTS

ALL FOR ONE GROUP SE, FILDERSTADT
FINANCIAL YEAR FROM 1 OCTOBER 2021 TO 30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
OF ALL FOR ONE GROUP

in KEUR	Notes	10/2021 – 09/2022	10/2020 – 09/2021
Sales revenue	E.1	452,652	372,937
Other operating income	E.2	5,674	4,196
Cost of materials and purchased services	E.3	-168,226	-141,838
Personnel expenses	E.4	-206,049	-169,567
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	E.5	-29,491	-21,444
Impairment losses on financial assets	F.11	-434	387
Other operating expenses	E.6	-36,526	-24,038
EBIT		**17,600**	**20,633**
Financial income	E.7	17	12
Financial expense	E.7	-1,700	-1,322
Financial result		**-1,683**	**-1,310**
EBT		**15,917**	**19,323**
Income tax	E.8	-4,880	-5,808
Result for the period		**11,037**	**13,515**
attributable to owners of the parent		10,967	13,347
attributable to non-controlling interests		70	168
Earnings per share			
Undiluted and diluted earnings per share (in EUR)	E.9	2.20	2.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
OF ALL FOR ONE GROUP

in KEUR	Notes	10/2021 – 09/2022	10/2020 – 09/2021
Result for the period		**11,037**	**13,515**
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of defined benefit liability plans	F.17	3,390	1,435
Related tax		-543	-211
Items that will not be reclassified to profit or loss in subsequent periods			
Unrealised profits (+) / losses (-) from currency translation		-113	-69
Other comprehensive income		**2,734**	**1,155**
Total comprehensive income		**13,771**	**14,670**
attributable to owners of the parent		13,701	14,502
attributable to non-controlling interests		70	168

CONSOLIDATED BALANCE SHEET
OF ALL FOR ONE GROUP

Assets

in KEUR	Notes	30.09.2022	30.09.2021
Current assets			
Cash and cash equivalents	G.	77,464	75,005
Finance lease receivables	F.10	4,102	4,348
Trade receivables	F.11	56,685	40,499
Contract assets	F.11	8,322	4,671
Income tax assets		1,790	510
Other assets	F.12	12,536	9,329
		160,899	**134,362**
Non-current assets			
Goodwill	F.13	65,992	30,730
Other intangible assets	F.13	39,140	29,856
Fixed assets	F.14	16,022	15,240
Right-of-use assets	F.15	43,807	39,958
Finance lease receivables	F.10	6,799	6,898
Deferred tax assets	F.16	86	327
Other assets	F.12	7,120	7,576
		178,966	**130,585**
Total assets		**339,865**	**264,947**

Equity and liabilities

in KEUR	Notes	30.09.2022	30.09.2021
Current liabilities			
Other provisions	F.18	1,412	824
Liabilities to financial institutions	F.19	58	10,983
Lease liabilities		13,044	12,075
Trade payables		20,369	18,951
Contract liabilities		14,738	10,245
Liabilities to employees		26,768	25,943
Income tax liabilities		3,435	2,762
Other liabilities	F.19	9,468	7,787
		89,292	**89,570**
Non-current liabilities			
Pension provisions	F.17	630	2,492
Other provisions	F.18	852	937
Liabilities to financial institutions	F.19	77,357	37,413
Lease liabilities		30,371	28,359
Deferred tax liabilities	F.16	16,407	13,690
Other liabilities	F.19	27,009	1,058
		152,626	**83,949**
Equity			
Issued capital	H.	14,946	14,946
Reserves	H.	82,750	76,273
Share of equity attributable to owners of the parent		**97,696**	**91,219**
Non-controlling interests	H.	251	209
		97,947	**91,428**
Total liabilities and equity		**339,865**	**264,947**

CONSOLIDATED CASH FLOW STATEMENT
OF ALL FOR ONE GROUP

in KEUR	Notes	10/2021 – 09/2022	10/2020 – 09/2021
Result for the period		**11,037**	**13,515**
Income tax	E.8	4,880	5,808
Financial result	E.7	1,683	1,310
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	E.5	29,491	21,444
Increase (+) / decrease (-) in value adjustments and provisions		-216	-837
Gains (-) / Losses (+) from the disposal of non-current assets		-630	-696
Increase (-) / decrease (+) in trade receivables		-6,057	-1,907
Increase (+) / decrease (-) in trade payables		-3,198	2,168
Increase / decrease in other assets and liabilities		-2,180	-739
Income tax refunds (+) / payments (-)		-6,748	-5,283
Cash flow from operating activities		**28,062**	**34,783**
Payments for purchase of intangible and fixed assets		-6,416	-6,337
Proceeds from sale of intangible assets and fixed assets		677	774
Purchase of subsidiary, net of cash and cash equivalents acquired		-24,081	-100
Interest received		17	12
Cash flow from investing activities		**-29,803**	**-5,651**
Repayment of lease liabilities		-14,683	-12,066
Proceeds from liabilities to financial institutions		40,108	0
Repayment of liabilities to financial institutions		-11,035	-7
Proceeds from purchase price instalments from disposal of subsidiaries		12	18
Payment for acquisition of non-controlling interests		-2,000	-4,000
Interest paid		-1,274	-1,166
Dividend payments to shareholders and non-controlling interests		-7,270	-5,994
Cash flow from financing activities		**3,858**	**-23,215**
Increase (+) / decrease (-) in cash and cash equivalents		**2,117**	**5,917**
Effect of exchange rate fluctuations on cash funds		111	-33
Cash funds at start of financial year	G.	74,973	69,089
Cash funds at end of financial year	G.	**77,201**	**74,973**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
OF ALL FOR ONE GROUP

	Share of equity attributable to owners of the parent					Non-controlling interests	Equity
in KEUR	Issued share capital	Capital reserve	Currency translation reserve	Retained earnings	**Total**		
Notes	H.	H.	H.	H.		H.	
01.10.2020	**14,946**	**11,228**	**846**	**61,723**	**88,743**	**41**	**88,784**
Result for the period	0	0	0	13,347	13,347	168	13,515
Other comprehensive income	0	0	-69	1,224	1,155	0	1,155
Total comprehensive income	**0**	**0**	**-69**	**14,571**	**14,502**	**168**	**14,670**
Dividend distribution	0	0	0	-5,978	-5,978	0	-5,978
Distribution to non-controlling interests	0	0	0	0	0	-16	-16
Acquisition of non-controlling interests	0	0	0	-6,048	-6,048	16	-6,032
Acquisition of a subsidiary with non-controlling interests	0	0	0	0	0	0	0
Transactions with owners of the company	**0**	**0**	**0**	**-12,026**	**-12,026**	**0**	**-12,026**
30.09.2021	**14,946**	**11,228**	**777**	**64,268**	**91,219**	**209**	**91,428**
01.10.2021	**14,946**	**11,228**	**777**	**64,268**	**91,219**	**209**	**91,428**
Result for the period	0	0	0	10,967	10,967	70	11,037
Other comprehensive income	0	0	-113	2,847	2,734	0	2,734
Total comprehensive income	**0**	**0**	**-113**	**13,814**	**13,701**	**70**	**13,771**
Dividend distribution	0	0	0	-7,224	-7,224	0	-7,224
Distribution to non-controlling interests	0	0	0	0	0	-46	-46
Acquisition of non-controlling interests	0	0	0	0	0	0	0
Acquisition of a subsidiary with non-controlling interests	0	0	0	0	0	18	18
Transactions with owners of the company	**0**	**0**	**0**	**-7,224**	**-7,224**	**-28**	**-7,252**
30.09.2022	**14,946**	**11,228**	**664**	**70,858**	**97,696**	**251**	**97,947**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

ALL FOR ONE GROUP SE, FILDERSTADT
FINANCIAL YEAR FROM 1 OCTOBER 2021 TO 30 SEPTEMBER 2022

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS
OF ALL FOR ONE GROUP

A

BASIS OF PREPARATION

REGISTERED OFFICE AND LEGAL FORM OF THE COMPANY

All for One Group SE, Filderstadt, is a European company (Societas Europaea, SE). The company is listed in the commercial register of the District Court of Stuttgart under registration number HRB 774576. Its registered office is Rita-Maiburg-Strasse 40 in 70794 Filderstadt, Germany. All for One Group SE shares are listed in the Prime Standard of the Frankfurt stock exchange (ISIN: DE0005110001).

Parent company and, at the same time, overall parent company of All for One Group SE is Unternehmens Invest AG, Vienna/Austria, which – together with its subsidiaries UIAG Informatik-Holding GmbH, Vienna/Austria, and UIAG AFO GmbH, Vienna/Austria – holds the majority of the voting rights in All for One Group SE. Unternehmens Invest AG prepares consolidated financial statements for the smallest and largest groups of companies to which All for One Group SE belongs as a subsidiary, which it presents to the relevant company register court in Austria for disclosure.

BUSINESS ACTIVITIES AND SEGMENTS

All for One Group SE and the subsidiaries it controls (together »All for One Group« or »Group«) unite strategic and management consulting, process consulting, industry insight and technology expertise, and IT consulting and services under one roof. All for One Group develops its own software services and uses industry and add-on solutions – primarily based on SAP, Microsoft and IBM – to orchestrate all aspects of competitive strength. They encompass intelligent enterprise resource planning (ERP) – the digital core of any corporate IT – together with strategy, business models, customer & employee experience, new work, big data & analytics, as well as the internet of things, machine learning, and cybersecurity & compliance.

The management, planning and control of All for One Group are aligned to its two segments: »CORE« and »LOB«. The CORE segment focuses on the core business processes of companies and offers solutions and services for ERP, new work & collaboration, internet of things, machine learning, and cybersecurity & compliance, for example. The LOB (»Lines of Business«) segment includes the Group's business with IT solutions for departments such as Sales and Marketing, or HR (»customer & employee experience«).

ACCOUNTING STANDARDS AND GENERAL BASIS OF PRESENTATION

The consolidated financial statements of All for One Group SE for the financial year 2021/22, which ended on 30 September 2022, have been prepared in accordance with Section 315e of the German Commercial Code (HGB) and in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as applicable in the European Union (EU). All of the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) whose application was mandatory for the financial year 2021/22 have been taken into consideration. In addition, compliance with all legal disclosure and explanatory obligations pursuant to the HGB has been assured.

The financial year of All for One Group begins on 1 October and ends on 30 September of the following year. The consolidated financial statements of All for One Group SE have been prepared strictly in accordance with the historical cost principle and under the going concern assumption.

The consolidated statement of profit and loss has been prepared using the type of expenditure format. Where items on the consolidated balance sheet and/or the consolidated statement of profit and loss and/or the statement of comprehensive income have been grouped together to enhance the clarity of presentation or for reasons of materiality, they are disclosed separately in the notes. The accounting methods used for individual items on the consolidated balance sheet and the consolidated statement of profit and loss and/or the consolidated statement of comprehensive income are explained in the individual notes, together with the specific relevant disclosures.

The presentation of the figures in the consolidated balance sheet distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current if they are due within one year or within a longer normal business cycle. Deferred tax assets and liabilities are always recognised as non-current items on the consolidated balance sheet.

The reporting currency and functional currency of All for One Group SE is the euro (EUR). Unless otherwise indicated, all amounts are reported in thousands of euros (KEUR). For technical reasons, the information provided in these financial statements may contain rounding differences of +/- one unit (KEUR, %, etc.).

The consolidated financial statements of All for One Group SE for the financial year from 1 October 2021 to 30 September 2022 were approved by the management board on 7 December 2022 and forwarded to the supervisory board for its consent.

B

CHANGES TO THE ACCOUNTING AND VALUATION METHODS

NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLIED FOR THE FIRST TIME IN FINANCIAL YEAR 2021/22

The same accounting methods were used in the consolidated financial statements of All for One Group SE for financial year 2021/22 as had been applied the previous year (financial year 2020/21). When preparing the consolidated financial statements as of 30 September 2022, however, All for One Group also applied for the first time the following new and/or amended standards and interpretations as adopted by the European Union into EU law:

Standards / Interpretations

	Title	Initial application All for One Group	Adopted by the EU	Impact on All for One Group
Amendments to IFRS 16	(i) Covid 19-related rent concessions (ii) Covid 19-related rent concessions beyond 30 June 2021	01.10.2020 / 01.10.2021	Endorsed on 09.10.2020 / 30.08.2021	No material impact
Amendments to IFRS 4	Deferral of effective date of IFRS 9	01.10.2021	Endorsed on 15.12.2020	No relevance
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform – Phase 2	01.10.2021	Endorsed on 13.01.2021	No material impact

STANDARDS AND INTERPRETATIONS WHOSE APPLICATION WILL BECOME MANDATORY IN FUTURE

The IASB and IFRS IC have issued the following announcements whose application was not yet mandatory in financial year 2021/22. All for One Group does not plan to apply these new and/or amended standards and interpretations prematurely.

Standards / Interpretations

	Title	Initial application All for One Group	Adopted by the EU	Impact on All for One Group
Amendments to IFRS 3	Reference to the conceptual framework	01.10.2022	Endorsed on 28.06.2021	No impact
Amendments to IAS 16	Proceeds before intended use	01.10.2022	Endorsed on 28.06.2021	No material impact
Amendments to IAS 37	Onerous contracts – Costs that relate directly to the contract	01.10.2022	Endorsed on 28.06.2021	No material impact
Annual improvements	Annual improvements to IFRSs cycle 2018-2020: amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	01.10.2022	Endorsed on 28.06.2021	No material impact
IFRS 17	Insurance contracts	01.10.2023	Endorsed on 19.11.2021	No relevance
Amendments to IFRS 17	Initial application of IFRS 17 and IFRS 9 – Comparative information	01.10.2023	Endorsed on 08.09.2022	No relevance
Amendments to IAS 1	Classification of liabilities as current or non-current including deferral of effective date	Expected on 01.10.2023	Open	Impact is currently being analysed
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	01.10.2023	Endorsed on 02.03.2022	Impact is currently being analysed
Amendments to IAS 8	Definition of accounting estimates	01.10.2023	Endorsed on 02.03.2022	Impact is currently being analysed
Amendments to IAS 12	Recognition of deferred tax arising from a single transaction	01.10.2023	Endorsed on 11.08.2022	Impact is currently being analysed
Amendments to IFRS 16	Lease liability in a sale and leaseback	Expected on 01.10.2024	Open	Impact is currently being analysed

SCOPE OF CONSOLIDATION, CONSOLIDATION PRINCIPLES AND CURRENCY TRANSLATION

SCOPE OF CONSOLIDATION

These consolidated financial statements include All for One Group SE and those of its subsidiaries in Germany and abroad over which it exercises control. Control is considered to exist if All for One Group SE has exposure or rights to fluctuating returns on its investment in an entity and if it can use its power over this entity to influence said returns. Generally, majority ownership of the (direct or indirect) voting rights is assumed to constitute control. The financial statements of the relevant subsidiaries are included in the consolidated financial statements from the start of possible exercise of control until the possibility to exercise control no longer exists.

These consolidated financial statements as of 30 September 2022 include both All for One Group SE and 11 subsidiaries (prior year: 9) in Germany and 13 subsidiaries (prior year: 8) abroad, all of which were fully consolidated.

Company	Direct share in %	Indirect share in %
AC Automation Center S.à.r.l., Luxembourg/Luxembourg	90.0	10.0
AC Automation Center SA/NV, Zaventem/Belgium	100.0	
Advanced Solutions Consulting GmbH, Baden/Switzerland	100.0	
All for One Austria GmbH, Vienna/Austria	100.0	
All for One Customer Experience GmbH, Vienna/Austria	100.0	
All for One Poland Sp. z o.o., Suchy Las (Poznan)/Poland (formerly: SNP Poland Sp. z o.o.) [1]	51.0	
All for One Steeb Yazılım Servisleri Limited Sirketi, Istanbul/Turkey	100.0	
ALLFOYE Managementberatung GmbH, Düsseldorf/Germany	100.0	
ASC Management Consulting AG, Engelberg/Switzerland	100.0	
avantum consult GmbH, Düsseldorf/Germany	100.0	
B4B Solutions GmbH, Graz/Austria	100.0	
B4B Solutions GmbH, Ratingen/Germany		100.0
blue-zone GmbH, Rosenheim/Germany (formerly: blue-zone AG)	100.0	
CDE – Communications Data Engineering GmbH, Hagenberg/Austria	100.0	
Empleox GmbH, Heilbronn/Germany	100.0	
Empleox Austria GmbH, Vienna/Austria		100.0
Empleox BPO GmbH, Hamburg/Germany		100.0
Grandconsult GmbH (in liquidation), Filderstadt/Germany	100.0	
OSC GmbH, Lübeck/Germany	100.0	
OSC Smart Integration GmbH, Hamburg/Germany		100.0
OSC Business Xpert GmbH, Burgdorf/Germany		51.0
POET GmbH, Karlsruhe/Germany	100.0	
POET Egypt LLC., Alexandria/Egypt		75.0
Process Partner AG, St. Gallen/Switzerland	100.0	

1) Anticipated acquisition method: full consolidation without disclosure of »non-controlling interests«

Exemption provided by Section 264 (3) HGB
The following subsidiaries have exercised their right of exemption under Section 264 (3) HGB from preparing, auditing and disclosing commercial-law financial statements and management reports in accordance with the provisions applicable to listed companies for financial year 2021/22:

– Empleox GmbH, Heilbronn
– avantum consult GmbH, Düsseldorf
– OSC GmbH, Lübeck

CHANGES IN THE SCOPE OF THE CONSOLIDATION

	Germany	Abroad	Total
Number of companies as of 01.10.2020	**10**	**9**	**19**
Additions from acquisitions	0	0	0
Additions due to foundation	0	0	0
Disposals from sale/ mergers/liquidation	1	1	2
Number of companies as of 30.09.2021	**9**	**8**	**17**
Number of companies as of 01.10.2021	**9**	**8**	**17**
Additions from acquisitions	2	4	6
Additions due to foundation	0	1	1
Disposals from sale/ mergers/liquidation	0	0	0
Number of companies as of 30.09.2022	**11**	**13**	**24**

CHANGES IN THE SCOPE OF THE CONSOLIDATION IN FINANCIAL YEAR 2021/22

All for One Poland
Effective 1 October 2021 (acquisition date), All for One Group SE acquired 51% of the shares in SNP Poland Sp. z o.o., Suchy Las/Poland, which has since changed its name to All for One Poland Sp. z o.o. (»All for One Poland«). Since that date, the company – a key provider of SAP services in Poland with more than 400 employees and more than 400 customers – has been fully consolidated in the financial statements of All for One Group SE. This acquisition expands the portfolio of All for One Group, especially with regard to software solutions and services for digital transformation processes and automated data migration, and to consultancy services for international projects in the larger midmarket.

