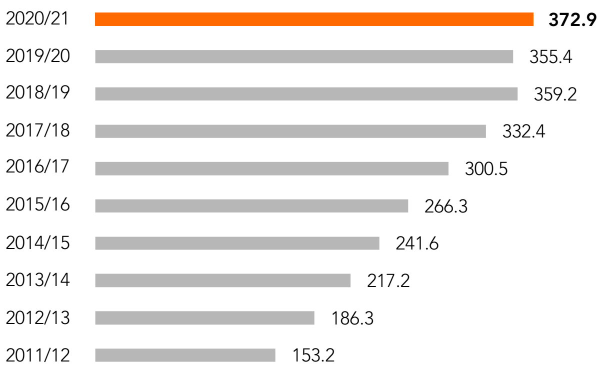
all for one Group

ANNUAL REPORT

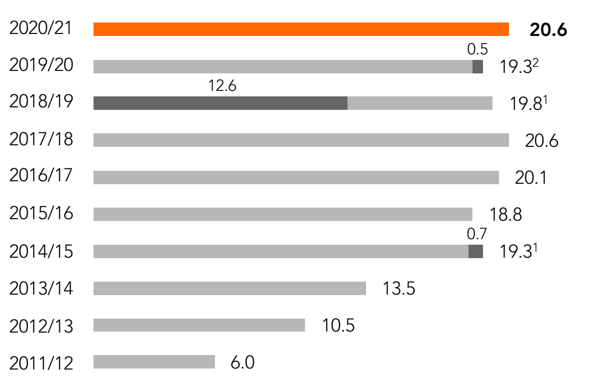
2020/21

KEY FIGURES

Sales in EUR millions

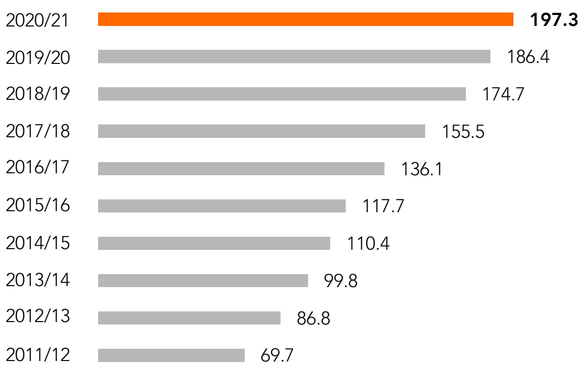


EBIT in EUR millions

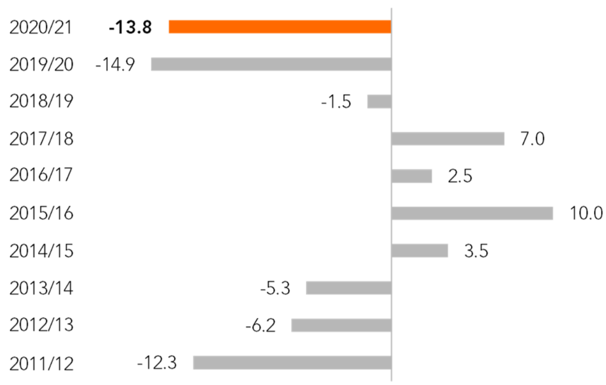


1) EBIT incl. non-recurring income 2) Adjusted EBIT excl. strategy 2022

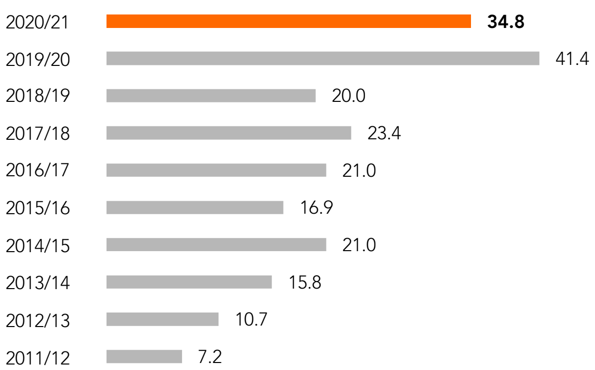
Recurring revenues in EUR millions



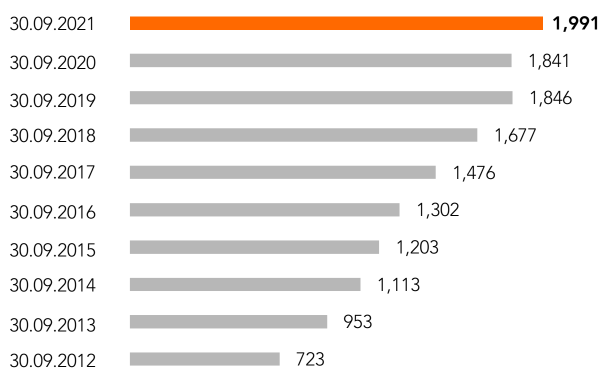
Net debt (-) / liquidity (+) in EUR millions



Operative cash flow in EUR millions



Headcount at year-end



IFRS in EUR millions, unless otherwise stated	10/2020 – 09/2021	10/2019 – 09/2020	Absolute delta	Delta in %
Earnings situation				
Sales revenue	372.9	355.4	17.5	5
EBITDA	42.1	41.3	0.8	2
EBITDA margin (in %)	11.3	11.6		
EBITA	24.9	23.9	1.0	4
EBIT	20.6	19.3	1.3	7
EBIT margin (in %)	5.5	5.4		
Result for the period	13.5	13.1	0.4	3
Balance sheet				
Total assets	264.9	250.7	14.2	6
Equity	91.4	88.8	2.6	3
Equity ratio (in %)	35	35		
Net debt	-13.8	-14.9	1.1	-7
Employees				
Number of employees (at end of financial year)	1,991	1,841	150	8
Full-time equivalents (ø)	1,710	1,644	66	4
Share				
Number of shares (ø)	4,982,000	4,982,000	0	0
Share price (at end of financial year, in EUR)	68.0	53.8	14.2	26
Market capitalisation (at end of financial year)	338.8	268.0	70.7	26
Earnings per share (in EUR)	2.68	2.55	0.13	5
Non-financial performance indicators				**Delta in Percentage points**
Employee retention (in %)	93.6	93.2		0.4
Health index (in %)	97.4	97.3		0.1

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, IT consulting and services under one roof. With market leading business software solutions based on SAP, Microsoft and IBM together with more than 2,500 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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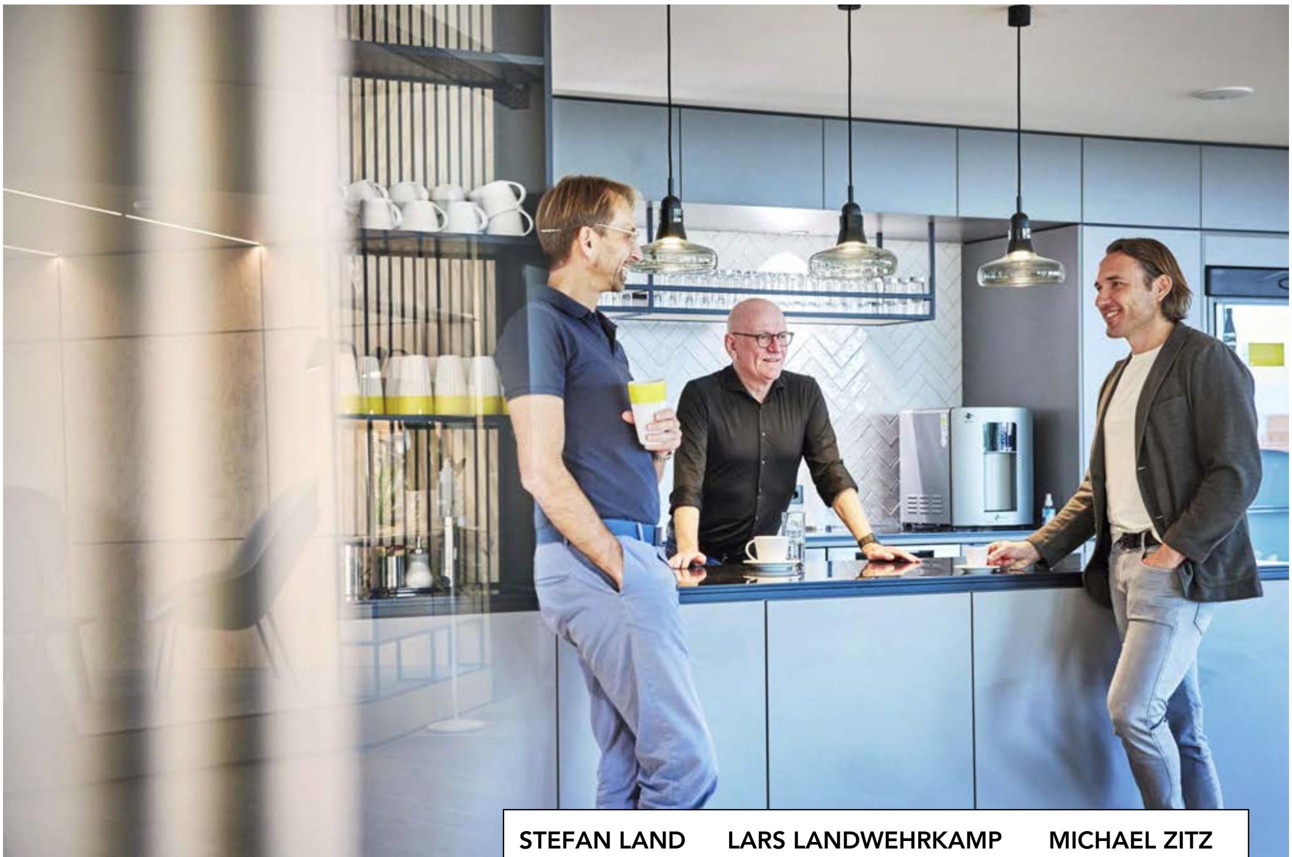
EFFECTIVE
GROWTH

WHEN DIGITALISATION AND SUSTAINABILITY CONVERGE

The fact that the signs at All for One Group are pointing to long-term growth is not really new. What is new, however, is that growth and sustainability within the Group are becoming more multifaceted. The management board, for example, has grown since Michael Zitz joined as new Chief Sales Officer on 1 April 2021. All for One Group has a real business booster in the shape of CONVERSION/4, our SAP transformation subscription model, which is keeping our order books full.

And the Group itself has grown substantially too – following the acquisition of SNP Poland and the Swiss-based ASC Group. As a result, we now have not only greater expertise and a larger headcount, but also a bigger customer base: An impressive 3,000 customers in Germany, Austria, Poland and Switzerland are meanwhile digitalising their business with the help of All for One Group. And the trend continues to rise. Sustainability is advancing – within the Group and with regard to our markets and customers – as part of a business model to be taken seriously. Companies who back the convergence of digitalisation and sustainability will secure competitive advantages.



STEFAN LAND	**LARS LANDWEHRKAMP**	**MICHAEL ZITZ**
CFO	CEO	CSO

The financial year 2020/21 was dominated in its entirety by the coronavirus pandemic. Let's take a look at the figures: How did All for One Group perform over the period?
Stefan Land: This was, without doubt, a difficult phase that we had to deal with. After all, both the second and third waves of the coronavirus fell within the financial year, together with the associated lockdowns and so-called federal pandemic emergency brake. By then we had, of course, already gained a certain routine in working under coronavirus conditions – as, indeed, had our customers. At this point I would like to specifically mention the commitment of our staff which is also expressed in the following figures: Sales witnessed organic growth of five percent, rising to EUR 373 million, while EBIT increased to EUR 20.6 million. Year on year, we were therefore able to slightly improve the return on sales. That is a magnificent achievement when you consider how reticent a lot of customers became in the crisis. All for One Group is now excellently positioned to shift back to growth mode.

WE HAVE STRUCK A NERVE IN THE MARKETPLACE WITH CONVERSION/4

LARS LANDWEHRKAMP
CEO

What makes you so optimistic?
Michael Zitz: For one thing, we are noticing quite clearly the growing optimism among our customers with regard to their economic prospects. Investments – including in digitalisation projects – that were initially postponed are now materialising. By the same token, we are benefiting from a growing perception and acceptance of the entire breadth of our digitalisation consulting and IT services portfolio in the marketplace. The major contract awarded by KSB Group is a prime example – and constitutes one of the biggest contracts acquired in the history of our company. Over the coming years, we will actively support KSB and its team of 15,000 employees in their digital transformation. As their strategic partner, we will manage the Group's entire systems landscape (10 SAP landscapes, approx. 10,000 people using Messaging, SharePoint and Skype for Business). What makes this case so remarkable, moreover, is that it was contracted entirely virtually because of the pandemic – which just goes to show how capable we are of operating even in times of crisis, and just how competitive our bidding strategy is in the marketplace.

Another reason why I am optimistic is that we didn't withdraw into a shell during the pandemic. On the contrary, we consciously advanced and focused intently on making partnerships even more strategic and attractive for our customers. At the start of 2021, for example, we launched our new EDGE/4 customer loyalty programme to reward our customers for placing their trust in us and to drive our further progress together – through co-innovation, for example. Positive customer feedback and the figures, together with our success, show how right we were to take this active approach. Which is very gratifying and extremely motivating, of course.

Which growth drivers is the company backing in the »new normal«?
Lars Landwehrkamp: We want to further expand our footprint – both in digitalisation, which continues to rank as a top priority for our customers, and in fields such as new work, IoT, analytics or eCommerce. If we look specifically at our customers' IT landscapes, there are two large transformation movements that are key for us: One is the paradigm shift into the cloud, which even the formerly hesitant German midmarket is meanwhile embracing in its entirety. The other is the transformation of legacy SAP landscapes to the new generation SAP S/4HANA; a challenge that will face virtually all SAP users over the next few years. We support our customers on their journeys both into the cloud and to SAP S/4HANA with our newly launched

CONVERSION/4 transformation and subscription model. After one year and numerous contract signings, we can safely say we have struck a nerve in the marketplace.

Zitz: Moreover, our customers obtain confirmation from both our key technology partners and analysts that CONVERSION/4 is the leading model in the marketplace. Bear in mind that we won three awards within the space of a few weeks in early summer – most football clubs dream of winning such a triple their whole lives, and not just them! We won partner awards from both SAP and Microsoft – which is really quite extraordinary. The third award came from leading analysts ISG who ranked us as »Leaders« in not one but four categories in their survey of SAP S/4HANA providers in Germany. Having said that, however, there is another side to the success of CONVERSION/4 – albeit a convenient one: We are already working at high capacity – and the project enquiries pipeline is full. So we are desperately looking to increase our workforce.

OUR OPERATING MARGIN SHOULD DEFINITELY INCREASE AGAIN

STEFAN LAND
CFO

By acquiring the majority in SAP service provider SNP Poland you seem to have found what you were looking for.

Landwehrkamp: That is true. The acquisition will boost our energy and move us a huge step further along our growth path. By acquiring SNP Poland, All for One Group has built up massive implementation strength – we are talking about some 400 new colleagues with outstanding technological skills, expertise in delivering CONVERSION/4 projects and lots of experience in international key account business. SNP Poland will bring us 400 new customers and is itself pursuing a robust growth strategy which will help us deliver our projects.

Land: Added to which, more than half the earnings of SNP Poland are attributable to recurring cloud and software maintenance revenues – which is also the case with our company. You can't get a better fit than that. Now, of course, we need to ensure the intelligent merging of the organisations to actively grasp the opportunities that will arise as a result.

Zitz: »Recurring revenues« – this is a good place for me to jump in. All for One Group is fundamentally moving away from non-recurring project business and focusing more on »value lifecycle services«: We want to offer our customers longer-term support and development opportunities, help them to digitalise, and make sure they benefit from their IT investments over the long term. That includes long-term service contracts focusing on comprehensive support of the increasingly complex systems and process landscapes.

Stefan, what exactly does this growth mean for your margin?

Land: We definitely plan to increase our operating margin again. Over the coming years we want to find the right balance between improving our portfolio, growing, and increasing our returns. Our portfolio of products and services puts us in the best possible position to achieve this goal. Once the pandemic subsides, we want to start integrating our acquisitions before communicating mid-term guidance.

You mentioned international key accounts. How does that fit in with the midmarket position occupied by All for One Group?

Zitz: Let's look at the international aspect first: Even our conventional midmarket customers operate at a global level with offices around the world. At the same time, that means that the projects we execute have always included an international element, as well, that we deliver not least with the aid of our international United VARs network, which we co-founded many years ago and which nowadays operates globally in more than 100 countries. As far as the size of our customers is concerned: Over the past years, we have increasingly acquired customers at the larger end of the scale – I have already cited KSB with its staff of more than 15,000 as an example. And let us not forget: We are not the only ones growing, our customers are too! Take Multivac, for example, a global leader in the production of packaging machinery. When our business relationship commenced back in 2003, Multivac employed around 2,000 people. Nowadays Multivac has a workforce of around 7,000 employees and turnover in the billions! Looking ahead, our declared aim is to convince more companies of this size of our ability to perform. While the purchase of SNP Poland that Lars mentioned is a key step in these endeavours, we are also building our sales and consulting expertise accordingly in our core German-speaking market.

Alongside Poland, you have also strengthened your presence in the Swiss market. What do you hope to gain?

Land: By acquiring ASC, we now have even stronger consulting and SAP expertise in the Swiss market, together with our subsidiary Process Partner AG. ASC's competence – especially in corporate finance and group consolidation and budgeting – is the perfect complement to our portfolio. With our team of around 100 experts we can now cover the entire consulting spectrum of everything to do with SAP – from company management to process optimisation right up to implementation including data migration, support and licensing. We can now practically offer our Swiss customers everything from a single source.

SUSTAINABILITY IS INCREASINGLY EVOLVING INTO A COMPETITIVE ADVANTAGE

MICHAEL ZITZ
CSO

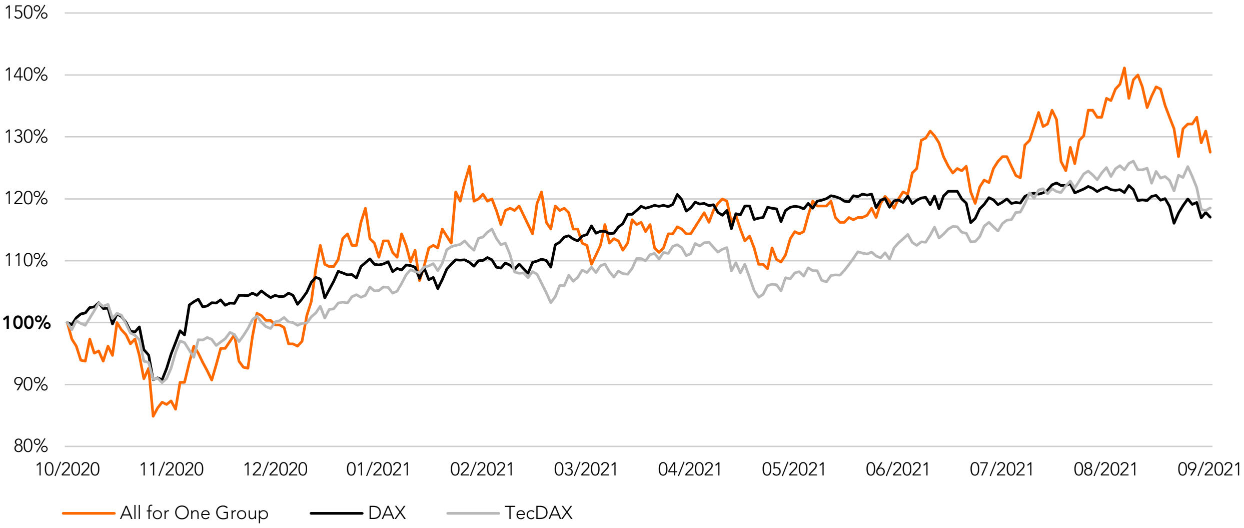
The success of mergers & acquisitions and of the restructuring efforts you mention is determined, not least, by the cultural fit. How are you going to make sure that the collaboration works?
Landwehrkamp: Yes, it is one – maybe even the – key factor. Together, we have to learn to act as an internationally operating group. Every individual employee must remember to consider the skills of the companies in the relevant countries in their thoughts and actions, projects and bidding strategies. There is much enthusiasm in the team and I am confident that the learning curve that lies ahead of us will be short. Added to which, I personally am sure that our corporate values and management guidelines provide an excellent foundation for ensuring that our staff continue to enjoy working for us and producing successful results, even in an All for One Group that is permanently evolving and growing – and that includes in a cultural sense, as well. We have comprehensively reviewed and improved our values, and brought the whole Group-wide team on board – which, for me personally, was one of the highlights when I look back over the financial year.

Talking of values: The decade that has only just begun is clearly being dominated by climate protection. How do you interpret the issue of sustainability?
Zitz: As an area requiring action, it affects our entire organisation – both in an inward sense and as a relevant business case to the marketplace and customers. Taking responsibility for the environment and the careful use of resources is defining more and more who we are. Our staff actively demand this mindset – as do, increasingly, customers and the capital markets. Sustainability is increasingly evolving into a competitive advantage, and not least in the battle for talent. We spotlight sustainability in three dimensions: Environment and climate, equal opportunities, and sustainability in our core business. Raising awareness and empowerment within the Group are two of our very top priorities to ensure that each and every individual can contribute towards more environmental protection. At the same time, we are incorporating the issue into our portfolio of products and services and helping our customers to measure and reduce the carbon footprint of their IT. We also understand sustainability as a holistic issue, exactly as propagated in the UN Agenda 2030. Digitalisation is a key enabler for many of the total of 17 sustainable development goals, producing one-to-one links to our IT, service and consulting expertise. Basically, no matter how you look at it, sustainability is a key line of development within our Group.

INVESTOR RELATIONS
ON THE RISE

ALL FOR ONE GROUP SHARES OUTPERFORMED BENCHMARKS SUCH AS THE DAX OR TECDAX. AND YET MARKET OBSERVERS STILL SEE A LOT OF UPWARD POTENTIAL. ADDED TO WHICH, THE DIVIDEND IS SET TO RISE FROM EUR 1.20 TO EUR 1.45.

SHARE PERFORMANCE 2020/21, INDEXED



Its »Cloud First« strategy to enhance the ability of companies to compete in a digital world is enabling All for One Group to generate sustainable growth in its recurring revenues. The growth trend continued even under the strain of »Covid-19«. As a result, the leading consulting and IT Group has an excellent reputation in capital market circles.

In an article entitled »small caps, huge potential«, *Handelsblatt* recognised potential for All for One Group (1˚Sep 2021). Financial portal *boersengefluester.de* pinpointed »…the forthcoming transformation of companies to the SAP S/4HANA business suite as the real driver …« behind the prospects for the consulting and IT Group (»guidance raised«, 4 Aug 2021). Given that »every company is going to have to digitalise«, according to *finanztrends.de*, growth at All for One Group can be expected to increase significantly once things return to normal (12˚Oct 2020). All for One Group was one of the first to start expanding new, next-generation areas of application, such as new work, industrial IoT, or cybersecurity.

MEETINGS WITH INVESTORS AND ONLINE ANNUAL GENERAL MEETING

All for One Group launched its strategy offensive 2022 at just the right time. What is more, CONVERSION/4, the newly developed subscription model for migration to SAP S/4HANA and for ongoing innovation is already increasingly stimulating growth in the current reporting year. Prospects such as these are spotlighted, both in interim reports and in this annual report. They are just one of the sources from which institutional investors, private investors, analysts and the financial and business press can keep a close eye on All for One Group's performance. During the current reporting year, the company again met with investors more than 150 times, both one-on-one and in small groups. Virtually all meetings were held online. The annual general meeting 2021 was also held online for the first time ever. Virtual events for investors, roadshows and press dates were also organised to provide in-depth reports on the company's business performance and its prospects for the future. 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).

SHARE PRICE ON THE RISE

As a result, visibility of the shares has again increased significantly. The upwards trend is also clearly recognisable from the share price performance. Benchmarks such as the DAX and TecDAX were substantially outperformed. By the same token, the shares have become more vulnerable to fluctuations in the market as a whole. After closing out at EUR 53.40 on 1 October 2020 – the first day of the financial year – the share price dropped to its lowest for the financial year as a whole – EUR 45.70 – just one month later, on 28 October 2020. This performance was mainly due to further waves of »Covid-19«. By contrast, the shares closed out the financial year on 30 September 2021 at EUR 68.00 after having recorded the highest price for financial year 2020/21 – EUR 76.60 – on 9 August 2021. Over the course of the year under review, the market capitalisation increased by 26% from EUR 268.0 million to EUR 338.8 million. Even at the current share price, market observers still see substantial upward potential.

UPWARD TREND INCLUDES DIVIDENDS

All for One Group SE laid the foundations for occupying additional areas of innovation and growth early on, when it defined its strategy offensive 2022. These areas are now providing enhanced margin potential.

