

# HALF YEAR REPORT 2017



# ATOSS



## ATOSS HALF-YEAR REPORT 2017



## LETTER TO SHAREHOLDERS



**Andreas F.J. Obereder and Christof Leiber**  
Board of Management ATOSS Software AG

*Dear Shareholders,  
Ladies and Gentlemen,*

In the first half of 2017, ATOSS Software AG has succeeded in maintaining the record growth of the last few years. The steadily positive growth of our business is not only a testament to the strong position of ATOSS in the market. It also shows the enormous potential of workforce management.

For example, total sales increased by 11 percent over the previous year. While the trade association Bitkom is forecasting sales growth of 6.3 percent for software this year, we have achieved a rise of 12 percent in the first half of the year. ATOSS therefore continues to grow faster than the market.

The excellent business development of ATOSS Software AG is closely associated with the increasing demands of companies for the optimization of their processes. The aspects of productivity, cost-effectiveness, quality, flexibility as well as employee satisfaction and compliance with the law play an important role in this process. Our tailored workforce management solutions which can optimize personnel processes in companies, and shape personnel deployment more efficiently constitute an essential tool for mastering this challenge.

Cloud topics are assuming a steadily growing role in this context, not only in the digital economy but also at ATOSS, and since its introduction in 2014, it has opened up new customer groups for the group. This is evidenced to a particularly impressive degree by the current order level of Cloud subscriptions on June 30, 2017 amounting to EUR 6.9 million (prior year: EUR 4.0 million) and the sales recorded with Cloud solutions in the first half of the year. And there is no end in sight to Cloud driven growth. According to an annual trend survey conducted by Bitcom, Cloud computing topics will play a key role in the future process of digitization, as they will facilitate both more efficient business processes and the development of entirely new, digital business models. ATOSS regards itself as ideally positioned in this regard - both strategically and technically. In this context, EUR 5.2 million has already been expended on research and development in the first six months. With this measure, ATOSS is adhering to its long-held principle of investing around 20 percent of sales in product refinement every year.



The positive growth of the business in the first half of the year, however, is also reflected in further important key financial indicators in the Group. Besides very high liquidity (liquid funds and other financial assets) and consistently high operating cash flow, the equity ratio which remains at the high level of 50 percent, is evidence of the outstanding solidity of the ATOSS Group which makes it such a secure investment.

As a key player in the market for workforce management, ATOSS Software AG is superbly positioned to maintain its success story for the twelfth year in succession. The order book for software licenses and Cloud solutions, in particular, totaling EUR 5.1 million and EUR 6.9 million respectively, constitutes an excellent platform from which to do so.

In view of the above, the Management Board is retaining its forecast for the 2017 financial year, and maintaining its assumption that sales will continue to grow at a rate of 10 percent within a range of +/-3 percent. An EBIT margin of around 25 percent is also expected.