Complete acquisition of all shares is governed by reciprocal optional purchase and sale agreements between the buyer and vendor (SNP Schneider-Neureither & Partner SE, Heidelberg) for the remaining 49% stake in All for One Poland. The options can be exercised either after the close of the financial year ending on 30 September 2023 or bindingly after the close of the financial year ending on 30 September 2024. In view of these options (forward transactions in nature), All for One Group SE is already recognising the acquisition of all shares in All for One Poland at the acquisition date (»anticipated acquisition« method). Accordingly, when fully consolidating All for One Poland, All for One Group SE does not recognise any »non-controlling interests«.

The purchase price for all shares in All for One Poland consists on the one hand of a contractually agreed initial base purchase price of EUR 15.0 million, which is dependent on the future development of individual items on the balance sheet. The base purchase price was valued at EUR 19.9 million as of the acquisition date. On the other hand, a variable purchase price component has been agreed, which is largely dependent on the operating result (EBIT) generated by All for One Poland in the last two financial years preceding exercise of the option. The earnings-related variable purchase price component is capped at both the lower (EUR 0 million) and upper ends (EUR 13.0 million). At the acquisition date, this variable purchase price component was measured at a fair value of EUR 13.0 million.

The acquisition-date fair values of the acquired assets and liabilities at the time of the business combination, are shown in the following table:

All for One Poland

in KEUR [1]	Fair value
Cash and cash equivalents	2,514
Trade receivables	6,550
Contract assets	88
Other assets	2,181
Other intangible assets	8,288
Fixed assets	345
Right-of-use assets	1,954
Total assets	**21,920**
Other provisions	7
Lease liabilities	1,571
Trade payables	3,631
Contract liabilities	97
Liabilities to employees	2,964
Income tax liabilities	324
Deferred tax liabilities	1,247
Total liabilities	**9,841**
Net assets	**12,079**
Consideration transferred	32,850
Net assets	-12,079
Goodwill	**20,771**

1) Converted at the exchange rate applicable on 1 October 2021 (PLN/EUR 4.5826)

Gross trade receivables amounted to KEUR 6,876 at the acquisition date. Of these, KEUR 326 are probably not recoverable.

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

All for One Poland

in KEUR [1]	Fair value	Estimated useful life (months)
Customer relationships	5,737	48 – 120
Orders on hand	2,518	12
Other intangible assets	33	14 – 17
Total	**8,288**	

1) Converted at the exchange rate applicable on 1 October 2021 (PLN/EUR 4.5826)

Non-identifiable intangible assets in particular contributed to the goodwill of EUR 20.8 million. They cannot be recognised separately as an asset other than as goodwill (for example »human capital«, such as the consultants' qualifications and expertise). All for One Group SE assumes that the goodwill recognised in financial year 2021/22 will not be deductible for tax purposes.

External revenue of EUR 38.9 million and a result for the period of EUR 0.8 million are attributable to the acquisition of All for One Poland for the period from 1 October 2021 to 30 September 2022. The figures include additional acquisition-related amortisation on other intangible assets of EUR 3.6 million.

The total non-recurring cost of the acquisition recorded as expenditure amounted to EUR 0.9 million, of which EUR 0.3 million is attributable to the reporting period under review.

ASC Group

Effective 1 October 2021 (acquisition date), All for One Group SE acquired all shares in ASC Management Consulting AG, Engelberg/Switzerland, and in Advanced Solutions Consulting GmbH, Baden/Switzerland (together »ASC Group«). Since that date, the established business and IT/SAP consulting company has been fully consolidated in the financial statements of All for One Group SE. Together with Process Partner AG, St. Gallen/Switzerland – the Swiss subsidiary that has already been part of All for One Group for many years – the acquisition of ASC Group is aimed at strengthening the Group's presence in the Swiss SAP market. ASC Group has a broad portfolio of corporate finance and enterprise performance management consulting products and services focusing on group consolidation, financial controlling and the associated disciplines of business planning, BI reporting and analytics.

The purchase price is made up of a fixed purchase price of CHF 9.0 million and variable purchase price components of up to CHF 3.0 million, which are largely dependent on the operating result (EBIT) generated by the relevant companies in the two calendar years 2020 and 2021. At the acquisition date, these variable purchase price components were measured at a fair value of CHF 2.2 million.

The acquisition-date fair value of the acquired assets and liabilities the time of the business combination, are shown in the following table:

ASC Group

in KEUR [1]	Fair value
Cash and cash equivalents	1,907
Trade receivables	1,450
Other assets	362
Other intangible assets	4,024
Fixed assets	39
Right-of-use assets	669
Total assets	**8,451**
Lease liabilities	669
Trade payables	965
Contract liabilities	1,136
Liabilities to employees	188
Pension provisions	1,229
Deferred tax liabilities	366
Other tax liabilities	226
Total liabilities	**4,779**
Net assets	**3,672**
Consideration transferred	10,457
Net assets	-3,672
Goodwill	**6,785**

1) Converted at the exchange rate applicable on 1 October 2021 (CHF/EUR 1.0791)

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

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

ASC Group

in KEUR [1]	Fair value	Estimated useful life (months)
Customer relationships	3,733	96
Orders on hand	291	6
Total	**4,024**	

1) Converted at the exchange rate applicable on 1 October 2021 (CHF/EUR 1.0791)

Non-identifiable intangible assets in particular contributed to the goodwill of EUR 6.8 million. They cannot be recognised separately as an asset other than as goodwill (for example »human capital«, such as the consultants' qualifications and expertise). All for One Group SE assumes that the goodwill recognised in financial year 2021/22 will not be deductible for tax purposes.

External revenue of EUR 9.3 million and a result for the period of EUR 0.0 million are attributable to the acquisition of ASC Group for the period from 1 October 2021 to 30 September 2022. The figures include additional acquisition-related amortisation on other intangible assets of EUR 0.8 million.

The total non-recurring cost of the acquisition recorded as expenditure amounted to EUR 0.4 million, of which EUR 0.1 million is attributable to the reporting period under review.

POET GmbH

On 2 May 2022, All for One Group SE acquired all shares in customer experience (CX) experts POET GmbH, Karlsruhe. POET GmbH holds a 75% stake in the development company POET Egypt LLC., Alexandria/Egypt. The acquisition will allow All for One Group to take a large step forward in expanding its CX portfolio. The experts working for the Karlsruhe-based IT service provider and its development company in Egypt will strengthen the Group's portfolio of CX products and services that its subsidiary B4B Solutions is already successfully providing to more than 3,000 customers throughout the Group. POET has been an SAP Gold Partner for many years

The purchase price consists on the one hand of a contractually agreed base purchase price of EUR 8.4 million and a further purchase price instalment of EUR 0.8 million that is due at a later date, and on the other hand, of variable purchase price components of up to EUR 1.3 million, which are largely dependent on the sales revenues and operating result (EBIT) achieved in financial year 2022/23 by the relevant companies. At the acquisition date, these variable purchase price components were measured at a fair value of EUR 1.2 million.

The preliminary acquisition-date fair value of the acquired assets and liabilities at the time of the business combination, are shown in the following table:

POET GmbH

in KEUR	Preliminary fair value
Cash and cash equivalents	1,340
Trade receivables	977
Income tax assets	12
Other assets	458
Other intangible assets	3,027
Fixed assets	140
Right-of-use assets	627
Total assets	**6,581**
Lease liabilities	627
Trade payables	114
Contract liabilities	256
Liabilities to employees	260
Income tax liabilities	106
Deferred tax liabilities	911
Other liabilities	752
Total liabilities	**3,026**
Net assets	**3,555**
Consideration transferred	10,303
Non-controlling interests	18
Net assets	-3,555
Goodwill	**6,766**

Gross trade receivable amounted to KEUR 1,032 at the acquisition date. Of these, KEUR 55 are probably not recoverable.

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

POET GmbH

in KEUR	Preliminary fair value	Estimated useful life (months)
Customer relationships	2,228	60
Orders on hand	763	12
Other intangible assets	36	7 – 28
Total	**3,027**	

Non-identifiable intangible assets in particular contributed to the goodwill of EUR 6.8 million. They cannot be recognised separately as an asset other than as goodwill (for example »human capital«, such as the consultants' qualifications and expertise, and anticipated synergies in the field of CX). All for One Group SE assumes that the goodwill recognised in financial year 2021/22 will not be deductible for tax purposes.

External revenue of EUR 2.6 million and a negative result for the period of minus EUR 0.4 million are attributable to the acquisition of POET GmbH and its development company POET Egypt LLC. for the period from 2 May 2022 to 30 September 2022. The figures include additional acquisition-related amortisation on other intangible assets of EUR 0.6 million.

The total non-recurring cost of the acquisition recorded as expenditure amounted to EUR 0.3 million, of which EUR 0.3 million is attributable to the reporting period under review.

Had the initial consolidation of POET GmbH and its development company POET Egypt LLC. been made at the beginning of financial year 2021/22, then this would have resulted in proforma Group revenues of EUR 456.3 million and a proforma Group result for the period of EUR 10.5 million. These pro forma figures were determined for indicative and comparative purposes only. They do not constitute reliable information about the operating results that would actually have been achieved had the acquisition been made at the beginning of the financial year, nor about future revenue and earnings.

Due to the proximity of the acquisition date to the balance sheet date and the associated uncertainties in connection with the valuation of the intangible assets and the variable purchase price components, an independent valuation report was not yet available at the time of preparation of the consolidated financial statements. The initial consolidation has therefore not yet been finally completed.

CHANGES IN THE SCOPE OF THE CONSOLIDATION IN FINANCIAL YEAR 2020/21

The companies acquired in the prior year are discussed in the notes to the consolidated financial statements (Section C) of the annual report 2020/21.

CONSOLIDATION PRINCIPLES

The financial statements of All for One Group SE and its consolidated subsidiaries are prepared in accordance with uniformly applicable measurement and valuation principles as of the closing date for the consolidated financial statements (30 Sep 2022). Measurement, valuation, consolidation and structuring principles were applied consistently by all the companies included in the consolidated financial statements. All intra-Group assets, liabilities, income and expenses are eliminated during consolidation, as are all cash flows from business transactions between the companies included in the consolidated financial statements. The income tax effects of consolidation operations that affect profit or loss were taken into consideration and deferred taxes recognised.

The acquisition method is used to consolidate the subsidiaries' capital. Accordingly, the purchase price of the investment (consideration transferred) is allocated to the acquired identifiable assets and liabilities, as well as the contingent liabilities, on the basis of their fair values at the acquisition date. Deferred taxes were recognised on hidden reserves and liabilities identified during initial consolidation unless they were recognised for tax purposes. In subsequent periods, identified hidden reserves and liabilities are treated in the same way as the corresponding assets and liabilities. Any positive difference between the purchase price of the investment (consideration transferred) and the proportionate net fair values of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Costs incurred in connection with the acquisition of a company are recognised as expenses. Non-controlling interests in an acquired company are measured on the basis of the proportionate share in the identifiable net assets of the acquired company and recognised as »Non-controlling interests« in the consolidated balance sheet of All for One Group. The future recognition of shares attributable to non-controlling shareholders in subsequent periods is determined by the relevant profit or losses, distributions and currency translation differences. Shares attributable to non-controlling shareholders are reported as a separate item in equity on the consolidated balance sheet. Transactions that involve non-controlling interests and do not result in a loss of control are recognised as equity transactions without affecting profit or loss. Forward transactions relating to the acquisition of further shares in existing subsidiaries are recognised using the anticipated acquisition method, i.e. shares attributable to non-controlling shareholders are not stated.

CURRENCY TRANSLATION

The items recognised in the financial statements of the individual companies within the Group are valued on the basis of the respective functional currency. All for One Group's reporting currency is the euro (EUR).

Transactions in foreign currencies are translated into the functional currency at the prevailing rate of exchange on the date of the business transaction. Monetary assets and liabilities in foreign currencies are translated at the exchange rate on the reporting date. Exchange differences are recognised in the statement of profit and loss under other operating expenses or income respectively. Non-monetary assets and liabilities valued at historical cost in a foreign currency are translated at the exchange rate on the day of the business transaction.

Financial statements of consolidated companies whose functional currency differs from the Group's reporting currency are translated as follows: The assets and liabilities are translated at the (mid-)rate of exchange applicable on the reporting date, equity is translated at historical rates, and income and expenditure are converted at the annual average exchange rate. Translation differences arising due to changes in exchange rates from one financial year to the next are always recognised under »Currency translation reserve« in equity without affecting profit or loss.

The most important changes in exchange rates in relation to the euro were as follows:

	Year-end rate		Average exchange rate	
	30.09. 2022	30.09. 2021	10/2021 – 09/2022	10/2020 – 09/2021
CHF	0.9561	1.0830	1.0230	1.0872
TRY	18.0841	10.2981	15.8271	9.6238
PLN	4.8483	–	4.6568	–
EGP	19.1270	–	19.4310	–

Turkey was classified as hyperinflationary for the first time in the year under review. As a result, IAS 29 was applied retrospectively, starting on 1 October 2021, to the activities of All for One Steeb Yazılım Servisleri Limited Sirketi, Istanbul/Turkey. IAS 29 requires application of a general price index as of the reporting date to adjust non-monetary assets and liabilities, equity and all items on the statement of profit and loss to eliminate the effects of inflation and to reflect a profit or loss derived from the netted monetary items. The index used by All for One Group for this purpose was the consumer price index issued by the Turkish statistics office (30 Sep 2022: 1,047; 30 Sep 2021: 571). The balance sheet items and all income and expenses were then translated to euros – the reporting currency – at the exchange rate applicable on the reporting date. As the effects resulting from indexing the items on the balance sheet and the statement of profit and loss were immaterial from a Group perspective, no adjustment was made.

DISCRETIONARY MANAGEMENT DECISIONS AND ESTIMATION UNCERTAINTIES

To a limited extent, estimates and discretionary assumptions must be made when preparing the consolidated financial statements of All for One Group SE which impact the measurement, amount and recognition of the assets and liabilities, income and expenses, and contingent liabilities in the financial statements.

Key discretionary management decisions and estimation uncertainties relate particularly to the recognition and valuation of valuation allowances on trade receivables and contract assets (Notes 11 and 21), the amount and likelihood of occurrence of provisions (Note 18) and the recognition and measurement of current and deferred tax assets and liabilities (Note 16). When assessing these discretionary judgements and estimation uncertainties, management is guided by empirical values from the past, estimates by experts (lawyers, rating agencies, associations, etc.) and its findings from careful consideration of different scenarios. Since actual results and developments outside management's sphere of control may differ considerably from the stated developments and assumptions, All for One Group reviews the estimates and assumptions made by management on an ongoing basis. Changes in estimates are recognised through profit or loss if and when knowledge improves.

Key discretionary decisions relating to corporate mergers are made with regard to recognising and measuring acquired assets and liabilities, including goodwill, and variable purchase price components (section C. and note 13). In the case of reciprocal options to acquire further shares in existing subsidiaries – forward transactions by nature – significant discretion is exercised when fictitiously recognising the future acquisition of those shares not yet owned by All for One Group at the time of acquiring the majority stake (»anticipated acquisition« method).

Key discretionary decisions with regard to revenue recognition are made when determining the contract unit for accounting purposes (contract collation), when defining separate performance obligations, when determining the timing of completion of the performance obligations (possibly together with determination of the method for measuring performance progress), when determining individual sale prices, when assessing significant financing components and when capitalising contract acquisition costs:

– The decision whether to collate multiple separately agreed IT service contracts with one customer that have an identical or similar timeline into (just) one contract unit for accounting purposes can involve not inconsiderable discretionary judgements in individual instances.

– Determining whether a promise of performance must be treated as a separate performance obligation (e.g. if implementation services are to be performed or if customers are offered options of acquiring additional products and services) can involve not inconsiderable discretionary judgements in individual instances.

– In the case of customer-specific consultancy projects to be executed within a specific time frame, management believes that the input-based efforts expended method is fundamentally best suited to measuring performance progress given the existence of a direct connection between the consultancy services already provided by All for One Group (e.g. consultancy hours worked up to closing date) and the transfer of the right of disposal to the customer. Estimates of performance progress are based on empirical values and are monitored and adjusted on an ongoing basis.

– If multiple performance obligations exist, the estimated contract fee must be allocated to the identified performance obligations based on the relative individual sale prices in each case. All for One Group only uses alternative suitable methods to estimate individual sale prices if prices for the individual goods and services are not directly observable in the marketplace. Depending on the specific facts and circumstances, preference is given to the »expected cost plus margin« approach.

– Significant financing components must always be considered when determining transaction prices if the timing of performance and payment differs. Identifying whether a significant financing component exists (at all) in individual instances requires discretionary assessment of all relevant facts and circumstances pertaining to the relevant individual case.

– IFRS 15 requires that contract acquisition costs be capitalised and written off parallel to the transfer of right of disposal to the underlying goods and services to the customer. Determining both the scope of the contract acquisition costs to be capitalised and the write-down period can involve not inconsiderable discretionary judgement in individual instances. All for One Group SE is choosing to avail itself of the option of immediately recognising an expense in cases where the period of amortisation would be less than one year. Accordingly, the sales commission owing on software licenses, for example, is therefore not capitalised.

– Costs associated with contract fulfilment as defined in IFRS 15 must be capitalised and subjected to scheduled amortisation over the estimated useful life. Determining both the scope of the contract fulfilment costs to be capitalised and the period of amortisation can involve not inconsiderable discretionary judgement in individual instances.

Material discretionary judgements when accounting for leases under IFRS 16 relate to individual property lease contracts containing options to extend after the primary term (including any subsequent automatic extensions of rental periods) that were not included when measuring the lease liabilities. They were left out due to the lack of sufficient certainty that these options would be exercised, which could lead to undiscounted potential cash outflows. For further details of these financial obligations not reported on the balance sheet, please refer to the discussion in note 22.

COVID-19 PANDEMIC AND RUSSIA-UKRAINE CONFLICT

As the restrictions imposed by the Covid-19 pandemic continue, it remains difficult to predict the resulting impacts on All for One Group. All for One Group is not directly affected by the fallout from the Russia-Ukraine conflict as it does not have any business relationships of any importance with suppliers and customers in Ukraine or Russia. Nevertheless, indirect impacts on All for One Group are possible, given that the political and overall economic consequences of the Russia-Ukraine conflict are not foreseeable at present.