We will be proposing a dividend payment of EUR 1.45 (prior year: EUR 1.20) per eligible share to the annual general meeting on 16 March 2022. Relative to Group earnings after tax of EUR 13.5 million in financial year 2020/21 (2019/20: EUR 13.1 million), this equates to a distribution quota of 53% (2019/20: 46%). 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 2020/21 [1]	EUR 74.60 (9 Aug 2021)
Lowest price financial year 2020/21 [1]	EUR 45.70 (28 Oct 2020)
Price at start of financial year 2020/21 [1]	EUR 53.40 (1 Okt 2020)
Price at end of financial year 2020/21 [1]	EUR 68.00 (30 Sep 2021)
Market capitalisation [2]	EUR 338.8 million
Earnings per share in financial year 2020/21	EUR 2.68
Share capital	EUR 14.95 million
Number of shares	4,982,000 registered shares

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

2) Based on closing share price on 30 September 2021 (XETRA) and 4,982,000 shares

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

Our financial year 2020/21 was also considerably impacted by the Covid-19 pandemic. We continued to make every effort to protect the health of our staff and their families and to assure our ability to serve our customers remotely with the same high level of quality and without disruption. As it became increasingly clear that the pandemic was going to occupy us for a considerable time to come, we needed to develop strategies to ensure the permanent creation of an attractive work atmosphere for our staff both at our offices and at their homes, and to ensure our ability to meet the renewed growing requirements of our customers for on-site service. Even in the face of these ongoing challenges, we have already been able to benefit from the general recovery in the economic climate affecting many of our customer segments. As in past years, the robust increase in recurring revenues is worth mentioning. They are creating a solid foundation for the sustainably positive performance of the company.

The supervisory board's work also continued to be affected by the Covid-19 pandemic. Due to restrictions imposed in response to the pandemic, our annual general meeting on 11 March 2021 took place online, without the presence of our shareholders. The Austria-based shareholder representatives were also only able to join the annual general meeting online. As a result, the meeting was chaired by staff representative Maria Caldarelli. Both the supervisory board as a whole and its committees continued to meet in video conferences. 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 2020/21. The supervisory board was briefed thoroughly and regularly – usually through written, but also verbal reports by the management board – on the progress with regard to implementation of the strategy offensive 2022, the course of business, the direction the company is taking, the position of the company and Group, the assets, financial and earnings situation including the return on equity, 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 such extraordinary events as were required to be reported.

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.

Focus in financial year 2020/21 was predominantly on the huge challenges posed by the global Covid-19 pandemic, further implementing our strategy offensive 2022, and the legal requirements of the second shareholder rights directive, ARUG II. Further areas of focus in financial year 2020/21 included the acquisitions in Poland and Switzerland, which were completed on 1 October 2021. Four shareholder representatives stood for election to the supervisory board at the annual general meeting on 11 March 2021. Josef Blazicek was re-elected as chairman, Paul Neumann as deputy chairman and Dr. Rudolf Knünz as a board member. Karl Astecker was elected to the supervisory board for the first time, replacing Peter Fritsch who stepped down after 20 years in office. As of 30 September 2021, Jörgen Dalhoff also stepped down as staff representative after more than nine years on the supervisory board. We would like to take this opportunity to thank them for their work on the board, which was always very much appreciated. Dr. Matthias Massing was appointed by the court in October 2021 to replace Jörgen Dalhoff as staff representative on the supervisory board.

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 the projects and other important actions and decisions.

FOCUS OF THE 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 board expressed its confidence in the effectiveness and efficiency of the accounting-based control system. No grounds were found for raising 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 the 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 and had taken 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 2020/21.

The supervisory board came together for 12 meetings in the reporting year, mainly in the form of telephone and video conferences due to the Covid-19 pandemic. There were also a number of coordinating discussions held by telephone, as well as decisions made electronically, by telephone or in writing. The following matters were discussed specifically:

A report of the material content of the meeting on **21 October 2020** was included in the supervisory board's report to the annual general meeting on 11 March 2021 and in the annual report 2019/20. The meeting on 21 October 2020 focused on the budgets for financial year 2020/21 onwards. The status of company acquisition projects was also discussed at this meeting. Revised rules of procedure for the supervisory board were enforced by resolution adopted by circulation procedure on 27 November 2020.

A report of the material content of the meeting to discuss the annual financial statements on **10 December 2020** was also included in the supervisory board's report to the annual general meeting on 11 March 2021 and in the annual report 2019/20. Focus at 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, the proposals submitted and explained by the audit committee for electing and appointing auditors for financial year 2020/21 and the agenda for the annual general meeting.

On **18 December 2020**, the supervisory board discussed actions involving subsidiaries in Austria, as well as preparing the company’s online annual general meeting. A report on the status of company acquisition projects was also given.

On **27 January 2021**, the supervisory board focused on the compensation system for the management board as drafted by the human resources committee, and on the compensation system for the supervisory board under ARUG II. In addition, the proposed candidates for election to the supervisory board were examined in compliance with the German corporate governance code, the update of the declaration of conformity and the agenda for the annual general meeting were approved. In addition, further investment budgets were approved, as was a rental contract.

The supervisory board meeting on **9 February 2021** focused particularly on current business development including an outlook for the financial year, the status of company acquisition projects, the implementation of the strategy offensive 2022 and the upcoming annual general meeting.

The supervisory board meeting on **24 February 2021** focused particularly on the status of company acquisition projects, the approval of changes at subsidiaries and the upcoming annual general meeting.

Travel restrictions made it impossible for the supervisory board chairman to attend the annual general meeting in person. The meeting was chaired by staff representative Maria Caldarelli.

Following the annual general meeting on **11 March 2021**, the supervisory board of All for One Group SE held its constituent meeting and elected its chair and deputy. The committee members were also elected at the meeting.

By resolution adopted by circulation procedure on 26 March 2021, Michael Zitz was appointed as a further member of the company's management board, effective 1 April 2021.

In its meeting on **5 May 2021**, the supervisory board focused primarily on current business developments and the draft half-year financial report for financial year 2020/21. 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 Covid-19 on the company and the downstream planning process, the status of company acquisition projects, the update of the corporate governance declaration, corporate and financing strategy and the approval of changes affecting subsidiaries. A management board contract was approved by resolution adopted by circulation procedure on 18 June 2021.

In its meeting on **29 July 2021**, the supervisory board discussed the approval of a company acquisition project. It also received a report on the status of ongoing company acquisition projects and of measures relating to strategic projects.

At its meeting on **20 September 2021**, the supervisory board primarily discussed the budgets for financial year 2020/21 onwards. Business performance to date was also discussed at this meeting, as was the outlook for financial year 2020/21 as a whole, the status of company acquisition projects and actions involving subsidiaries. The auditors also informed the supervisory board about the planned audit procedure and changes to legal requirements. The efficiency of the supervisory board's work was also examined, and actions discussed.

In its meeting on **27 September 2021**, the supervisory board focused on approving a company acquisition project and on renewing the declaration of conformity to the corporate governance code.

Contractual matters relating to management board members that had been prepared by the human resources committee were approved by resolution adopted by circulation procedure on 28 September 2021.

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.

The individual members of the board took part in the 12 meetings of the supervisory board over the course of financial year 2020/21 as follows: Josef Blazicek (11 meetings), Paul Neumann (12 meetings), Peter Fritsch (6 meetings), Dr. Rudolf Knünz (12 meetings), Karl Astecker (7 meetings), Maria Caldarelli (12 meetings) and Jörgen Dalhoff (12 meetings). In addition to the meetings mentioned above, which were attended by the management board, the supervisory board also met 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 auditor's independence, qualifications and performance, including the commissioning of additional, non-audit-related services. The audit committee also reviews the effectiveness of the compliance management system. The audit committee consists of three members. Until 11 March 2021, the committee was chaired by supervisory board member Peter Fritsch. Effective 11 March 2021, supervisory board member Paul Neumann took over chairmanship of the committee. The other committee members during the 2020/21 reporting year were the chairman of the supervisory board Josef Blazicek and the deputy chairman of the supervisory board Paul Neumann. Karl Astecker was elected to the audit committee effective 11 March 2021 after Peter Fritsch stepped down from the supervisory board.

The audit committee held three meetings during the reporting year. A report of the material content of the meeting on **9 December 2020** was included in the supervisory board's report to the annual general meeting on 11 March 2021 and in the annual report 2019/20. The audit committee approved services not related to audits by resolution adopted by circulation procedure on 7 December 2020 and specified the areas to be audited by the internal auditors also by resolution adopted by circulation procedure on 2 March 2021. The constituent meeting of the audit committee of All for One Group SE took place on **11 March 2021** and included the election of the committee chair. At the same time, the rules of procedure for the audit committee were adopted. At its meeting on **27 September 2021** the audit committee defined the areas of audit focus for the audit of the annual financial statements.

The individual members of the audit committee took part in the three committee meetings over the course of financial year 2020/21 as follows: Peter Fritsch (one meeting), Josef Blazicek (three meetings), Paul Neumann (three meetings) and Karl Astecker (two meetings).

The **human resources committee** consists of three members. The chairman of the supervisory board Josef Blazicek is committee chairman 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 seven meetings during the reporting year. In its meeting on **10 December 2020**, the variable compensation was approved. The human resources committee also discussed the compensation system under ARUG II and the short- and mid-term impacts of the pandemic on the existing management board contracts and their incentivisation. The mid- to long-term plans regarding size and composition of the management board were also discussed.

In its meetings on **22 December 2020** and **22 January 2021**, the human resources committee again discussed the compensation system for the management board under ARUG II.

In its meeting on **30 January 2021**, the human resources committee focused on the expansion of the management board and its proposal to the supervisory board.

At the meeting on **24 February 2021**, the compensation framework for the new member of the management board under the new compensation system was discussed. In addition, the committee agreed that the management board contracts would need to be adjusted to reflect the significant changes in the general economic environment (impacts of the pandemic).

The constituent meeting of the human resources committee of All for One Group SE, including the election of the committee chair and adoption of the rules of procedure took place on **11 March 2021**.

The appointment of Michael Zitz as a further member of the company's management board was proposed to the supervisory board by resolution adopted by circulation procedure on 25 March 2021. The management board contract of Michael Zitz was approved for submission to the supervisory board by resolution adopted by circulation procedure on 16 June 2021.

As already discussed in previous meetings, the adjustment to a suitable target of the variable incentive based on EBT+ for management board members Lars Landwehrkamp and Stefan Land to reflect the impacts of the Covid-19 pandemic and the persisting economic recession was discussed. The adjustment to the management board contracts as discussed on 24 February 2021 was approved by resolution adopted by circulation procedure on 27 August 2021.

At the meeting on **30 September 2021**, targets were set for a management board member.

Consultations also took place between these meetings.

The individual members of the human resources committee took part in the seven committee meetings over the course of financial year 2020/21 as follows: Josef Blazicek (seven meetings), Paul Neumann (seven meetings), Dr. Rudolf Knünz (seven meetings).

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

All for One Group SE's annual general meeting of 11 March 2021 elected the Frankfurt am Main offices of BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, (»BDO«) to audit the annual financial and consolidated financial statements for financial year 2020/21. The audit committee 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 2020/21 and issued an unqualified audit opinion.

The documents relating to the annual accounts and the audit reports from the auditor for financial year 2020/21 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 auditor and management board, who were present at its meeting on **8 December 2021**, and prepared the supervisory board resolution approving the annual and consolidated financial statements in its meeting on 9 December 2021. The auditor discussed the findings of its audit in the audit committee meeting on 8 December 2021. The auditor's explanations, especially those regarding the earnings, assets and financial situation of the company and the 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 auditor. 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 8 December 2021 and expressed confidence in its effectiveness. The risk management documents for financial year 2020/21 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 8 December 2021, 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 **9 December 2021** 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 9 December 2021 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 9 December 2021, 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 9 December 2021, 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 2022 was discussed. In its meeting on 9 December 2021, 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 auditor 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 auditor. The audit committee and the supervisory board thoroughly examined and discussed these documents again in their meetings on 8 and 9 December 2021. These examinations did not give rise to any objections.

CORPORATE GOVERNANCE

During financial year 2020/21, 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 recommendations that the Government Commission on the German corporate governance code made in the version of the code dated 16 December 2019, which came into force on 20 March 2020. 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 2021. The exact wording of the declaration was published on the company’s website at www.all-for-one.com/conformity-declaration. The corporate governance statement on the Company's homepage includes further details on corporate governance (section: »Corporate and Investor Relations«, sub-section: »Governance«). No conflicts of interest arose between the members of the management board and supervisory board 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 positive performance in a financial year 2020/21 that continued to be substantially influenced by the Covid-19 pandemic. The performance and expert knowledge of our staff, which they employ to the advantage of our customers every day, made it possible for All for One Group to emerge in good health from a period that was challenging in more than just an economic sense. The supervisory board is convinced that – as implementation of the strategy offensive progresses and the general economic situation continues to improve – the opportunities for successful further development of the business are very good.

Filderstadt, 9 December 2021
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 2020 TO 30 SEPTEMBER 2021

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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).

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. 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 German commercial code (HGB) and German accounting standards (DRS) No. 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**, we use the terms »**All for One Group**«, »**Group**«, or just plain »**We**«. 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 2020/21 (»the reporting period«, »current reporting year«, »current reporting period«, »year under review«) began on 1 October 2020 and ended on 30 September 2021. The corresponding prior year period (»comparative period«) covers the period from 1 October 2019 to 30 September 2020.

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.).

Gender neutrality
For reasons of simplification, we only use one gender. All other genders are explicitly included.

»Covid-19« stands for coronavirus pandemic, »Strategy22« for strategy offensive 2022
This reporting year 2020/21 has been dominated by the consequences of the global coronavirus pandemic and the severe global recession, which is also hitting us and our immediate environment hard. In the current reporting year, we continued to work on implementing our strategic offensive 2022, which we presented in November 2018. For reasons of simplicity and consistency with the German version of this report and to avoid repeated descriptions of the same issues in different sections of this report, we always use the short forms »Covid-19« and »Strategy22« synonymously.

FORWARD-LOOKING STATEMENTS

This management report contains statements relating to future developments. These statements reflect both our 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 also performs all central management tasks for the entire Group. All offices of the operationally active parent company, without exception, are located in Germany. Germany also accounts for the lion's share of both the sales and workforce of All for One Group. In addition to Germany, the Group is predominantly present in Austria and Switzerland. The management board of All for One Group SE is supported by a »Group Management Board« that acts in an advisory capacity. The board also serves to better involve the subsidiaries in all 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.

The consolidated financial statements of All for One Group SE as of 30 September 2021 include a total of nine German and eight foreign subsidiaries, in addition to All for One Group SE.

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 and Internet of Things. The **LOB segment** (»Lines of Business«) includes our business with IT solutions and services for specialised areas and tasks such as sales and marketing, human resources and business analytics, which are increasingly being sourced in the cloud.

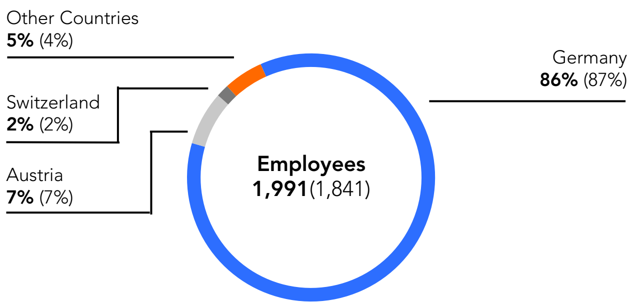
MERGERS AND ACQUISITIONS: STRATEGY AND TRANSACTIONS

Acquisitions are an important strategic tool for speeding up the expansion of our service portfolio, tailoring our products and services more closely to the needs of our customers, and enabling us to provide integrated support for their digital transformation. Our current acquisition strategy therefore focuses particularly on strengthening our new strong portfolio of cloud-based products and services.

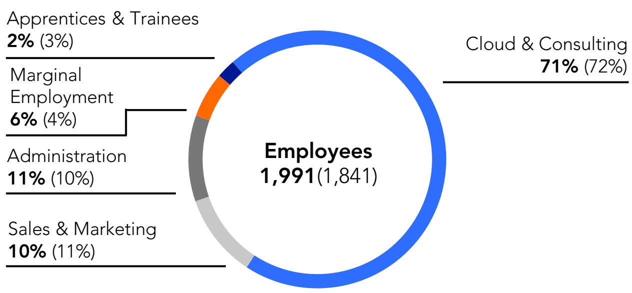
In the current reporting year 2020/21, the focus of our mergers & acquisitions activities was on preparing the acquisitions »SNP Poland« and »ASC Group« (see section »26. Subsequent events« in the notes to the consolidated financial statements), both with effect from 1 October 2021. We are also working intensively on the identification and development of new targets.

EMPLOYEES

HEADCOUNT BY COUNTRY IN %
(GROUP, 30 SEP 2021)



HEADCOUNT BY FUNCTION IN %
(GROUP, 30 SEP 2021)



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. We therefore strive to be an attractive employer and want our staff to be enthusiastic about working for All for One Group. A consistent and sustained programme of personnel development therefore forms an essential pillar of our growth strategy. With these activities we aim to maintain and promote our employees' commitment to performance with an eye towards outstanding service quality and customer satisfaction, as well as managing our human capital resources to match our growth plans.

Likewise, we want to further enhance our image as an attractive employer (»employer branding«) and be better equipped to deal with the extreme shortage of specialists and demographic change. Particular focus here centres around exciting assignments, flexible work hours, working time accounts for sabbaticals, part-time employment, health promotion schemes and numerous other benefits. »UP Talent« is our talent fostering programme designed to make »high potentials« fit for future challenges.

Our employee referral programme is a key incentive system aimed at helping to identify the right candidates. Employees receive a reward for referring a candidate for a vacancy if that candidate is then actually hired.

We have received multiple awards in employer surveys based strongly on employee assessments in leading online job portals. Some of the distinctions we have earned include »Jobs with most promising futures« *(Focus, July 2021)* and ranking among the test winners in the »IT and communication service providers« sector and the winners of the »Top employers 2021 in Germany« (7th place out of 65 analysed companies, »EDP and IT« sector, February 2021).

We are also actively involved in training and education. Throughout the Group, we offer training schemes for disciplines that include IT specialists, system integration or application development, and administrative assistants for IT systems or office management. We work together with colleges and universities to train students pursuing degrees in accounting and controlling (Bachelor of Arts), business information systems or computer science (both Bachelors of Science). We also serve as advisors for term papers and bachelor's and master's theses. We gladly join in school and university sponsorships and offer both school-age and college students orientation visits and internship opportunities. We have put together exclusive training programmes for both apprentices and trainees (college graduates whom we train as consultants for SAP S/4HANA and increasingly Microsoft (»New Work«), for example) in order to better meet our urgent need for skilled workers who are trained and qualified through practical experience. The introduction of »ONE Academy« – our central learning platform that is supported by a Group-wide eLearning management system – serves to provide systemic support for our training programmes. In order to enable agile and collaborative work throughout the Group, we have again invested in the creation of completely new working environments in the current reporting year. Thus, our locations are gradually being equipped with the latest technology and interior design.

In the year under review, »Covid-19« prompted us to launch our strategic initiatives »Working World 2.0« and »Mobility 2.0« where we are closely analysing various aspects of our future working world and – closely connected to this – new mobility strategies, which we have identified as key factors for advancing our corporate and management culture. One area of focus is on programmes and actions to increase sustainability, diversity and international competence.

Besides a fixed rate of compensation, salaries include additional variable performance-based components as well as a results-oriented component. The amounts of the variable and results-oriented components depend on the scope and responsibilities of the job and the position held within the company.

Diversity in the company
If employed and managed properly, diversity can boost our innovative strength, the loyalty of our customers and our ability to adjust to rapidly changing markets. The key criteria we look out for when filling vacancies and jobs are qualifications, professional competence and »cultural fit«. Likewise, we are increasingly approaching female applicants, specifically, as part of our »diversity strategy«, and promoting the inclusion of men and women at equal terms in management positions. To improve the compatibility of work and family life, we offer part-time working arrangements at management levels and generally enable flexible working independent of fixed times and locations. We also draw on a mentoring programme that we have developed ourselves to make technical professions more accessible to female graduates. Here, experienced mentors accompany young women during their career start phase. To give our employees guidance and to increase diversity in the company, we further developed our »WE ARE ONE« project focusing on our corporate values and management guidelines in the year under review.

Diversity at All for One Group SE

Proportion of women in %	Target 2020/21	Actual 30.09.2021	Comparison	Actual 30.09.2020	Actual 30.09.2019
Supervisory board	17	17	achieved	17	17
Management board	20	0	not achieved	0	0
Second-level management	10	40	overachieved	31	0
Third-level management	20	16	not achieved	15	18

As part of the continued implementation of our »Strategy-22«, we have also further developed our management structure. This has led to changes in the second and third management levels in the financial year 2019/20. Although the actual figures as of 30 September 2021 are comparable with the actual figures as of 30 September 2020, they are only comparable with the actual figures as of 30 September 2019 to a limited extent.

»Diversity« remains a huge challenge. Alongside our »UP Talent Programme«, which we launched at the end of financial year 2017/18, we take a lot of small steps to strengthen our diversity in the long run. One such example are our regular »Girls' Days«, where we show schoolgirls technical career possibilities. As a result, we have been able to raise the share of women in the Group to 33.6% (30 Sep 2020: 33.0%).

Workforce (Diversity in the Group)

	30.09. 2021	30.09. 2020
Total employees	**1,991**	**1,841**
of which women	668	608
of which men	1,323	1,233

Headcount of All for One Group SE

All for One Group SE employs 1,193 employees (30 Sep 2020: 1,116).

2.2 STRATEGY AND BUSINESS MODEL

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

According to market observers such as techconsult, ISG or Lünendonk, All for One Group is one of the leading consulting and IT companies. Our strategy is tailored to enhancing the ability of our customers to compete in a digital world. With our expertise and implementation skill we 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. Our integrated business model combines strategic and management consulting, process consulting, industry expertise, technology expertise, IT consulting and services, and transformation management. In doing so, we work with our subsidiaries to »orchestrate« the interaction of all »assets« and areas of action that are key to establishing the competitive strength of our 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.

Our **customers** mainly rank as midmarket, although a growing number ranks 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.

Our **industry focus** is on companies operating in the fields of machinery and equipment manufacturing, automotive supply, consumer products and project services. In addition, we are 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).

Our **sales organisation** was again successful in acquiring significant new customer projects in the current reporting year (»Specialised Sales«). The support we provide to our legacy customers is also very focused, aided by our »regular customers' hub«, whose management is standardised throughout the Group (Customer Success Management). We are increasingly working digitally in sales to further raise our customer penetration (»Digital Sales Team«). Likewise, we grow stronger by joining forces with a number of carefully selected specialists who we develop on an ongoing basis as part of our »All for One Group Network Partners« scheme.

We mainly use our own resources at numerous offices close to our customers to manage our business relationships in Germany, Austria and Switzerland. To secure the **global provision of local support** to our mostly international customers, we set up the United VARs partners network in 2006. This alliance enables us to offer local support in about 100 countries 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 our 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 us a »voice that is heard«, even in the global »SAP Channel«, allowing us to spotlight the issues raised by our midmarket customers to the global SAP organisation.

The market unit with the »All for One Steeb« brand forms the core of our **service and solution portfolio**. It offers »SAP excellence« focusing on SAP S/4HANA – highly sophisticated corporate software that forms the basis and »Digital Core« of any business software landscape. Our industry solutions for SAP S/4HANA based on our own, newly developed business process library (»scope items«) can quickly and easily be tested and activated by customers, and contain ready-to-use preconfigured business workflows and scenarios of our target industries. Our service portfolio, which was hugely expanded as part of our »Strategy22«, also includes solutions for »Employee Experience«, »Customer Experience«, »Business Analytics«, »IoT & Machine Learning«, »Cybersecurity & Compliance« and »New Work & Collaboration«. We operate and manage the extensive application landscapes of our customers from our Enterprise Cloud (Market Unit »Managed Cloud Services«). We also provide strategic, management and transformation consulting at »C Level« (management level). This comprehensive portfolio enables us to assist our customers on their journey to becoming intelligent, networked, and highly progressive and innovative companies.

The **partnerships with SAP and Microsoft** are the hub of our daily business. SAP presented us with several awards for outstanding performance in the current reporting year *(including SAP Pinnacle Award 2021 »Partner of the Year SAP S/4HANA Movement« for our CONVERSION/4 transformation and innovation model).* SAP has also issued a plethora of certifications to All for One Group (including: »SAP-Certified in Cloud and Infrastructure Operations«, »SAP-Certified in Application Operations for SAP S/4HANA«). Our partnership with Microsoft was again significantly enhanced during the current reporting year *(»Microsoft Partner of the Year – Finalist SAP on Azure« for CONVERSION/4).* Market observers such as ISG rank us among the leading providers of »SAP on the Microsoft Azure cloud platform« *(»Market Leader SAP on Azure in Microsoft Ecosystem 2021 – Germany, ISG, Mar 2021).* Both partners, SAP and Microsoft, together with **SNP** (Schneider-Neureither & Partner SE, Heidelberg), are also firmly anchored in our strategic initiative »CONVERSION/4«. With this innovative subscription model, we not only enable companies to make a particularly »smart« transition from SAP Business Suite to the new SAP S/4HANA business software; we also give them efficient access to permanent innovation.

All for One Group faces intense **competition**. Besides ERP manufacturers and system resellers outside of SAP, our competitors include other SAP system resellers, Microsoft partners and internationally operating IT outsourcing and technology service providers. The company 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 and, increasingly, our customers' own IT activities.

As part of our »Strategy22«, we have further improved our market presence and continued to implement our new **brand architecture** (»Endorsement Strategy«) already introduced 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, B4B Solutions, or CDE.

As far as our **position in the marketplace** is concerned, market observers, such as ISG (Information Services Group GmbH, Frankfurt), techconsult consult (techconsult GmbH, Kassel) or Lünendonk (Lünendonk & Hossenfelder GmbH, Mindelheim), rank us among the leading IT providers *(including »Market Leader SAP S/4HANA in SAP HANA Ecosystem Services – 2021, ISG, Jun 2021; leading IT consulting and systems integration companies in Germany 2021, Lünendonk, Jun 2021; Professional User Rating Managed Application Services, techconsult, Feb 2021).*

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

FINANCIAL PERFORMANCE INDICATORS

Our planning and management efforts draw primarily on sales and earnings performance. The following two financial performance indicators remained most important in financial year 2020/21 for managing the business targets:

- Sales revenue (IFRS)
- Operating result (EBIT, IFRS)

In terms of sales revenue, our particular focus is on recurring revenue from »Cloud Services and Support« and »Software Support«. Management uses earnings before interest and taxes (»EBIT«) for management purposes, and to compare operational performance over time, and issue forecasts. Both performance indicators, revenue and EBIT, are aligned to each other with a view to securing a profitable path of growth that is as sustainable as possible.

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, our Group-wide management system tracks the following two primary non-financial performance indicators:

- Employee retention
- Health index

Employee retention
The success of our business depends significantly on the quality we offer our clients, 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 our service and support is perceived. We therefore use 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) as a performance metric.

Health index
The aim of our health management programme is to maintain and enhance our workforce's high level of capability and effectiveness. We also want to proactively counteract potential health-related absences. A health index (100% minus the ratio of number of days off sick to target work days in any reporting period) serves as a control indicator to help us achieve these objectives.

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 our newly »developed« comprehensive business process library (»scope items«) for SAP S/4HANA. They give our customers a clear competitive advantage while at the same time speeding up rollout projects. We are 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 segregation 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 REVIEW OF BUSINESS PERFORMANCE

OVERALL ECONOMIC DEVELOPMENT AND DEVELOPMENT OF OUR TARGET MARKETS

The spread of »Covid-19«, which the World Health Organisation (WHO) classified as a pandemic on 11 March 2020, had a significantly adverse effect on the global economy, resulting in a severe recession. In Germany, for example, gross domestic product decreased year on year in 2020 *(source: Handelsblatt 16/17/18 Apr 2021).* From this low base level, the German economy started to gradually recover strongly as the current reporting year progressed. The country's enormous export strength provided increased growth stimulus, which was, however, muted by considerable shortages in the supply of numerous input products, especially chips. As a result, the ifo Institut revised its forecast of economic growth in 2021 down from 3.7% *(Mar 2021)* to 3.3% *(Jun 2021) (source: Handelsblatt, 17 Jun 2021).*

Our target markets – the manufacturing and consumer goods sectors – proved to be key drivers of this upswing. As far back as April 2021, the *VDMA (Verband Deutscher Maschinen- und Anlagenbau/German Mechanical Engineering Industry Association)* had already raised its production forecast from 4% to 7%. Orders received by the industry in the first six months of 2021 were, in fact, up 29% in real terms *(source: VDMA, 5 Aug 2021).* In light of the good performance in the first months of 2021, the German electrical and electronics industry – to which many of our automotive supply customers belong – also expects production to increase by 8% in the current year *(source: Handelsblatt, 11/12/13 Jun 2021)*. Whether it will be possible to make good the severe decline witnessed in the prior year remains to be seen. The consumer goods sector proved to be quite resilient during the recession and was able to grow further whereas our customers in the manufacturing sector laboured, especially, under the tense situation on the markets for raw materials and input products. In the mechanical engineering sector, 70% of all companies are already facing considerable production difficulties due to material shortages *(sources: ifo Institut and VDMA, 2 Aug 2021).* As such, the overall good economic performance in our target markets cannot hide the considerable economic risks.

TRENDS IN THE IT INDUSTRY

The economic recovery is increasingly taking hold in Germany's IT markets, as well. Market observers expect significant upswings in 2021 in Germany with regard to both software (plus 6%, prior year: minus 1%) and IT services (plus 3.7%, prior year: minus 3.2%) *(sources: Bitkom, (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien/German Association for IT, Telecommunications and New Media), IDC, both Jul 2021)*. However, six out of ten companies expect the shortage of experts – which is already severe – to worsen further with the increasing return to normality. Back in December 2020, there were already around 86,000 unfilled IT vacancies in Germany. Software skills, especially, are highly sought after *(source: Bitkom, 16 Dec 2020).*

In the year under review, SAP pushed ahead with its efforts to market SAP S/4HANA. A change of strategy aims to encourage increased utilisation of the new generation of business software from the cloud, including on Microsoft's Azure platform (»Rise with SAP«). SAP and Microsoft, who are both partners of All for One Group, are working together closely on this.

COMPARISON OF ACTUAL PERFORMANCE WITH THE FORECASTS ISSUED IN OUR OUTLOOK REPORT 2019/20

Forecast 2020/21 (as reported in the combined management report 2019/20) **versus actual**

in EUR millions, unless otherwise stated	**Forecast 2020/21**	**Actual 2020/21**	**Comparison**
Group			
Sales revenue (IFRS)	slight plus	372.9	slightly overachieved
EBIT (IFRS)	17.5 to 20.5	20.6	slightly overachieved
Employee retention (in %)	92.7 to 93.7	93.6	achieved
Health index (in %)	96.8 to 97.8	97.4	achieved
All for One Group SE			
Sales revenue (IFRS)	slight plus	264.5	slightly overachieved
EBIT (IFRS)	6.0 to 9.0	6.5	achieved
Employee retention (in %)	93.7 to 94.7	94.7	achieved
Health index (in %)	97.0 to 98.0	97.4	achieved

3.2 FORECAST AND ACTUAL PERFORMANCE OF THE GROUP

In an environment of huge uncertainty due to »Covid-19«, we were able to slightly exceed the sales and EBIT forecasts issued in our combined management report 2019/20 for financial year 2020/21.

In terms of **sales**, we benefited from an economic upturn that was better than expected in the second half of the current reporting year. As a result, more IT projects were launched that had previously – thanks to »Covid-19« – been stopped, postponed, failed to materialise or were only commissioned in parts to a much smaller extent. Accordingly, we were able to generate higher consulting and services revenues, while license revenues fell far short of our expectations, mainly as a result of the pandemic. Furthermore, all-inclusive offers by our partners – particularly the business transformation package offered by SAP (»Rise with SAP«) – are driving cloud transformation and thus further weighing on license sales performance.

Because sales were slightly higher than forecast, EBIT was also slightly above expectations.

Closer analysis of the deviation between the **EBIT guidance** for financial year 2020/21 that was issued in our combined management report 2019/20 and actual EBIT reveals, above all, that personnel expenses were above budget. These expenses include a special »Covid-19« bonus paid to employees in recognition of their great commitment during the pandemic. In other operating expenses, the due diligence and preparation costs relating to acquisition projects were higher than budgeted. Overall, however, other operating expenses were significantly reduced, mainly as a result of consistently declining travel in connection with project delivery. Accordingly, because sales were slightly higher than forecast, EBIT was also slightly above expectations.

We achieved our expectations with regard to **employee retention**. Our HR programmes, which were adapted to the exceptional circumstances of »Covid-19« and again significantly expanded, are likely to have contributed to this. (see Section »2.1. Group structure and organisation« and, specifically, the sub-section »Employees«.) In addition, »Covid-19« may well have reduced the general enthusiasm for change. Our expectations with regard to the **health index** were also met. We were unable to detect any direct influences from »Covid-19« here. Rather, our preventative healthcare programmes and »stay healthy« recommendations to promote a safe working environment and personal contact among the staff and business partners probably supported this positive performance.

3.3 FORECAST AND ACTUAL PERFORMANCE OF ALL FOR ONE GROUP SE

At parent company level, we were able to slightly exceed the sales forecast and to deliver the EBIT guidance issued in our combined management report 2019/20 for financial year 2020/21.

The closer analysis of the deviations between guidance and actual Group performance is largely valid for All for One Group SE as well. Accordingly, **the deviations in sales** were primarily the result of the consulting and services revenue performance discussed above. By contrast, earnings from the sale of software licenses fell far short of our expectations. These sales were mostly generated by the parent company.

Unlike the sales forecast, our **earnings** guidance came in at the lower end of the expected range. This was due primarily to the shortfall in earnings contributions from software license sales that were lower than expected, as were the associated software support revenues.

We achieved our forecast for **employee retention**. We were unable to detect any specific influence from »Covid-19« on the **health index**. The forecast was achieved here too.

3.4 GROUP EARNINGS SITUATION

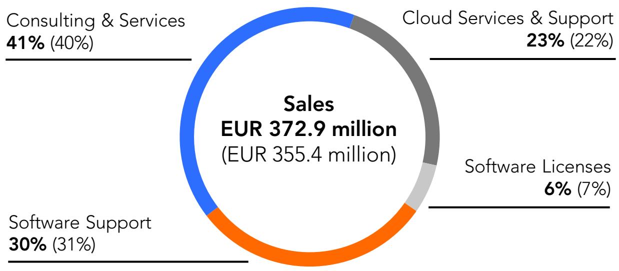
REVENUE in EUR millions	
10/2020 – 09/2021	10/2019 – 09/2020
372.9	355.4
+5%	

EBIT in EUR millions	
10/2020 – 09/2021	10/2019 – 09/2020
20.6	19.3
+7%	

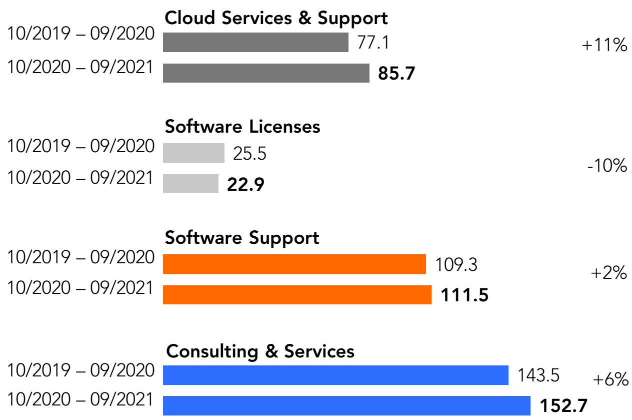
CLOUD AND SOFTWARE REVENUE in EUR millions	
10/2020 – 09/2021	10/2019 – 09/2020
220.2	211.9
+4%	

RECURRING REVENUE in EUR millions	
10/2020 – 09/2021	10/2019 – 09/2020
197.3	186.4
+6%	

BREAKDOWN OF SALES BY TYPES OF REVENUE IN %

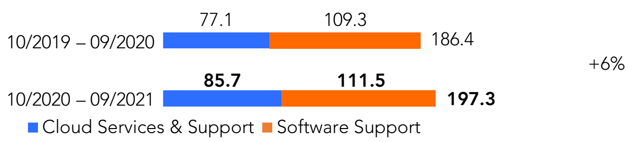


SALES DEVELOPMENT BY TYPES OF REVENUE IN IN EUR MILLIONS (1)

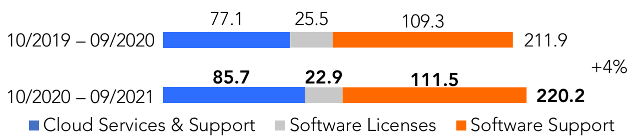


SALES DEVELOPMENT BY TYPES OF REVENUE IN IN EUR MILLIONS (2)

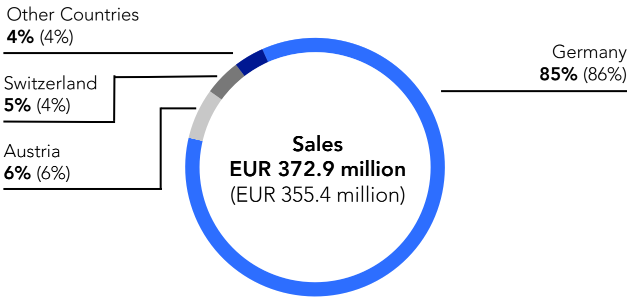
Recurring revenue



Cloud & software revenue



BREAKDOWN OF SALES BY COUNTRY IN %[1]



1) Based on domicile of the customer

ANALYSIS OF SALES REVENUE

The economic recovery is giving an additional boost to our strategy of comprehensively helping our clients to become increasingly able to compete in a digital world.

We were able to further increase recurring revenues both from cloud services and support (plus 11% to EUR 85.7 million) and from software support (plus 2% to EUR 111.5 million). At EUR 197.3 million in total (plus 6%), recurring revenues accounted for 53% (2019/20: 52%) of total sales.

With projects being postponed in the wake of the pandemic, license revenues declined by 10% to EUR 22.9 million. Added to which, »Cloud Transformation« is persisting as a megatrend, which is having an adverse effect on license sales. Our CONVERSION/4 model is our response to this trend. It incorporates the transformation solution »Rise with SAP« and is further boosting cloud services and support revenues.

We were able to exceed the prior-year consulting and services revenues (2019/20: EUR 143.5 million) by 6%. In addition to the continued good progress we have been making in expanding new products and services – for IoT & machine learning, cybersecurity & compliance or new work & collaboration, for example – the increasing willingness to invest (in migration to SAP S/4HANA, for example) is providing an additional boost to growth. Accordingly, consulting and services revenues increased by 16% to EUR 39.3 million in the 3rd quarter (Apr – Jun 2021) compared to the prior-year quarter, and by 7% to EUR 37.5 million in the 4th quarter (Jul – Sep 2021). As a result, total sales 2020/21 of EUR 372.9 million are therefore up 5% year on year. Sales growth was entirely organic in nature.

Compared to the prior year, the increase in recurring revenues (plus EUR 10.9 million) was able to substantially more than offset the decrease in non-recurring revenues (software licenses, minus EUR 2.6 million). Our cloud transformation business model focusing on comprehensive customer support and long-term customer relationships is therefore becoming increasingly important.

ANALYSIS OF EARNINGS SITUATION

Earnings performance

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Sales revenue	**372,937**	**355,393**
Cost of materials and purchased services	-141,838	-133,237
Personnel expenses	-169,567	-156,449
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	-21,444	-22,004
Impairment losses on financial assets	387	-938
Other operating expenses/income	-19,842	-23,478
EBIT	**20,633**	**19,287**
Financial result	-1,310	-1,383
EBT	**19,323**	**17,904**
Income tax	-5,808	-4,828
Result for the period	**13,515**	**13,076**

The increase in cost of materials and purchased services (plus 6% to EUR 141.8 million) was caused by higher sales. The marked increase in recurring revenues resulted in higher procurement expenditure on cloud subscriptions and software support. Overall, the cost of materials ratio has increased slightly year on year (38% versus 37%).

The increase in personnel expenses was disproportionately higher than the sales trend, rising to EUR 169.6 million (plus 8%). In addition to increasing the headcount (plus 4% to 1,710 full-time equivalents), we paid a special bonus to employees in recognition of their outstanding dedication in financial year 2019/20 (»Covid-19«). Accordingly, the ratio of personnel expenses to sales increased to 45% (2019/20: 44%). The personnel expenses for the prior year (EUR 156.4 million) include an item recognised as profit (plus EUR 0.5 million) from adjusted pension commitments (Switzerland).

Depreciation, amortisation and impairment of intangible, fixed and right-of-use assets decreased to EUR 21.4 million (minus 3%). This was primarily due to scheduled lower amortisation of intangible assets (customer relationships, sundry intangible assets).

Other operating income includes marketing subsidies for the sale of software licenses as well as income from disposals of fixed assets. Overall, the figure is on a par with the prior year, at EUR 4.2 million.

Other operating expenses, by contrast, decreased significantly to EUR 24.0 million (minus 13%), despite high non-recurring due diligence and preparation costs relating to acquisitions. We are increasingly providing services via remote access, which our customers – prior to »Covid-19« – only would have accepted being delivered in a consultancy capacity on site. Accordingly, the decrease in other operating expenses is primarily due to significantly lower travel expenses.

Despite »Covid-19«, impairment losses on financial assets, mainly trade receivables, declined from minus EUR 0.9 million by EUR 1.3 million to plus EUR 0.4 million.

Earnings before interest, taxes, depreciation and amortisation (»EBITDA«) totalled EUR 42.1 million (2019/20: EUR 41.3 million), an increase of 2%. The EBITDA margin relative to sales declined from 11.6% to 11.3%.

EBIT increased disproportionately to sales performance, rising 7% to EUR 20.6 million. The prior-year EBIT of EUR 19.3 million had, moreover, included a non-recurring item recognised as profit (plus EUR 0.5 million) from adjusted pension commitments (Switzerland), without which EBIT 2019/20 would have been EUR 18.8 million. Disregarding this non-recurring item, comparable EBIT increased by 10% year on year.

The sustained increase in recurring revenues and the focused implementation of the pandemic-related change in how we work, allowing us to generate economies of scale from a greater share of remote consulting and lower travel expenses, were the main contributors to this positive earnings performance. We were more than able to offset both the shortfall in earnings contributions from declining license sales and the increased cost of actively growing our headcount. The EBIT margin increased to 5.5% (2019/20: 5.4%).

The financial result was minus EUR 1.3 million and is thus almost at the prior-year level (2019/20: minus EUR 1.4 million). EBT amounted to EUR 19.3 million (plus 8%).

Income taxes were EUR 5.8 million (2019/20: EUR 4.8 million), resulting in an increase in the income tax rate from 27% to 30%. Nevertheless, the result for the period increased by 3% to EUR 13.5 million and earnings per share by 5% to EUR 2.68. The average number of shares in free float was unchanged in financial year 2020/21 at 4,982,000.

Other comprehensive income totalled plus EUR 1.2 million (2019/20: minus EUR 0.6 million) and, in addition to unrealised losses of EUR 0.1 million (2019/20: EUR 0.3 million) from currency translation, mainly includes remeasurements of defined benefit liability plans (including related tax) of plus EUR 1.2 million (2019/20: minus EUR 0.3 million) in total.

REVENUE AND EARNINGS PERFORMANCE BY SEGMENT

	CORE		LOB	
in KEUR	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021	10/2019 – 09/2020
Statement of profit and loss				
External sales revenue	306,172	292,451	66,765	62,942
Intersegment revenue	5,576	5,939	10,033	9,987
Sales revenue	**311,748**	**298,390**	**76,798**	**72,929**
Segment EBIT	**15,639**	**14,783**	**4,984**	**4,494**
Segment EBIT margin (in %)	5.0	5.0	6.5	6.2

Analysis of segments
The marked decline in licensing revenues as analysed above is reflected primarily in the **CORE** segment. Nevertheless, segment sales increased by 4% to EUR 311.7 million (segment EBIT: plus 6% to EUR 15.6 million). The good progress we have been making in expanding new products and services – such as CONVERSION/4, IoT & machine learning, cybersecurity or new work – and our growing access to the larger midmarket are creating an ever broadening base for business. Since the 3rd quarter 2020/21 (Apr – Jun 2021), the projects postponed as a result of the pandemic are starting to materialise. As a result more transformation projects are being launched and are contributing to the positive sales and earnings performance of the segment. Capital expenditure in the CORE segment is focusing on further expanding our portfolio of the aforementioned products and services. The EBIT margin relative to segment sales is on a par with the prior-year level of 5.0% and thus slightly below the Group's EBIT margin of 5.5% (2019/20: 5.4%).

In the **LOB** (»Lines of Business«) segment, recurring cloud subscriptions combined with our own add-on solutions clearly demonstrate the scalability of the business model. Likewise, the margin potential is becoming increasingly clear. While LOB segment sales increased by 5% to EUR 76.8 million, the increase in EBIT was disproportionately higher, rising by 11% to EUR 5.0 million. Accordingly, the segment's EBIT margin is 6.5% (2019/20: 6.2%) and thus again above the Group's EBIT margin. Capital expenditures in this segment are focusing primarily on further expanding our portfolio of solutions, products and services.

Orders on hand

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, our »recurring revenue« act as a meaningful indicator of our orders on hand. Their revolving nature is underpinned by corresponding contracts governing cloud services and support and software support.

3.5 GROUP ASSETS AND FINANCIAL SITUATION

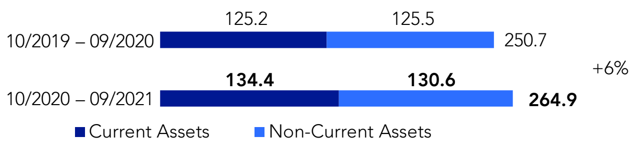
ANALYSIS OF ASSETS SITUATION

Assets situation

	30.09.2021	30.09.2020	Δ in %	Definition
Equity ratio (in %)	35	35	0	Equity / Total capital
Cash and cash equivalents (in EUR millions)	75.0	69.1	9	Cash and cash equivalents as per consolidated balance sheet
Net debt (in EUR millions)	-13.8	-14.9	-7	Liabilities to financial institutions, lease liabilities less cash and cash equivalents as per consolidated balance sheet
Days of sales outstanding (in days)	40	46	-13	Trade receivables (12 months ∅) / Sales revenue x 360
Equity to assets (in %)	120.3	112.2	7	Equity / (Fixed assets + intangible assets)
Return on equity (in %)	15.0	15.3	-2	Result for the period / ∅ Equity
Return on total capital (in %)	5.2	5.8	-10	Result for the period / ∅ total capital

BALANCE SHEET: ASSET STRUCTURE IN EUR MILLIONS

Assets

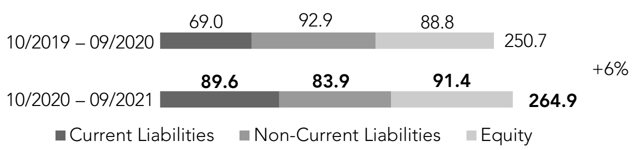


With business expanding, the balance sheet total as of 30 September 2021 has increased slightly to EUR 264.9 million (plus 6%). Current and non-current assets increased by EUR 14.2 million in total, which was primarily due to the changes in cash and cash equivalents (plus EUR 5.9 million), trade receivables (plus EUR 2.4 million) and other assets (plus EUR 4.4 million, mainly advance payments and contract acquisition costs).

The further expansion of our receivables management enabled us to significantly reduce the average days of sales outstanding to 40 days (2019/20: 46 days).

BALANCE SHEET: CAPITAL STRUCTURE IN EUR MILLIONS

Liabilities and equity



Liabilities were affected primarily by the changes in lease liabilities (plus EUR 4.8 million), trade accounts payable (plus EUR 2.2 million) and other liabilities (plus EUR 1.9 million). In May 2022, two tranches of promissory note bonds for a total of EUR 11.0 million fall due for payment and are now classified as current liabilities to banks (30 Sep 2020: »non-current«). The increase in equity (plus EUR 2.6 million) reflects not only total earnings (EUR 14.7 million) but also a dividend distribution (minus EUR 6.0 million) and the acquisition of non-controlling interests (minus EUR 6.0 million to raise the stake from 70% to 100%) in our B4B Solutions GmbH, Graz/Austria, which is already fully consolidated.