Accordingly, the discretionary judgements and estimates made by All for One Group are surrounded by more uncertainty than usual, in particular when calculating the impairment on trade receivables (»expected credit loss model«), when testing goodwill for impairment, and for trademark rights with indefinite useful lives. According to the underlying assumptions, the Covid-19 pandemic and the Russia-Ukraine conflict have no significant impact on the net assets, financial position and results of operations of All for One Group.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

1. Sales revenue

All for One Group generates sales revenue primarily from the sale of software licenses and the provision of specific IT services (cloud contracts, outsourcing and managed services, software maintenance agreements, software implementation and optimisation projects, management and technology consulting, and training). Contract terms vary depending on the relevant activities. Revenue from the sale of software licenses is generally recognised when the software is delivered. By contrast, contract terms for IT services tend to span periods ranging from several months to five years, although individual contracts can be outside this range. Invoices for services provided are generally payable immediately or within a short period of up to 60 days. For internal reporting purposes, All for One Group breaks its sales revenue down by type, country and business segment (»CORE« and »LOB«).

Sales revenue by type of revenue [1]

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Cloud services and support (1)	**112,028**	**85,100**
Software licenses and support (2)	**146,607**	**134,451**
Software licenses	30,176	22,922
Software support (3)	116,431	111,529
Consulting and services	**181,949**	**148,239**
Consulting	172,605	139,907
Services	9,257	8,210
Other revenue	87	122
CONVERSION/4 (4)	12,068	5,147
Total	**452,652**	**372,937**
Cloud and software revenue (1)+(2)	**258,635**	**219,551**
Recurring revenue (1)+(3)+(4)	**240,527**	**201,776**

1) Prior-year figures adjusted

With the wave of migrations from SAP ERP to SAP S/4HANA gaining in strength, All for One Group has been reporting CONVERSION/4 as a separate type of revenue since the beginning of this financial year 2021/22. In order to improve comparability, prior-year figures have been adjusted accordingly. In this respect, sales revenues formerly included under »Consulting und Services«, in particular, have been reclassified to the new revenue category »CONVERSION/4«.

The item »Other revenue« includes interest income on receivables from finance leases.

Sales revenue by country [1]

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Germany	354,095	318,149
Switzerland	29,014	17,011
Austria	26,504	23,669
Poland	25,129	0
Luxembourg	9,124	9,933
Other countries	8,786	4,175
Total	**452,652**	**372,937**

1) Based on domicile of the customer

For details of the sales broken down by business segment (»CORE« and »LOB«), please refer to the segment report in note 20.

OUTSTANDING PERFORMANCE OBLIGATIONS

All for One Group uses the practical expedient of not disclosing the portion of the transaction price that is attributable to outstanding performance obligations as long as the original term of the relevant customer contracts is not more than one year or performance corresponds to the claim to reimbursement. The conditions for applying this practical expedient are, however, not met by some customer-specific IT services that are subject to PoC completion and some multi-component contracts. The transaction price relating to these performance obligations that are wholly or partially outstanding amounted to EUR 72.2 million as of 30 September 2022 (prior year: EUR 31.6 million). Most of the related revenue will probably be recognised within the twelve months following the reporting date.

Of the advance payments by customers that were recognised as contract liabilities as of 1 October 2021 (prior year: 1 Oct 2020) in an amount of EUR 8.8 million (prior year: EUR 9.0 million), EUR 8.5 million (prior year: EUR 8.7 million) were stated as sales revenues in financial year 2021/22.

Significant accounting policies

Sales revenue is measured on the basis of the consideration that is agreed with a customer in a contract and which All for One Group receives and realises when that customer gains control over the agreed goods and services. Such control can be transferred at a specific point in time or over a specific period. Revenue is stated exclusive of sales tax and less any reductions, such as credits, trade discounts, and the like. Significant financing components must always be considered when determining transaction prices if the timing of performance and payment differs by more than one year.

Contracts with customers regularly contain different promises of performance (IT products and/or IT services) which may require classification as separate performance obligations and, as a result, partial allocation of the contract price. Determining whether an IT product or IT service must be classified as a separate performance obligation (e.g. in the case of software implementation projects or if customers are offered options of acquiring additional products and services) can involve not inconsiderable discretionary judgements in individual instances. If several services are provided to one customer, they must either be specified in separate individual contracts or combined into a single contract consisting of several performance obligations. Where economically interdependent services are agreed with a customer in separate, individual contracts within a narrow time frame, they must be collated into a standard multi-component contract.

Revenue relating to the sale of software licenses and other IT products is recognised at the time of software delivery (start of transfer of use). Within All for One Group, IT services are generally realised in instalments over the course of service provision. Likewise, sales relating to customer-specific consultancy projects are realised in line with the progress of performance over the course of the project (PoC (percentage of completion) method). All for One Group uses input-based methods – and specifically the efforts expended method – to determine revenue from customer-specific consultancy projects. This method involves determining the degree of completion as a ratio of the consultancy hours worked up to closing date compared to the total estimated number of hours for the project as a whole. The product of these two variables constitutes the portion of project revenue (cumulative performance) to be realised as of the balance sheet reporting date. As required under IFRS 15, the recognition of contract revenue includes contract modifications – i.e. amendments and supplements – in addition to the revenue from the initial contract. If cumulative performance as of the balance sheet reporting date exceeds the project services that have already been invoiced or the advance payments that have already been made or are due, the balance is recognised as a contract asset and included in »Contract assets« (current portion) respectively »Other assets« (non-current portion) in the balance sheet. By contrast, if the balance is negative, it is recognised as a contract liability and included in »Contract liabilities« (current portion) respectively »Other liabilities« (non-current portion) in the balance sheet. Anticipated contract losses are taken into consideration on the basis of the identifiable risks and included immediately and in full in the contract result.

2. Other operating income

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Advertising and marketing reimbursements from partners	1,476	1,236
Income from disposal of assets	644	706
Reversal of provisions	574	595
Income from co-payments from employees	548	414
Income from currency differences	519	46
Investment tax credits (public authorities)	402	0
Insurance compensation	332	341
Income from subleases	217	202
Income from cost allocation to partners	97	86
Other income	865	570
Total	**5,674**	**4,196**

Significant accounting policies
Other operating income stated by All for One Group includes all income that is earned in the course of business operations but has no connection to its core business. Other operating income is measured at the fair values of the considerations (to be) received less any discounts or other similar deductions.

3. Cost of materials and purchased services

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Purchased services	-143,614	-121,398
Cost of materials	-24,612	-20,440
Total	**-168,226**	**-141,838**

Purchased services mainly include expenses for SAP maintenance contracts. The cost of materials is primarily a result of the purchase of SAP software licensing rights and the procurement of hardware for customer projects.

Significant accounting policies
Expenditure on materials is recognised through profit or loss when a service is used, or the cost incurred. The amounts to be recognised as cost of materials and/or purchased services are based on the carrying amounts of the inventories and/or the price of purchased third-party performance.

4. Personnel expenses

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Salaries and wages	-173,044	-142,895
Social security contributions	-28,615	-23,079
Defined contribution plan expenses	-1,314	-1,171
Defined benefit plan service costs	-750	-402
Other personnel expenses	-2,326	-2,020
Total	**-206,049**	**-169,567**

Average headcount by function

	10/2021 – 09/2022	10/2020 – 09/2021
Cloud and consulting	1,823	1,325
Sales and marketing	234	187
Administration and management	275	198
Total	**2,332**	**1,710**

The average number of employees during financial year 2021/22 was 2,383 (prior year: 1,766). In addition, the workforce in financial year 2021/22 included an average of 55 apprentices/trainees (prior year: 38) and 134 in marginal employment, on parental leave and on extended sick leave (prior year: 101).

Significant accounting policies
Personnel expenses include all benefits (monetary and in-kind benefits) paid by All for One Group to its staff. They are recognised when a benefit is provided, or a cost incurred. The principle of accrual is applied to personnel expenses to allocate them to the period in which the entitlement of the relevant member of staff at All for One Group arises.

Part-time employees are converted into full-time employees when indicating the headcount.

The average headcount does not include board members, apprentices/trainees, staff with mini jobs and employees on parental or long-term sick leave.

5. Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets

A breakdown of the depreciation, amortisation and impairment on intangible, fixed and right-of-use assets is included in the presentation of changes in fixed assets. Please refer to the relevant schedule of fixed assets and discussions in notes 13, 14 and 15.

6. Other operating expenses

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Internal information processing	-8,841	-6,171
Vehicle costs	-6,294	-4,175
Travel and overnight accommodation expenses	-3,701	-919
Marketing and advertising	-3,495	-2,158
Consulting and financial statement preparation costs	-2,961	-2,837
Human resource management expenses	-2,952	-2,641
Cost of premises	-2,622	-1,834
Insurance	-888	-781
Expenses from currency differences	-158	-38
Expenses from disposal of assets	-15	-10
Other expenses	-4,599	-2,474
Total	**-36,526**	**-24,038**

Significant accounting policies

All for One Group recognises all operations-related reductions in assets in other operating expenses if they cannot be allocated to any of the other expense items on the consolidated statement of profit and loss or are not recognised separately for reasons of immateriality.

7. Financial result

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Other interest income	17	12
Financial income	**17**	**12**
Bank loan interest expenses	-953	-629
Interest expenses for lease liabilities	-427	-338
Custody fees	-178	-254
Net interest for defined benefit plans	-7	-10
Other interest expenses	-135	-91
Financial expenses	**-1,700**	**-1,322**
Financial result	**-1,683**	**-1,310**

Significant accounting policies

The financial income/financial expenses recognised by All for One Group include all income and expenses that are generated/incurred in the course of its financing activities and do not result from operations (e.g. valuation differences on financial assets and financial liabilities including intra-Group finance arrangements resulting from adjustments to exchange rates for foreign currencies). Financial income and expenses are recognised through profit or loss in the period to which they relate in the consolidated statement of profit and loss using the effective interest rate method.

In addition to the interest expense on loans and finance leases, financial expenses also include other expenses directly related to financing of, or investments in, financial assets, unless they must be recognised in equity.

8. Income tax

Breakdown of income tax by geographical location

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Current tax expenses		
National	-3,352	-4,634
Foreign	-2,492	-1,503
Total	**-5,844**	**-6,137**
Deferred tax expenses / income		
National	284	309
Foreign	680	20
Total	**964**	**329**
Balance	**-4,880**	**-5,808**

Breakdown of income tax by integral components

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Current tax result		
Current income tax for the reporting year	-5,682	-6,140
Current income tax relating to prior periods	-162	3
Total	**-5,844**	**-6,137**
Deferred tax result		
Change in temporary differences	871	496
Change in tax assets from tax loss carry forwards	93	-167
Total	**964**	**329**
Balance	**-4,880**	**-5,808**

TAX RECONCILIATION

The following reconciliation shows the difference between expected and actual income tax expenses. The tax expenses were calculated by multiplying the tax rate of 30.4% (prior year: 30.4%) applicable for financial year 2021/22 by the earnings before tax. This tax rate constitutes a combined income tax rate derived from the standard corporation tax rate of 15.0% plus 5.5% solidarity surcharge and an effective trade tax rate of 14.5% (prior year: 14.5%). The relevant country-specific income tax rates applicable for the foreign companies ranged between 12.7% and 25.0% (prior year: between 14.5% and 25.0%).

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
EBT	15,917	19,323
Expected tax expenses	**-4,839**	**-5,874**
Deviations:		
Current tax expenses / income relating to prior periods	-162	3
Tax differences relating to prior periods	0	28
Non-deductible expenses / tax-free income	-458	-757
Waiver of capitalisation of tax loss carry forwards for current year	-35	-31
Capitalisation of tax loss carry forwards relating to prior periods	0	56
Use of uncapitalised loss carry forwards for current year	0	38
Effect of different tax rates	676	922
Tax rate changes	-3	57
Other influences	-59	-250
Total	**-4,880**	**-5,808**

Significant accounting policies
The tax income/tax expense recognised by All for One Group relates to the taxes charged in individual countries on taxable profits, and to changes in deferred tax accruals. Income tax is recognised on the basis of the legal regulations applicable and/or approved as of the reporting date and in the amount expected to be refunded by, or paid to, the tax authorities.

Management routinely assesses individual tax matters to determine whether applicable tax regulations allow any room for interpretation. Tax provisions are formed where amounts included in tax returns will probably not materialise (uncertain tax positions). The amount is derived from the best possible estimate of the anticipated tax payment (expected amount or most probable amount of uncertain tax).

For information on deferred tax accounting, please refer to the detailed discussion of the applicable accounting methods in note 16.

Other taxes, such as transaction taxes or taxes on wealth and capital are reported as operating expenses.

9. Earnings per share

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Metric in KEUR		
Result for the period (attributable to owner of the parent)	10,967	13,347
Denominator in shares		
Weighted average number of ordinary shares outstanding	4,982,000	4,982,000
Undiluted and diluted earnings per share in EUR	**2.20**	**2.68**

Neither in the current nor prior reporting period were any options issued that would have entitled lenders, employees, management board or supervisory board members to acquire All for One Group SE shares. Accordingly, no dilution occurred with regard to the earnings per share as of 30 September 2022 and 30 September 2021, respectively.

Significant accounting policies
When calculating undiluted earnings per share, the profits attributable to the holders of All for One Group SE ordinary shares are divided by the weighted average number of ordinary shares in free float during the year.

When calculating diluted earnings per share, the profits attributable to the holders of All for One Group SE ordinary shares are divided by the weighted average number of ordinary shares in free float during the year, plus the weighted average number of ordinary shares that would result if all potentially dilutive shares were to be converted to ordinary shares.

EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

10. Finance lease receivables

As a lessor, All for One Group enters into finance lease agreements for IT equipment with its customers. Contracted finance leases run for an average term of five years.

in KEUR	Due ≤1 year	Due >1≤5 years	Due >5 years	Total 30.09. 2022
Finance lease receivables (gross value)	4,121	6,971	0	11,092
Less unrealised financial income	-19	-172	0	-191
Finance lease receivables (net value)	**4,102**	**6,799**	**0**	**10,901**

in KEUR	Due ≤1 year	Due >1≤5 years	Due >5 years	Total 30.09. 2021
Finance lease receivables (gross value)	4,368	7,001	0	11,369
Less unrealised financial income	-20	-103	0	-123
Finance lease receivables (net value)	**4,348**	**6,898**	**0**	**11,246**

Significant accounting policies

In the accounting procedures for lessors, IFRS 16 distinguishes between finance leases and operating leases. Leases are classified as finance leases if – pursuant to the lease agreement – essentially all the risks and opportunities associated with ownership are transferred to the lessee.

Finance lease amounts due from lessees are recognised as »Finance lease receivables« in an amount equivalent to the net investment in the lease contracts. Finance lease income is spread over the respective reporting periods to ensure the interest on the outstanding net investment relating to the leases remains constant in each period.

11. Trade receivables and contract assets

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Trade receivables	57,387	41,753
Contract assets	8,322	4,671
Gross carrying amount	**65,709**	**46,424**
Impairment	-702	-1,254
Net carrying amount	**65,007**	**45,170**

Changes in impairment of doubtful accounts

in KEUR	30.09. 2022	30.09. 2021
Impairments on 1 October	**-1,254**	**-1,771**
Additions	-679	-338
Usage	1,078	128
Reversals	148	727
Foreign currency differences	5	0
Impairments on 30 September	**-702**	**-1,254**

Significant accounting policies

Trade receivables are recognised at the time of occurrence at the fair value of the consideration provided (transaction price). Trade receivables are never discounted since they generally do not contain a material financing component and are due within one year, as a rule.

The following are recognised as contract assets:

– customer-specific consultancy projects subject to PoC accounting (especially software implementation and software optimisation projects), where cumulative performance exceeds the project services that have already been invoiced or the advance payments that have already been made or are due (the balance is recognised as an asset);

– positive allocation effects arising from dividing the total transaction price of a multi-component contract among individual performance obligations based on relative individual sale prices; and

– other IT services that have already been provided but not yet billed.

Trade receivables and contract assets are subsequently recognised at amortised cost (less impairment). All for One Group uses the expected credit loss model to calculate impairment. Accordingly, impairment is determined using an impairment matrix based on empirical credit loss data adjusted for forward-looking factors of significance for the borrowers and the general economic environment. Trade receivables and contract assets with impaired creditworthiness are subjected to special examination of the default risks on a case by case basis. Indicators of impaired creditworthiness include, in particular, significant financial difficulties or the likelihood of insolvency of a debtor. Impairment is recognised in the valuation allowance through profit or loss in the consolidated statement of profit and loss. If the reasons for impairment cease to exist in subsequent periods, the value is written up to no more than the original purchase price and recognised as profit. Impairment losses on trade receivables and earnings from write-ups are netted and recognised separately as »Impairment losses on financial assets« in the consolidated statement of profit and loss.

Impairments of doubtful trade receivables and contract assets include assessments regarding a customer's credit rating. If a customer's financial data deteriorates, deviations from the expected impairment may occur.

12. Other assets

	30.09.2022			30.09.2021		
in KEUR	Current	Non-current	Total	Current	Non-current	Total
Prepaid services	8,000	4,209	12,209	6,097	5,536	11,633
Contract acquisition costs	376	1,731	2,107	275	1,090	1,365
Inventories	1,935	0	1,935	897	0	897
Pre-tax claims	1,156	0	1,156	1,003	0	1,003
Contract fulfilment costs	206	636	842	153	679	832
Sundry other assets	863	544	1,407	904	271	1,175
Total	**12,536**	**7,120**	**19,656**	**9,329**	**7,576**	**16,905**

Sundry other non-current assets include contract assets of KEUR 158 (prior year: KEUR 20).

Significant accounting policies

Other assets include both financial and non-financial assets.

Financial assets are based on a contract representing a financial asset for the one party and a financial liability or equity instrument for the other. At All for One Group, these predominantly comprise cash and cash equivalents, finance lease receivables and trade receivables. Financial assets are recognised in the consolidated balance sheet when All for One Group gains contractual entitlement to cash or other financial assets from a third party.

When recognised for the first time, a financial asset is classed as one of the following, and measured:

– measured at amortised cost;
– investments in debt instruments that are measured at fair value, with changes recognised in other comprehensive income;
– equity investments that are measured at fair value, with changes recognised in other comprehensive income; or
– measured at fair value through profit or loss.

Classification is based on the company's business model for managing financial assets and on the characteristics of the contractual cash flows. A financial asset is measured at amortised cost if it is held as part of a business model whose objective is to collect contractual cash flows, and the terms of the contract specify fixed dates for cash flows that solely constitute redemption and interest payments on the outstanding capital. At present, all non-current financial assets held by All for One Group are classified as »Measured at amortised cost«. Impairment of debt instruments measured at amortised cost is recognised in the amount of expected credit loss. On each closing date, it is adjusted to reflect any changes in the credit risk of the relevant financial instruments since first-time recognition and usually reflects the amount of expected credit losses over the term.