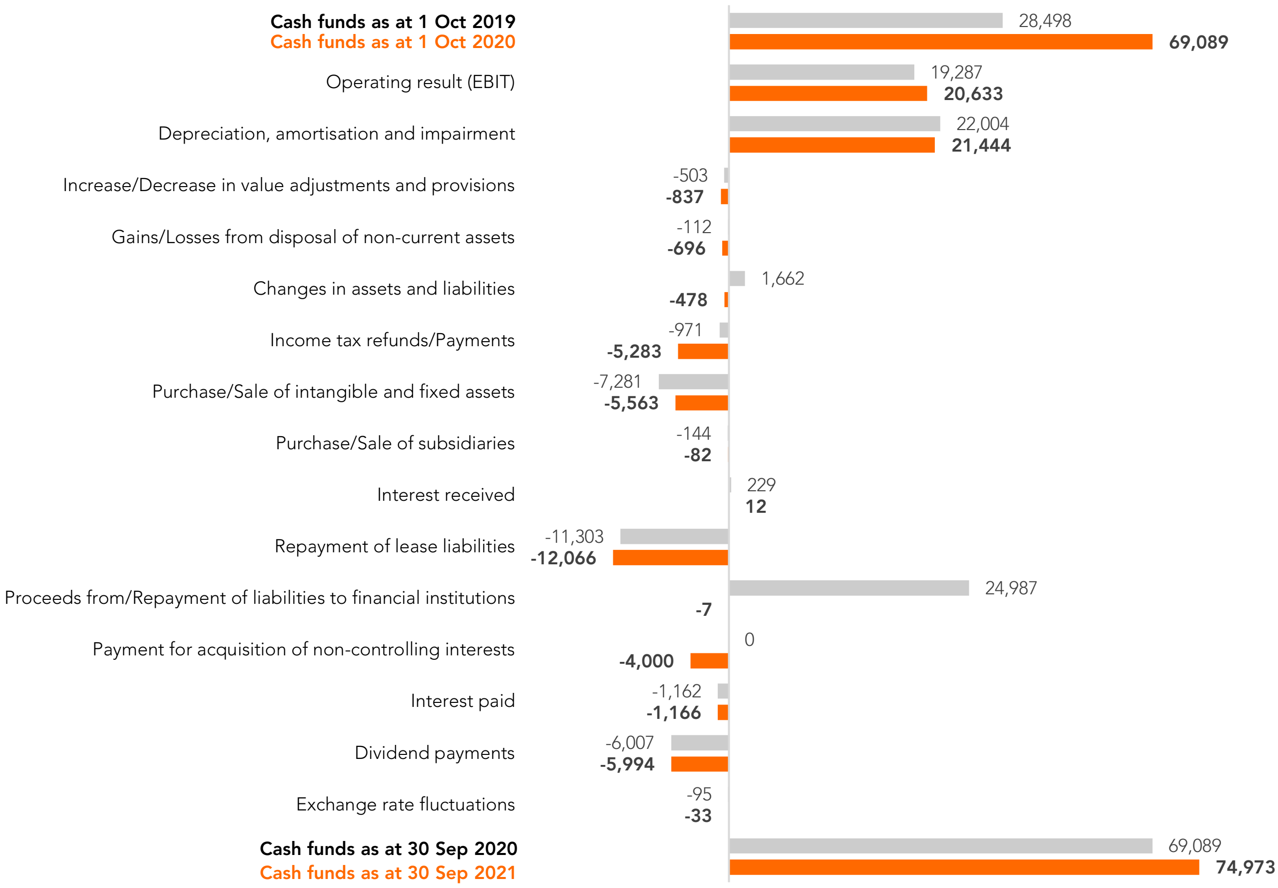
Net debt now amounts to EUR 13.8 million (30. Sep 2020: EUR 14.9 million). The equity ratio remains unchanged at 35%.

ANALYSIS OF FINANCIAL SITUATION

Financial situation

in KEUR	30.09. 2021	30.09. 2020
Cash flow from operating activities	34,783	41,367
Cash flow from investing activities	-5,633	-7,196
Cash flow from financing activities	-23,233	6,515

DEVELOPMENT OF CASH FUNDS IN KEUR



Cash flow from operating activities declined to EUR 34.8 million (2019/20: EUR 41.4 million). Unlike the prior year, this reporting year saw significant growth in organic business. For example, trade receivables increased (EUR 1.9 million) in the prior year, compared to a decrease of EUR 11.5 million in the current reporting year. Likewise, trade payables increased (EUR 2.2 million) in the prior year, compared to a decrease of EUR 5.1 million in the current reporting year. Income tax payments in the current reporting period also resulted in cash outflows of EUR 5.3 million (2019/20: EUR 1.0 million).

Cash flow from investing activities totalled minus EUR 5.6 million (2019/20: minus EUR 7.2 million). In the prior-year period, higher cash outflows were needed for technology investments in cloud infrastructure.

Cash flow from financing activities changed considerably. Cash outflows totalling EUR 23.2 million include payments of lease liabilities (EUR 12.1 million) and purchase price payments of EUR 4.0 million to raise the stake in the B4B transaction discussed above. Prior-year cash inflows (totalling EUR 6.5 million) were primarily due to the promissory note bonds issued for EUR 25 million (net). As a result, cash funds totalled EUR 75.0 million (30 Sep 2020: EUR 69.1 million).

OVERALL ASSESSMENT OF BUSINESS PERFORMANCE AND THE ECONOMIC POSITION OF 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 position. Looking beyond the end of financial year 2020/21 and after completion of the first weeks of financial year 2021/22, we believe that the economic position of All for One Group also remains very solid.

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 bonds 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.

3.6 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	30.09.2021	30.09.2020
Intangible assets	14,936	17,523
Fixed assets	24,913	18,917
Financial assets	64,435	58,756
Inventories	0	0
Receivables and other assets	31,423	26,651
Cash resources	39,568	43,664
Accruals	10,369	6,100
Total assets	**185,644**	**171,611**
Equity	75,631	73,954
Provisions	25,844	23,097
Liabilities	80,787	70,563
Deferrals	1,268	1,071
Deferred tax liabilities	2,114	2,926
Total liabilities	**185,644**	**171,611**

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

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Sales revenue	261,469	251,677
Change in inventory	5,716	4,135
Other operating income	8,475	7,717
Cost of materials	-123,927	-119,457
Gross profit	**151,733**	**144,072**
Personnel expenses	-111,506	-101,319
Depreciation and amortisation	-11,695	-11,609
Other operating expenses	-25,655	-28,215
Operating result	**2,877**	**2,929**

Earnings situation

The brightening economic prospects in the second half of financial year 2020/21 are providing a positive impetus to All for One Group SE. We were able to further increase recurring revenues both from cloud services and support (plus 9% to EUR 67.0 million) and from software support (plus 2% to EUR 97.2 million). At EUR 164.2 million in total (plus 5%), recurring revenues accounted for 63% (2019/20: 62%) of total sales.

While the »Cloud Transformation« megatrend persisted, license revenues decreased by 13% to EUR 19.2 million. Consulting and services revenues increased by 8% to EUR 75.2 million. This performance was driven both by a greater number of transformation projects for migrating from SAP Business Suite to SAP S/4HANA and by the expansion of our portfolio of products and services.

The item »Change in work in progress« increased to EUR 5.7 million (2019/20: EUR 4.1 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 10% to EUR 8.5 million and includes benefits in kind to employees and income from the reversal of provisions and from marketing support.

The cost of materials increased in line with the expansion of our business by 4% to EUR 123.9 million. The associated expenses decreased (minus EUR 1.5 million) in the wake of the drop in demand for software licenses. By contrast, purchased services for software maintenance and subscriptions increased by EUR 5.7 million. Overall, the cost of materials ratio is on a par with the prior-year level of 48%. As a result, gross profit increased by 5% to EUR 151.7 million.

Personnel expenses increased by 10% – a disproportionately high increase compared to the growth in sales – to EUR 111.5 million. The figure includes a special bonus paid to employees in recognition of their outstanding dedication in financial year 2019/20 (»Covid-19«). The ratio of personnel expenses to sales increased to 43% (2019/20: 40%).

The increase in depreciation and amortisation of 1% to EUR 11.7 million at All for One Group SE level was due, among other things, to investments in cloud technologies in our computer centres.

The decline in other operating expenses of 9% to EUR 25.7 million was primarily due to lower travel expenses resulting from the change in how we work in the wake of »Covid-19« (»Remote Access«).

Despite the shortfall in earnings as license revenues declined, the operating profit of EUR 2.9 million was almost at the same level as the prior year.

Tax expenses for the current year amount to EUR 2.2 million (2019/20: EUR 2.3 million). As such net income for the year declined by 20% to EUR 7.7 million.

Assets and financial situation

The balance sheet total as of 30 September 2021 of All for One Group SE increased by 8% year on year to EUR 185.6 million.

Intangible assets declined to EUR 14.9 million (minus EUR 2.6 million) in the course of scheduled amortisation. As part of our efforts to expand our cloud services, we invested more in the expansion of and connection to the »Hyperscalers'« computer centres we use. Fixed assets thus increased to a total of EUR 24.9 million (plus EUR 6.0 million). Capital expenditure on fixed assets totalled EUR 14 million in the current reporting year (2019/20: EUR 4.5 million). As of 30 September 2021, additional investment commitments existed for legal and/or business reasons. With a total volume of EUR 0.7 million (prior year: EUR 6.9 million), they mainly relate to planned technology procurements (purchase commitments).

At EUR 64.4 million, financial assets were higher year on year (30 Sep 2020: EUR 58.8 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 53.5 million for consultancy projects that have commenced but not yet been completed (30 Sep 2020: EUR 47.8 million) and an equivalent amount for advance payments received for purchase orders.

In total, trade receivables and other assets increased to EUR 31.4 million year on year (plus EUR 4.8 million) due to higher trade receivables (plus EUR 1.7 million to EUR 20.7 million) in the wake of our business expansion, and to an increase in other assets to EUR 0.8 million (plus EUR 0.2 million). Cash and cash equivalents declined to EUR 39.6 million (minus EUR 4.1 million).

Provisions increased to EUR 25.8 million (plus EUR 2.7 million). The increase in liabilities of EUR 10.2 million to EUR 80.8 million was mainly due to higher trade payables in the wake of our business expansion. Since the net income of the prior year was only partially distributed, equity increased in total from EUR 74.0 million to EUR 75.6 million. Accordingly, the equity ratio was 41% (30 Sep 2020: 43%). Net debt increased to EUR 8.9 million (30 Sep 2020: EUR 4.8 million).

The financial position of All for One Group SE as of 30 September 2021 is stable despite »Covid-19«.

FINANCIAL MANAGEMENT PRINCIPLES

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

OVERALL ASSESSMENT OF THE ASSETS, FINANCIAL AND EARNINGS SITUATION OF ALL FOR ONE GROUP SE

After consideration of all relevant facts and circumstances and completion of the first weeks of financial year 2020/21, the management board believes that the economic situation (assets, financial and earnings situation) of All for One Group SE is still very solid.

3.7 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.

Based on the annual financial statements as of 30 September 2020, Deutsche Bundesbank rated the company as possessing central bank eligibility initially until 20 October 2021. 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

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

»ALL FOR ONE GROUP GOVERNANCE MODEL«

The management of All for One Group is based on values. The company operates in a dynamic market environment. We have established the All for One Group Governance Model to ensure the successful implementation of our strategies, sustainably profitable growth, and the achievement of our financial and non-financial targets and forecasts. This model is subject to continuous improvement and development. It builds on our company culture »WE ARE ONE« and the principles of good corporate governance: responsible, sustainable and transparent leadership. The following three pillars form the framework within which our governance model is designed:

- Opportunities and risk management system
- Compliance management system
- 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. Our approach to opportunities and risk management (how we identify, evaluate and monitor opportunities and risks) is the same for both financial and non-financial issues. As part of our opportunities and risk management system, we also monitor non-financial aspects.

4.1 OPPORTUNITIES AND RISK MANAGEMENT SYSTEM

OPPORTUNITIES

The innovative strength and quality of our solutions are critical for our customers' businesses. We show how to successfully digitalise business workflows or even how to design and expand new business models in order to secure competitive advantages and, at the same time, make our own company fit for the future. The numerous individual »opportunities« offered by digital transformation therefore define our entire opportunities management to a very considerable degree. At the same time, our own workflows benefit from the specific use of new technologies, becoming more efficient and helping us to successfully grasp the opportunities.

An essential part of our opportunities management effort is carefully examining the current and future needs of our customers and their industry-specific success factors with particular regard to ongoing digital transformation. We analyse market, industry and technology trends, opportunities, SAP, Microsoft and IBM innovations and their related software solutions, and how to employ them for the benefit of our customers. In order to enhance our enterprise value, we always take a value-based approach to opportunities. We also assess opportunities in terms of investments, personnel resources, capabilities, and other factors that are vital for best accessing and using the identified opportunities. We then reconcile these with the appropriate risk mitigation measures, thus striving to achieve the best possible balance between opportunities and risks.

Our revenue and earnings forecasts (see section »5. Outlook«) reflect the degree to which we believe 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 earliest possible identification, analysis and implementation of effective countermeasures against existential risks. In addition, we have established a compliance management system that is applied uniformly across the entire Group. This system forms the basis for adequately ensuring achievement of our financial, non-financial, operational and strategic goals and compliance with rules and regulations. Early risk warning and internal controls are integral parts of our budgeting, control and reporting processes and as such are firmly anchored within our business processes and workflows in the form of a number of monitoring and management mechanisms. Consequently, our risk management system represents an important cornerstone in our business decision-making process. Risk consolidation includes the same entities as the scope of consolidation of All for One Group. All identified risks (gross risks, i.e. before risk-mitigating countermeasures) are recognised for the purpose of risk reporting and hence also include those risks that have largely been mitigated thanks to appropriate countermeasures. The actual reporting takes place on a net basis, i.e. taking into account risk-mitigating countermeasures and is divided into various risk groups (see section »4.5. Risks associated with future business development« and specifically the sub-section »List of individual risks«).

The basic structure of the risk management organisation has not changed from 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 various areas and departments of the lead operating company form the core of this team. The subsidiaries also appoint risk officers. They continuously monitor the development of risks and the effectiveness of measures to limit risks within their respective areas or subsidiaries, 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 processes and provides tools for continuously recording and tracking the results. The risk management team periodically attends workshops under the direction of the risk manager. The findings and results of these workshops are incorporated into the risk report that the risk manager prepares and submits to management. Alongside this, individual risks are monitored on a decentralised basis within each of the departments and subsidiaries by means of special analyses and additional assigned duties and responsibilities. The management board and the risk manager discuss the identified risks in detail, examine and update countermeasures and assess any residual exposure.

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

4.2 COMPLIANCE MANAGEMENT SYSTEM

Our established Group-wide compliance management system is designed to ensure adherence to all laws, ordinances, regulations, guidelines, contractual obligations and voluntary commitments, as well as conformity with standards. At the core of the system is a code of conduct derived from our corporate values, which sets forth binding rules about behaviour that apply to each and every employee and executive. Our compliance management organisation oversees adherence to our 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 accessible whistleblowing portal that is valid throughout the Group (https://all-for-one.integrityline.org).

Our compliance management efforts were again expanded during financial year 2020/21 and centred around further adapting our 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. We focused on closely integrating all Group units – from management board to office team member. We also launched »ONE Academy«, a Group-wide eLearning platform that will also be used increasingly for compliance training in the future.

4.3 INTERNAL CONTROL SYSTEM

Our 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 and uniform 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 that applies across the entire management organisation, and which precisely defines and limits the access and activities of individuals and groups of people to what are predominantly SAP-based and Microsoft-based applications and functional features. We refined these internal systems and applications, along with their respective rights and authorisation concepts, in the course of our acquisitions. 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.

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.

As part of internal audits, selected companies and Group processes and procedures undergo a separate audit each year which, among other things, examines their compliance with internal regulations and the quality of the internal control system. The risk manager, compliance officer and head of internal audits report their findings to the management board and directly to the supervisory board.

ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Sections 289 (4) and 315 (4) HGB require that All for One Group SE describes the key characteristics of this accounting-related internal control and risk management system in its management report. With regard to the Group accounting process, the purpose of the internal control and risk management system is to enable the identification and assessment of risks that could jeopardise the aim of assuring the legal conformity of the consolidated financial statements. The system needs to provide adequate assurance that the financial reporting procedures 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.

The internal control and risk management system for the accounting processes is embedded in the Group-wide risk management system and includes both principles and methods, as well as actions for assuring that the accounting processes are not only effective, cost efficient and proper, but also comply with pertinent laws and standards. 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.

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. 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 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.

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 or measuring pension provisions.

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 undder »Additional information about financial instruments«.

4.4 OPPORTUNITIES FOR FUTURE BUSINESS DEVELOPMENT

Our customers rely on us to enhance their ability to compete in a digital world. We strive to meet these expectations to the best of our ability. To this end, we have identified opportunities which are discussed in more detail below and which we plan to focus on driving in the future.

Opportunities offered by digital transformation and migration to SAP S/4HANA
In the years to come, a lot of our customers will probably transform their SAP landscapes to SAP S/4HANA. 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. Our CONVERSION/4 subscription model based on SNP technology offers customers not just the largely automated delivery of the technical conversion for a fixed monthly fee. It also provides an all-inclusive package of services comprising cloud infrastructure and operation, improvements in business processes and ongoing innovation. We therefore offer businesses a clearly struc-

tured approach to allow them to reap the benefits of SAP S/4HANA even faster. In addition, we want to use this innovative subscription model, which goes hand in hand with the business transformation offering »Rise with SAP«, to give numerous other SAP business user companies the opportunity for smart migration to SAP S/4HANA and, in doing so, to make more use of our standing in the SAP midmarket and the high level of our visibility within the SAP and – increasingly – Microsoft organisations.

Recurring revenue could therefore also increase further and the planability and scalability of the business could be further improved. If penetration of our target markets – especially with our expanded portfolio – were to exceed expectations, the impact on our assets, financial and earnings situation could be positive as could the deviations from our revenue and earnings forecast (see section »5. Outlook«).

Opportunities as an all-inclusive, integrated provider and strong Group, in both the main and larger midmarkets

We position ourselves as an integrated provider who works closely with its subsidiaries. Likewise, we are strengthening our organisation for Group-wide management, customer success management and the expansion of our culture of innovation. In doing so, we are extending our market access to include companies at the larger end of the midmarket. As a result, we will increasingly have the opportunity 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. In doing so, the opportunities for providing comprehensive support to customers even in phases of declining or fluctuating economic development and for gradually embedding our entire range of services and solutions above and beyond the initial sale of services will also increase. In response 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, we have specifically adapted our portfolio and market approach. We use our brand architecture to raise our visibility in our target markets and to assure a consistently visual identity throughout our Group. In collaboration with our subsidiaries, this development could enable us 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.

This provides us with the opportunity to specifically drive the use of such services and, at the same time, further raise the added value for our customers. If these trends can be implemented ever more quickly and comprehensively than planned, the benefits will not only be reaped by our assets, financial and earnings situation. On the contrary, such strong development could also produce positive deviations from our revenue and earnings forecasts (see section »5. Outlook«).

Opportunities of a portfolio that extends beyond »ERP«

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, sophisticated »Customer Experience« for our customers' customers, agility of new working worlds (»New Work and Collaboration«) or motivated experts (»Employee Experience«), it is rare for a corporate transformation to be sustainably successful. Our portfolio therefore extends far beyond business process and technology solutions for enterprise resource planning (»ERP«). The expansion of our portfolio in connection with our »Strategy22« is increasingly focusing on the fact that digital transformation affects every single area and department in a company and thus presents a whole host of new challenges. As a result, the opportunities for conquering sub-markets related to »ERP« are growing. Executing more projects than budgeted could impact our assets, financial and earnings situation and produce positive deviations from our revenue and earnings forecasts (see section »5. Outlook«).

Opportunities offered by our partner network

Our partner network enables us to support our customers »from a single source« comprehensively, effectively and efficiently in strengthening their ability to compete in a digital world. Our »All for One Group Network Partners« expanded partner scheme is increasingly proving to be a competitive advantage in this respect. Supported by these partners, we can penetrate even further into our target markets, and sell and efficiently implement additional licenses and cloud subscriptions. At international level, the United VARs cooperation constituting »SAP Global Platinum Value Added Resellers« assures low-risk, well-established and good quality global customer support in – meanwhile – around 100 countries. Likewise, our expanded partner network puts us in an outstanding position vis-à-vis SAP. The performance of our indirect sales organisation and the expansion of our partner relationships impact our assets, financial and earnings situation: Better-than-planned progress could produce positive deviations from our revenue and earnings forecasts (see section »5. Outlook«).

Opportunities of our buy & build strategy

Transformation pressure and the pace of innovation are increasing further in our markets. This development increases our opportunities for external growth above and beyond our organic growth targets (see section »5. Outlook«). Further successful acquisitions could significantly influence our assets, financial and earnings situation. As has been our practice in the past, such transactions are only included in our revenue and earnings forecasts for financial year 2021/22 if they are already sufficiently realistic, given that these opportunities can only be planned to a very limited extent.

Opportunities offered by the changes »Covid-19« is having on how we work

In a very short space of time, »Covid-19« has changed how both we and our customers work. We are increasingly performing remotely work that our customers previously only would have accepted being delivered in a consultancy capacity on site. In this way, we are not only lowering our travel expenses but also those of our customers, thus ensuring considerable savings and greater project efficiency. »Covid-19« is, moreover, prompting many of our customers to strengthen their efforts to implement digital change. We are already noticing how this is boosting digitalisation across the board. This is where our comprehensive innovation strategy (»Strategy22«) pays off. Our innovative business model is perfect for these strong dynamics, offering increased scaling potential. A continuation of the digitalisation drive at a stronger rate than expected once things return to normal could result in positive deviation from our sales and earnings forecast (see section »5. Outlook«).

Overall, with »Covid-19«, the aggregated opportunities in connection with our »Strategy22« have further increased.

Opportunities offered by the competitive advantage of sustainability

The innovativeness of our solutions and services is critical to the business success of our customers. Sustainability – such as being careful when using natural resources and lowering greenhouse gas emissions – is becoming increasingly important. We therefore plan to expand our ability to advise our customers on all aspects of sustainability with made-to-measure solutions and services. The aim being to further digitalise those workflows that are particularly relevant when it comes to lowering greenhouse gas emissions. In doing so, emissions targets can be met more quickly and reliably. If we succeed even more than expected in our efforts to build and expand sustainability with regard to the environment and climate, equal opportunities and governance so that it evolves into an acknowledged competitive advantage, we could achieve positive deviation from our sales and earnings guidance (see section »5. Outlook«).

4.5 RISKS ASSOCIATED WITH FUTURE BUSINESS DEVELOPMENT

»Covid-19« continued to largely determine the identification and assessment of the risks associated with future business development in the year under review.

RISK ASSESSMENT

We use the following tables 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 net assets, financial position and results of operations and our revenue and earnings forecasts:

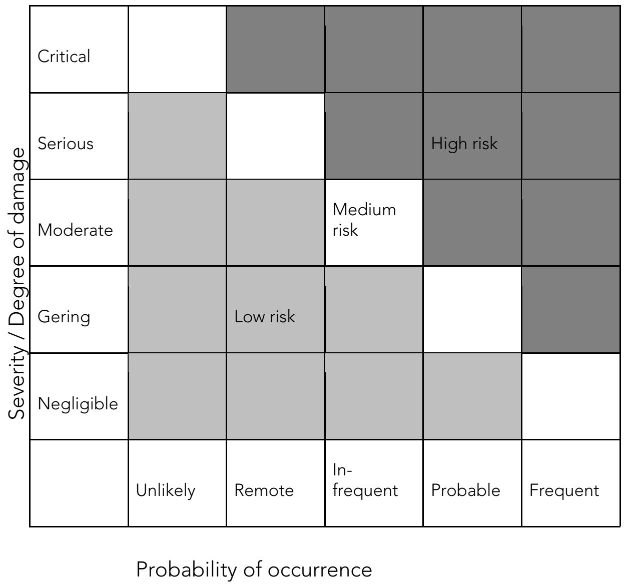
Probability of occurrence	Description
Less than 1%	Unlikely
1% to 5%	Remote
6% to 10%	Infrequent
11% to 30%	Probable
31% to 50%	Frequent

Our risk catalogue does not include those risks with a probability of occurrence of more than 50%, as we have not identified any such risks. In addition to our own experience and outside appraisals, we also include comparative values from other market participants in our assessment.

The severity or degree of damage that these identified risks can present ranges from »negligible« to »critical« according to the following scale. For reasons of practicability and continuity, risk classification is purely qualitative using the following method that we have standardised across the Group. This methodology ensures better comparability of risk trends, even over the course of several years, especially when more severe changes to our net assets, financial position and results of operations occur. It also allows for more consistent tracking and management of risks that are difficult to quantify – such as risks to our reputation. The timeframe for the assessment of these impacts corresponds at least to the forecast period specified in the »Outlook« section.

Severity/ Degree of damage	Description
Negligible	Negligible negative impact on assets, financial and earnings situation
Minor	Limited negative impact on assets, financial and earnings situation
Moderate	Some potential negative impact on assets, financial and earnings situation
Serious	Considerable negative impact on assets, financial and earnings situation
Critical	Detrimental negative impact on assets, financial and earnings situation

Risk matrix
We have compiled both assessments – namely the probability of occurrence and severity/degree of damage – 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.



SUMMARY OF THE RISK SITUATION

The relevant risks that our risk management system has flagged and which we are tracking are discussed below (in summary).

Individual risks

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

ENVIRONMENTAL RISKS

The »environmental risks« category is where we address and examine the risks stemming from overall economic, political, social and regulatory changes and developments as well as special risks in our markets and in the industries of our customers.

Risks associated with social, political, overall economic and regulatory developments
»Covid-19« is still very much present. Uncertainty still surrounds the progress of further decreasing pandemic waves and the question of how long the meanwhile improved sentiment will prevail. The emergence of new virus mutants, the stagnating vaccination uptake, the increasing occurrence of natural catastrophes or the shortage of raw

materials and input products in numerous industrial sectors could quite suddenly dampen the improved optimism again and slow or even reverse the emerging upswing. More than expected, companies might revert to planning one day at a time, and might halt or postpone IT projects, or not commission them at all. This could hamper our efforts to acquire new projects. Consequently, the overall economic situation will probably remain volatile with considerable risk inherent in the future, which could adversely affect our business development.

Social developments and the resulting stricter regulatory requirements can also have a lasting adverse impact on our business performance. These include transformation processes such as new mobility concepts and ambitious targets for climate protection, energy management and the limitation of pollutant emissions. Sustainability aspects such as compliance with environmental, social and ethical standards, changes to laws and regulations and their interpretations in the fields of tax and accounting may also delay our business development. In addition, the already high level of regulation for capital market-oriented companies could increase even further, resulting in considerable additional burdens.

We track the – in part contradictory – trends very closely to ensure the earliest possible identification of the dynamics of the environmental risks we face and to enable us to take targeted action. The ramifications of the risks associated with social, political, overall economic and regulatory developments are however mostly beyond our direct control. The effectiveness of our countermeasures is of course limited as a result. We therefore categorise the probability that the environmental risks will occur as »infrequent«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »serious«. For this reason, we have categorised these risks in our overall assessment as »high«.

Market and industry risks

»Covid-19« continues to threaten health, restrict mobility, disrupt supply chains, cause transport problems and thus interferes with sales and procurement markets. Our geographical markets of Germany, Austria and Switzerland and especially our particularly export-dependent key industries such as machinery and equipment manufacturing and the automotive supply industry are equally affected, as is the consumer goods industry.

Companies operating in the automobile industry – and thus our customers in the supply sector – are in the midst of far-reaching changes. Our large customer base in the machinery and equipment manufacturing and consumer goods industries is facing similar »disruption«. New technologies and business models could prompt increased user-based billing rather than the sale of systems. These huge changes may compete with investments in IT solutions and services, and have an even more adverse effect than expected on our sales success and thus our business development.

As a »trusted advisor« to our customers, we are facing an »innovator's dilemma« with regard to market and industry risks. We are required to invest considerable effort in both building and expanding new themes all at the same time to ensure our ability to continue comprehensively supporting our customers in strengthening their ability to compete. The associated investment is considerable.

Within these waves of transformation, we need to continue servicing our large base of customers and their business-critical application landscapes for the time being before we can gradually migrate them to the new world – a process that will probably take several years. This requires considerable up-front effort and ties up multiple resources. In addition, the risk associated with any generation change to mature software solutions that are well established in the marketplace is huge. A lack of confidence on the part of our customers – with regard to security, integration ability, scalability, configuration ability and reliability, for example – could weigh on our customer relationships and thus adversely affect our business development.

The ongoing transformation of local systems and data to the cloud also poses considerable risks. Sustainable success in marketing 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, adversely affect the further expansion of our managed services for operating and supporting extensive corporate software landscapes.

As part of our »Strategy22«, we have already developed a comprehensive regime of »strategic cornerstones« to mitigate market and industry risks. Implementation and fine-tuning of the programme are subject to ongoing monitoring and are compared to current trends and adjusted, if necessary. We are strengthening our Group organisation and carefully expanding our portfolio to further intensify our customer relationships and to enhance the customer experience. Our EDGE/4 customer loyalty programme also contributes to stronger retention and expansion of our customer relationships. We are also expanding our market access beyond just small and medium enterprises in an effort to include the »larger« midmarket. Likewise, we are improving our ability to grow internationally with our customers, as well. To this end, we are expanding co-operation within our United VARs alliance and strengthening ourselves through targeted corporate acquisitions. These measures should increasingly help to further improve our position within the current competitive landscape and to mitigate increased transformation risks.

The solutions and services offered in our CORE segment – business software for companies' core business processes – are clearly aligned to the specific needs of our large reference customer base in selected industries. This is not the case in our LOB (»Lines of Business«) segment where we find that the requirements for our solutions and services are similar in virtually all sectors of industry and we can therefore venture into new industries without diluting the clear focus of our CORE segment on manufacturing and consumer goods industry. In doing so, we are expanding our »industry mix« overall and reducing our dependency on particularly export-dependent markets.

We are also focusing closely on ensuring the integrated presentation of our Group in the markets and on a comprehensive and staggered approach to »customer success management« across the Group that centres around the entire Group's portfolio covering all aspects of transformation processes. Our role as a service provider who masters both the business software platforms and, above all, their integration, and can therefore look after our customers' entire software landscape and the operation of the same, is becoming increasingly important. Our advice to customers on all aspects of their process, solutions and system architecture is tailored to their strategic objectives. In doing so, we reinforce the loyalty of our customers and should be able to at least cushion the increased competitive, price and margin pressure.

In an attempt to further mitigate our market and industry risks, we are connecting our managed services from computer centres in Germany ever more closely to the computing resources of large public cloud platforms, such as Microsoft Azure, with their virtually limitless upward and downward scalability. Furthermore, we consistently use computer centres in the form of co-location services from leading providers and their facilities. This gives us added flexibility.

Our strategic initiative »CONVERSION/4« is a subscription model offering our customers particularly »smart« migration to SAP S/4HANA. This enables us to cushion the transformation risks associated with our customers, increase our recurring revenues further and set ourselves apart from our competitors.

In particular, the previously mentioned follow-on effects of »Covid-19« – such as huge disruptions to entire supply chains – are largely outside our control. As a result, considerable market and industry risks will probably remain – despite mitigating measures – whose likelihood of occurrence we believe to be »infrequent«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »moderate«. For this reason, we have categorised these risks in our overall assessment as »medium«.

STRATEGY RISKS

Our analysis of »strategy risks« encompasses the examination of the impacts of changing competitive situations along our supply chains and in our »business networks«. These include, in particular, the risks associated with strategic partnerships, their solutions, technologies, partner models and resulting competitive situations (»co-competition«). Our detailed assessment of these trends and the associated risks is as follows.

Risks associated with »co-competition« with strategic partners
Our strategic partners are themselves also exposed to severe transformation pressure and are continuously adapting their strategies. Changes such as these could expose us to increased risks of competition (»co-competition«) from strategic partners – which could be 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. Our customers could themselves build more of the IT resources and services needed to achieve this than expected by us, or they could procure them directly from our strategic partners.

In addition, our suppliers – operators of major platforms (»hyperscalers«), for example – could successfully attempt to offer our customers their own higher quality support on top of their infrastructure-based services and thus increase the price and margin pressure on our service portfolio. Our strategy of increasingly helping »larger« midmarket companies to enhance their ability to compete could, moreover, produce new competitive situations with major »players« and thus adversely affect our development.

Further risks arise in connection with our focus on the portfolio of a few selected providers of business software, especially SAP and Microsoft. In addition, our strategic co-operation with SNP Schneider-Neureither & Partner SE, Heidelberg, could also lead to diverging business interests and thus increase the risk to which we might be exposed from co-competition with strategic partners.

Adjustments to the midmarket strategies of our strategic partners, and changes to contractual rules, terms and conditions for partner sales could adversely affect the further success of our products and services in the marketplace and thus our business performance overall. Such risks come into play in »Rise with SAP«, for example. This 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 our future license and software support revenue and our own partner programme within SAP's ecosystem, but at the same time increase our subscription revenues.

Innovations on the part of our strategic partners could also result in unexpected shifts and changes in direction. Trends, such as connectivity and interaction within enterprise software landscapes (internet of things), could take a different direction to the one we planned, temporarily result in gaps in our service portfolio or inhibit the quality of our customer service and support.

To mitigate the above risks, we closely monitor dependency on strategic partners. For example, we examine in detail which of our own solutions can set us and our customers apart. In doing so, we expand the standard scope of the software in a very targeted way and thus develop customer-specific service and solution architectures. For example, we have integrated »Rise with SAP« into our CONVERSION/4 transformation offering.

The emergence of more mutual dependencies also helps to reduce the risks. Our strong performance 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 significant global standing of United VARs, which is well respected by SAP globally as a key »sounding board«, is helping us to promote the interests of our midmarket customers within the global SAP organisation.

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 our »communications & collaboration activities«. We have also developed new service packages based on Microsoft, which are giving us a stronger stand within Microsoft's partner distribution and increasingly enabling us to ensure the risk-mitigating positioning of our interests. One of the measures taken to reduce the risks associated with our strategic partnership with SNP was to enter into comprehensive and well-balanced cooperation agreements as well as the acquisition of »SNP Poland«.

We assess as »probable« the likelihood that those risks arising from competitive situations with strategic partnerships will materialise. We consider their potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »moderate«. For this reason, we continue to categorise these risks in our overall assessment as »high«.

FINANCIAL RISKS

The »financial risks« category is where we primarily address financial- and liquidity-related risks and risks associated with bad debts and customer insolvencies. Our more detailed assessment of these risks is as follows.

Financial and liquidity risks

Our liabilities to financial institutions largely comprise issued promissory note bonds (see section »3.5. Group assets and financial situation«).

The promissory note bonds 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 bonds due immediately. These events primarily involve adhering to the agreed targets for the amount of equity and the equity ratio and the relationship between total 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.

We carefully monitor compliance with the terms and conditions of the promissory note bonds. 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. Although we remain confident of our ability to comply with the »covenants« governing the promissory note bonds, not just with regard to the financial year 2020/21 just ended, but also in the future, we cannot rule out the possibility that refinancing All for One Group SE could become considerably more difficult – depending on how »Covid-19« progresses and how it impacts capital market trends.

We estimate the probability of these financial and liquidity risks occurring as being »remote«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »serious«. Our overall assessment categorises these risks as »medium«.

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«. Lifting the temporary suspension of mandatory declaration of insolvency (May 2021) could increase the number of customers insolvencies.

We have systematically expanded our systems and practices for the early detection of risks of insolvency among customers in order to limit exposure as effectively as possible. Our strict receivables management, for which we use a software tool, enables us to identify early and closely monitor the first signs of changes in the payment behaviour of individual customers. Nevertheless, deferred mandatory declarations may have been accumulating for several months and could result in a not inconsiderable risk of customer insolvencies. We have, moreover, increased our insurance cover against bad debts. And yet the safety net for providers of default policies has been abolished (July 2021).

Overall, we estimate the likelihood of occurrence of the risk of bad debts and customer insolvencies to be »infrequent«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »moderate«. For this reason, we now categorise these risks in our overall assessment 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«. Our more detailed assessment of these risks is as follows.

Risks associated with the operation of computer centres
All for One Group is exposed to the specific risks inherent in the operation of computer centres. Unscheduled service interruptions can not only seriously impair our customers' and our own business operations, but can also negatively impact our business performance, reputation and outlook (see section »5. Outlook«).

Extensive measures are employed to reduce these risks. Systems and applications are operated redundantly in modern buildings and infrastructures that are located entirely separately. In the event of an interruption in systems operations, which in the case of disaster could extend as far as to the failure of an entire computer centre, operations can be continued essentially without interruption from other computer centres. We also invest in sophisticated and cutting-edge technologies – for permanent data mirroring and backup purposes, for example – from pre-eminent manufacturers.

We also examined the possible further impacts of »Covid-19« to enable us to better substantiate our risk assessment. Experiences from the previous financial year were taken into account when analysing scenarios assuming extended »lockdowns« and particularly strict mobility restrictions. The further expanded high level of automation of our entire computer centre operations continuously mitigates this risk. The system-driven control and monitoring of resources, systems and applications is performed remotely by employees spread over different locations.

Even under special consideration of »Covid-19«, we estimate the probability of these risks materialising as »unlikely«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »critical«. Therefore, we have again categorised the risks associated with the operation of computer centres in our overall assessment as »medium«.

Cyber risks
Our business, and that of our customers, depends to a great extent on unimpaired enterprise data and processes together with data communications that comply with regulations and requirements. Criminal and other unlawful or malicious acts, such as cyber attacks against critical enterprise software applications, intrusions into information systems and data networks, or intentionally misleading employees with the goal of them disclosing confidential information (fake president), can significantly damage the integrity, authenticity and confidentiality of business data (including personal information) and business processes.

The frequency, diversity and degree of professionalism of cyber attacks are increasing further. Cyber attacks against companies are becoming increasingly sophisticated and professional and are by no means just an »external« threat; on the contrary, they can be launched by our own employees in house. Besides disrupting business and manufacturing procedures, attacks such as these can also be used to manipulate payment transactions, access systems and the operation of machinery and facilities (Internet of things). Extortion attempts (e.g. through »ransomware« attacks) or data theft, in particular, could cause considerable damage. This can also cause data losses. Cyber attacks can, moreover, intentionally spread »fake news« or trigger »shitstorms« and thus cause harmful damage to our reputation, which could significantly impair our business prospects.

When managing our »operational risks«, assuring information security (»cyber risks«) therefore requires even more time and effort. To effectively mitigate the risks posed by this increasingly dangerous situation and to assure even better protection of both our customers' data and systems and our own application landscapes, we are continuously further enhancing our already extensive security precautions and defence mechanisms. To this end we use specific prevention programmes and measures, ongoing monitoring to identify and shut potential gateways or, for example, to increasingly raise the awareness of our employees for anything of potential relevance from an IT security perspective. We use our own same services to further mitigate our »cyber risks« as we use when advising our customers on their own cybersecurity & compliance assurance strategies.

In order to mitigate such risks as effectively and successfully as possible in the future as well, we again increased investments in cybersecurity. We use smart tools to speed up the identification of attack patterns. We have also further expanded our information security management system. Our service management processes reflect and adhere to strict process definitions, and compliance is monitored on an ongoing basis, as are advisable adjustments and additions to our workflows in the wake of new attack patterns. We firmly anchor the high quality of our processes in day-to-day business with compulsory training programmes for our employees, in particular for new employees as part of our regular starter training courses, with special cyber training and audits, with periodically renewed certifications – for example in accordance with the requirements of the Sarbanes Oxley Act according to ISAE 3402 or ISO 27001 (information security). We also took even more additional precautions and conducted further training during financial year 2020/21 mainly with the intent of increasing our already high security standards in such areas as monetary transactions or responding even better to the heightened security requirements associated with increasing mobile working methods.

Extensive rights and authorisations systems are used to control access to our information systems. This is yet another way in which we achieve and maintain a very high level of security and protection for the data of both our customers and our own business. Our computer centres are located exclusively in Germany. In order to maintain and further expand our high standards of security, protection and process quality, we are constantly looking into further certification options. We have continued to expand our Group-wide cybersecurity organisation (»Security Board«). With the aid of external service providers, this board coordinates measures for mitigating cyber risks throughout the Group so that – if waves of attack are recognisable – it can respond quickly and trigger agreed countermeasures. In addition, we have insurance cover – including a special cyber risk policy – to further contain the potential damage. We also use our well-established customer communication formats – such as the All for One Group forum for the midmarket – and actively communicate the dangers associated with cyber attacks in workshops and seminars as well as advising on how to implement and handle countermeasures and the appropriate technologies (»identity management«, »security governance«). The increased attention attracted by the enforcement of the EU's General Data Protection Regulation has also raised the awareness of our customers further as far as cyber risks are concerned. In order to anchor effective strategies as firmly and proactively as possible with each individual customer, we continue to significantly expand our cybersecurity & compliance consulting portfolio as part of our »Strategy22«.

In spite of these extensive precautions, cyber risks and their economic consequences – including reputational damage – cannot be entirely ruled out. Furthermore, events beyond our control, such as the public announcement of cyber attacks against other companies, could compromise customer willingness to invest in our cloud services.

Bearing in mind the extensive number of technical and organisational measures that we have put in place, we believe the likelihood of business-critical cyber risks occurring to be »remote«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »critical«. Therefore, we have again categorised the risks associated with the operation of computer centres in our overall assessment as »high«.

Data protection risks

As a cloud services and HR business process outsourcing provider, we handle huge amounts of personal information on behalf of our customers that may concern their workforce, suppliers, clients and business partners. We also handle an extensive array of personal data and information concerning trade secrets with systems and applications that are used for internal processes. Such data is highly sensitive and subject to the extremely stringent requirements of the EU General Data Protection Regulation in terms of privacy and data protection and whose introduction has again significantly raised the bar on what is already a high level of protection offered to personal information. This regulation gave users even more rights and control over their personal data. Moreover, service providers like All for One Group have to fulfil significantly greater information, documentation, verification and notification requirements. Any violation is subject to very heavy fines.

Even in the run-up to these regulatory developments over the past few years, we had already begun adapting our data protection organisation to comply with the EU General Data Protection Regulation. In addition to our ISO 27001 (information security) audit, we have also successfully completed certification of our data protection processes according to ISO 27008 (data protection for cloud services) which is also subject to ongoing maintenance.

We also undertook a number of well-coordinated individual steps to expand and enhance our data protection landscape in financial year 2020/21.

We estimate the probability of data protection risks materialising as »remote«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »serious«. Therefore, we have again categorised the data protection risks in our overall assessment as »medium«.

Risks associated with human resources
The sustainability of our economic success is inseparably linked to a sufficiently highly qualified and motivated workforce. If we are unable to recruit new resources and to develop our existing workforce effectively, we may no longer be able to successfully grow and expand our business. If more employees than planned fall ill or leave the company, our service quality, our customers' loyalty and. as a result. our business development may be significantly impaired.

The shortage of experts is the driving factor behind our risks associated with human resources and is worsening noticeably in the wake of the greater push towards digitalisation triggered by »Covid-19«. 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 our customers.

Our employees have been working virtually exclusively mobile and outside our offices since the outbreak of »Covid-19«. The trend towards mobile working continued in the year under review. Such changes to our working world naturally incur enormous risks associated with human resources. There is a growing danger of losing personal contact and thus a »feeling« for key changes affecting our employees, customers and suppliers. Such developments could have a stronger-than-expected adverse effect on the good quality of our service provision and thus our business performance. Successfully managing this risk also requires enormous skill in virtual personnel management.

In addition, the development of our project risks (as explained below in the section »Project risks«) could adversely affect the workload of our consultants or result in them being overworked, which could result in enhanced risks associated with human resources and impair our business performance to a greater degree than expected. More staff than expected might leave the company, and additional risks associated with human resources could also arise if we are unable to successfully advance our values together or to further strengthen the high degree to which our employees identify with our objectives and values.

In order to mitigate the risk of a shortage of experts, we have expanded our personnel development and training programme and converted to virtual processes. We have also launched »ONE Academy«, a Group-wide eLearning platform offering a comprehensive programme of training and upskilling courses. In doing so, we hope to further strengthen the outstanding expertise of our employees so that we can comprehensively support our customers across the board with their digitalisation and make them »fit« for future challenges. We are also using »ONE Academy« to increasingly establish English alongside German for in-house and external communication and, in doing so, to mitigate the cultural risk discussed in the subsection »Risks associated with acquisitions«. Further initiatives are also designed to enable us to increasingly recruit from within when vacancies arise. This enables us to match newly acquired skills more closely to the new requirements of our customers and business partners and, for example, to raise employee retention and customer loyalty.

Keeping our staff and their close families safe and healthy is our top priority. Which is why further training content permanently focuses specifically on maintaining good health in a working world that is changing significantly. Our »AllTogetherNow« programme is also aimed at preventative healthcare and features, for example, »stay healthy rules« to promote a safe working environment and personal contact among the staff and business partners at our offices while observing strict »Covid-19« restrictions.

In light of the difficulty in recruiting consulting resources for the upcoming generation change from SAP Business Suite to SAP S/4HANA, we have also firmly embedded some of the market's leading automation tools in our CONVERSION/4 program. In doing so, we can ensure the automated processing of at least some of the individual transformation steps and the more efficient use of scarce human capital, and can improve scalability.

To avoid the loss of personal contact, for example, our information service »AllAround« combined with a wide-reaching intranet platform provides regular and transparent bulletins on key events, developments, programmes and initiatives in Group-wide video conferences. We also conduct employee surveys to monitor the transformation of our working world to enable us to better identify upsets and take faster and specific action. We use our non-financial performance indicators for this purpose, all of which are aimed at managing our human capital (see section »2.3. Management system – Financial and non-financial targets«).

We also train our employees in the efficient use of the landscape of digital communication tools that we have further expanded. As part of our »WE ARE ONE« programme, we have further improved our values and leadership guidelines and are striving to anchor them in our day-to-day business. The work of our newly formed SE works council also helps to mitigate our risks associated with human resources – with the aid of our HR Council composed of equal numbers of SE works council and corporate management representatives.

While these measures are all aimed at strengthening the loyalty of our existing employees to All for One Group and preventing unwanted departures, our efforts to recruit a large pool of badly-needed skilled workers are still being hampered by a huge shortage of experts that will probably worsen much further once the pandemic comes to an end. We classify the likelihood of the risks associated with human resources occurring – despite comprehensive mitigation measures – as »remote«. The »critical« assessment of the possible impacts of the additional risks discussed in this report on our net assets, financial position and results of operations and on our revenue and earnings forecasts (see section »5. Outlook«) therefore produces an overall assessment of these risks as »high«.

Risks associated with acquisitions
Acquisitions are, by their very nature, exposed to integration risks, particularly with regard to the acquired customers and employees. Equally, incorrect economic, legal or cultural estimations as well as disputes with former shareholders or remaining minority interests can seriously harm business development and, accordingly, the balance sheet value of the acquired investment interests.

We are paying particularly close attention to managing the »risks associated with acquisitions« with regard to our acquisition of »SNP Poland« (see section »2.1. Group structure and organisation« and, specifically, the subsection »Mergers and acquisitions: Strategy and transactions«, as well as »Subsequent events« in the notes to the consolidated financial statements). For example, the transaction was subjected to comprehensive due diligence by our own people with the support of external experts. This transaction marks a key step in expanding our primarily German-speaking culture to include »English«.

Despite our wealth of experience with acquisitions and the care we take with preparation, due diligence and integration of the new customers and employees, risks always remain. We estimate the probability of these risks occurring as being »remote«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »moderate«. For this reason, we have categorised these risks in our overall assessment as »low«.

Project risks
One key element of our business model is the planning, rollout, migration, integration and optimisation of extensive business-critical software landscapes at our customers' locations. These projects can extend over periods of several years. In addition to our own teams of consultants, we engage partners to help deliver the projects. But most importantly, our customers contribute a great deal of their own resources to delivering a successful project outcome.

Such projects can take longer than planned, for example when 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. For this reason, our costs might exceed the agreed revenue, especially in the case of fixed-price projects. What is more, customers who are dissatisfied with the software implementation may hold back payment, harm our good reputation on the market and make it more difficult for us to win additional projects. Special project risks, such as those relating to the capacity to meet service, features and performance commitments or scheduling and cost targets, are an inherent part of the generation change from the SAP Business Suite to the completely new SAP S/4HANA solution.

In order to reduce the impact of project risks, we generally concentrate our project business on selected industries and applications in countries where German is spoken. This concentration has enabled us to establish a high degree of business process competence that is reinforced by the ongoing qualification of our consultants and consulting partners' skills. This approach enables us to identify and appropriately manage quality and completion risks mostly at an early stage. The integrated project management methods we have developed ourselves also help to ensure compliance with the agreed project objectives. For example, we monitor aspects such as quality and risks, project progress and resources, cost and communication within the project on an ongoing basis. Our own business process and add-on solutions offer considerable help in containing project risks as does our global partner network United VARs in the case of international projects.

In order to limit the project risks associated with the generation change from the SAP Business Suite to the SAP S/4HANA solution, we continue to invest heavily in the training of our consultants. When migrating to the new software generation, we are, moreover, relying on some of the market's leading transformation technologies that we have embedded firmly in our »CONVERSION/4« subscription model.

»Covid-19« held back investments to a large degree over a period of several months. It wasn't until the current reporting year was well underway that it became apparent – abruptly in some cases – that, with digitalisation pressure increasing, deferred projects could not be suspended indefinitely. Whether this trend reversal continues into the future or changes course again is, however, uncertain. Both scenarios – our project delivery resources have too much or not enough work – would increase the project risks.

Added to which, we are increasingly executing even major projects remotely. The marked reduction in travel times is therefore benefiting productivity in the projects. Insurance cover is, moreover, available for the project risks that remain regardless, and can at least contain them. We also take reasonable precautions by including the remaining project risks in our financial planning process.

In spite of these mitigation measures, the project risks that remain are considerable, and we continue to classify the likelihood of occurrence as »infrequent«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »serious«. For this reason, we still categorise these risks in our overall assessment as »high«.

Risks associated with legal disputes

In light of the growth we have been experiencing continuously for years, we are of course also exposed to the increased risk of possible legal disputes that can arise in the wake of the individual risks described above. For example, disputed rollout projects could lead to bad debts and fines, or even claims for damages. In addition, we continue to invest in expanding our strategies and also plan to develop more of our own products. These actions could, for example, infringe the existing proprietary rights of others. In addition, we are increasingly exposed directly and indirectly (through our supply chain) to compliance risks – in connection with employee, social or environmental matters, for example. Legal risks can also arise in connection with anti-corruption or human rights violations, such as discrimination or harassment of any kind. In addition, there could be an increase in legal disputes relating to employment relationships.