If objective substantial signs indicate impairment of a financial asset, it is individually tested for impairment. Such indications of impairment might include deterioration in a debtor's credit rating with associated payment delays, or pending bankruptcy. The expected credit losses on financial and other receivables are determined on the basis of the risk of defaults expected to occur either over the next twelve months or over the residual term. An examination on each closing date determines whether the credit risk has increased significantly.

The following information or expectations might be indicative of a significant increase in the credit risk:

– significant change in the internal or external credit rating of the financial instrument;
– detrimental changes in general business, financial or economic conditions that significantly impact the creditworthiness of the relevant customer;
– signs that a customer is in considerable financial difficulties; or
– failure to meet payment deadlines.

By contrast, a simplified model based on an impairment matrix is used to recognise the expected credit loss on trade receivables. Please refer to the detailed discussion in note 11 for more information.

In contrast to financial assets, non-financial assets are especially those that arise on the basis of legal provisions, as well as deferrals and advance payments. Non-financial assets at All for One Group mainly comprise contract assets, contract acquisition costs, contract fulfilment costs, inventories, accruals from maintenance contracts and pre-tax claims. Please refer to the discussion in note 11 for more information about contract assets. Contract acquisition costs incurred in initiating a contract with a customer (in particular sales commissions) are expensed as incurred unless the amortisation period exceeds one year. Otherwise, the contract acquisition costs are capitalised and amortised over the expected duration of the customer relationship (3 to 10 years). In addition, All for One Group capitalises contract fulfilment costs as per IFRS 15 that arise in fulfilment of a contract with a customer and are not covered by the scope of application of any other standard (in particular initial project expenses associated with managed services). Contract fulfilment costs are subject to scheduled amortisation over the estimated useful life. Contract acquisition and fulfilment costs are recognised as current and non-current »Other assets« on the balance sheet and discussed separately in the notes to the consolidated financial statements. The amortisation of contract acquisition costs is only recognised in »Personnel expenses« whereas contract fulfilment costs are amortised in both »Personnel expenses« and »Cost of materials and purchased services«. Impairment must be recognised if the carrying amount of the capitalised costs exceeds the residual value of the expected consideration from the customer for the delivery of goods or provision of services less the outstanding associated costs.

13. Intangible assets

in KEUR	Goodwill	Trademark rights	Customer relationships	Other intangible assets	Total
Costs					
01.10.2020	**32,540**	**12,417**	**50,288**	**8,908**	**104,153**
Foreign currency differences	-13	0	0	0	-13
Additions	0	0	0	1,196	1,196
Disposals	0	0	0	-52	-52
30.09.2021	**32,527**	**12,417**	**50,288**	**10,052**	**105,284**
01.10.2021	**32,527**	**12,417**	**50,288**	**10,052**	**105,284**
Foreign currency differences	296	0	166	-107	355
Change in scope of consolidation	35,214	126	12,157	5,888	53,385
Additions	0	0	0	388	388
Disposals	0	0	0	-41	-41
30.09.2022	**68,037**	**12,543**	**62,611**	**16,180**	**159,371**
Accumulated amortisation and impairment					
01.10.2020	**1,802**	**93**	**31,872**	**6,703**	**40,470**
Foreign currency differences	-5	0	0	0	-5
Amortisation	0	34	3,401	785	4,220
Impairment	0	0	0	0	0
Disposals	0	0	0	13	13
30.09.2021	**1,797**	**127**	**35,273**	**7,501**	**44,698**
01.10.2021	**1,797**	**127**	**35,273**	**7,501**	**44,698**
Foreign currency differences	248	0	-12	-70	166
Amortisation	0	17	5,099	4,300	9,416
Impairment	0	0	0	0	0
Disposals	0	0	0	-41	-41
30.09.2022	**2,045**	**144**	**40,360**	**11,690**	**54,239**
Carrying values					
30.09.2021	**30,730**	**12,290**	**15,015**	**2,551**	**60,586**
30.09.2022	**65,992**	**12,399**	**22,251**	**4,490**	**105,132**

GOODWILL

Goodwill is attributable as follows to the cash-generating units (CGUs) or groups of cash-generating units of All for One Group:

in KEUR	30.09. 2022	30.09. 2021
All for One Poland Sp. z o.o., Suchy Las (Posen)/Poland	19,632	–
All for One Group SE, Filderstadt	12,126	12,126
Empleox GmbH, Heilbronn (sub-group)	9,398	9,398
ASC Group (ASC Management Consulting AG, Engelberg/Switzerland and Advanced Solutions Consulting GmbH, Baden/Switzerland)	7,658	–
POET GmbH, Karlsruhe (sub-group)	6,767	–
Process Partner AG, St. Gallen/Switzerland	2,668	2,355
avantum consult GmbH, Düsseldorf	2,569	2,569
OSC GmbH, Lübeck (sub-group)	2,327	2,327
CDE – Communications Data Engineering GmbH, Hagenberg/Austria	1,301	1,301
blue-zone GmbH, Rosenheim	892	–
B4B Solutions GmbH, Graz/Austria (sub-group)	529	529
All for One Austria GmbH, Vienna/Austria	125	125
Total	**65,992**	**30,730**

TRADEMARK RIGHTS, CUSTOMER RELATIONSHIPS AND OTHER INTANGIBLE ASSETS

Trademark rights are corporate brands acquired through business combinations that – unlike a product brand – generally do not have a life cycle. Accordingly, it is not possible to define an economic useful life. An unlimited useful life must therefore be assumed. Performance of the mandatory impairment tests at the end of a respective reporting period did not reveal any need to write down the capitalised trademark rights in the current reporting period 2021/22 nor in the previous year.

Customer relationships refer to the customer bases acquired through business combinations. They are subject to linear amortisation over an estimated useful life of between 36 and 180 months. No impairment losses were recognised either in the current reporting year 2021/22 or in the previous year.

Research and development activities at All for One Group are mainly carried out within the framework of customer orders. The expenses incurred are charged directly to the customer and therefore do not represent original research and development expenses for All for One Group. There are no other significant non-customer-related research and development expenses.

IMPAIRMENT TESTING OF GOODWILL AND TRADEMARK RIGHTS

Goodwill is tested for impairment at the level of the smallest cash-generating unit (CGU) or groups of cash-generating units, based on value in use (»Discounted Cash Flow« method). In addition, All for One Group tests trademark rights for impairment by determining the recoverable amount based on fair value less costs of disposal (using a license price analogy method). To estimate the fair value of trademark rights, management must estimate the probable cash flows from future trademark-relevant sales revenue together with a market-oriented licensing rate for the pertinent brand names, as well as specifying an appropriate discount rate to determine the present value of these cash flows.

The cash flow forecasts used to test impairment are based on management's four-year (prior year: three-year) business plan. The decision taken during the year under review to extend the detailed planning period was prompted by management's adjustment of the mid-term plans and did not have any material impact on the impairment test. External sources are also used in the preparation of such plans, which also incorporate price agreements derived from empirical values, anticipated increases in efficiency and a revenue trend derived from the strategy. Prospective cash flow schedules are derived from the resulting plan and plausible assumptions made regarding trends in the coming years, assuming a growth rate of 1%. Growth is predicted to be in the mid-single-digit percentage range over the detailed planning period. At the level of the cash-generating units (CGUs) of All for One Group, the budgets assume constant or slightly higher EBIT margins, such as are customary in the sector. EBIT before M&A effects (non-IFRS) is expected to be in a range from 7% to 8% between now and financial year 2025/26. The discount rate used for impairment testing of goodwill and trademark rights with indefinite useful lives was derived from the weighted average cost of equity and borrowed capital, based on the »Capital Asset Pricing Model«. The cost of equity is based on a risk-free capital market interest rate for the relevant period and allows for a beta factor for the sector and a risk premium relating to the relevant capital market. Based on the tax situation, this was used to deduce a pre-tax discount rate.

Impairment testing of goodwill and trademark rights with indefinite useful lives did not reveal any need for impairment in the current reporting period 2021/22 nor in the prior year. As part of a sensitivity analysis for the cash-generating units (CGUs) of All for One Group to which goodwill has been allocated, an increase in the discount rate of one percentage point, a decrease in the long-term growth rate of 0.5 percentage points and a reduction in the EBIT margin of 25% were assumed. Apart from the CGU All for One Poland Sp. z o.o., Suchy Las (Poznan)/Poland (»CGU Poland«), none of these parameter changes, either in isolation or in possibly conceivable combinations, would result in a need for impairment. As far as the sensitivity analysis using potentially possible changes in the material valuation parameters (higher discount rate, lower long-term growth rate or reduced EBIT margin) for CGU Poland is concerned, when viewed in isolation only a 16.6% reduction in the EBIT margin would result in the recoverable amount relating to CGU Poland equalling its carrying amount. A reduction of 25% in the EBIT margin would possibly necessitate recognition of an impairment loss for CGU Poland of EUR 2.4 million.

Impairment testing of the goodwill and trademark rights with indefinite useful lives was based on the following pre-tax discount rates:

in %	30.09. 2022	30.09. 2021
All for One Poland Sp. z o.o., Suchy Las (Poznan)/Poland	14.35	–
All for One Group SE, Filderstadt	14.80	11.62
Empleox GmbH, Heilbronn (sub-group)	15.03	11.75
ASC Group (ASC Management Consulting AG, Engelberg/Switzerland, and Advanced Solutions Consulting GmbH, Baden/Switzerland)	11.96	–
POET GmbH, Karlsruhe (sub-group)	15.10	–
Process Partner AG, St. Gallen/Switzerland	12.12	9.51
avantum consult GmbH, Düsseldorf	15.05	11.83
OSC GmbH, Lübeck (sub-group)	15.20	11.94
CDE – Communications Data Engineering GmbH, Hagenberg/Austria	13.66	10.83
blue-zone GmbH, Rosenheim	14.73	–
B4B Solutions GmbH, Graz/Austria (sub-group)	14.74	11.40
All for One Austria GmbH, Vienna/Austria	13.66	10.83

With the Covid-19 pandemic and the Russia-Ukraine conflict constantly evolving, forecasts in financial year 2021/22 with regard to the duration and extent of the impact on cash flows are surrounded by considerable uncertainty. Management has analysed the potential impact on the expected future business of All for One Group on the basis of estimates and assumptions based on the best available information. In this context, the management of All for One Group sees no need for impairment of goodwill.

Significant accounting policies
Intangible assets

The intangible assets held by All for One Group essentially comprise software, licenses, trademarks and patents, customer relationships and goodwill. When recognised for the first time, individually acquired intangible assets are stated at purchase price. The purchase price of intangible assets acquired as part of a business combination corresponds to the fair value at the acquisition date.

Capitalisation of an internally developed intangible asset is conditional upon future benefit accruing to All for One Group in all probability from the asset and upon the cost being reliably determined. The technological feasibility of software solutions developed by All for One Group is only ever given shortly before market maturity. During the research and development phase, the processes are generally iteratively closely connected. As a result, the research and development expenses cannot be reliably separated. Development expenses occurring after technological feasibility has been achieved are not material. Accordingly, All for One Group always recognises research and development expenses when they occur.

Following first-time recognition, intangible assets are stated at purchase or manufacturing price less cumulative amortisation and cumulative impairment losses. The scheduled amortisation of intangible assets with quantifiable useful lives is linear over the contractual/estimated useful life. The useful lives used by All for One Group range between 1 and 15 years.

Purchased (derivative) goodwill arising from the capital consolidation of subsidiaries is recognised separately as an asset in the consolidated balance sheet of All for One Group. By contrast, internally developed (original) goodwill is not allowed to be capitalised.

Goodwill impairment

Capitalised goodwill is tested for impairment at least once a year or whenever signs of goodwill impairment are identified. A single-stage procedure is used to test goodwill impairment at the level of the cash-generating unit (CGU) to which the goodwill is allocated. Goodwill is tested for impairment at the level of the legal entities and/or sub-groups. The impairment test compares the carrying amount of the cash-generating unit with the recoverable amount. If the carrying amount exceeds the recoverable amount, impairment of the recoverable amount is recognised through profit or loss. The impairment expense is first allocated to the goodwill; any amounts exceeding the same are then allocated proportionately to the assets of the CGU, subject to specific restrictions. Goodwill impairment in earlier periods may not be subsequently written up if the reasons for original impairment cease to exist.

The recoverable amount is the higher of fair value less costs of disposal or value in use of the asset. Fair value less costs of disposal is the amount that could be recovered by selling an asset in an arm's length transaction between knowledgeable, willing parties and after deduction of the costs relating to the sale. Value in use is the present value of the estimated future cash flows expected from continued use of an asset and its disposal at the end of its useful life.

Impairment of other intangible, fixed and right-of-use assets

On each closing date, All for One Group examines all right-of-use, fixed and intangible assets for signs of impairment. If facts or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the asset is tested for impairment. In addition, intangible assets whose useful lives cannot be determined, or which are not yet being used by the company, are tested for impairment at the end of each financial year. This impairment test compares the carrying amount of the asset with the recoverable amount. The recoverable amount is determined individually for each asset or, if this is not possible, for the cash-generating unit (CGU) to whom the asset is allocated. If the carrying amount exceeds the recoverable amount, impairment of the recoverable amount is recognised through profit or loss. Impairment losses are recognised (for goodwill, other intangible assets and fixed assets) under »Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets« in the consolidated statement of profit and loss, while write-ups (where permissible) are recognised as other operating income.

If the reasons for impairment of fixed, other intangible or right-of-use assets in earlier periods cease to exist, the assets are written up to no more than the amortised cost and recognised through profit or loss.

14. Fixed assets

in KEUR	Leasehold improvements	IT systems	Operating and office equipment	Total
Costs				
01.10.2020	**5,504**	**30,301**	**6,260**	**42,065**
Currency translation	-18	-1	-15	-34
Additions	295	4,492	353	5,140
Disposals	0	-1,483	-412	-1,895
Reclassifications	0	-56	0	-56
30.09.2021	**5,781**	**33,253**	**6,186**	**45,220**
01.10.2021	**5,781**	**33,253**	**6,186**	**45,220**
Currency translation	-58	30	-56	-84
Change in scope of consolidation	76	344	131	551
Additions	768	4,440	1,088	6,296
Disposals	-23	-643	-504	-1,170
Reclassifications	0	0	0	0
30.09.2022	**6,544**	**37,424**	**6,845**	**50,813**
Accumulated depreciation and impairment				
01.10.2020	**1,516**	**20,682**	**4,394**	**26,592**
Currency translation	-10	-1	-7	-18
Depreciation	561	4,208	579	5,348
Impairment	0	0	0	0
Disposals	0	-1,476	-410	-1,886
Reclassifications	0	-56	0	-56
30.09.2021	**2,067**	**23,357**	**4,556**	**29,980**
01.10.2021	**2,067**	**23,357**	**4,556**	**29,980**
Currency translation	-36	33	-19	-22
Depreciation	576	4,749	631	5,956
Impairment	0	0	0	0
Disposals	-23	-626	-474	-1,123
Reclassifications	0	0	0	0
30.09.2022	**2,584**	**27,513**	**4,694**	**34,791**
Carrying values				
30.09.2021	**3,714**	**9,896**	**1,630**	**15,240**
30.09.2022	**3,960**	**9,911**	**2,151**	**16,022**

Also included under leasehold improvements are those improvements over which the lessor has since assumed legal ownership, but which remain in the beneficial ownership of the lessee for the term of the lease. IT systems substantially comprise the data centers operated by All for One Group. The item operating and office equipment includes office machines and equipment, office furniture and furnishings, as well as company cars.

Significant accounting policies

Fixed assets

Fixed assets are recognised at historical purchase/manufacturing price less cumulative linear depreciation and cumulative impairment losses. Purchase prices include all expenses directly attributable to the acquisition. Investment subsidies and tax-free investment allowances are deducted from the carrying amounts of the relevant assets. IAS 16 requires that dismantling and removal obligations be capitalised as part of the purchase/manufacturing price of the relevant asset. The purchase price of fixed assets acquired as part of a business combination corresponds to the fair value at the acquisition date. Retrospective purchase/manufacturing prices are only capitalised if future benefit is likely to accrue to All for One Group and the cost can be reliably determined.

Depreciation is linear over the expected useful life. Tenant fixtures and fixtures in rental premises may be subject to linear depreciation over the shorter term of the lease contract. Scheduled depreciation is based essentially on the following useful lives:

- Leasehold improvements: 2 – 15 years
- IT systems: 3 – 6 years
- Operating and office equipment: 4 – 13 years

Maintenance and repairs are expensed in the period in which they occur. The purchase/manufacturing price and relevant cumulative depreciation are derecognised if fixed assets are scrapped or sold, and any carrying amount gains or losses are recognised through profit or loss in other operating income or other operating expenses.

Impairment of fixed assets

Please refer to the detailed discussion of the applicable accounting methods in note 13.

15. Right-of-use assets

Right-of-use assets under leases

in KEUR	Buildings	IT systems	Operating and office equipment	Total
Costs				
01.10.2020	**29,814**	**13,308**	**8,869**	**51,991**
Currency translation	-31	0	-1	-32
Additions	3,971	9,372	3,876	17,219
Disposals	-188	-292	-2,027	-2,507
Reclassifications	0	56	0	56
30.09.2021	**33,566**	**22,444**	**10,717**	**66,727**
01.10.2021	**33,566**	**22,444**	**10,717**	**66,727**
Currency translation	-105	-22	-47	-174
Change in scope of consolidation	2,477	392	517	3,386
Additions	6,765	5,352	3,657	15,774
Disposals	-3,100	-419	-1,598	-5,117
Reclassifications	0	0	0	0
30.09.2022	**39,603**	**27,747**	**13,246**	**80,596**
Accumulated depreciation and impairment				
01.10.2020	**5,131**	**8,631**	**3,197**	**16,959**
Currency translation	-11	0	0	-11
Depreciation	4,895	3,086	3,895	11,876
Impairment	0	0	0	0
Disposals	-96	-286	-1,729	-2,111
Reclassifications	0	56	0	56
30.09.2021	**9,919**	**11,487**	**5,363**	**26,769**
01.10.2021	**9,919**	**11,487**	**5,363**	**26,769**
Currency translation	-45	-7	-9	-61
Depreciation	6,082	4,115	3,922	14,119
Impairment	0	0	0	0
Disposals	-2,066	-419	-1,553	-4,038
Reclassifications	0	0	0	0
30.09.2022	**13,890**	**15,176**	**7,723**	**36,789**
Carrying values				
30.09.2021	**23,647**	**10,957**	**5,354**	**39,958**
30.09.2022	**25,713**	**12,571**	**5,523**	**43,807**

These right-of-use assets relate to both property lease contracts, EDP infrastructure leases, especially hardware, and lease contracts governing operating and office equipment items, especially company car leases. The terms of the leases range from one to twelve years.