To limit the risks associated with legal disputes, we have further expanded our own legal and compliance department and refined our strategies and processes to enable better management of legal risks. We are also seeking greater assistance from specialised external legal counsels and have extended and better tailored our insurance coverage.

We estimate the probability of risks associated with legal disputes occurring as being »remote«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »serious«. For this reason, we have categorised the risks associated with legal disputes in our overall assessment as »medium«.

Compliance risks

One core element of our compliance management system is our Code of Conduct. It contains our values and rules governing responsible, ethical, sustainable and law-abiding actions. Specifically, the Code addresses issues such as integrity, responsibility for the company's reputation, business dealings with partners, sponsorship and donations, how to behave if conflicts of interest arise, anti-corruption, environmental protection, health & safety or dealing with information, especially insider knowledge.

Compliance risks generally include all types of violations of applicable laws and our regulations, such as the Code of Conduct, and the consequences of the same, such as fines, prosecution, claims by harmed parties or damage to our reputation. Both the Group and the parent company could suffer considerable damage as a result of failure to comply with applicable laws or our standards of integrity, for example collusion with third parties to »help« get contracts concluded, or as a result of ethically reprehensible or fraudulent conduct by the staff, of violations of anti-corruption and bribery legislation or even through the accidental provision of insider information.

To enable our continued ability to effectively limit such risks, we focused on further anchoring our code of conduct within the Group in the year under review. All members of staff must know our Code of Conduct and must understand, apply and adhere to its content and objectives. Our Code of Conduct is available to all members of staff on our intranet platform and is supplemented by routine mandatory eLearning sessions. We also organise training programmes focusing on the application of the same and – with the aid of proprietary programmes – strive constantly to firmly anchor the individual elements of our Code in our daily business. New recruits are familiarised with our values and rules as soon as they attend their induction training.

We classify the occurrence of compliance risks as »remote«. We consider the potential impact on our net assets, financial position and results of operations, the other risks discussed in this report, and on our revenue and earnings forecasts (see section »5. Outlook«) to be »serious«. In our overall assessment, the risks are classed as »medium«.

4.6 OVERALL STATEMENT ON OPPORTUNITIES AND RISKS

With the implementation of our »Strategy22«, we have created a strong and broad basis to make better use of our opportunities and mitigate our risks. Moreover – in the interests of presenting a balanced picture of the opportunities and risks – a qualitative overall assessment of both the aforementioned opportunities and the aforementioned risks is appropriately reflected in our revenue and earnings forecasts (see section »5. Outlook«).

In our overall assessment, and in spite of the apparent domination of reported risks as compared to the aforementioned opportunities (see section »4.1. Opportunities and risk management system«), we believe that the opportunities outweigh the risks. Given our market position and the large and ever-growing number of regular customers, and in light of our highly trained employees, and our further expanded foundation of solutions and services, we are confident that we can successfully meet the new challenges posed by this latest overall risk profile.

The digitalisation of business processes within our customer markets and the generational change to the new SAP S/4HANA business software in close connection with innovative cloud solutions for lines of business are likely to progress at a rapid pace as life increasingly returns to a new normal after »Covid-19« and are also likely to continue in the medium to long term. We continue to specifically gear both our organisation and our products and services to the powerful momentum of these trends, as we are determined to underscore our claim to a permanent place in the relevant set of consulting and IT contract awards and projects.

05

OUTLOOK

5.1 OUTLOOK: ECONOMY

Although the economy in 2021 was expected to continue its significant growth versus the prior year, the trend was discovered to be weaker than initially expected. The five major economic research institutes in Germany now (as of September 2021) all expect gross domestic product growth in 2021 to be between 2.1% and 3.5%, around 1 percentage point on average less than initially expected (as of June 2021). The main reasons being cited are, above all, the severe shortages in supplies – of raw materials or chips, for example – and the huge disruptions to the global supply chains and transport routes caused by the pandemic, whereas demand has risen strongly at the same time. The industrial gap – between incoming orders (plus 16% in the manufacturing sector) and industrial production (minus 1.5%) could therefore continue to widen and drag exports down with it. Likewise, regardless of the high savings ratio as a result of the pandemic, private spending will probably only rise moderately in response to the sharp increase in the inflation rate.

The uncertainty caused by »Covid-19« is therefore not yet over. Despite growth being weaker than expected in 2021, however, it is forecast to catch up in 2022 as economic activity increasingly returns to normal and regains pre-crisis levels. Accordingly, all five major economic research institutes expect a significant increase in gross domestic product in 2022. Individual forecasts range between 3.6% and 5.1%. By then, the existing supply bottlenecks should also increasingly have been resolved. (*Source: Handelsblatt, ifo Institut, 23 Sep 2021).*

As far as our customers in our target markets are concerned, we expect their economic prospects to brighten noticeably in our financial year 2021/22, coupled with a further increase in their willingness to invest.

5.2 OUTLOOK: TRENDS IN THE IT MARKET

Severe transformation pressure will doubtless prevail across the board, while the pressure on companies to digitalise workflows and business models will increase further. In the process, the role played by corporate IT will shift increasingly towards becoming a business partner in the digital transformation. The shortage of specialists, a lack of strategy, application and technology expertise as well es growing requirements in respect of security and availability when operating the applications and systems are likely to lead to transformation projects increasingly being launched with the involvement of external service providers such as the All for One Group. Particularly those IT providers who are very familiar with their customers' workflows, are recognised process experts, and operate in the still small, but strongly growing IT sub-markets for »new themes« should continue to witness significantly positive momentum im 2022. Sales of IT products and services are expected to increase by 4.8% in Germany in 2022 (*source: SITSI Software & IT Services Germany, PAC Pierre Audoin Consultants GmbH, Munich, 2021).*

5.3 PROBABLE CORPORATE DEVELOPMENT

in EUR millions, unless otherwise stated	Forecast 2021/22	Actual 2020/21
Group		
Sales revenue (IFRS)	430 – 450	372.9
EBIT (IFRS)	24 – 26	20.6
Employee retention (in %)	93.1 – 93.6	93.6
Health index (in %)	96.9 – 97.4	97.4
All for One Group SE		
Sales revenue (IFRS)	270 – 280	264.5
EBIT (IFRS)	7 – 8	6.5
Employee retention (in %)	94.2 – 94.7	94.7
Health index (in %)	96.9 – 97.4	97.4

The aforementioned guidance includes »SNP Poland« and »ASC Group«, which were acquired effective 1 October 2021 (see also section »26. Subsequent events« in the notes to the consolidated financial statements).

In financial year 2021/22, we will continue to focus on the careful expansion of our cloud business in keeping with our strategy of generating more and more sustainable recurring revenue and increasingly benefiting from economies of scale to raise the profitability of our operations (EBIT). 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«). We expect software support revenues to stabilise at or around their current level. We expect revenues from cloud services as well as from consulting and services to both witness significant growth – not least due to the companies acquired effective 1 October 2021.

In our CORE segment, we hope to benefit from added stimulus from our CONVERSION/4 initiative together with SNP, SAP und Microsoft. Likewise, in the CORE segment we want to continue expanding our portfolio of Microsoft-based services for improving communication and »collaboration« in companies, towards digital worlds of work (»new work«) and for cybersecurity & compliance. The acquisitions »SNP Poland« and »ASC Group« are both allocated to the CORE segment.

Our expectations with regard to our LOB segment are driven primarily by the dynamics of our cloud business. In addition to expanding our cloud-based »Employee Experience« activities (HR planning, personnel development, recruitment, knowledge management, etc.), capital expenditure will focus, above all, on further strengthening our »Customer Experience« business to enable our customers to improve the management of their sales, marketing and service units. We also plan to invest in the further expansion of our »Business Analytics« activities for business data analysis for corporate budgeting and management purposes.

In line with the expected customer growth, most of the planned capital expenditure in 2021/22 will continue to focus on »data centre technologies« for expanding the cloud computer centres we use in conjunction with »hyperscalers«.

Overall, we expect our capital expenditure to decrease slightly in financial year 2021/22. In recent years, we have already invested considerably in raising the scalability of our business model.

We believe that the momentum driving the expansion of our good position in the strongly growing cloud transformation sub-markets and the increased access to corporate customers in the larger midmarket will also be consistently favourable in 2021/22. As a result, the headcount trend will probably more or less be on track with the planned sales trend. The severe shortage of experts will hopefully be cushioned somewhat by the two companies acquired effective 1 October 2021.

Overall, the tension surrounding the global pandemic should dissipate considerably in financial year 2021/22 and result in a noticeable increase in incoming orders. Renewed economic setbacks – in the wake of further waves of »Covid-19«, for example – cannot be ruled out, by any means, however, and would result in lower demand, and increased defaults and insolvency among our customer base, which could jeopardise our guidance. In addition to the ongoing severe shortage of experts, potential economic setbacks and supply chain problems facing our customers pose the greatest risks to achieving our guidance.

We use sales and EBIT calculated in accordance with IFRS 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 operating result (HGB) could be around EUR 2.5 million (expected for 2021/22) lower than EBIT under IFRS partly due to the amortisation of intangible assets, which is not included in EBIT under IFRS.

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 2021/22, we have set ourselves the target for the parent company and the Group of further stabilising the »employee retention« level of the 2019/20 reporting year. In the 2021/22 financial year, we also aim to keep the »health index« more or less on a par (+0/-0.5 percentage points) with the prior-year level.

Strengthened by our acquisitions of »SNP Poland« and »ASC Group« and bolstered by the prospect of an economic recovery, we believe we are all the better placed to grow profitably and to emerge from the coronavirus crisis in an even stronger competitive position than before.

06

COMPENSATION REPORT

The compensation report is an integral part of the combined management report and includes both the basic principles of compensation paid to the management and supervisory boards, and the relevant amounts and structure. The compensation report complies with the requirements of the applicable provisions in Sections 289a (2), 314 (1) Nos. 6a and b, and 315a (2) HGB (in each case in the version up to and including 31 December 2019), which – according to Art. 83 (1) EGHGB – were applicable for the last time to this group management report. A compensation report in accordance with Section 162 German Stock Corporation Act (AktG) has been issued for the first time as part of the group management report for financial year 2021/22. All for One Group SE discloses the compensation paid to the individual members of both the management and supervisory boards.

6.1 MANAGEMENT BOARD

MEMBERS OF MANAGEMENT BOARD

- Lars Landwehrkamp (CEO since May 2007)
- Michael Zitz (CSO since April 2021)
- Stefan Land (CFO since April 2008)

In January 2021, the supervisory board specified a new compensation system for the management board, which was approved by the annual general meeting on 11 March 2021. It is intended that the provisions of the compensation system will be applied in the context of any new contracts, amendments, modifications or extensions of management board contracts from 12 March 2021 onwards. The present contracts of the two management board members – Lars Landwehrkamp and Stefan Land – are not affected by the provisions of this compensation system. The previous compensation system continues to apply for them. The contracts of both management board members expire on 30 September 2023. The new compensation system is already applicable to management board member Michael Zitz. The following discussion therefore focuses on the basic principles of both compensation systems.

BASIC PRINCIPLES OF THE PREVIOUS COMPENSATION SYSTEM FOR THE MANAGEMENT BOARD

The total compensation paid to members of the management board is comprised of »Fixed compensation« and »Variable compensation« plus the »Benefits« and »Pension expenses« that are customary in the market and the Group. Benefits include a company car and health/nursing insurance contributions. Pension expenses include premiums paid into a pension scheme. The supervisory board regularly reviews the total compensation packages to ensure they are appropriate.

- **Fixed compensation**
  Members of the management board receive a fixed annual salary that is agreed in their individual contracts and is not performance-based. It is paid in twelve equal instalments at the end of each month. In addition, members of the management board receive

fixed allowances for benefits in kind relating to the provision of a company car and contributions to a direct insurance scheme.

– **Variable compensation**
  On top of their annual fixed compensation, members of the management board receive a performance-related compensation component that is derived from the annual achievement of EBT targets as per the audited consolidated financial statements of All for One Group. A long-term variable compensation component is also paid, based on the cumulative earnings per share over a period of years. Bonus amounts differ in the management board contracts to reflect the different areas of responsibility of the management board members.

The agreements with company directors stipulate that if a member of the management board is removed early, that member will continue to receive their base compensation until the end of the agreement. Furthermore, and likewise until the end of the agreement, the affected member of the management board will receive the annual variable compensation at the mid-target achievement level of the previous two years and the long-term compensation component at a target achievement rate of 100%.

BASIC PRINCIPLES OF THE NEW COMPENSATION SYSTEM FOR THE MANAGEMENT BOARD

The compensation system includes both non-performance-related (fixed) and performance-related (variable) components. The fixed basic salary, fringe benefits and annual pension contribution comprise the non-performance-related components. Performance-related components include one-year variable compensation (short-term incentive (STI) plan) and a multi-year compensation component (long-term incentive (LTI) plan). As part of this policy of short-term and long-term compensation, individual financial and non-financial target components can be set for the members of the management board.

In keeping with statutory regulations, the compensation system provides for a cap on compensation and is supplemented by appropriate rules governing the start and end of management board activity.

COMPONENTS OF THE COMPENSATION SYSTEM

Under the compensation system, variable and fixed compensation components account in each case for 40% – 60% of total target compensation (subject to 100% target achievement). Of the performance-related compensation components, short-term variable components (STI) and long-term variable components (LTI) in turn account for 20% – 30% of total target compensation in each case (subject to 100% target achievement). These shares can vary within the indicated limits in future to reflect functional differentiation, differentiation due to the seniority of individual management board members and/or following the review of the compensation and adjustment to market conditions.

If the set targets are exceeded, the variable compensation components can amount in total to no more than double the non-performance-related compensation for the financial year in question. The relative share of variable components to maximum compensation in such instances is two-thirds of the total compensation.

Overview and relative ratios (subject to 100% target achievement)

1.	**Non-performance-related (fixed) compensation components**	Share of total target compensation: Cap:	40% – 60% KEUR 550 per financial year
	Basic salary		
	Fringe benefits		
	Pension		*Max. 30% of basic salary*
2.	**Performance-related (variable) compensation components**	Share of total target compensation: Cap:	40% – 60% 200% of the agreed non-performance-related compensation per financial year
	STI: Short-term (one year) compensation	*Share of total target compensation:*	*20% – 30% of total compensation*
	LTI: Long-term (multi-year) compensation	*Share of total target compensation:*	*20% – 30% of total compensation*

Note: The relative share of each compensation component to the actual remuneration achieved by a management board member in a financial year may deviate from these estimated relative shares as they may change depending on actual target achievement. Details of the compensation system for the management board can be found on our website at www.all-for-one.com/compensation_e.

Under his contract with the company, management board member Michael Zitz receives the following remuneration:

Non-performance-related components:
The management board member receives a fixed annual salary that is agreed in their individual contracts and is not performance-based. It is paid in twelve equal instalments at the end of each month. In addition, the management board member receives fixed allowances for social/-health/nursing insurance cover and for premiums paid into the staff pension scheme.

Performance-related components:
On top of the annual fixed compensation, the management board member receives a short-term performance-related compensation component (STI) that is derived from the annual achievement of EBT targets as per the audited consolidated financial statements of All for One Group and is weighted as follows: 70% annual EBT target achievement as per the audited consolidated financial statements of All for One Group and 30% individual target achievement. A long-term variable compensation component (LTI) is also paid, which is weighted as follows: 50% of which is based on cumulative free cash flow performance and 50% on cumulative dividend performance over a multi-year period.

MANAGEMENT BOARD COMPENSATION

Lars Landwehrkamp

Benefits granted

	Lars Landwehrkamp – CEO since 05/2007			
in KEUR	**10/2020 – 09/2021**	**10/2019 – 09/2020**	**10/2020 – 09/2021 (Min)**	**10/2020 – 09/2021 (Max)**
Fixed compensation	360	360	360	360
Fringe benefits [1]	62	62	62	62
Total fixed compensation	**422**	**422**	**422**	**422**
One-year variable compensation [2]	427	308	0	710
Multi-year variable compensation [2]				
Target achievement depends on the cumulative earnings per share and dividends paid for the timeframe 10/2019 to 09/2023	226	188	0	350
Target achievement depends on the cumulative earnings per share for the timeframe 10/2014 to 09/2019	0	0	0	0
Total variable compensation	**653**	**496**	**0**	**1,060**
Service cost	79	79	79	79
Total compensation	**1,154**	**997**	**501**	**1,561**

1) Include a company car and health/nursing insurance contributions

2) The variable benefits granted are based on estimates

Allocation

	Lars Landwehrkamp – CEO since 05/2007	
in KEUR	**10/2020 – 09/2021**	**10/2019 – 09/2020**
Fixed compensation	360	360
Fringe benefits [1]	62	62
Total fixed compensation	**422**	**422**
One-year variable compensation [2]	308	199
Multi-year variable compensation		
Target achievement depends on the cumulative earnings per share for the timeframe 10/2004 to 09/2019	0	119
Total variable compensation	**308**	**318**
Service cost	79	79
Total compensation	**808**	**818**

1) Include a company car and health/nursing insurance contributions

2) The allocation of the one-year variable compensation pertains to the respective prior financial year

Stefan Land

Benefits granted

	Stefan Land – CFO since 04/2008			
in KEUR	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021 (Min)	10/2020 – 09/2021 (Max)
Fixed compensation	276	276	276	276
Fringe benefits [1]	15	19	15	15
Total fixed compensation	**291**	**295**	**291**	**291**
One-year variable compensation [2]	323	225	0	553
Multi-year variable compensation [2]				
Target achievement depends on the cumulative earnings per share and dividends paid for the timeframe 10/2019 to 09/2023	188	158	0	290
Target achievement depends on the cumulative earnings per share for the timeframe 10/2014 to 09/2019	0	0	0	0
Total variable compensation	**511**	**383**	**0**	**843**
Service cost	45	45	45	45
Total compensation	**847**	**723**	**336**	**1,179**

1) Include a company car and health/nursing insurance contributions

2) The variable benefits granted are based on estimates

Allocation

	Stefan Land – CFO since 04/2008	
in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Fixed compensation	276	276
Fringe benefits [1]	15	19
Total fixed compensation	**291**	**295**
One-year variable compensation [2]	225	131
Multi-year variable compensation		
Target achievement depends on the aggregate earnings per share for the timeframe 10/2004 to 09/2019	0	119
Total variable compensation	**225**	**250**
Service cost	45	45
Total compensation	**561**	**589**

1) Include a company car and health/nursing insurance contributions

2) The allocation of the one-year variable compensation pertains to the respective prior financial year

Short-term variable compensation is based on the achievement of annual EBT targets as per the audited consolidated financial statements of All for One Group SE. In addition, **long-term variable compensation** is awarded on the basis of the cumulative earnings per share and the dividends paid to the shareholders of All for One Group SE over a period of years. The management board contracts also govern the continued payment of the base compensation and annual pension contributions owing to the management board member up to the regular end of the contract term, if their appointment is revoked or the member is released from duty prematurely. Moreover, up to the regular end of the contract term, the relevant member of the management board is also entitled to continue receiving the annual short-term and long-term variable compensation based on the achievement of fixed targets. In the wake of the Covid-19-pandemic and the economic recession it triggered, the company had to adjust its growth strategy for financial year 2019/20 and beyond. In light of this unusual economic development, the EBT+ target (a specific annual limit that was deemed to be an absolute minimum) no longer seemed appropriate, looking ahead, and was therefore adjusted by the supervisory board in the course of financial year 2020/21 for management board members Lars Landwehrkamp and Stefan Land.

Michael Zitz

Benefits granted

	Michael Zitz – CSO since 04/2021			
in KEUR	**10/2020 – 09/2021**	**10/2019 – 09/2020**	**10/2020 – 09/2021 (Min)**	**10/2020 – 09/2021 (Max)**
Fixed compensation	129	–	129	129
Fringe benefits [1]	9	–	7	9
Total fixed compensation	**138**	**–**	**136**	**138**
One-year variable compensation [2]	52	–	0	100
Multi-year variable compensation [2]				
Target achievement depends on the cumulative result of dividends paid and free cash flow for the timeframe 04/2021 to 03/2024	50	–	0	75
Total variable compensation	**102**	–	**0**	**175**
Service cost	4	–	2	5
Total compensation	**244**	**–**	**138**	**318**

1) Include social/health/nursing and D&O insurance contributions

2) The variable benefits granted are based on estimates

Allocation

	Michael Zitz – CSO since 04/2021	
in KEUR	**10/2020 – 09/2021**	**10/2019 – 09/2020**
Fixed compensation	129	–
Fringe benefits [1]	7	–
Total fixed compensation	**136**	**–**
One-year variable compensation [2]	0	–
Multi-year variable compensation		
Target achievement depends on the cumulative result of dividends paid and free cash flow for the timeframe 04/2021 to 03/2024	0	–
Total variable compensation	**0**	**–**
Service cost	2	–
Total compensation	**138**	**–**

1) Include social/health/nursing and D&O insurance contributions

2) The allocation of the one-year variable compensation pertains to the respective prior financial year

The variable elements of total compensation as explained individually above contain estimates, which may deviate from the amounts determined as part of the final accounting. No loans were extended and no options for shares of All for One Group SE were granted to the management board during financial year 2020/21 or in the prior year. Unusual transactions with related parties did not take place.

Short-term variable compensation is based on the achievement of annual EBT targets as per the audited consolidated financial statements of All for One Group SE and individually defined targets. In addition, **long-term variable compensation** is awarded on the basis of the cumulative result of the dividends paid to the shareholders of All for One Group SE and the cumulative free cash flow over a period of years. The new management board contract also governs the continued payment of the basic salary as well as the short-term and long-term compensation components up to the regular end of the contract term, if their appointment is revoked or the member is released from duty prematurely.

6.2 SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD

– Josef Blazicek (chairman)
– Paul Neumann (deputy chairman)
– Karl Astecker (since 11 March 2021)
– Dr. Rudolf Knünz
– Maria Caldarelli
– Dr. Matthias Massing (since 22 October 2021)

COMPENSATION SYSTEM FOR THE MEMBERS OF THE SUPERVISORY BOARD

The compensation system for the members of the supervisory board was submitted for approval by the annual general meeting on 11 March 2021 and thus adopted.

BASIC PRINCIPLES OF THE COMPENSATION SYSTEM FOR THE SUPERVISORY BOARD

The members of the supervisory board each receive annual fixed compensation of KEUR 12.5 (plus any value-added tax that may be owed) and which is payable at the end of the financial year. The chairman of the supervisory board receives four times and the deputy chairman two times the preceding fixed amount of compensation. Members of the supervisory board are paid fixed compensation of KEUR 3 p.a. for each seat on a committee (plus any value-added tax that may be owed). The chairman of a committee receives four times the above committee membership remuneration. Members of the supervisory board who do not serve for a full financial year are paid pro rata temporis. Performance-related components are not included in the compensation for the supervisory board.

SUPERVISORY BOARD COMPENSATION

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Josef Blazicek	65.0	65.0
Paul Neumann	36.0	31.0
Peter Fritsch (until 11 March 2021)	10.9	23.6
Karl Astecker (since 11 March 2021)	8.6	–
Dr. Rudolf Knünz	15.5	15.5
Maria Caldarelli	12.5	12.5
Jörgen Dalhoff	12.5	12.5
Total	**161.0**	**160.1**

The total fixed compensation owing to the supervisory board is paid in the following financial year.

Furthermore, no loans were extended and no options for shares of All for One Group SE were granted to members of the supervisory board during financial year 2020/21 or in the prior year. Unusual transactions with related parties did not take place.

07

INFORMATION CONCERNING TAKEOVERS

INFORMATION PERSUING TO SECTIONS 289A (1), 315A (1) HGB

Composition of issued share capital (no. 1)
The issued share capital of EUR 14,946,000 (30 Sep 2020: EUR 14,946,000) consists of 4,982,000 (30 Sep 2020: 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 (3) sentence 1 AktG. Good cause according to Section 84 (3) 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 (3) 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 17 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 14 (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 bonds 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.

08

DEPENDENT COMPANY REPORT

All for One Group SE has compiled a dependent company report for financial year 2020/21 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.

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SUSTAINABILITY REPORT

This reporting year, for the first time, All for One Group SE is publishing a sustainability report that adheres to the criteria of the DNK (Deutscher Nachhaltigkeitsindex/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.

In addition, our sustainability report also complies with specific standards issued by the Global Reporting Initiative (GRI) and includes a discussion of how we implement the NAP (»National action plan for economic growth and human rights«).

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 our sustainability report to ensure its completeness and has provided us with qualified feedback, which was incorporated into the published version. Our sustainability report has been published on both our website at www.all-for-one.com/csr_e and the DNK website at https://www.deutscher-nachhaltigkeitskodex.de.

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CORPORATE GOVERNANCE STATEMENT

All for One Group SE publishes its corporate governance statement (Section 289f HGB), respectively the Group corporate governance statement (Section 315d HGB) on its website at www.all-for-one.com/governance_e. 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, 8 December 2021
All for One Group SE

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CONSOLIDATED
FINANCIAL STATEMENTS

ALL FOR ONE GROUP SE, FILDERSTADT
FINANCIAL YEAR FROM 1 OCTOBER 2020 TO 30 SEPTEMBER 2021

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS
OF ALL FOR ONE GROUP

in KEUR	Notes	10/2020 – 09/2021	10/2019 – 09/2020
Sales revenue	E.1	372,937	355,393
Other operating income	E.2	4,196	4,203
Cost of materials and purchased services	E.3	-141,838	-133,237
Personnel expenses	E.4	-169,567	-156,449
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	E.5	-21,444	-22,004
Impairment losses on financial assets	F.11	387	-938
Other operating expenses	E.6	-24,038	-27,681
EBIT		**20,633**	**19,287**
Financial income	E.7	12	14
Financial expense	E.7	-1,322	-1,397
Financial result		**-1,310**	**-1,383**
EBT		**19,323**	**17,904**
Income tax	E.8	-5,808	-4,828
Result for the period		**13,515**	**13,076**
attributable to owners of the parent		13,347	12,722
attributable to non-controlling interests		168	354
Earnings per share			
Undiluted and diluted earnings per share (in EUR)	E.9	2.68	2.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
OF ALL FOR ONE GROUP

in KEUR	Notes	10/2020 – 09/2021	10/2019 – 09/2020
Result for the period		**13,515**	**13,076**
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of defined benefit liability plans	F.17	1,435	-377
Related tax		-211	58
Items that will not be reclassified to profit or loss in subsequent periods			
Unrealised profits (+) / losses (-) from currency translation		-69	-257
Other comprehensive income		**1,155**	**-576**
Total comprehensive income		**14,670**	**12,500**
attributable to owners of the parent		14,502	12,146
attributable to non-controlling interests		168	354

CONSOLIDATED BALANCE SHEET
OF ALL FOR ONE GROUP

Assets

in KEUR	Notes	30.09.2021	30.09.2020
Current assets			
Cash and cash equivalents	G.	75,005	69,089
Finance lease receivables	F.10	4,348	4,111
Trade receivables	F.11	40,499	38,087
Contract assets	F.11	4,671	4,905
Income tax assets		510	448
Other assets	F.12	9,329	8,604
		134,362	**125,244**
Non-current assets			
Goodwill	F.13	30,730	30,738
Other intangible assets	F.13	29,856	32,945
Fixed assets	F.14	15,240	15,473
Right-of-use assets	F.15	39,958	35,032
Finance lease receivables	F.10	6,898	6,674
Deferred tax assets	F.16	327	708
Other assets	F.12	7,576	3,890
		130,585	**125,460**
Total assets		**264,947**	**250,704**

Equity and liabilities

in KEUR	Notes	30.09.2021	30.09.2020
Current liabilities			
Other provisions	F.18	824	1,315
Liabilities to financial institutions	F.19	10,983	7
Lease liabilities		12,075	10,426
Trade payables		18,951	16,784
Contract liabilities		10,245	9,770
Liabilities to employees		25,943	22,596
Income tax liabilities		2,762	1,827
Other liabilities	F.19	7,787	6,261
		89,570	**68,986**
Non-current liabilities			
Pension provisions	F.17	2,492	3,809
Other provisions	F.18	937	690
Liabilities to financial institutions	F.19	37,413	48,346
Lease liabilities		28,359	25,252
Deferred tax liabilities	F.16	13,690	14,187
Other liabilities	F.19	1,058	650
		83,949	**92,934**
Equity			
Issued capital	H.	14,946	14,946
Reserves	H.	76,273	73,797
Share of equity attributable to owners of the parent		**91,219**	**88,743**
Non-controlling interests	H.	209	41
		91,428	**88,784**
Total liabilities and equity		**264,947**	**250,704**

CONSOLIDATED CASH FLOW STATEMENT
OF ALL FOR ONE GROUP

in KEUR	Notes	10/2020 – 09/2021	10/2019 – 09/2020
Result for the period		**13,515**	**13,076**
Income tax	E.8	5,808	4,828
Financial result	E.7	1,310	1,383
Depreciation, amortisation and impairment on intangible, fixed and right-of-use assets	E.5	21,444	22,004
Increase (-) / decrease (+) in value adjustments and provisions		-837	-503
Gains (-) / Losses (+) from the disposal of non-current assets		-696	-112
Increase (-) / decrease (+) in trade receivables		-1,907	11,508
Increase (+) / decrease (-) in trade payables		2,168	-5,072
Increase (-) / decrease (+) in other assets and other liabilities		-739	-4,774
Income tax refunds (+) / payments (-)		-5,283	-971
Cash flow from operating activities		**34,783**	**41,367**
Payments for purchase of intangible and fixed assets		-6,337	-7,483
Proceeds from sale of intangible assets and fixed assets		774	202
Purchase of subsidiary, net of cash and cash equivalents acquired		-100	-153
Sale of subsidiary, net of cash and cash equivalents disposed of		18	9
Interest received		12	229
Cash flow from investing activities		**-5,633**	**-7,196**
Repayment of lease liabilities		-12,066	-11,303
Proceeds from liabilities to financial institutions		0	33,500
Repayment of liabilities to financial institutions		-7	-8,513
Payment for acquisition of non-controlling interests		-4,000	0
Interest paid		-1,166	-1,162
Dividend payments to shareholders and non-controlling interests		-5,994	-6,007
Cash flow from financing activities		**-23,233**	**6,515**
Increase (+) / decrease (-) in cash and cash equivalents		**5,917**	**40,686**
Effect of exchange rate fluctuations on cash funds		-33	-95
Cash funds at start of financial year	G.	69,089	28,498
Cash funds at end of financial year	G.	**74,973**	**69,089**

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.	
01.10.2019	**14,946**	**11,228**	**1,103**	**55,298**	**82,575**	**-284**	**82,291**
Result for the period	0	0	0	12,722	12,722	354	13,076
Other comprehensive income	0	0	-257	-319	-576	0	-576
Total comprehensive income	**0**	**0**	**-257**	**12,403**	**12,146**	**354**	**12,500**
Dividend distribution	0	0	0	-5,978	-5,978	0	-5,978
Distribution to non-controlling interests	0	0	0	0	0	-29	-29
Acquisition of non-controlling interests	0	0	0	0	0	0	0
Transactions with owners of the company	**0**	**0**	**0**	**-5,978**	**-5,978**	**-29**	**-6,007**
30.09.2020	**14,946**	**11,228**	**846**	**61,723**	**88,743**	**41**	**88,784**
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
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**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

ALL FOR ONE GROUP SE, FILDERSTADT
FINANCIAL YEAR FROM 1 OCTOBER 2020 TO 30 SEPTEMBER 2021

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NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS
OF ALL FOR ONE GROUP

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 our 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 2020/21, which ended on 30 September 2021, 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 2020/21 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 2020 to 30 September 2021 were approved by the management board on 8 December 2021 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 2020/21

The same accounting methods were used in the consolidated financial statements of All for One Group SE for financial year 2020/21 as had been applied the previous year (financial year 2019/20). When preparing the consolidated financial statements as of 30 September 2021, 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 3	Definition of a business	01.10.2020	Endorsed on 21.04.2020	No material impact
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform	01.10.2020	Endorsed on 15.01.2020	No material impact
Amendments to IFRS 16	Covid-19-related rent concessions	01.10.2020	Endorsed on 09.10.2020	No material impact
Amendments to IAS 1 and IAS 8	Definition of material	01.10.2020	Endorsed on 29.11.2019	No material impact
Conceptual framework for financial reporting	Amendments to references to the conceptual framework in IFRS standards	01.10.2020	Endorsed on 29.11.2019	No 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 2020/21. 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 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
Amendments to IFRS 16	Covid 19-related rent concessions beyond 30 June 2021	01.10.2021	Endorsed on 30.08.2021	No material impact
Various amendments	Amendments to IFRS 3, IAS 16 and IAS 37; annual improvements 2018 – 2020 (amendments to IFRS 1, IFRS 9, IFRS 18 and IAS 41)	01.10.2022	Endorsed on 28.06.2021	Impact is currently being analysed
IFRS 17	Insurance contracts including amendments to IFRS 17	01.10.2023	Planned in Q4 2021	No relevance
Amendments to IAS 1	Classification of liabilities as current or non-current including deferral of effective date	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	Open	Impact is currently being analysed
Amendments to IAS 8	Definition of accounting estimates	01.10.2023	Open	Impact is currently being analysed
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01.10.2023	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.

The consolidated financial statements as of 30 September 2021 include both All for One Group SE and nine (previous year: ten) subsidiaries in Germany and eight (previous year: nine) subsidiaries abroad, all of which were fully consolidated.

Company	Direct share in %	Indirect share in %
AC Automation Center SA/NV, Zaventem/Belgium	100.0	
AC Automation Center S.à.r.l., Luxembourg/Luxembourg (10% of which is indirect)	90.0	10.0
All for One Austria GmbH, Vienna/Austria (formerly: All for One Steeb GmbH)	100.0	
All for One Steeb Yazılım Servisleri Limited Sirketi, Istanbul/Turkey	100.0	
ALLFOYE Managementberatung GmbH, Düsseldorf/Germany	100.0	
avantum consult GmbH, Düsseldorf/Germany (formerly: avantum consult AG)	100.0	
B4B Solutions GmbH, Graz/Austria	100.0	
B4B Solutions GmbH, Ratingen/Germany		100.0
CDE – Communications Data Engineering GmbH, Hagenberg/Austria	100.0	
Empleox GmbH, Heilbronn/Germany (formerly: KWP INSIDE HR GmbH)	100.0	
Empleox Austria GmbH, Vienna/Austria (formerly: TalentChamp Consulting GmbH)		100.0
Empleox BPO GmbH, Hamburg/Germany (formerly: KWP Professional Services GmbH)		100.0
Grandconsult GmbH (in liquidation), Filderstadt/Germany	100.0	
OSC GmbH, Lübeck/Germany (formerly: OSC AG)	100.0	
OSC Smart Integration GmbH, Hamburg/Germany		100.0
OSC Business Xpert GmbH, Burgdorf/Germany		51.0
Process Partner AG, St. Gallen/Switzerland	100.0	

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 2020/21:

- 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 01.10.2019	**10**	**9**	**19**
Additions from acquisitions	0	0	0
Disposals from sale/ mergers/liquidation	0	0	0
Number of companies as of 30.09.2020	**10**	**9**	**19**
Number of companies as of 01.10.2020	**10**	**9**	**19**
Additions from acquisitions	0	0	0
Disposals from sale/ mergers/liquidation	1	1	2
Number of companies as of 30.09.2021	**9**	**8**	**17**

In financial year 2020/21, All for One Group SE increased its stake in B4B Solutions GmbH, Graz/Austria, from 70% to 100%. The subsidiary was already fully consolidated. In intra-Group transactions, companies belonging to the former TC Group (TalentChamp Consulting GmbH, Vienna/ Austria, and TalentChamp Deutschland GmbH, Munich/ Germany) were combined under a single Group (»Empleox«), together with companies formerly belonging to the KWP Group (KWP INSIDE HR GmbH, Heilbronn/Germany; KWP Austria GmbH, Vienna/Austria, and KWP Professional Services GmbH, Hamburg/Germany). The aim of this move was to strengthen the Human Resources portfolio at All for One Group.

The impact of the changes to the scope of consolidation, which came into effect on 1 October 2021, are discussed in the section »Subsequent events« (note 26).

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 2021). 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 time of acquisition. 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. 2021	30.09. 2020	10/2020 – 09/2021	10/2019 – 09/2020
CHF	1.0830	1.0795	1.0872	1.0749
TRY	10.2981	9.1649	9.6238	7.2794

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. Given the currently unpredictable global consequences of the Covid-19 pandemic, management's discretionary judgements and estimates are surrounded by more uncertainty than usual.

Key discretionary management decisions and estimation uncertainties relate particularly to the recognition and valuation of goodwill and other intangible assets (Note 13), 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 judgements 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.

The probable impacts of the Covid-19 pandemic were estimated by the management of All for One Group 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 had 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

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Cloud services and support (1)	**85,741**	**77,088**
Software licenses and support (2)	**134,451**	**134,845**
Software licenses	22,922	25,542
Software support (3)	111,529	109,303
Consulting and services	**152,745**	**143,460**
Consulting	144,413	136,310
Services	8,210	6,988
Other revenue	122	162
Total	**372,937**	**355,393**
Cloud and software revenue (1) + (2)	**220,192**	**211,933**
Recurring revenue (1) + (3)	**197,270**	**186,391**

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

Sales revenue by country [1]

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Germany	318,149	306,878
Austria	23,669	19,727
Switzerland	17,011	14,388
Luxembourg	9,933	9,080
Italy	1,425	2,223
Other countries	2,750	3,097
Total	**372,937**	**355,393**

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 31.6 million as of 30 September 2021 (prior year: EUR 34.3 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 2020 (prior year: 1 Oct 2019) in an amount of EUR 9.0 million (prior year: EUR 7.5 million), EUR 8.7 million (prior year: EUR 6.9 million) were stated as sales revenues in financial year 2020/21.

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	10/2020 – 09/2021	10/2019 – 09/2020
Advertising and marketing reimbursements from partners	1,236	994
Income from disposal of assets	706	115
Reversal of provisions	595	121
Income from co-payments from employees	414	400
Insurance compensation	341	584
Income from subleases	202	146
Income from cost allocation to partners	86	101
Income from currency differences	46	126
Investment tax credits (public authorities)	0	309
Other income	570	1,307
Total	**4,196**	**4,203**

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	10/2020 – 09/2021	10/2019 – 09/2020
Purchased services	-121,398	-112,414
Cost of materials	-20,440	-20,823
Total	**-141,838**	**-133,237**

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	10/2020 – 09/2021	10/2019 – 09/2020
Salaries and wages	-142,895	-132,587
Social security contributions	-23,079	-21,704
Defined contribution plan expenses	-1,171	-1,001
Defined benefit plan service costs	-402	169
Other personnel expenses	-2,020	-1,326
Total	**-169,567**	**-156,449**

Average headcount by function

	10/2020 – 09/2021	10/2019 – 09/2020
Cloud and consulting	1,325	1,288
Sales and marketing	187	164
Administration and management	198	192
Total	**1,710**	**1,644**

The average number of employees during financial year 2020/21 was 1,766 (prior year: 1,697). In addition, the workforce in financial year 2020/21 included an average of 38 apprentices/trainees (prior year: 38) and 101 in marginal employment, on parental leave and on extended sick leave (prior year: 84).

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	10/2020 – 09/2021	10/2019 – 09/2020
Internal information processing	-6,171	-5,744
Vehicle costs	-4,175	-5,121
Consulting and financial statement preparation costs	-2,837	-2,109
Human resource management expenses	-2,641	-2,073
Marketing and advertising	-2,158	-2,487
Cost of premises	-1,834	-1,905
Travel and overnight accommodation expenses	-919	-3,651
Insurances	-781	-680
Expenses from currency differences	-38	0
Expenses from disposal of assets	-10	-3
Other expenses	-2,474	-3,908
Total	**-24,038**	**-27,681**

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	10/2020 – 09/2021	10/2019 – 09/2020
Other interest income	12	14
Financial income	**12**	**14**
Bank loan interest expenses	-629	-786
Interest expenses for lease liabilities	-338	-376
Custody fees	-254	-160
Net interest for defined benefit plans	-10	-6
Other interest expenses	-91	-69
Financial expenses	**-1,322**	**-1,397**
Financial result	**-1,310**	**-1,383**

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	10/2020 – 09/2021	10/2019 – 09/2020
Current tax expenses		
National	-4,634	-4,085
Foreign	-1,503	-1,452
Total	**-6,137**	**-5,537**
Deferred tax expenses / income		
National	309	603
Foreign	20	106
Total	**329**	**709**
Balance	**-5,808**	**-4,828**

Breakdown of income tax by integral components

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Current tax result		
Current income tax for the reporting year	-6,140	-5,352
Current income tax relating to prior periods	3	-185
Total	**-6,137**	**-5,537**
Deferred tax result		
Change in temporary differences	496	571
Change in tax assets from tax loss carry forwards	-167	138
Total	**329**	**709**
Balance	**-5,808**	**-4,828**

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 2020/21 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 14.5% and 25.0% (prior year: 14.5% and 29.6%).

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
EBT	19,323	17,904
Expected tax expenses	**-5,874**	**-5,443**
Deviations:		
Current tax expenses / income relating to prior periods	3	-185
Tax differences relating to prior periods	28	88
Non-deductible expenses / tax-free income	-757	-255
Waiver of capitalisation of tax loss carry forwards for current year	-31	-66
Reversal of capitalised loss carry forwards relating to prior periods	0	0
Capitalisation of tax loss carry forwards relating to prior periods	56	376
Use of uncapitalised loss carry forwards for current year	38	221
Effect of different tax rates	922	493
Tax rate changes	57	0
Other influences	-250	-57
Total	**-5,808**	**-4,828**

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	10/2020 – 09/2021	10/2019 – 09/2020
Metric in KEUR		
Result for the period (attributable to owner of the parent)	13,347	12,722
Denominator in shares		
Weighted average number of ordinary shares outstanding	4,982,000	4,982,000
Undiluted and diluted earnings per share in EUR	**2.68**	**2.55**

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 2021 and 30 September 2020, 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. 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**

in KEUR	Due ≤1 year	Due >1≤5 years	Due >5 years	Total 30.09. 2020
Finance lease receivables (gross value)	4,139	6,850	0	10,989
Less unrealised financial income	-28	-176	0	-204
Finance lease receivables (net value)	**4,111**	**6,674**	**0**	**10,785**

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	10/2020 – 09/2021	10/2019 – 09/2020
Trade receivables	41,753	39,858
Contract assets	4,671	4,905
Gross carrying amount	**46,424**	**44,763**
Impairment	-1,254	-1,771
Net carrying amount	**45,170**	**42,992**

Changes in impairment of doubtful accounts

in KEUR	30.09. 2021	30.09. 2020
Impairments on 1 October	**-1,771**	**-1,792**
Additions	-338	-1,410
Usage	128	959
Reversals	727	472
Impairments on 30 September	**-1,254**	**-1,771**

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

in KEUR	30.09.2021 Current	30.09.2021 Non-current	30.09.2021 Total	30.09.2020 Current	30.09.2020 Non-current	30.09.2020 Total
Prepaid services	6,097	5,536	11,633	5,135	2,479	7,614
Contract acquisition costs	275	1,090	1,365	363	1,039	1,402
Pre-tax claims	1,003	0	1,003	664	0	664
Inventories	897	0	897	1,636	0	1,636
Contract fulfilment costs	153	679	832	0	0	0
Sundry other assets	904	271	1,175	806	372	1,178
Total	**9,329**	**7,576**	**16,905**	**8,604**	**3,890**	**12,494**

Sundry other non-current assets include contract assets of KEUR 20 (prior year: KEUR 30).

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					
01.10.2019	**32,595**	**12,417**	**50,288**	**9,040**	**104,340**
Foreign currency differences	25	0	0	0	25
Additions	0	0	0	768	768
Disposals	-80	0	0	-900	-980
Reclassifications	0	0	0	0	0
30.09.2020	**32,540**	**12,417**	**50,288**	**8,908**	**104,153**
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
Reclassifications	0	0	0	0	0
30.09.2021	**32,527**	**12,417**	**50,288**	**10,052**	**105,284**
Accumulated amortisation and impairment					
01.10.2019	**1,871**	**59**	**28,118**	**6,782**	**36,830**
Foreign currency differences	11	0	0	0	11
Amortisation	0	34	3,754	821	4,609
Impairment	0	0	0	0	0
Disposals	-80	0	0	-900	-980
Reclassifications	0	0	0	0	0
30.09.2020	**1,802**	**93**	**31,872**	**6,703**	**40,470**
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
Reclassifications	0	0	0	0	0
30.09.2021	**1,797**	**127**	**35,273**	**7,501**	**44,698**
Carrying values					
30.09.2020	**30,738**	**12,324**	**18,416**	**2,205**	**63,683**
30.09.2021	**30,730**	**12,290**	**15,015**	**2,551**	**60,586**

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. 2021	30.09. 2020
All for One Group SE, Filderstadt	12,126	12,126
Empleox GmbH, Heilbronn (sub-group)	9,398	–
TalentChamp Consulting GmbH, Vienna/Austria (sub-group)	–	5,046
KWP INSIDE HR GmbH, Heilbronn (sub-group)	–	4,352
avantum consult GmbH, Düsseldorf	2,569	2,569
Process Partner AG, St. Gallen/Switzerland	2,355	2,363
OSC GmbH, Lübeck (sub-group)	2,327	2,327
Communications Data Engineering GmbH, Hagenberg/Austria	1,301	1,301
B4B Solutions GmbH, Graz/Austria (sub-group)	529	529
All for One Austria GmbH, Vienna/Austria	125	125
Total	**30,730**	**30,738**

In connection with the change in the scope of consolidation discussed in section C as a result of merging the former TC Group and KWP Group into the single Empleox Group, the two cash-generating units TalentChamp Consulting GmbH, Vienna/Austria (sub-group) and KWP INSIDE HR GmbH, Heilbronn (sub-group) were also bundled together to form one group of cash-generating units (Empleox GmbH, Heilbronn). In future, Empleox Group will constitute the lowest level within All for One Group at which goodwill is monitored for internal management purposes.

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 2020/21 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 2020/21 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 to sell (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 goodwill impairment are based on management's three-year business plan. 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%. The business planning process also assumes a steady or slightly rising EBIT margin. 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 2020/21 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 margins of 25% were assumed. None of these parameter changes, either in isolation or in combinations considered possible, would result in a need for impairment of a cash-generating unit.

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

in %	30.09. 2021	30.09. 2020
All for One Group SE, Filderstadt	11.62	10.11
Empleox GmbH, Heilbronn (sub-group)	11.75	–
TalentChamp Consulting GmbH, Vienna/Austria (sub-group)	–	9.71
KWP INSIDE HR GmbH, Heilbronn (sub-group)	–	10.20
avantum consult GmbH, Düsseldorf	11.83	10.26
Process Partner AG, St. Gallen/Switzerland	9.51	8.25
OSC GmbH, Lübeck (sub-group)	11.94	10.34
Communications Data Engineering GmbH, Hagenberg/Austria	10.83	9.39
B4B Solutions GmbH, Graz/Austria (sub-group)	11.40	9.71
All for One Austria GmbH, Vienna/Austria	10.83	9.39

With the Covid-19 pandemic spreading further, forecasts in financial year 2020/21 with regard to the duration and extent of the impact on cash flows are surrounded by not inconsiderable uncertainty. Management based its underlying estimates and assumptions on the best available information, using a scenario that built on the assumption that the economic impact of the current pandemic would not be of a lengthy duration.

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 time of acquisition.