Significant accounting policies
Lease contract recognition

IFRS 16 defines a lease as a contract under which the lessor conveys the right to the lessee to use an identified asset for a period of time in exchange for one or several payments. The same holds true for agreements that do not expressly describe the transfer of such a right. Within the scope of its business transactions, All for One Group acts as a lessee (of buildings, data centers and vehicles, for example) and as a lessor (essentially in connection with the leasing of IT products).

In the case of leases in which it acts as lessee, All for One Group capitalises a right-of-use asset and recognises a corresponding lease liability for all lease instalments that are payable over the term of the contract. Simplified application is used for low value leases and current leases (term of less than twelve months), where payments are recognised as straight-line expenses in the consolidated statement of profit and loss. All for One Group exercises the option under IFRS 16.4 and does not apply the provisions on lease accounting (IFRS 16) to intangible assets (e.g. software licenses).

The cost of acquiring a right-of-use asset is derived essentially from the present value of all future lease instalments plus any lease payments at or prior to commencement of the lease, together with the cost of contract fulfilment and the estimated cost of returning the lease asset to its original state. Subsequent measurement is at purchase price less cumulative (scheduled) depreciation and cumulative impairment losses. Right-of-use leased assets are recognised separately in the balance sheet and broken down in the notes to the consolidated financial statements. Depreciation and impairment on capitalised right-of-use assets are recognised in the consolidated statement of profit and loss under »Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets«. Right-of-use assets are written down over the useful life of the underlying asset if they are specifically designed so that the relevant lease payments incorporate the transfer of title to the underlying asset at the end of the lease term or it is highly likely that a purchase option will be exercised. In all other instances, right-of-use assets are subject to scheduled depreciation over the term of the lease.

The current and non-current lease liabilities recognised separately in »Lease liabilities« were measured for the first time at the present value of the outstanding lease payments. When remeasured, the carrying amount of the lease liabilities is increased by the annual interest expense and reduced by the lease payments effected. The resulting interest expenses are recognised in the consolidated statement of profit and loss under the financial result (»Financial expenses«).

For information on the impairment of right-of-use leased assets, please refer to the detailed discussion of the relevant accounting methods in note 13.

In the case of leases in which All for One Group acts as lessor, please refer to the detailed discussion of the relevant accounting methods in note 10.

16. Deferred tax assets and deferred tax liabilities

in KEUR	Deferred tax assets 30.09.2022	Deferred tax assets 30.09.2021	Deferred tax liabilities 30.09.2022	Deferred tax liabilities 30.09.2021	Deferred tax expenses (-) / Deferred tax income (+) [1] 10/2021 – 09/2022	Deferred tax expenses (-) / Deferred tax income (+) [1] 10/2020 – 09/2021
Measurement differences from:						
Acquisitions	0	0	10,867	9,104	2,125	1,080
Revenue recognition						
IFRS 15 allocations	66	100	105	44	-95	144
POC method	0	0	4,407	3,616	-772	-630
Contract acquisition costs	0	0	621	401	-220	15
Contract fulfilment costs	0	0	253	250	-3	-250
Value adjustments on receivables	112	40	24	9	10	-56
Leases						
Lessors	0	0	1,313	1,334	21	-2
Lessees	132	171	66	0	-27	43
Promissory note loans	0	0	55	32	-23	15
Pension commitments	332	658	2	0	8	-11
Other employee benefits	452	180	0	0	-27	58
Other provisions	156	169	23	21	-34	91
Tax loss carry forwards	304	209	0	0	95	-167
Outside basis differences	0	0	75	92	17	0
Other divergences	-37	28	27	15	-111	-1
Total (before balancing)	**1,517**	**1,555**	**17,838**	**14,918**	**964**	**329**
Balancing	-1,431	-1,228	-1,431	-1,228		
Net amount	**86**	**327**	**16,407**	**13,690**		

1) Recognised in the consolidated statement of profit and loss

The recognition of deferred tax assets is derived from the business plan of the relevant Group companies. These business plans are reviewed annually and require a whole host of estimates. They are based, for example, on interpretations of existing tax legislation and regulations in the relevant countries. These estimates can change in the wake of changes in the market or competitive environment, customer structure or general economic conditions. When initially recognising and remeasuring deferred tax assets from unused tax loss carry forwards, the future earnings position of the subsidiaries is estimated. In light of the severe volatility and limited visibility, planning horizons are limited to one to three years. In return, loss carry forwards with a likelihood of realisation extending beyond this period are not, or no longer, capitalised. Numerous internal and external factors can have a more positive or more adverse effect on deferred tax assets and liabilities. Changes can occur, for example due to adjustments to tax rates, to finalised tax assessments and to more or less favourable trends in the taxable earnings forecast by subsidiaries. Such factors may necessitate adjustments to recognised tax assets and liabilities. Given the need for regular remeasurement, the recognition of deferred tax assets and liabilities is therefore subject to considerable fluctuation.

As of 30 September 2022, the German companies had tax loss carry forwards totalling KEUR 2,745 (30 Sep 2021: KEUR 2,481). These are attributable to the subsidiaries Grandconsult GmbH i.L. (in liquidation), Filderstadt, in the amount of KEUR 2,285 (30 Sep 2021: KEUR 2,178), Allfoye Managementberatung GmbH, Düsseldorf, in the amount of KEUR 224 (30 Sep 2021: KEUR 250), OSC Smart Integration GmbH, Hamburg, in the amount of KEUR 0 (30 Sep 2021: KEUR 53) and blue-zone GmbH, Rosenheim, in the amount of KEUR 236 (30 Sep 2021: –). Deferred tax assets were recognised on KEUR 460 of these loss carry forwards (30 Sep 2021: KEUR 250).

In addition, the Austrian companies have tax loss carry forwards totalling KEUR 673 (30 Sep 2021: KEUR 539). These are attributable to the subsidiaries B4B Solutions GmbH, Graz/Austria, in the amount of KEUR 192 (30 Sep 2021: KEUR 134) and Empleox Austria GmbH, Vienna/Austria, in the amount of KEUR 481 (30 Sep 2021: KEUR 405). Deferred tax assets were recognised on KEUR 673 of these loss carry forwards (30 Sep 2021: KEUR 539).

Based on its estimates of future business development, the Company assumes that sufficient taxable income will probably be available to enable utilisation of the capitalised deferred tax assets. Future utilisation of tax loss carry forwards amounting to KEUR 2,285 (30 Sep 2021: KEUR 2,231) is not expected. Tax loss carry forwards do not lapse over time.

No deferred tax liabilities were recognised on tax-relevant temporary differences of KEUR 1,305 (5% of KEUR 26,104) (prior year: KEUR 373, 5% of KEUR 7,453) in connection with shares in subsidiaries, given the unlikelihood of any reversal of these temporary differences in the foreseeable future.

Significant accounting policies

As per IAS 12, deferred taxes are recognised for all temporary differences between the amounts in the tax balance sheet and the IFRS consolidated balance sheet. Temporary differences result in taxable or tax-deductible amounts when an asset is realised, or a liability paid. Taxable temporary differences result in recognition of a deferred tax liability, while tax-deductible temporary differences are recognised as a deferred tax asset. In addition, deferred tax assets must always be recognised on loss carry forwards to the extent of their probable eligibility in the future. The amount of probable tax charge or tax relief in subsequent financial years is deferred at the tax rate applying at the time of recognition.

The carrying amount of deferred tax assets is examined each year on the closing date and reduced if the availability of sufficient taxable income to claim the full or partial amount no longer seems likely. The relevant impacts of any changes in tax rates on the deferred tax assets and liabilities are recognised through profit or loss. As per IAS 12, deferred tax assets and liabilities are not discounted and are always recognised as non-current assets and liabilities in the consolidated balance sheet.

Deferred tax assets and liabilities are netted if All for One Group has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Current and deferred taxes are recognised through profit or loss as an expense or income unless they relate to items recognised directly in equity, in which case the taxes are also recognised in equity without affecting profit or loss.

The estimates of deferred taxes on loss carry forwards are substantially dependent on the earnings performance of the relevant tax entities. Accordingly, the amounts actually occurring in future periods may differ from these estimates.

17. Pension provisions

Defined benefit plans

in KEUR	Present value of defined benefit obligation 10/2021 – 09/2022	Present value of defined benefit obligation 10/2020 – 09/2021	Fair value of plan assets 10/2021 – 09/2022	Fair value of plan assets 10/2020 – 09/2021	Net liabilities / assets from defined benefit plans 10/2021 – 09/2022	Net liabilities / assets from defined benefit plans 10/2020 – 09/2021
Balance on 1 October	**17,651**	**17,624**	**15,159**	**13,815**	**2,492**	**3,809**
Change in scope of consolidation	8,813	0	7,584	0	1,229	0
Recognised in profit and loss						
Current service cost	842	402	0	0	842	402
Past service cost	-92	0	0	0	-92	0
Net interest on net debt	71	60	64	50	7	10
	821	**462**	**64**	**50**	**757**	**412**
Recognised in other comprehensive income						
Loss/profit from revaluations						
Actuarial loss/gains from:						
demographic assumptions	0	-638	0	0	0	-638
financial assumptions	-6,275	45	-910	-63	-5,365	108
experience-based adjustments	687	113	0	0	687	113
Return on plan assets	0	0	-1,288	1,016	1,288	-1,016
Foreign currency differences	2,268	-34	2,165	-19	103	-15
	-3,320	**-514**	**-33**	**934**	**-3,287**	**-1,448**
Other items						
Payments made	-253	-355	-253	-355	0	0
Employer contributions	0	0	571	276	-571	-276
Contributions by employee beneficiaries	674	434	679	439	-5	-5
	421	**79**	**997**	**360**	**-576**	**-281**
Balance on 30 September	**24,386**	**17,651**	**23,771**	**15,159**	**615**	**2,492**
Of which reported as:						
Pension provisions	22,534	17,651	21,904	15,159	630	2,492
Other non-current assets (so-called net asset value)	1,852	0	1,867	0	-15	0
	24,386	**17,651**	**23,771**	**15,159**	**615**	**2,492**
Of which attributable to:						
Germany	5,619	6,928	5,254	6,242	365	686
Switzerland	18,767	10,723	18,517	8,917	250	1,806
	24,386	**17,651**	**23,771**	**15,159**	**615**	**2,492**

Provisions for pension obligations are made in the consolidated financial statements of All for One Group with regard to twelve (30 Sep 2021: six) pension schemes for commitments to pay pension, disability and surviving dependants' benefits. The amount of benefit is generally dictated by the length of service and salary of an employee. In addition, one (30 Sep 2021: one) German pension scheme exists in the form of direct commitments. It is funded by the staff and secured by a matching, pledged reinsurance policy. Although the risk of All for One Group having to guarantee a return if the insurance company is unable to do so is very low, IAS 19 requires that this staff-funded pension scheme be classified as a defined benefit pension plan.

The recognition of pension obligations is also exposed to other risks relating to changes in actuarial parameters, which are shown in the following table. The actuarial interest rate is exposed to the most significant risk of change; for more details, please refer to the following separate sensitivity analyses. The assumptions underlying actuarial measurement differ from one scheme to the next as they allow for the specific investment strategy and personnel structure of the affiliated companies. The following table lists the key plan figures that are relevant for calculation, the weighted average assumptions on which calculation is based, and the weighted average assumptions on which the actuarial calculations relating to the defined benefit pension plans are based. Calculation of the obligations in Germany was derived from the 2018G guideline tables issued by Klaus Heubeck, which served as the biometric basis for computation. In Switzerland, the BVG 2020 (prior year: BVG 2020) generation tables are used as the biometric basis for calculating the obligations.

in %	30.09. 2022	30.09. 2021
Discount rate Germany	3.95	0.74
Discount rate Switzerland	2.40	0.10
Salary development Germany	0.00 – 2.50	0.00 – 2.00
Salary development Switzerland	2.00	1.00
Pension development Germany	2.00	1.70
Pension development Switzerland	0.00	0.00

On 30 September 2022, the weighted average duration of the defined benefit obligations was 5.5 years (prior year: 7.7 years) in Germany and 15.1 years (prior year: 19.9 years) in Switzerland.

Plan assets

in KEUR	30.09. 2022	30.09. 2021
Debt instruments	6,898	3,210
Equity instruments	6,216	2,675
Assets held by insurance companies	5,161	6,154
Property	3,665	1,338
Cash and cash equivalents	185	89
Other plan assets	1,646	1,693
Total	**23,771**	**15,159**

The expected employer contributions for All for One Group's defined benefit plans for the financial year 2022/23 are KEUR 624 (prior year: KEUR 300).

Future pension payments

in KEUR	30.09. 2022	30.09. 2021
Year 1	1,480	751
Year 2	1,242	781
Year 3	1,198	678
Year 4	1,113	655
Year 5	954	619
Following 5 years	4,948	2,636
Total	**10,935**	**6,120**

The following sensitivity analyses clearly explain the impacts of changes in singular parameters on the present value of the defined benefit obligation in the event of changes in the discount rate of 0.25% points, and changes in pension trends of 0.25% points or 0.5% points, assuming none of the other assumptions change. The sensitivity analyses may therefore not accurately represent the actual change in the defined benefit obligation since it is unlikely that changes to the assumptions will occur in isolation.

	Defined benefit plans	
in KEUR	Increase	Decrease
Germany		
Discount rate (+/- 0.25% points)	-76	78
Pension progression (+/- 0.5% points)	77	-72
Switzerland		
Discount rate (+/- 0.25% points)	-547	547
Pension progression (+0.25% points)	366	–

DEFINED CONTRIBUTION PLANS

In the year under review, payments to defined contribution pension schemes (including the statutory pension insurance scheme) totalled KEUR 1,314 (prior year: KEUR 1,171).

Significant accounting policies
The pension provisions relate solely to defined benefit pension plans. The cost of providing the benefits under these plans is determined using the projected unit credit method. Actuarial assessment is performed on every closing date. The recognised provisions for defined benefit pension plans are determined in accordance with actuarial models based on material assumptions, such as discount factors, mortality rates, and salary and pension trends. Remeasurements arising from actuarial gains and losses, the impacts of the asset ceiling and the income from plan assets (excluding interest payable on the net liability) are recognised directly in other comprehensive income. The remeasurements recognised in other comprehensive in-

come form part of retained earnings and are no longer reclassified through profit or loss to the consolidated statement of profit and loss in subsequent periods. Past service cost is recognised as a personnel expense if the plan changes.

The net interest is determined by multiplying the discount rate and the net liability (pension obligation less plan assets) or net asset value. The defined benefit costs are comprised of the following components:

- the service cost (including current and past service cost and any gains or losses from plan changes, curtailments or settlements);
- the net interest income or expense relating to the net liability or net asset value; and
- the remeasurement of the net liability or net asset value.

All for One Group recognises service cost as a personnel expense in its consolidated statement of profit and loss, while the net interest expense is included as financial income or expenses. Gains or losses from plan curtailments/settlements are recognised directly through profit or loss.

Payments relating to defined contribution pension plans are recognised through profit or loss as a personnel expense when the eligible employees have performed the work.

18. Other provisions

in KEUR	01.10.2021	Change in scope of consolidation	Additions	Interest effects	Usage	Reversals	30.09.2022
Warranty and damage claims	363	0	729	0	-55	-308	729
Impending losses	308	0	482	0	-211	-96	483
Severance payments	153	0	82	0	-51	-2	182
Other provisions	0	0	18	0	0	0	18
Other current provisions	**824**	**0**	**1,311**	**0**	**-317**	**-406**	**1,412**
Anniversary provision	791	0	25	6	0	-79	743
Severance payment reserve	146	7	43	2	0	-89	109
Other non-current provisions	**937**	**7**	**68**	**8**	**0**	**-168**	**852**
Total	**1,761**	**7**	**1,379**	**8**	**-317**	**-574**	**2,264**

Significant accounting policies
A provision is formed as per IAS 37 if one of the entities in All for One Group has a current (legal or constructive) obligation based on a past event as a result of which the outflow of resources embodying economic benefit to fulfil the obligation is probable and the amount of the obligation can be reliably estimated. The provision to be recognised as a liability must represent the best possible estimate of the expenditure required to fulfil the current obligations on the closing date. Provisions that do not result in an outflow of resources in the following year are recognised at the settlement amount that is discounted to the closing date after consideration of any anticipated cost increases. The present value of a provision is calculated using interest rates before taxes that consider both current market expectations with regard to the interest rate effect, and the risks specific to the obligation. If the provision is discounted, the increase over time is recognised as a financial expense. These estimates are reviewed on the reporting date. Reimbursement claims (based on insurance contracts, for example) are only capitalised as separate assets if the receipt of the reimbursement is virtually assured. The cost of recognising a provision as a liability is recognised net of the reimbursements in the consolidated statement of profit and loss.

Provisions for **warranty or damage claims** relate to warranties arising from legal or contractual obligations from disputed individual services already provided within the scope of IT services and are formed on the basis of empirical values. These obligations are not treated as separate performance obligations and are therefore included as estimates in the total contract cost. Provisions are also recognised for contractual obligations where the unavoidable costs involved in fulfilling or revoking them are greater than the expected benefits and value to be received (onerous contracts) (**»Impending losses«**). Provisions for **severance payments** are recognised when existing employment relationships must be terminated for operational reasons or dissolved by mutual consent. The amount of such severance payments is not always established definitively at the time the balance sheet is prepared. In such cases, provisions are recognised in the amount that would be expected to be paid were the matter to be settled through a legal process. **Anniversary payments** are valued using the internationally recognised projected unit credit method. Under this method, the value of this obligation is defined as the actuarial present value of the anniversary benefits that the employees have earned according to their length of service as at the reference date. Any existing assets used to fund the obligation are measured at fair value. The provisions for legal entitlement to so-called severance payments upon retirement or dismissal by the employer (**»Severance payment reserve«**) are calculated using the mathematical principles of the projected unit credit method as per IAS 19.

19. Liabilities to financial institutions and other liabilities

in EUR millions	Repayment date	Amount
Promissory note 2017 – 2024	30.05.2024	4.0
Promissory note 2019 – 2025	17.10.2025	7.5
Promissory note 2019 – 2027	18.10.2027	16.0
Promissory note 2020 – 2026	19.10.2026	10.0
Promissory note 2022 – 2028	16.05.2028	23.5
Promissory note 2022 – 2030	16.05.2030	16.5
Total		**77.5**

All of the promissory note loans incur interest at fixed rates ranging between 0.90% and 2.55%, depending on the tranche.

The promissory note loans with bullet maturity are neither subordinated nor secured. All tranches are subject to covenants that would entitle the lender to cancel the loans and call the total amount of EUR 77.5 million due for immediate payment if certain changes were to be made to the shareholder structure of All for One Group (»Change of Control«). Added to which, the creditors of the promissory note loan tranches issued in 2017, 2019 and 2020 are entitled to raise the interest margin or – in the case of the 2017 tranche – to call the promissory note loans due for immediate payment if certain events occur that trigger covenants in the loan agreements. By contrast, the tranches borrowed in 2022 include sustainability components, in addition to the »Change of Control« clause, which will be defined by the end of 2023 and could result in a higher interest margin. All covenants regarding key financials were complied with, both in financial year 2021/22 and in the comparable prior period.

As of 30 September 2022, All for One Group also had approved lines of credit at banks in the amount of KEUR 9,425 (prior year: KEUR 5,744). Aval guarantees for rental security deposits are being utilised in the amount of KEUR 1,253 (prior year: KEUR 2,023).

Other liabilities

	30.09.2022			30.09.2021		
in KEUR	Current	Non-current	Total	Current	Non-current	Total
Purchase price obligations	1,521	25,659	27,180	2,000	0	2,000
Tax liabilities	6,743	0	6,743	4,596	0	4,596
Sundry liabilities	1,204	1,350	2,554	1,191	1,058	2,249
Total	**9,468**	**27,009**	**36,477**	**7,787**	**1,058**	**8,845**

Sundry other non-current liabilities include contract liabilities of KEUR 39 (prior year: KEUR 244) and liabilities to employees of KEUR 1,311 (prior year: KEUR 814).

Significant accounting policies

Other liabilities include both financial and non-financial liabilities.

The financial liabilities of All for One Group are comprised mainly of promissory note loans, lease liabilities, trade payables and purchase price obligations. Financial liabilities are recognised in the consolidated balance sheet when All for One Group has a contractual obligation to transfer cash or other financial assets to a third party. All financial liabilities are initially recognised at fair value (less any directly attributable transaction costs, if appropriate).

Upon initial recognition, financial liabilities are classified as measured at amortised cost or at fair value through profit or loss (FVTPL). A financial liability is classified as measured at FVTPL if it is classed as held for trading, constitutes a derivative, or is designated as such when recognised for the first time. In addition, liabilities arising from contingent considerations classed as liabilities in connection with business combinations as defined in IFRS 3 must be classified as FVTPL. Financial liabilities measured at FVTPL are measured at fair value and any net gains or losses, including interest expenses, are recognised through profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expenses and currency translation differences are recognised through profit or loss.

Financial liabilities are derecognised when the underlying obligation has been fulfilled or cancelled or has expired. Gains or losses on derecognition are recognised through profit or loss.

Other non-financial liabilities are liabilities based on a contract whose subject does not constitute a financial asset for the one party and a financial liability or equity instrument for the other. They include, above all, liabilities arising on the basis of legal provisions, as well as deferrals and advance payments. The non-financial liabilities of All for One Group are comprised mainly of liabilities to employees, contract liabilities and income tax liabilities. The balance sheet item »Liabilities to employees« essentially comprises liabilities arising from outstanding vacation entitlements, outstanding variable remuneration components, commissions, flexitime or overtime compensation, bonuses, and social security amounts owing. The following are recognised as contract liabilities:

– customer-specific consultancy projects subject to PoC accounting (especially software implementation and software optimisation projects), where the project services that have already been invoiced or the advance payments that have already been made or are due exceed cumulative performance (the balance is recognised as a liability);
– negative allocation effects arising from dividing the total transaction price of a multi-component contract among individual performance obligations based on relative individual sale prices; and
– other IT services that have already been billed but not yet provided.

The current portion of the contract liabilities is recognised as a current liability in the balance sheet item »Contract liabilities« while the non-current portion is included with the non-current »Other liabilities«.

Measuring fair value

All for One Group measures certain financial instruments at their fair value on each reporting date. Fair value is the price payable on the measurement date for the sale of an asset or transfer of a liability in a normal business transaction between market participants. All assets and liabilities measured or recognised at fair value in the consolidated financial statements are classified according to the measurement hierarchy discussed below, based on the input factor of the lowest level of relevance for overall measurement of the fair value:

– Level 1: Prices quoted (without adjustment) on active markets for identical assets or liabilities;
– Level 2: Measurement methods under which the input factor of the lowest level of relevance for overall measurement of the fair value is directly or indirectly observable in the market;
– Level 3: Measurement methods under which the input factor of the lowest level of relevance for overall measurement of the fair value is not observable in the market.

EXPLANATORY NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

in KEUR	30.09. 2022	30.09. 2021
Bank balances	60,448	74,994
Fixed deposits	17,000	0
Cash in hand	16	11
Cash and cash equivalents (balance sheet)	**77,464**	**75,005**
Current account loans	-263	-32
Cash funds (cash flow statement)	**77,201**	**74,973**

The average interest on bank deposits was 0.00% (prior year: 0.01%). The fixed deposits of KEUR 17,000 (previous year: KEUR 0) have a residual term of 3.5 months and accrue interest at a rate of 0.44%.

The changes in the year under review in those financial liabilities whose cash flows are shown as cash flows from financing activities in past and future cash flow statements were as follows:

			Non-cash changes			
in KEUR	01.10.2021	Cash changes	Currency effects	Change in scope of consolidation	Other effects	30.09.2022
Liabilities to financial institutions	48,396	29,073	0	0	-54	77,415
Lease liabilities	40,434	-14,683	-58	3,003	14,719	43,415
Purchase price obligations	2,000	-26,081	23	50,990	248	27,180
Total	**90,830**	**-11,691**	**-35**	**53,993**	**14,913**	**148,010**

			Non-cash changes		
in KEUR	**01.10.2020**	**Cash changes**	**Currency effects**	**Other effects**	**30.09.2021**
Liabilities to financial institutions	48,353	-7	0	50	48,396
Lease liabilities	35,678	-12,066	-21	16,843	40,434
Purchase price obligations	95	-100	0	2,005	2,000
Total	**84,126**	**-12,173**	**-21**	**18,898**	**90,830**

Other effects mainly comprise newly recognised leases. The total cash outflows for leases in financial year 2021/22 amounted to KEUR 15,629 (prior year: KEUR 12,818), of which KEUR 15,110 (prior year: KEUR 12,404) is attributable to interest and principal repayments for lease liabilities, KEUR 128 (prior year: KEUR 66) to short-term leases and KEUR 391 (prior year: KEUR 348) to leases of low-value assets.

Significant accounting policies

Cash and cash equivalents comprise cash in hand and call deposits with banks with residual terms to maturity of no more than three months. The cash flows relating to a financial year are collated in the consolidated cash flow statement to provide information about the movement of the cash and cash equivalents of All for One Group over the course of a financial year.

A distinction is made between the following areas: operating, investment and financing.

Cash flow from operating activities is calculated indirectly by adjusting earnings before tax for non-cash transactions and for transactions relating to investment or financing activities. Both cash flow from investment activities and cash flow from financing activities are calculated directly by offsetting gross inflows against gross outflows.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of 30 September 2022, the issued share capital was divided into 4,982,000 (30 Sep 2021: 4,982,000) registered no-par-value shares (individual share certificates) and was fully paid in. The arithmetic nominal value of the shares in circulation remains unchanged at EUR 3.00 per share. The company held no treasury shares in financial year 2021/22 nor in the prior year.

The capital reserve consists primarily of the premium from the issue of shares. The currency translation reserve was accrued from translation gains and losses from the conversion of non-euro-denominated financial statements of foreign Group companies included in the consolidation. This reserve is reclassified to profit or loss as soon as the relevant companies are deconsolidated.

The annual general meeting of 12 March 2020 approved – in each case limited until 11 March 2025 – the creation of new authorised capital totalling EUR 7,473,000 and an authorisation to repurchase shares of All for One Group SE up to a total amount of 10% of the share capital. This corresponds to 498,200 registered no-par-value shares. The management board made no use of this authorisation during the reporting period.

The annual general meeting of 16 March 2022 approved a dividend of EUR 1.45 (prior year: EUR 1.20) per share, which was distributed in an amount of EUR 7.2 million (prior year: EUR 6.0 million).

Non-controlling interests

in KEUR	30.09.2022	30.09.2021
Carrying amount 1 October	**209**	**41**
Distribution to non-controlling interests	-46	-16
Profit share of the current year	70	168
Acquisition of non-controlling interests	0	16
Acquisition of a subsidiary with non-controlling interests	18	0
Carrying amount 30 September	**251**	**209**

As of 30 September 2022, non-controlling interests were held in OSC Business Xpert GmbH, Burgdorf (stake unchanged at 49%) and POET Egypt LLC., Alexandria/Egypt (25%). All for One Group SE increased its stake in B4B Solutions GmbH, Graz/Austria, from 70% to 100% in financial year 2020/21. The subsidiary was already fully consolidated.

OTHER EXPLANATORY NOTES

20. Segment reporting

The segment report is aligned to the internal management and reporting procedures of All for One Group (»Management Approach«) based on individual Group companies and sub-groups that make up the Group's segments. The organisation and management of All for One Group are aligned to its two business segments: **»CORE«** and **»LOB«**. The **»CORE«** operating segment includes software solutions for the areas of ERP (enterprise resource planning) and corporate-wide collaboration for midmarket customers. This operating segment also provides consulting and infrastructure services. Since the segment also covers areas such as IoT & Machine Learning and New Work & Collaboration, Strategy & Management Consulting have also been classified as part of the CORE segment since the start of the financial year. Prior-year figures have been adjusted accordingly to improve comparability. The **»LOB«** (»Lines of Business«) segment includes business with IT solutions for departments such as sales and marketing, or HR, which are increasingly being sourced in the cloud. This business segment has its own brands to enable it to target individual lines of business in companies.

The following segment information reflects the parameters utilised in the internal reporting and management systems, and which the management board uses for performance assessment and resource allocation purposes. The same recognition and valuation methods apply as for the consolidated financial statements. Intersegment sales are recognised at arm's length prices. In addition to sales revenue, management uses earnings before interest and tax (»EBIT«) for management purposes, and to compare operational performance over time and issue forecasts. Extraordinary effects are reconciled to an adjusted EBIT, if necessary, to enable transparent assessment and better comparability of operational performance over time. The extraordinary effects relate to influences that the management board believes to be capable – by virtue of their nature, frequency and/or volume – of substantially detracting from the informative value of the key financial indicators of the sustainability of the earnings strength at All for One Group. For control purposes, acquisition-related depreciation and amortisation are presented separately or aggregated. Depreciation and amortisation from acquisitions pertain mainly to the customer relationships and intangible assets that result from completed acquisitions.

	CORE		LOB		Consolidation		Total	
in KEUR	**10/2021 – 09/2022**	**10/2020 – 09/2021 [1]**	**10/2021 – 09/2022**	**10/2020 – 09/2021 [1]**	**10/2021 – 09/2022**	**10/2020 – 09/2021 [1]**	**10/2021 – 09/2022**	**10/2020 – 09/2021 [1]**
External sales revenue	382,012	310,992	70,640	61,945	0	0	452,652	372,937
Intersegment revenue	6,015	4,767	11,277	9,933	-17,292	-14,700	0	0
Sales revenue	**388,027**	**315,759**	**81,917**	**71,878**	**-17,292**	**-14,700**	**452,652**	**372,937**
Depreciation, amortisation and impairment	-26,688	-19,390	-2,813	-2,064	10	10	-29,491	-21,444
EBIT	**13,375**	**15,999**	**4,215**	**4,624**	**10**	**10**	**17,600**	**20,633**
Impairment of goodwill	0	0	0	0	0	0	0	0
Acquisition-related depreciation, amortisation and impairment on other intangible assets	7,063	2,494	1,654	1,068	0	0	8,717	3,562
Other acquisition-related expenses (and income)	885	958	77	0	0	0	962	958
EBIT before M&A effects (non-IFRS)	**21,323**	**19,451**	**5,946**	**5,692**	**10**	**10**	**27,279**	**25,153**

1) Prior-year figures adjusted

Non-current assets by country [1]

in KEUR	30.09. 2022	30.09. 2021
Germany	118,457	109,617
Poland	27,647	0
Switzerland	15,109	2,670
Austria	9,677	10,212
Other countries	825	624
Total	**171,715**	**123,123**

1) Except for finance lease liabilities, deferred tax assets and other financial assets

SALES REVENUE BY COUNTRY

Please refer to the breakdown in note 1.

21. Additional information about financial instruments

FINANCIAL RISKS

In the course of its normal business operations, All for One Group is exposed to various financial risks, including default, liquidity and market (currency and interest rate) risks. The risk management system and its objectives, methods and processes are described in the risk report, which forms part of the combined management report. Financial risk is managed according to the principles established by the company. These govern the company's protection against currency, interest and credit risks, as well as its cash management and short-term and long-term financing. The goal is to reduce financial risks while weighing the hedging costs against the risks being taken. Derivative financial instruments to hedge the mainstream business may be used when deemed appropriate. In order to minimise the counterparty credit risk, transactions are only made with first-class counterparts.

DEFAULT RISKS

Default risks arise primarily from affording clients time to make payments and from the counterparty risk involved in financial transactions. The maximum default risk is theoretically the sum of the carrying amounts of the financial assets stated in the consolidated balance sheet.

The creditworthiness of customers is subject to regular examination. Credit assessments and dunning procedures mitigate the risk of bad debts. Outstanding receivables relating to business operations are monitored on an ongoing basis. All for One Group has put appropriate control mechanisms in place to ensure that services are only provided to customers who have proven to be creditworthy in the past and that the default risk associated with these transactions is within reasonable limits. Default risks are reflected by appropriate impairments. Risk-cluster-specific default rates are calculated on the basis of historical default data and after consideration of forward-looking macroeconomic indicators (anticipated insolvency rates) and estimation of the economic impact of the Covid-19 pandemic and the Russia-Ukraine conflict.

Value adjustment matrix for financial year 2021/22

			Value adjustment matrix			
in KEUR	30.09.2022	Value adjustment matrix not applied	Not overdue	Up to 30 days overdue	31 – 90 days overdue	Over 90 days overdue
Trade receivables (gross carrying amount)	57,387	3,329	44,726	6,620	2,329	383
Contract assets (gross carrying amount)	8,322	0	8,322	–	–	–
Weighted average default rate	–	–	0.19%	0.32%	2.89%	25.53%
Impairment	-702	-413	-103	-21	-67	-98

Value adjustment matrix for financial year 2020/21

			Value adjustment matrix			
in KEUR	30.09.2021	Value adjustment matrix not applied	Not overdue	Up to 30 days overdue	31 – 90 days overdue	Over 90 days overdue
Trade receivables (gross carrying amount)	41,753	3,443	30,666	5,984	1,342	318
Contract assets (gross carrying amount)	4,671	0	4,671	–	–	–
Weighted average default rate	–	–	0.16%	0.27%	2.24%	17.39%
Impairment	-1,254	-1,095	-58	-16	-30	-55

Finance lease receivables substantially relate to receivables from the public sector and are therefore exposed to only minor default risk.

LIQUIDITY RISKS

All for One Group places the utmost importance on maintaining solvency at all times. Each company maintains an adequate amount of cash. The lead operating company All for One Group SE also has liquidity reserves and unused operational funding lines of credit.

The promissory note bonds with bullet maturity are neither subordinated nor secured. All tranches are subject to covenants that would entitle the lender to cancel the loans and call the total amount of EUR 77.5 million due for immediate payment if certain changes were to be made to the shareholder structure of All for One Group (»Change of Control«). Added to which, the creditors of the promissory note loan tranches issued in 2017, 2019 and 2020 are entitled to raise the interest margin or – in the case of the 2017 tranche – to call the promissory note loans due for immediate payment if certain events occur that trigger covenants in the loan agreements. By contrast, the tranches borrowed in 2022 include sustainability components, in addition to the »Change of Control« clause, that will be defined by the end of 2023 and could result in a higher interest margin. All covenants regarding key financials were complied with, both in financial year 2021/22 and in the comparable prior period. Because the management board continuously monitors compliance with the terms and conditions of the promissory note loans, the risks resulting from such covenants are considered to be minor.

The following tables show the financial liabilities classed by maturity based on the residual term on the relevant reporting date. Reconciliation to the amounts shown in the consolidated balance sheet is not possible since the cash flows in the tables have not been discounted.

in KEUR	Due ≤1 year	Due >1≤5 years	Due >5 years	Total 30.09. 2022
Trade payables	20,369	0	0	20,369
Liabilities to financial institutions	58	21,538	56,000	77,596
Lease liabilities	13,404	24,432	6,635	44,471
Purchase price obligations	1,529	25,728	0	27,257
Total	**35,360**	**71,698**	**62,635**	**169,693**

in KEUR	Due ≤1 year	Due >1≤5 years	Due >5 years	Total 30.09. 2021
Trade payables	18,951	0	0	18,951
Liabilities to financial institutions	11,004	11,500	26,000	48,504
Lease liabilities	12,372	21,999	7,100	41,471
Purchase price obligations	2,000	0	0	2,000
Total	**44,327**	**33,499**	**33,100**	**110,926**

MARKET RISKS

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks include currency risks and risks of interest rate changes.

Fluctuations in currency rates have an impact on the presentation of assets and liabilities in the consolidated financial statements that are prepared in euros, insofar as assets and liabilities are denominated in currencies other than the euro. As far as **currency risk** is concerned, All for One Group strives to use the same currency to fund its assets. Revenue is recognised within the individual companies predominantly in the same currency as that used for expenses. To the extent deemed necessary, risks remaining in foreign-currency accounting are mitigated using currency transactions (futures, options). Foreign currency hedges were neither used in the financial year 2021/22 nor in the prior year.

Floating-rate liabilities with long terms are exposed to **risks of changes in interest rates**. All for One Group minimises such risks by using interest hedges and the continuous monitoring of global interest-rate policies. Since the only non-current financial liabilities at present relate to the promissory note loans issued by the company at fixed rates, interest rates were not hedged in financial year 2021/22 nor in the prior year. Accordingly, any potential change in interest rates of +/- 100 basis points would have no impact on net Group earnings before tax.