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 to sell or value in use of the asset. Fair value less costs to sell 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 life 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				
01.10.2019	**5,181**	**40,835**	**6,148**	**52,164**
Currency translation	-78	3	-25	-100
Additions	620	3,166	356	4,142
Disposals	0	-1,340	-197	-1,537
Reclassifications	-219	-12,363	-22	-12,604
30.09.2020	**5,504**	**30,301**	**6,260**	**42,065**
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**
Accumulated depreciation and impairment				
01.10.2019	**1,160**	**23,667**	**3,920**	**28,747**
Currency translation	-26	2	-13	-37
Depreciation	510	4,471	675	5,656
Impairment	0	0	0	0
Disposals	0	-1,263	-185	-1,448
Reclassifications	-128	-6,195	-3	-6,326
30.09.2020	**1,516**	**20,682**	**4,394**	**26,592**
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**
Carrying values				
30.09.2020	**3,988**	**9,619**	**1,866**	**15,473**
30.09.2021	**3,714**	**9,896**	**1,630**	**15,240**

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 computer centres 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 time of acquisition. 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				
01.10.2019				
Initial application of IFRS 16	26,928	0	5,962	32,890
Currency translation	-127	0	-6	-133
Additions	3,035	1,055	3,727	7,817
Disposals	-247	-126	-814	-1,187
Reclassifications	225	12,379	0	12,604
30.09.2020	**29,814**	**13,308**	**8,869**	**51,991**
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**
Accumulated depreciation and impairment				
01.10.2019				
Currency translation	-16	0	-2	-18
Depreciation	5,248	2,559	3,932	11,739
Impairment	0	0	0	0
Disposals	-229	-126	-733	-1,088
Reclassifications	128	6,198	0	6,326
30.09.2020	**5,131**	**8,631**	**3,197**	**16,959**
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**
Carrying values				
30.09.2020	**24,683**	**4,677**	**5,672**	**35,032**
30.09.2021	**23,647**	**10,957**	**5,354**	**39,958**

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, computer centres 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 assets are recognised separately in the balance sheet and broken down individually in the relevant discussion in note 15 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 leased 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 30.09.2021	Deferred tax assets 30.09.2020	Deferred tax liabilities 30.09.2021	Deferred tax liabilities 30.09.2020	Deferred tax expenses (-) / Deferred tax income (+) [1] 10/2020 – 09/2021	Deferred tax expenses (-) / Deferred tax income (+) [1] 10/2019 – 09/2020
Measurement differences from:						
Acquisitions	0	0	9,104	10,184	1,080	1,059
Revenue recognition						
IFRS 15 allocations	100	135	44	223	144	163
POC method	0	0	3,616	2,986	-630	-391
Contract acquisition costs	0	0	401	414	15	14
Contract fulfilment costs	0	0	250	0	-250	0
Value adjustments on receivables	40	93	9	6	-56	36
Leases						
Lessors	0	0	1,334	1,332	-2	-35
Lessees	171	129	0	0	43	124
Promissory note bonds	0	0	32	47	15	-11
Pension commitments	658	879	0	0	-11	3
Other employee benefits	180	122	0	0	58	-404
Other provisions	169	78	21	21	91	16
Tax loss carry forwards	209	376	0	0	-167	138
Outside basis differences	0	0	92	92	0	-11
Other divergences	28	27	15	13	-1	8
Total (before balancing)	**1,555**	**1,839**	**14,918**	**15,318**	**329**	**709**
Balancing	-1,228	-1,131	-1,228	-1,131		
Net amount	**327**	**708**	**13,690**	**14,187**		

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 2021, the German companies had tax loss carry forwards totalling KEUR 2,481 (30 Sep 2020: KEUR 3,508). These are attributable to the subsidiaries Grandconsult GmbH i.L. (in liquidation), Filderstadt, in the amount of KEUR 2,178 (30 Sep 2020: KEUR 2,134), Allfoye Managementberatung GmbH, Düsseldorf, in the amount of KEUR 250 (30 Sep 2020: KEUR 599, OSC Smart Integration GmbH, Hamburg, in the amount of KEUR 53 (30 Sep 2020: KEUR 179) and B4B Solutions GmbH, Ratingen, in the amount of KEUR 0 (30 Sep 2020: KEUR 596. Deferred tax assets were recognised on KEUR 250 of these loss carry forwards (30 Sep 2020: KEUR 1.014).

In addition, the Austrian companies have tax loss carry forwards totalling KEUR 539 (30 Sep 2020: KEUR 301). These are attributable to the subsidiaries B4B Solutions GmbH, Graz/Austria, in the amount of KEUR 134 (30 Sep 2020: KEUR 301) and Empleox Austria GmbH, Vienna/Austria, in the amount of KEUR 405 (30 Sep 2020: KEUR 0). Deferred tax assets were recognised on KEUR 539 of these loss carry forwards (30 Sep 2020: KEUR 301).

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 2,231 (30 Sep 2020: KEUR 2,494) is not expected. Tax loss carry forwards do not lapse over time.

No deferred tax liabilities were recognised with regard to tax-relevant differences of KEUR 373 (5% of KEUR 7,453) (prior year: KEUR 300, 5% of KEUR 6,009) 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

	Present value of defined benefit obligation		Fair value of plan assets		Net liabilities / assets from defined benefit plans	
in KEUR	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021	10/2019 – 09/2020
Balance on 1 October	**17,624**	**15,666**	**13,815**	**11,804**	**3,809**	**3,862**
Recognised in profit and loss						
Current service cost	402	354	0	0	402	354
Past service cost	0	-523	0	0	0	-523
Net interest on net debt	60	41	50	35	10	6
	462	**-128**	**50**	**35**	**412**	**-163**
Recognised in other comprehensive income						
Loss/profit from revaluations						
Actuarial loss/gains from:						
demographic assumptions	-638	-244	0	0	-638	-244
financial assumptions	45	-194	-63	295	108	-489
experience-based adjustments	113	1,231	0	0	113	1,231
Return on plan assets	0	0	1,016	121	-1,016	-121
Foreign currency differences	-34	51	-19	32	-15	19
	-514	**844**	**934**	**448**	**-1,448**	**396**
Other items						
Payments made	-355	851	-355	851	0	0
Employer contributions	0	0	276	281	-276	-281
Contributions by employee beneficiaries	434	391	439	396	-5	-5
	79	**1,242**	**360**	**1,528**	**-281**	**-286**
Balance on 30 September	**17,651**	**17,624**	**15,159**	**13,815**	**2,492**	**3,809**
Of which attributable to:						
Germany	6,928	7,057	6,242	6,353	686	704
Switzerland	10,723	10,567	8,917	7,462	1,806	3,105
	17,651	**17,624**	**15,159**	**13,815**	**2,492**	**3,809**

A change in the plan for the Swiss pension obligations produced a negative past service expense in the prior year that was recognised in the consolidated statement of profit and loss. In the prior year, the payments made included, among other things, funded pension obligations assumed in connection with new employees.

Provisions for pension obligations are made in the consolidated financial statements of All for One Group with regard to six (30 Sep 2020: 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 2020: 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 2015) generation tables are used as the biometric basis for calculating the obligations.

in %	30.09.2021	30.09.2020
Discount rate Germany	0.74	0,56 – 0,62
Discount rate Switzerland	0.10	0.20
Salary development Germany	0.00 – 2.00	0.00 – 2.00
Salary development Switzerland	1.00	1.00
Pension development Germany	1.70	1.70
Pension development Switzerland	0.00	0.00

On 30 September 2021, the weighted average duration of the defined benefit obligations was 7.7 years (prior year: 8.2 years) in Germany and 19.9 years (prior year: 21.0 years) in Switzerland.

Plan assets

in KEUR	30.09.2021	30.09.2020
Assets held by insurance companies	6,154	6,270
Debt instruments	3,210	2,950
Equity instruments	2,675	2,267
Property	1,338	1,024
Cash and cash equivalents	89	25
Other plan assets	1,693	1,279
Total	**15,159**	**13,815**

The expected employer contributions for All for One Group's defined benefit plans for the financial year 2021/22 are KEUR 300 (prior year: KEUR 309).

Future pension payments

in KEUR	30.09.2021	30.09.2020
Year 1	751	647
Year 2	781	614
Year 3	678	663
Year 4	655	585
Year 5	619	566
Following 5 years	2,636	2,466
Total	**6,120**	**5,541**

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 that the discount rate changes by 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)	-130	136
Pension progression (+0.5% points)	133	-124
Switzerland		
Discount rate (+/- 0.25% points)	-332	356
Pension progression (+0.25% points)	275	–

DEFINED CONTRIBUTION PLANS

In the year under review, payments to defined contribution pension schemes (including the statutory pension insurance scheme) totalled KEUR 1,171 (prior year: KEUR 1,001).

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 income 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	01.10.2020	Additions	Interest effects	Usage	Reversals	30.09.2021
Warranty and damage claims	1,076	60	0	-230	-543	363
Impending losses	239	102	0	-27	-6	308
Severance payments	0	594	0	-441	0	153
Short-term other provisions	**1,315**	**756**	**0**	**-698**	**-549**	**824**
Anniversary provision	499	325	3	-36	0	791
Severance payments Austria	191	0	1	0	-46	146
Long-term other provisions	**690**	**325**	**4**	**-36**	**-46**	**937**
Total	**2,005**	**1,081**	**4**	**-734**	**-595**	**1,761**

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 implementation and optimisation projects 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 in Austria (**»Severance payments Austria«**) 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	Repay-ment date	Amount
Promissory note 2017 – 2022	30.05.2022	6.0
Promissory note 2017 – 2024	30.05.2024	4.0
Promissory note 2018 – 2022	02.05.2022	5.0
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
Total		**48.5**

All of the promissory note bonds incur interest at fixed rates ranging between 0.90% and 1.75%, depending on the tranche.

The promissory note bonds with bullet maturity are neither subordinated nor secured. The holders of these promissory note bonds are authorised to raise the interest margin or, as applicable, to call the promissory note bonds totalling EUR 48.5 million due immediately should certain events occur on the basis of the covenants. These events involve adhering to the agreed targets for the equity ratio and the sum of equity as well as the relationship between total net debt and EBITDA. The creditors will also be authorised to cancel their loan commitments and call the total amount of EUR 48.5 million due immediately should certain changes be made in the All for One Group shareholder structure (change of control). All covenants regarding key financials were complied with, both in financial year 2020/21 and in the comparable prior period.

As of 30 September 2021, All for One Group also had approved lines of credit at banks in the amount of KEUR 5,744 (prior year: KEUR 5,701). Aval guarantees for rental security deposits are being utilised in the amount of KEUR 2,023 (prior year: KEUR 1,973).

Other liabilities

	30.09.2021			30.09.2020		
in KEUR	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Tax liabilities	4,596	0	4,596	4,744	0	4,744
Purchase price obligations	2,000	0	2,000	95	0	95
Sundry other obligations	1,191	1,058	2,249	1,422	650	2,072
Total	**7,787**	**1,058**	**8,845**	**6,261**	**650**	**6,911**

Sundry other non-current liabilities include contract liabilities of KEUR 244 (prior year: KEUR 304) and liabilities to employees of KEUR 814 (prior year: KEUR 346).

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 bonds, 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	30.09.2021	30.09.2020
Bank balances	74,994	69,076
Cash in hand	11	13
Cash and cash equivalents (balance sheet)	**75,005**	**69,089**
Current account loans	-32	0
Cash funds (cash flow statement)	**74,973**	**69,089**

The average interest on bank deposits was 0.01% (prior year: 0.01%).

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	01.10.2020	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**

			Non-cash changes			
in KEUR	01.10.2019	Cash changes	Initial application of IFRS 16	Currency effects	Other effects	30.09.2020
Liabilities to financial institutions	23,403	24,987	0	0	-37	48,353
Lease liabilities	6,601	-11,303	32,890	-106	7,596	35,678
Purchase price obligations	245	-153	0	0	3	95
Total	**30,249**	**13,531**	**32,890**	**-106**	**7,562**	**84,126**

Other effects mainly comprise newly recognised leases. The total cash outflows for leases in financial year 2020/21 amount to KEUR 12,818 (prior year: KEUR 12,009), of which KEUR 12,404 (prior year: KEUR 11,679) is attributable to interest and principal repayments for lease liabilities, KEUR 66 (prior year: KEUR 112) to short-term leases and KEUR 348 (prior year: KEUR 218) 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.

Cash flow is classified as one of three types: 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.

H EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of 30 September 2021, the issued share capital was divided into 4,982,000 (30 Sep 2020: 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 2020/21 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 11 March 2021 approved a dividend of EUR 1.20 (prior year: EUR 1.20) per share, which was distributed in an amount of EUR 6.0 million (prior year: EUR 6.0 million).

Non-controlling interests

in KEUR	30.09.2021	30.09.2020
Carrying amount 1 October	**41**	**-284**
Distribution to non-controlling interests	-16	-29
Profit share of the current year	168	354
Acquisition of non-controlling interests	16	0
Carrying amount 30 September	**209**	**41**

As of 30 September 2021, non-controlling interests were held in OSC Business Xpert GmbH, Burgdorf (stake unchanged at 49%). In financial year 2020/21, All for One Group SE increased its stake in B4B Solutions GmbH, Graz/Austria, from 70% to 100%. The subsidiary was already fully consolidated. With regard to the combined financial information as of 30 September 2020, please refer to the discussion in the notes to the consolidated financial statements (section H.) in the Annual Report 2019/20.

I 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. The **»LOB«** segment (»Lines of Business«) 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 – to substantially detract 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 in the aggregate. 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	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021	10/2019 – 09/2020	10/2020 – 09/2021	10/2019 – 09/2020
External sales revenue	306,172	292,451	66,765	62,942	0	0	372,937	355,393
Intersegment revenue	5,576	5,939	10,033	9,987	-15,609	-15,926	0	0
Sales revenue	**311,748**	**298,390**	**76,798**	**72,929**	**-15,609**	**-15,926**	**372,937**	**355,393**
Depreciation, amortisation and impairment	-19,298	-19,561	-2,156	-2,453	10	10	-21,444	-22,004
Segment EBIT	**15,639**	**14,783**	**4,984**	**4,494**	**10**	**10**	**20,633**	**19,287**
Financial result	–	–	–	–	–	–	-1,310	-1,383
EBT	**–**	**–**	**–**	**–**	**–**	**–**	**19,323**	**17,904**

Non-current assets by country [1]

in KEUR	30.09. 2021	30.09. 2020
Germany	109,617	103,639
Austria	10,212	10,856
Switzerland	2,670	2,477
Other countries	624	777
Total	**123,123**	**117,749**

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 management is handled 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.

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

Value adjustment matrix for financial year 2019/20

			Value adjustment matrix			
in KEUR	**30.09.2020**	**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)	39,858	5,813	27,350	5,144	1,070	481
Contract assets (gross carrying amount)	4,905	0	4,905	–	–	–
Weighted average default rate	–	–	0.36%	0.57%	4.41%	34.39%
Impairment	-1,771	-1,412	-118	-29	-47	-165

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.

In the case of the remaining All for One Group promissory note bonds, the holders of these promissory notes are authorised to raise the interest margin or, as applicable, to call the promissory note bonds due immediately should certain events occur on the basis of the covenants. These events primarily involve adhering to the agreed targets for the total equity as well as the relationship between total net debt and EBITDA. The effects of first-time application of IFRS 16 when determining covenants are not considered, due to contractual regulations. The creditors will also be authorised to cancel their loan commitments and call the respective amount due immediately should certain changes be made in the All for One Group shareholder structure (change of control). All covenants were complied with in full, both in financial year 2020/21 and in the prior year. Because the management board continuously monitors compliance with the terms and conditions of the promissory note bonds, 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. 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**

in KEUR	Due ≤1 year	Due >1≤5 years	Due >5 years	Total 30.09. 2020
Trade payables	16,784	0	0	16,784
Liabilities to financial institutions	7	15,004	33,500	48,511
Lease liabilities	10,721	17,018	9,208	36,947
Purchase price obligations	100	0	0	100
Total	**27,612**	**32,022**	**42,708**	**102,342**

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, remaining risks involved in foreign-currency accounting are covered using currency transactions (futures, options). Foreign currency hedges were neither used in the financial year 2020/21 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 current and non-current financial liabilities at present relate to the promissory note bonds issued by the company at fixed rates, interest rates were not hedged in financial year 2020/21 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	30.09.2021
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 KEUR	Carrying amount per measurement category (IFRS 9)					
	Financial assets		Financial liabilities			
	At fair value through profit and loss	At amortised cost	At fair value through profit and loss	At amortised cost	IFRS 7 not applicable	30.09.2020
Current assets						
Cash and cash equivalents	–	69,089	–	–	–	69,089
Finance lease receivables	–	4,111	–	–	–	4,111
Trade receivables	–	38,087	–	–	–	38,087
Other assets	–	267	–	–	8,337	8,604
Non-current assets						
Finance lease receivables	–	6,674	–	–	–	6,674
Other assets	–	329	–	–	3,561	3,890
Current liabilities						
Liabilities to financial institutions	–	–	–	7	–	7
Lease liabilities	–	–	–	10,426	–	10,426
Trade payables	–	–	–	16,784	–	16,784
Other liabilities	–	–	95	186	5,980	6,261
Non-current liabilities						
Liabilities to financial institutions	–	–	–	48,346	–	48,346
Lease liabilities	–	–	–	25,252	–	25,252
Other liabilities	–	–	–	–	650	650
Total	**0**	**118,557**	**95**	**101,001**	**18,528**	

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.

in KEUR	Carrying amount		Fair value	
	30.09. 2021	**30.09. 2020**	**30.09. 2021**	**30.09. 2020**
Finance lease receivables	11,246	10,785	11,323	10,923
Liabilities to financial institutions	48,396	48,353	49,844	49,724

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. 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	10/2020–09/2021	10/2019–09/2020
Financial assets at amortised cost	387	-938
Financial assets at fair value through profit or loss	0	0
Financial liabilities at amortised cost	-51	-56
Financial liabilities at fair value through profit or loss	0	0
Total	**336**	**-994**

Interest expenses relating to financial instruments amounted to KEUR 967 in financial year 2020/21 (prior year: KEUR 1,162), while the interest income totalled KEUR 0 (prior year: KEUR 0).

CAPITAL MANAGEMENT DETAILS

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. 2021	30.09. 2020
Liabilities to financial institutions	48,396	48,353
Lease liabilities	40,434	35,678
Cash and cash equivalents	75,005	69,089
Net debt (-) / Net liquidity (+)	-13,825	-14,942
Equity	91,428	88,784
Equity ratio (in % of the balance sheet total)	**35%**	**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 2020/21 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. Management is not aware of any events that could materially jeopardise the earnings, cash flow or financial position. The risks arising from legal disputes are mitigated by accruing appropriate provisions.

Other financial obligations not reported on the balance sheet

in KEUR	30.09. 2021	30.09. 2020
Commitment to invest in		
fixed assets	761	7,008
leases concluded but not yet started	4,583	1,193

In financial year 2020/21, the expenses relating to unrecognised leases amounted to KEUR 414 (prior year: KEUR 330), of which KEUR 66 (prior year: KEUR 112) was attributable to current leases and KEUR 348 (prior year: KEUR 218) 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 left out due to the lack of sufficient certainty that these options would be exercised, which could lead to undiscounted potential cash outflows of KEUR 53,586 (prior year: KEUR 59,778). 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 2020 to 30 September 2021:

Other expenses of KEUR 107 (prior year: KEUR 66) 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 2 in financial year 2020/21 (prior year: KEUR 0).

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 translations, 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

Further memberships in 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)
– OSC AG, Lübeck/Germany (member of the supervisory board until the change of its legal form to OSC GmbH at the end of June 2021)
– avantum consult AG, Düsseldorf/Germany (member of the supervisory board until the change of its legal form to avantum consult GmbH in mid-June 2021)

Michael Zitz
CSO since April 2021

Stefan Land
CFO since April 2008

Further memberships in 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)
– OSC AG, Lübeck/Germany (chairman of the supervisory board until the change of its legal form to OSC GmbH at the end of June 2021)
– avantum consult AG, Düsseldorf/Germany (chairman of the supervisory board until the change of its legal form to avantum consult GmbH in mid-June 2021)

Membership by management board members in control bodies as defined in Section 125 (1) sentence 5 AktG is limited to various companies within All for One Group SE.

Total compensation paid to members of the management board

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Short-term benefits	1,652	1,249
Share-based payments	0	0
Post-employment benefits	128	124
Termination benefits	0	0
Other long-term benefits	464	346
Total [1]	**2,244**	**1,719**

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

The variable portions of the aforementioned total compensation amounted to KEUR 1,266 in total (prior year: KEUR 879) 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 options for shares of All for One Group SE 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 components of compensation is provided in the compensation report in the combined management report of All for One Group SE.

MEMBERS OF THE SUPERVISORY BOARD

Josef Blazicek (chairman)
Independent businessman

Further memberships in 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 (since 11 March 2021)
Member of administrative board of Qino Engineers AG, Hünenberg/Switzerland

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

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

Further memberships in supervisory boards and controlling bodies (Section 125 (1) sentence 5 AktG):
- Ganahl Aktiengesellschaft, Frastanz/Austria (chairman of the supervisory board)

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

Dr. Matthias Massing (since 22 October 2021)
Manager Business Development, All for One Group SE, Filderstadt/Germany

Jörgen Dalhoff (until 30 September 2021)
Group processes management at All for One Group SE, Filderstadt/Germany

Peter Fritsch (until 11 March 2021)
Managing director of BEKO HOLDING GmbH & Co. KG, Nöhagen/Austria

Total compensation paid to members of the supervisory board

in KEUR	10/2020 – 09/2021	10/2019 – 09/2020
Fixed compensation	125	125
Committee remuneration	36	35
Total [1]	**161**	**160**

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 components of compensation is provided in the compensation report in the combined management report of All for One Group SE.

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	10/2020 – 09/2021	10/2019 – 09/2020
Audit services BDO	265	196
of which only BDO AG	242	180
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	5	20
of which only BDO AG	5	20
Total	**275**	**221**
of which only BDO AG	252	205

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 conduct of agreed investigations pertaining to All for One Group SE's financial indicators.

The other services relate to an impairment certificate for a subsidiary in the context of a merger.

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's 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

After the closing date, All for One Group SE completed the two company acquisitions projects discussed below (CORE segment). The acquisitions were both funded from cash and cash equivalents.

SNP Poland

Effective 1 October 2021 (time of acquisition), All for One Group SE acquired 51% of the shares in SNP Poland Sp. z o.o., Suchy Las/Poland (»SNP Poland«). Since that date, the company – a key provider of SAP services in Poland with more than 400 employees, more than 400 customers, annual turnover of currently more than EUR 30 million and positive earnings (EBIT) in the low single digit million euro range – 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 SNP 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 SNP Poland at the time of acquisition (»anticipated acquisition« method). Accordingly, when fully consolidating SNP Poland, All for One Group SE does not recognise any »non-controlling interests«.

The total price for all shares in SNP Poland is made up of a contractually agreed fixed purchase price of EUR 15 million and variable purchase price components that are largely dependent on the operating profit (EBIT) generated by SNP Poland in the final two financial years preceding exercise of the options. The performance-related variable purchase price component is capped at both the lower (EUR 0 million) and upper ends (EUR 13.0 million).

First-time consolidation had not been completed at the time of approving the transaction for publication. In particular, back then neither the calculation of the fair value of the contingent consideration had been completed nor had the fair value of the acquired assets and liabilities been conclusively identified and determined; final impartial valuations had not yet been received.

ASC Group

Effective 1 October 2021 (time of acquisition), 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 company – established consultants in the fields of business and IT/SAP consulting with around 50 consultants (incl. freelancers), annual turnover of currently around CHF 12 million and positive earnings (EBIT) in the low single digit million euro range – 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 contractually agreed fixed purchase price of CHF 8.5 million and variable purchase price components that are largely dependent on the operating profit (EBIT) generated by the relevant companies in 2020 and 2021. The performance-related variable purchase price component is capped at both the lower (minus CHF 0.3 million) and upper ends (plus CHF 3.0 million).

First-time consolidation had not been completed at the time of approval of these consolidated financial statements for publication. In particular, back then neither the calculation of the fair value of the contingent consideration had been completed not had the fair value of the acquired assets and liabilities been conclusively identified and determined; final impartial valuations had not yet been received.

Filderstadt, 8 December 2021
All for One Group SE

Lars Landwehrkamp	Michael Zitz	Stefan Land
CEO	CSO	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, 8 December 2021
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 2020 to 30 September 2021, the consolidated balance sheet as of 30 September 2021, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year from 1 October 2020 to 30 September 2021 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 2020 to 30 September 2021.

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 2021 and of the results of operations for the financial year 1 October 2020 to 30 September 2021.

– 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 2020 to 30 September 2021. 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

IMPAIRMENT OF GOODWILL AND TRADEMARK RIGHTS

Facts
In the company's consolidated financial statements, goodwill totalling EUR 30.7 million (11.6% of the balance sheet total or 33.5% of equity) and trademark rights with indefinite useful lives totalling EUR 12.3 million (4.6% of the balance sheet total or 13.5% 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 and the additional uncertainty surrounding predictions of future business and earnings performance as a result of the coronavirus pandemic, 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. In doing so, we paid particular attention to whether the impacts of the coronavirus pandemic had been appropriately considered in the budgets. 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. In doing so, we assessed whether the sensitivity analyses adequately reflect the uncertainty caused by the coronavirus pandemic.

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 152.7 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.

OTHER INFORMATION

The legal representatives and the supervisory board are responsible for providing the other information. Other information includes:

– the separately published sustainability report referred to 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 25 of the notes to the audited consolidated financial statements.

– 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 reports 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_2021.zip« (SHA256 hash value: 2f80c7313168795ed9889cc8808cd090621ce2c001a9a5f13ca68c4a22e10dcc) 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 2020 to 30 September 2021 included in the preceding »REPORT ON THE AUDIT OF THE CONSOLI-

DATED 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 (10.2021)). 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 11 March 2021. We were engaged by the chairman of the audit committee on 31 August 2021. 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 Dr. Jan Fasshauer.

Frankfurt am Main, 8 December 2021
BDO AG
Wirtschaftsprüfungsgesellschaft

Schuster	Dr. Fasshauer
Auditor	Auditor

SERVICE

FINANCIAL CALENDAR FOR FINANCIAL YEAR 2021/22

Thursday	10.02.2022	Quarterly Statement 2021/22 as at 31 December 2021
Wednesday	16.03.2022	Annual General Meeting
Thursday	12.05.2022	Half-Year Financial Report 2021/22 as at 31 March 2022
Thursday	04.08.2022	Quarterly Statement 2021/22 as at 30 June 2022
Wednesday	14.12.2022	Publication of Consolidated and Annual Financial Statements Financial Year from 1 October 2021 to 30 September 2022
Wednesday	14.12.2022	Financial Statements Press Conference, Filderstadt
Thursday	15.12.2022	Analyst Presentation, Frankfurt

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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