FINANCIAL INSTRUMENT CATEGORIES

	Carrying amount per measurement category (IFRS 9)					
	Financial assets		Financial liabilities			
in KEUR	At fair value through profit and loss	At amortised cost	At fair value through profit and loss	At amortised cost	IFRS 7 not applicable	30.09.2022
Current assets						
Cash and cash equivalents	–	77,464	–	–	–	77,464
Finance lease receivables	–	4,102	–	–	–	4,102
Trade receivables	–	56,685	–	–	–	56,685
Other assets	–	423	–	–	12,113	12,536
Non-current assets						
Finance lease receivables	–	6,799	–	–	–	6,799
Other assets	–	366	–	–	6,754	7,120
Current liabilities						
Liabilities to financial institutions	–	–	–	58	–	58
Lease liabilities	–	–	–	13,044	–	13,044
Trade payables	–	–	–	20,369	–	20,369
Other liabilities	–	–	1,521	131	7,816	9,468
Non-current liabilities						
Liabilities to financial institutions	–	–	–	77,357	–	77,357
Lease liabilities	–	–	–	30,371	–	30,371
Other liabilities	–	–	25,659	–	1,350	27,009
Total	**0**	**145,839**	**27,180**	**141,330**	**28,033**	

	Carrying amount per measurement category (IFRS 9)					
	Financial assets		Financial liabilities			
in KEUR	At fair value through profit and loss	At amortised cost	At fair value through profit and loss	At amortised cost	IFRS 7 not applicable	**30.09.2021**
Current assets						
Cash and cash equivalents	–	75,005	–	–	–	75,005
Finance lease receivables	–	4,348	–	–	–	4,348
Trade receivables	–	40,499	–	–	–	40,499
Other assets	–	558	–	–	8,771	9,329
Non-current assets						
Finance lease receivables	–	6,898	–	–	–	6,898
Other assets	–	236	–	–	7,340	7,576
Current liabilities						
Liabilities to financial institutions	–	–	–	10,983	–	10,983
Lease liabilities	–	–	–	12,075	–	12,075
Trade payables	–	–	–	18,951	–	18,951
Other liabilities	–	–	2,000	149	5,638	7,787
Non-current liabilities						
Liabilities to financial institutions	–	–	–	37,413	–	37,413
Lease liabilities	–	–	–	28,359	–	28,359
Other liabilities	–	–	–	–	1,058	1,058
Total	**0**	**127,544**	**2,000**	**107,930**	**22,807**	

In all valuation categories with the exception of finance lease receivables, liabilities to financial institutions and lease liabilities, the carrying amounts always represent a reasonable approximation of the fair value.

	Carrying amount		Fair value	
in KEUR	30.09. 2022	30.09. 2021	30.09. 2022	30.09. 2021
Finance lease receivables	10,901	11,246	10,324	11,323
Liabilities to financial institutions	77,415	48,396	67,992	49,844

Finance lease receivables, liabilities to financial institutions and lease liabilities are recognised at amortised cost and are stated as separate items, classified by maturity, in the balance sheet. The fair value of the finance lease receivables, liabilities to financial institutions and lease liabilities is calculated using the present value of the payments relating to the asset/liability. Calculation of the fair value is based in each case on current interest rate parameters that reflect market-driven changes in conditions and expectations. The valuation parameters for determining the fair value are based on non-observable market data (level 3).

The item »Other liabilities« on the balance sheet includes purchase price components from acquisitions that are measured at fair value through profit or loss. The fair value is calculated as the present value of the expected discounted cash flows based on the planned further business development of the affected entities. Sensitivity analysis revealed a potential fluctuation range of +/- EUR 1 million relative to the fair value due to variable purchase price components that are dependent on future business performance. The valuation parameters for determining the fair value are based on non-observable market data (level 3).

Net result from financial instruments by measurement categories

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Financial assets at amortised cost	-347	387
Financial assets at fair value through profit or loss	0	0
Financial liabilities at amortised cost	-46	-51
Financial liabilities at fair value through profit or loss	-55	0
Total	**-448**	**336**

Interest expenses relating to financial instruments measured at amortised cost amounted to KEUR 1,380 in financial year 2021/22 (prior year: KEUR 967), while the interest income totalled KEUR 9 (prior year: KEUR 0).

CAPITAL MANAGEMENT DISCLOSURES

The capital management function aims to assure the availability of liquidity and thus the continuation of business as well as sustainably raising the value of the company and ensuring a reasonable return on equity. Based on the financing concept, the management board of All for One Group SE regularly examines various key figures relating to the company's capital and studies the capital market. Key financial indicators include, above all, net liquidity/debt and the equity ratio.

in KEUR	30.09. 2022	30.09. 2021
Liabilities to financial institutions	77,415	48,396
Lease liabilities	43,415	40,434
Cash and cash equivalents	77,464	75,005
Net debt (-) / Net liquidity (+)	-43,366	-13,825
Equity	97,947	91,428
Equity ratio (in % of the balance sheet total)	**29%**	**35%**

All for One Group manages the capital structure and adjusts it to allow for changes in general economic conditions. Failure to comply with certain financial indicators specified in lending agreements (»Covenants«) would entitle lenders of All for One Group to raise the interest rates, as well as allowing them to terminate the agreements and demand immediate repayment. All covenants regarding key financials were complied with, both in financial year 2021/22 and in the comparable prior period. All for One Group pursues a dividend policy aimed at ensuring the direct participation of shareholders in the Company's profits and cash flows. However, the basic premise is to always maintain adequate financial flexibility for greater business performance and additional inorganic growth.

22. Contingent liabilities and other financial obligations not reported on the balance sheet

In the course of its business operations, All for One Group is occasionally involved in legal disputes. The risks arising from legal disputes are mitigated by accruing appropriate provisions.

In September 2022, operations at one of the data centers run by All for One Group SE were disrupted, resulting in not inconsiderable restrictions on the use of the data center over a period of several hours. The degree to which All for One Group customers were affected by these disruptions varied. All for One Group SE has accrued provisions for warranty and damages claims in this context in case customers assert contractual claims for reduction. By contrast, no provisions were formed for potential risks arising from claims for damages extending above and beyond the aforementioned. The possibility of any risks becoming more specific in future and leading to a not inconsiderable outflow of resources cannot be ruled out. All for One Group SE has appropriate insurance cover to protect against such financial burdens.

Other financial obligations not reported on the balance sheet

in KEUR	30.09. 2022	30.09. 2021
Commitment to invest in		
fixed assets	6,618	761
leases concluded but not yet started	9,731	4,583

In financial year 2021/22, the expenses relating to unrecognised leases amounted to KEUR 519 (prior year: KEUR 414), of which KEUR 128 (prior year: KEUR 66) was attributable to current leases and KEUR 391 (prior year: KEUR 348) to leases governing low value assets.

Individual property lease contracts contain options to extend after the primary term (including any subsequent automatic extensions of rental periods) that were not included when measuring the lease liabilities. They were omitted due to the lack of sufficient certainty that these options would be exercised, which could lead to undiscounted potential cash outflows of KEUR 72,856 (prior year: KEUR 53,586). If in doubt, calculation of these potential payment obligations would be based on the useful life of the relevant properties.

23. Related party disclosures

Related parties as defined in IAS 24 are legal or natural persons who can influence All for One Group SE or who are subject to control, joint management or significant influence by All for One Group SE. Related parties also include members of management in key positions, their close families, and companies that are controlled solely or jointly, or significantly influenced, by this group of people.

Unternehmens Invest AG and its subsidiaries UIAG Informatik-Holding GmbH, Vienna/Austria, and UIAG AFO GmbH, Vienna/Austria, together hold the majority of the voting rights in All for One Group SE and thus control it. All for One Group SE, Filderstadt, is therefore solely dependent on Unternehmens Invest AG, according to Sections 16 (1), (2) and 17 (2) AktG.

The following business transactions with related parties were registered in the period from 1 October 2021 to 30 September 2022:

Other expenses of KEUR 156 (prior year: KEUR 107) were reported for members of management and close relatives of members of management in key positions.

Products and services delivered to other related parties as well as other income totalled KEUR 0 in financial year 2021/22 (prior year: KEUR 2).

Further transactions within All for One Group with related parties concerned business transactions with companies included in the consolidated financial statements. For a discussion of the volume of these business transactions, please refer to the presentation of sales revenue in the segment report in note 20, which also contains intra-Group revenue. All transactions are settled at arm's length and fully eliminated during preparation of the consolidated financial statements. Accordingly, they do not affect the net assets, financial position and results of operations of All for One Group.

MEMBERS OF THE MANAGEMENT BOARD

Lars Landwehrkamp
CEO (since May 2007)

Memberships of other supervisory boards and controlling bodies (Section 125 (1) sentence 5 AktG):

– Process Partner AG, St. Gallen/Switzerland (member of the administrative board)
– AC Automation Center SA/NV, Zaventem/Belgium (chairman of the board)

Michael Zitz
CEO (since November 2022)
CSO (April 2021 until October 2022)

Stefan Land
CFO (since April 2008)

Memberships of other supervisory boards and controlling bodies (Section 125 (1) sentence 5 AktG):

– Process Partner AG, St. Gallen/Switzerland (president of the administrative board)
– AC Automation Center SA/NV, Zaventem/Belgium (board member)

Total compensation paid to members of the management board

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Short-term benefits	1,324	1,652
Share-based payments	0	0
Post-employment benefits	128	128
Termination benefits	0	0
Other long-term benefits	493	464
Total [1]	**1,945**	**2,244**

1) Share of management board compensation attributable to the respective financial year

The variable portions of the aforementioned total compensation amounted to KEUR 809 in total (prior year: KEUR 1,266) and include estimates, which may deviate from the amounts determined as part of the final accounting. An allocation from the multi-year variable compensation was not made in the reporting year. Furthermore, no loans were extended and no All for One Group SE share options were granted to the management board during the reporting year. Unusual transactions with related parties did not take place.

Detailed information about the compensation system and compensation components is provided in the separate compensation report of All for One Group for financial year 2021/22, which is available on the company website at www.all-for-one.com/compensation-report.

MEMBERS OF THE SUPERVISORY BOARD

Josef Blazicek (chairman)
Independent businessman

Memberships of other supervisory boards and controlling bodies (Section 125 (1) sentence 5 AktG):
- PIERER Mobility AG (formerly: KTM Industries AG), Wels/Austria (chairman of the supervisory board)
- Pankl Racing Systems AG, Kapfenberg/Austria (deputy chairman of the supervisory board)
- Pierer Industrie AG, Wels/Austria (deputy chairman of the supervisory board)
- Pankl AG (formerly: Pankl SHW Industries AG), Kapfenberg/Austria (member of the supervisory board)
- SHW AG, Aalen/Germany (member of the supervisory board)
- Pierer Bajaj AG, Wels/Austria (member of the supervisory board)

Paul Neumann (deputy chairman)
Member of the management board of Unternehmens Invest AG, Vienna/Austria

Karl Astecker
Member of administrative board of Qino Engineers AG, Hünenberg/Switzerland

Memberships of other supervisory boards and controlling bodies (Section 125 (1) sentence 5 AktG):
- Qino Engineers AG, Hünenberg/Switzerland (administrative board)

Dr. Rudolf Knünz
Chairman of the supervisory board of Unternehmens Invest AG, Vienna/Austria

Memberships of other supervisory boards and controlling bodies (Section 125 (1) sentence 5 AktG):
- Ganahl Aktiengesellschaft, Frastanz/Austria (chairman of the supervisory board)
- Unternehmens Invest AG, Vienna/Austria (chairman of the supervisory board)

Maria Caldarelli
Executive Director Legal & Integrity at All for One Group SE, Filderstadt/Germany

André Krüger (since 30 Sep 2022)
Senior Industry Alliance Manager, All for One Group SE, Ratingen/Germany

Dr. Matthias Massing (22 Oct 2021 until 31 May 2022)
Former Manager Business Development, All for One Group SE, Filderstadt/Germany

Jörgen Dalhoff (until 30 Sep 2021)
Former Manager Group Processes, All for One Group SE, Filderstadt/Germany

Peter Fritsch (until 11 Mar 2021)
Former Managing Director of BEKO Holding GmbH & Co. KG, Nöhagen/Austria

Total compensation paid to members of the supervisory board

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Fixed compensation	120	125
Committee remuneration	36	36
Total [1]	**156**	**161**

1) Share of supervisory board compensation attributable to the respective financial year

Performance-related components are not included in the compensation for the supervisory board.

Detailed information about the compensation system and compensation components is provided in the separate compensation report of All for One Group for financial year 2021/22, which is available on the company website at www.all-for-one.com/compensation-report.

Significant accounting policies
Related parties as defined in IAS 24 are parties who control All for One Group SE either on their own or jointly with other companies or who significantly influence All for One Group SE. Likewise, subsidiaries, joint ventures and associates are classified as related to All for One Group SE and – in the case of subsidiaries and joint ventures – to each other. The same applies even if the subsidiaries are not fully consolidated. Related parties also include management in key positions, their close families, and companies that are controlled solely or jointly, or significantly influenced, by this group of people.

24. Auditors' fees and services

The following fees were recognised as expenses in connection with services provided by the global network of BDO respectively BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg (BDO AG):

in KEUR	10/2021 – 09/2022	10/2020 – 09/2021
Audit services BDO	286	265
of which only BDO AG	229	242
Other confirmation services BDO	5	5
of which only BDO AG	5	5
Tax advisory services BDO	0	0
of which only BDO AG	0	0
Other services BDO	8	5
of which only BDO AG	8	5
Total	**299**	**275**
of which only BDO AG	242	252

The fee for audit services relates mainly to the audit of the consolidated financial statements and the annual financial statements of All for One Group SE as well as the various audits of the annual accounts of its subsidiaries to include the audit focal points agreed with the supervisory board.

Other confirmation services refer to the performance of agreed investigations pertaining to All for One Group SE's financial indicators.

25. Declaration of conformity according to Section 161 AktG

The management board and supervisory board of All for One Group SE have issued their declaration of conformity with the recommendations of the German Corporate Governance Code (DCGK) as specified in Section 161 AktG and made it available to their shareholders.

The full declaration is permanently accessible on the company website at www.all-for-one.com/conformity-declaration. The declarations of conformity from previous financial years are also available in the same section on the website.

26. Subsequent events

Effective 1 November 2022, Michael Zitz (formerly CSO) was appointed CEO of All for One Group SE.

On 12 October 2022, All for One Group SE decided to implement a share repurchase programme valid for the period from 13 October 2022 to 12 October 2023 to potentially buy back as many as 100,000 treasuryshares in total, representing a volume of EUR 5.5 million.

Apart from these two events, nothing else of any significance has occurred that would have impacted the net assets, financial position and results of operations of the Group.

Filderstadt, 7 December 2022
All for One Group SE

Lars Landwehrkamp CEO	Michael Zitz CEO	Stefan Land CFO

RESPONSIBILITY STATEMENT

OF THE MANAGEMENT BOARD

»to the best of our knowledge, and in accordance with the applicable reporting principles, we affirm that the consolidated financial statements give a true and fair view of the assets, financial position and earning of the Group, and the combined mangement 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 principal opportuunities and risks associated with the expected development of the Group«.

Filderstadt, 7 December 2022
All for One Group SE

Lars Landwehrkamp	Michael Zitz	Stefan Land
CEO	CSO	CFO

INDEPENDENT AUDITORS' REPORT

TO ALL FOR ONE GROUP SE, FILDERSTADT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

AUDIT OPINION

We have audited the consolidated financial statements of All for One Group SE and its subsidiaries (the Group), comprising the consolidated statement of profit and loss and the consolidated statement of comprehensive income for the financial year from 1 October 2021 to 30 September 2022, the consolidated balance sheet as of 30 September 2022, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year from 1 October 2021 to 30 September 2022 and the notes to the consolidated financial statements, together with a summary of significant accounting policies.

Furthermore, we have audited the combined management report of All for One Group SE for the financial year from 1 October 2021 to 30 September 2022. In compliance with German legislation, we did not audit the content of the combined management report that is included under »OTHER INFORMATION«.

In our opinion based on the findings of our audit:

– The accompanying consolidated financial statements comply in all material respects with IFRS as adopted in the EU and with the additional requirements of German law pursuant to Section 315e (1) German Commercial Code (»HGB«) and give a true and fair view of the net assets and financial position of the Group as of 30 September 2022 and of the results of operations for the financial year 1 October 2021 to 30 September 2022.

– The accompanying combined management report provides a suitable view of the Group's situation overall. The combined management report conforms in all material respects with the consolidated financial statements, complies with the requirements of German law, and suitably presents the opportunities and risks of future development. Our audit assessment of the combined management report does not extend to the content that is included under »OTHER INFORMATION« in the combined management report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations with regard to the regularity of the consolidated financial statements or the combined management report.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the consolidated financial statements und combined management report in accordance with Section 317 HGB, Regulation (EU) No. 537/2014 on Specific Requirements regarding Statutory Audits of Public-Interest Entities (»EU Regulation 537/2014«), and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (»IDW Institute of Public Auditors in Germany«). Our responsibility pursuant to these provisions and principles are described in the section entitled »AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT«. We are independent of the Group and its companies in accordance with German commercial and professional laws and regulations, and have fulfilled our other German professional duties in accordance with these requirements.

Furthermore, we declare pursuant to Article 10 (2)(f) of EU Regulation 537/2014 that we provided no prohibited non-audit services as stipulated in Article 5 (1) of EU Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion about the consolidated financial statements and the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters which, in our professional judgement, were of the most significance in our audit of the consolidated financial statements for the financial year from 1 October 2021 to 30 September 2022. These matters were addressed within the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereof. We have not provided a separate audit opinion on these matters.

We identified the following areas of focus as particularly important for our audit:

1. Impairment of goodwill and trademark rights
2. Sales revenue from consulting and services
3. Presentation of significant business combinations

IMPAIRMENT OF GOODWILL AND TRADEMARK RIGHTS

Facts
In the company's consolidated financial statements, goodwill totalling EUR 66.0 million (19.4% of the balance sheet total or 67.3% of equity) and trademark rights with indefinite useful lives totalling EUR 12.4 million (3.6% of the balance sheet total or 12.7% of equity) are reported under »Intangible assets« on the balance sheet.

The company tests the goodwill and the trademark rights once a year or as indicated to identify any need for impairment. Impairment testing is conducted at the level of the cash-generating units to whom the goodwill and trademark rights are assigned. In the course of impairment testing, the carrying amount of the respective cash-generating unit to whom the goodwill and trademark rights are assigned is compared to the relevant recoverable amount. The recoverable amount is always determined on the basis of the value in use. Measurement is routinely based on the present value of the future cash flows of the respective cash-generating unit. The discounted cash flow method is used to determine the respective values in use. The Group's approved budgets form the starting point for calculation. Long-term growth rates are used to extrapolate those future cash flows that extend beyond the detailed budget period. The calculation also considers expectations with regard to future market trends, and assumptions about macroeconomic influences. The weighted average cost of capital of the respective cash-generating unit is used for discounting.

Determination of the respective value in use is greatly dependent on estimates made by the legal representatives with regard to the future cash flows of the respective cash-generating unit, the discount rate to be applied, the growth rates, and on further assumptions and is therefore subject to considerable uncertainty. In light of the above and given the measurement complexity, this area of focus was particularly important for our audit.

Auditors' response
In the course of our audit, we learned more about the budgeting process and assessed how appropriate it was. We also traced the methodical approach to impairment testing. We discussed the approved Group budgets and the long-term growth rate assumptions with the management board. After comparing the future cash inflows used to calculate the respective values in use with the approved Group budgets, we assessed how appropriate the material assumptions were, mainly by comparing them to general and industry-specific expectations in the marketplace. We also assessed the proper consideration of Group function costs in the budgets.

Since we are aware that even relatively small changes to discount rates can have a material impact on the amount of the values in use calculated for goodwill or trademark rights using this method, we paid particularly close attention to the parameters used to determine the discount rate and to understanding the method of calculation. We examined the sensitivity analyses conducted by the management board to reflect the present forecasting uncertainties.

Furthermore, we made sure the obligatory disclosures with regard to impairment testing had been made in the notes to the consolidated financial statements.

The Company's disclosures with regard to impairment testing, goodwill, and other intangible assets and fixed assets can be found in note 13 in section F of the notes to the consolidated financial statements, while the discretionary judgements made by the management and the estimation uncertainties to which impairment testing is subject are discussed in section D of the notes to the consolidated financial statements.

RECOGNITION OF SALES REVENUE FROM CONSULTING AND SERVICES

Facts
Consulting and services revenues amount to EUR 181.9 million and are mainly attributable to consultancy services and long-term project assignments.

The contractual regulations in the area of consulting and services are complex. IFRS 15 requires identification of the performance obligations agreed with the client in a contract. Such contracts must be examined to determine whether multiple performance obligations are bundled together and the agreement in question is therefore a multi-component contract. This assessment requires discretionary assessment.

The distribution of the consideration based on the relative individual sale prices for each performance obligation identified in a contract is, moreover, subject to discretionary judgement. There is therefore a risk of inappropriate allocation and, accordingly, incorrect revenue recognition.

All for One Group SE recognises consulting and service sales revenue both at a certain time and over a certain period.

Performance obligations relating to customer-specific consultancy projects are delivered over a longer period and revenue is recognised based on the degree of completion. Progress is measured using the ratio of consultancy hours already worked to the total estimated number of hours for the project as a whole.

The underlying estimation of total hours for the project as a whole and the means for determining the degree of completion are complex and are subject to discretionary judgement. The consolidated financial statements therefore risk stating incorrect sales revenues relating to customer-specific consultancy projects for a specific period.

Auditors' response
We learned more about the process for capturing revenues and determined whether it was appropriate. We also examined, in particular, the structure, implementation and effectiveness of the controls to make sure order-related expenses are captured correctly.

We also studied the process for estimating total project hours and determined whether it was appropriate. Furthermore, we examined the structure, implementation and effectiveness of the controls in place within this process.

We consciously selected contracts on a risk-oriented basis to assess the identification of the individual performance obligations and the distribution of the consideration based on relative individual sale prices, which we also checked.

We also consciously selected, on a risk-oriented basis, some customer-specific consultancy projects that were still awaiting completion to check whether the underlying contractual agreements specified the recognition of revenue based on the degree of completion in a specific period. We also assessed the calculation of the degree of completion that was used to determine the amount of revenue recognition by requesting documentation of the actual hours worked, and checking and assessing the estimated total project hours and anticipated income in the client's calculation.

The company's disclosures of revenue recognition can be found in note 1 in section E of the notes to the consolidated financial statements, while details of the discretionary judgements made by the management and the estimation uncertainties to which revenue recognition is subject are discussed in section D of the notes to the consolidated financial statements.

PRESENTATION OF SIGNIFICANT BUSINESS COMBINATIONS

Facts
In financial year 2021/2022, All for One Group SE acquired three companies of relevance for the net assets and financial position of the Group and included them for the first time in the consolidated financial statements.

Effective 1 October 2021 (acquisition date), the Group acquired 51% of the shares in All for One Poland Sp. z o.o., Suchy Las/Poland (formerly: SNP Poland Sp. z o.o., now: »All for One Poland«). Complete acquisition of all remaining shares is governed by reciprocal optional purchase and sale agreements between All for One Group SE and the vendor (SNP Schneider-Neureither & Partner SE Heidelberg). They can be exercised either after the close of the financial year ending on 30 September 2023 or bindingly after the close of the financial year ending on 30 September 2024.

The legal representatives have fully consolidated the acquired company and – after careful examination of the contractual regulations governing the combined reciprocal purchase and sale options – have not recognised any non-controlling interests. Accordingly, the acquisition of all shares in All for One Poland was fictitiously recognised at the time of acquisition (»anticipated acquisition method«). As of the date of initial consolidation, the net assets of All for One Poland were stated at KEUR 12,079 and the transferred consideration at KEUR 32,850. Accordingly, initial consolidation of All for One Poland resulted in goodwill of KEUR 20,771.

Also effective 1 October 2021 (acquisition date), All for One Group SE acquired all shares in ASC Management Consulting AG, Engelberg/Switzerland, and in Advanced Solutions Consulting GmbH, Baden/Switzerland (together »ASC Group«). As of the date of initial consolidation, the net assets of ASC Group were stated at KEUR 3,672 and the transferred consideration at KEUR 10,457. Accordingly, initial consolidation of ASC Group resulted in goodwill of KEUR 6,785.

Further, All for One Group SE acquired all shares in POET GmbH, Karlsruhe (»POET Group«) effective 2 May 2022 (acquisition date). POET GmbH holds 75% of the shares in POET Egypt LLC., Alexandria/Egypt. Based on the provisional purchase price allocation, the net assets of POET Group at the time of initial consolidation were stated at KEUR 3,555 and the transferred consideration at KEUR 10,303. Accordingly, initial consolidation of POET Group resulted in goodwill of KEUR 6,766 and recognition of KEUR 18 for non-controlling interests.

The amount of goodwill was dictated, in particular, by unquantifiable intangible assets, such as the qualification and expertise of the consultants, which cannot be capitalised separately.

The accounting procedures for recognising the contractual agreements governing the acquisitions are complex and pose the risk of acquired intangible assets not being fully identified. In addition, measurement of the contingent considerations, the intangible assets associated with customers and orders that are identified in the course of purchase price allocation, and the use of the anticipated acquisition method for recognising the acquisition of All for One Poland all involve discretionary decisions by the legal representatives. For this reason, and given the significance of the acquisitions for the net assets and financial position of All for One Group SE, the initial consolidation of All for One Poland, ASC Group and POET Group was a particular area of audit focus.

The Company's disclosures on the initial consolidation of the companies acquired in financial year 2021/2022 can be found in section C. of the notes to the consolidated financial statements.

Auditors' response

During the course of our audit of the accounting procedures used for initial consolidation, we examined and validated the contractual agreements governing the acquisitions and interviewed the legal representatives. We compared the amount of fixed purchase prices and subsequent price adjustment mechanisms for the shares with the underlying purchase contracts and proofs of payment.

With regard to the acquisition of All for One Poland, we also assessed the impacts of the agreement governing the call and put options in respect of recognising non-controlling interests and the accounting procedure for the associated consideration as per IFRS.

We judged the competence, capabilities and objectivity of the independent experts engaged by the legal representatives to perform the measurements.

We obtained an understanding of the business operations of the acquired companies and of the method adopted by the expert to identify the acquired assets and liabilities. We involved our valuation experts in assessing the procedure adopted by the expert to perform the purchase price allocation as per IFRS 3, particularly in respect of assessing the valuation of the transferred consideration and the measurement of the fair value of the acquired intangible assets associated with customers and orders. We are satisfied that the valuation models were appropriate and that they were applied correctly. We also verified the arithmetical accuracy of the valuation models. We validated the plausibility of the assumptions made during valuation in respect of the underlying parameters – especially with regard to future cash flows, and interest and growth rates. With regard to POET Group, our audit procedures focused on the provisional purchase price allocation, as an independent appraisal of the value had not been finalised at the time of preparing the consolidated financial statements and initialconsolidation was therefore not completed.

We also involved our valuation experts in assessing the specification of discount rates. They validated the parameters used – including market risk premium, beta factor and borrowing rates – based on peer group market data.

A further area of our audit focus involved ensuring that the disclosures in the notes to the consolidated financial statements with regard to the acquisitions were appropriate.

OTHER INFORMATION

The legal representatives and the supervisory board are responsible for providing the other information. Other information includes:

– the statement issued by the management board with regard to the appropriateness and effectiveness of the internal control and risk management systems that is included in section 4.1 of the combined management report.

– the separately published sustainability report referred to in section 8 of the combined management report.

– the separately published compensation report in compliance with section 162 AktG, to which reference is made in section 9 of the combined management report

– the separately published Group corporate governance statement referred to in section 10 of the combined management report.

– the separately published declaration of conformity with the German corporate governance code referred to in section 10 of the combined management report.

– the other parts of the annual report, except for the audited consolidated financial statements, the combined management report and our audit opinion.

Our audit opinion on the consolidated financial statements and the combined management report does not extend to the other information. Accordingly, we will not issue an audit assessment, nor any other form of conclusions drawn from an audit.

In performing our audit of the consolidated financial statements, we are responsible for reading the other information and assessing whether the other information

– contains any material inconsistencies relating to the consolidated financial statements, the combined management report or the knowledge gained during our audit, or

– seems to be otherwise materially misstated.

If we come to the conclusion, based on our audit, that this other information contains material misstatements, we are obliged to report the fact. We have nothing to report in this respect.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB, and for ensuring that the consolidated financial statements provide a true and fair view of the results and financial position of the Group in accordance with these regulations. Furthermore, the legal representatives are responsible for such internal controls as it determines are necessary to enable the preparation of consolidated financial statements that are free of material misstatements due to fraud or error.

In the preparation of the consolidated financial statements, the legal representatives are responsible for evaluating the ability of the Group to continue as a going concern. Furthermore, they are responsible for disclosing matters relating to going-concern principles as appropriate, and using the going-concern basis of accounting unless management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The legal representatives are also responsible for the preparation of the combined management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with the requirements of German law, and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for such policies and procedures (systems) as it determines are necessary to enable the preparation of the combined management report in accordance with the requirements of German law, and for providing sufficient and appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of intentional or unintentional material misstatements due to fraud or error, and whether the combined management report provides an overall suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements as well as the findings of our audit, complies with the requirements of German law, and suitably presents the opportunities and risks of future development; and to issue an auditors' report that includes our audit opinion of the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 HGB, EU Regulation 537/2014, and German generally accepted standards for the audit of financial statements promulgated by the IDW Institute of Public Auditors in Germany will always detect a material misstatement. Misstatements may arise from fraud or error and are considered material if they could, individually or aggregated, reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements and combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– identify and assess the risks of material misstatement in the consolidated financial statements and in the combined management report whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

– obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the policies and procedures relevant to the audit of the combined management report in order to design audit procedures that are appropriate to the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

– evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– draw conclusions about the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether there exists material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or in the combined management report or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. Future events or conditions may, however, lead to the Group being unable to continue as a going concern.

– evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets and financial position as well as the results of operations of the Group in accordance with IFRS as adopted by the EU and the requirements of German law pursuant to Section 315e (1) HGB.

– obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an audit opinion on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and performance of the Group audit. We are solely responsible for our audit opinion.

– evaluate the consistency of the combined management report with the consolidated financial statements, its compliance with legal requirements and the view of the Group's position that it presents.

– perform audit procedures on the prospective information presented by management in the combined management report. Based on appropriate and sufficient audit evidence, we thereby, and in particular, evaluate the material assumptions used by management as a basis for the prospective information, and assess the reasonableness of these assumptions as well as the appropriate derivation of the prospective information from these assumptions. We do not issue a separate audit opinion on the prospective information or the underlying assumptions. There is a significant and unavoidable risk that future events will deviate significantly from the prospective information.

Among other matters, we communicate the planned scope and timing of the audit with those charged with governance, together with our significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirement and communicate to them all the relationships and other matters that may reasonably be thought to have a bearing on our impartiality, and the safeguards applied with regard to them.

Of the matters communicated with those charged with governance, we determine those of most significance for the audit of the consolidated financial statements for the current reporting period and which are therefore considered the key audit matters. We describe these matters in our report on the audit of the consolidated financial statements, unless laws or regulations prohibit public disclosure of the matter.

OTHER LEGAL AND STATUTORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR THE PURPOSE OF DISCLOSURE IN ACCORDANCE WITH SECTION 317 (3A) HGB

Audit opinion
Pursuant to Section 317 (3a) HGB, we conducted an audit to obtain reasonable assurance that the reproductions of the consolidated financial statements and the combined management report (»ESEF documentation«) contained in the file »AllforOne_KA_2022.zip« and compiled for the purpose of disclosure are compliant in all material aspects with the specifications of Section 328 (1) HGB regarding the electronic reporting format (»ESEF format«). Pursuant to German legislation, this audit only covers the translation of the information regarding the consolidated financial statements and the combined management report to ESEF format and therefore does not extend to the information contained in these reproductions nor to any other information in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned file and compiled for the purpose of disclosure are compliant in all material aspects with the specifications of Section 328 (1) HGB regarding the electronic reporting format. Other than this opinion and our opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 October 2021 to 30 September 2022 included in the preceding »REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT«, we do not express any opinion on the information given in these reproductions or on the other information included in the aforementioned file.

Basis for the audit opinion
We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned file in accordance with Section 317 (3a) HGB and IDW auditing standard: Auditing electronic reproductions of financial statements and management reports prepared for the purpose of disclosure in accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). A detailed description of our responsibility according to these standards is included in the section »Auditors' responsibility for auditing the ESEF documentation«. Our auditing practice applied the quality assurance system requirements of the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1).

Responsibility of the legal representatives and the supervisory board for the ESEF documentation
The Company's legal representatives are responsible for compiling the ESEF documentation with the electronic reproductions of the consolidated financial statements and of the combined management report as specified in Section 328 (1) sentence 4 no. 1 HGB and for tagging the consolidated financial statements as specified in Section 328 (1) sentence 4 no. 2 HGB.

Moreover, the company's legal representatives are responsible for the internal controls they deem necessary to assure the compilation of the ESEF documentation that is free of material – intentional or accidental – violations of the specifications of Section 328 (1) HGB regarding the electronic reporting format.

The supervisory board is responsible for overseeing the process of compiling the ESEF documentation as part of the accounting process.

Responsibility of the Group auditors for auditing the ESEF documentation
Our objective is to obtain reasonable assurance that the ESEF documentation is free of material – intentional or accidental – violations of the specifications of Section 328 (1) HGB. During our audit, we exercise our due discretion and remain critical in our fundamental approach. In addition,

– we identify and assess the risks of material – intentional or accidental – violations of the specifications of Section 328 (1) HGB, plan and execute audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- we obtain an understanding of the internal controls relevant to the audit of the ESEF documentation in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of those controls.

- we assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation complies with the requirements of Delegated Regulation (EU) 2019/815 valid at the reporting date, regarding the technical specification for that file.

- we assess whether the ESEF documentation provides a consistent XHTML reproduction of the audited consolidated financial statements and the audited combined management report.

- we assess whether the tagging of the ESEF documentation using inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 valid at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

OTHER INFORMATION PURSUANT TO ARTICLE 10 EU-APRVO

We were elected as auditors at the annual general meeting on 16 March 2022. We were engaged by the chairman of the audit committee on 14 September 2022. We have been the Group auditors of All for One Group SE continuously since financial year 2019/2020.

We declare that the audit opinions contained in this auditors' report are consistent with the additional report to the audit committee that was prepared pursuant to Article 11 of EU-APrVO.

We provided the following services, which were not disclosed in the consolidated financial statements nor in the combined management report, in addition to the audit of the financial statements of the Group companies:

In addition to the consolidated financial statements, we audited the annual financial statements of the Company and the annual financial statements of a subsidiary. Other confirmation services relate to the performance of agreed activities to examine key financial figures of All for One Group SE. Other services also include a certificate of impairment for a subsidiary, which was issued in connection with a merger.

OTHER MATTERS – USE OF THE AUDITORS' REPORT

Our auditors' report must always be read in conjunction with the audited consolidated financial statements and the audited combined management report, and with the audited ESEF documentation. The translations of the consolidated financial statements and the combined management report to ESEF format – including the versions to be announced in the federal gazette – are only electronic reproductions of the audited consolidated financial statements and the audited combined management report, and do not replace them. In particular, the ESEF audit assessment containing our audit opinion is only to be used in conjunction with the audited ESEF documentation presented in electronic format.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Andreas Schuster.

Frankfurt am Main, 8 December 2022
BDO AG
Wirtschaftsprüfungsgesellschaft

Dr. Fasshauer Auditor	Schuster Auditor

SERVICE

FINANCIAL CALENDAR FOR FINANCIAL YEAR 2022/23

Monday	13.02.2023	Quarterly Statement 2022/23 as of 31 December 2022
Thursday	16.03.2023	Annual General Meeting
Monday	15.05.2023	Half-Year Financial Report 2022/23 as of 31 March 2023
Thursday	10.08.2023	Quarterly Statement 2022/23 as of 30 June 2023
Monday	18.12.2023	Publication of Consolidated and Annual Financial Statements Financial Year from 1 October 2022 to 30 September 2023
Monday	18.12.2023	Financial Statements Press Conference
Tuesday	19.12.2023	Analyst Presentation

IR SERVICE

Our homepage offers an extensive IR Service. Apart from finding company reports, analyst reports, financial presentations or information concerning the annual general meeting, you can also put youself on the mailing list for press and financial announcements.

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

DISCLAIMER

As far as this annual report contains forecasts, estimates or expectations, these can be associated with risks and uncertainties. The actual results and developments can deviate from the expectations and assumptions made. Changes in the general economic and competitive situation, particularly in the core business divisions and markets, changes in legislation, in particular tax regulations, can cause such deviations. The German version of this annual report is definitive. The company assumes no obligation to update statements made in this annual report.

IMPRINT

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