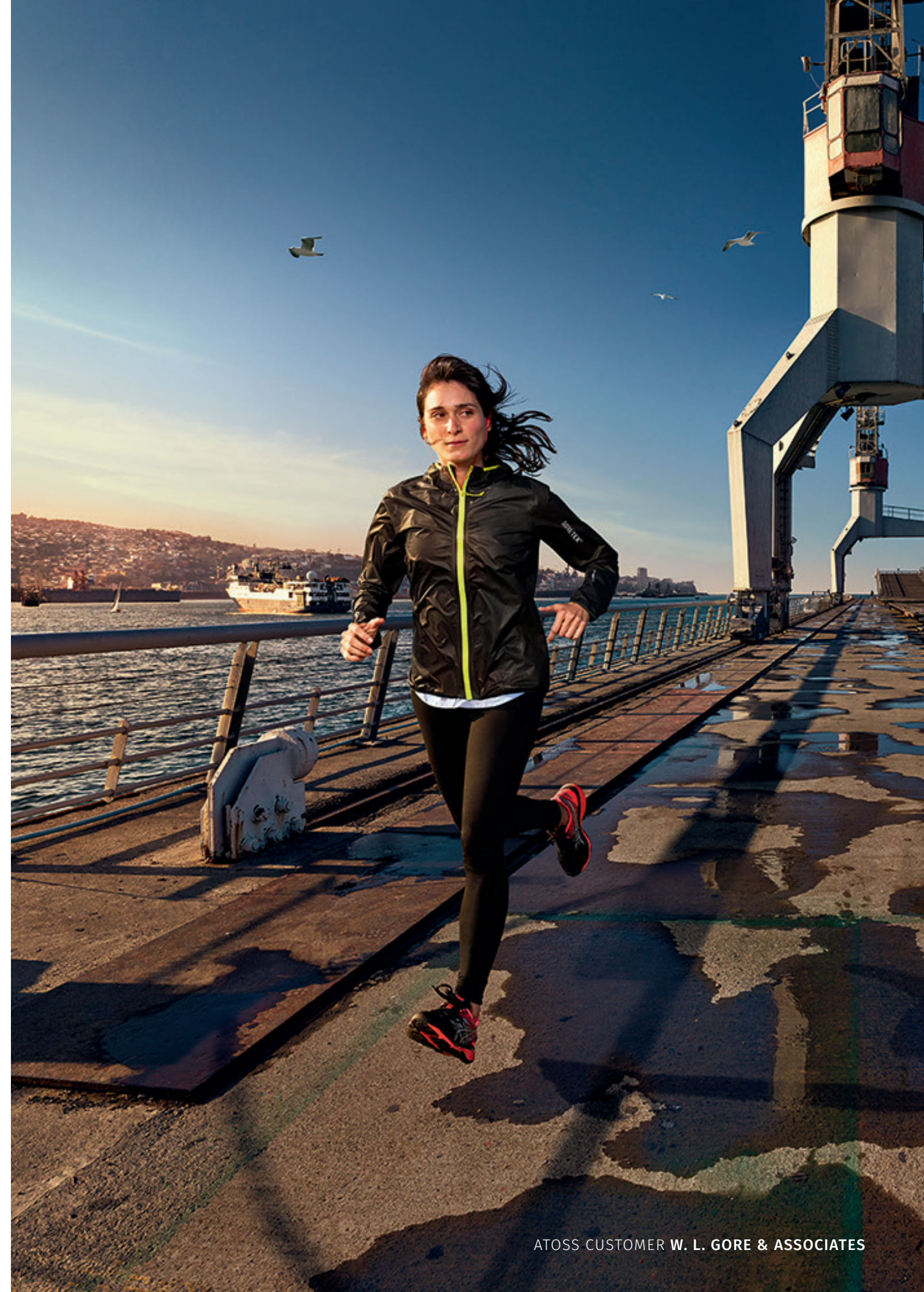
Yours sincerely,



Andreas F.J. Obereder  
Chief Executive Officer



Christof Leiber  
Member of the Board of Management





# FACTS OVERVIEW

## Economic background

The German Institute for Economic Research (DIW Berlin) economic barometer indicates Q2 growth of 0.5 percent by comparison with the previous quarter. The fast pace of the first quarter has thus been maintained. However, the DIW questions whether the German economy will actually be able to deliver the comparatively high rates of growth currently seen over the long term.

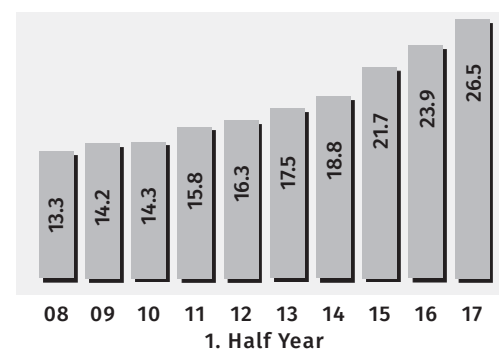
On the other hand, the forecasts published by the digital association Bitkom in March 2017 for the German ITC market are significantly more confident. For example, growth in software for the current year is expected to reach 6.3 percent.

## ATOSS Software AG

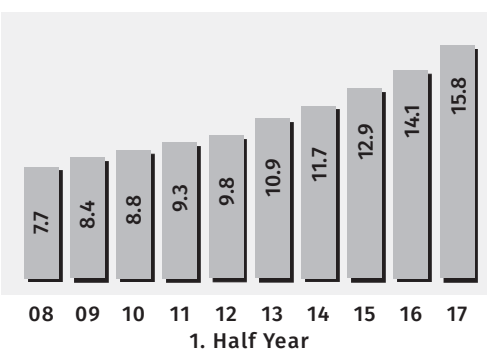
The development in sales in the first half of 2017 underscores sustained customer interest in workforce management, as well as the competitive strength of ATOSS.

The long-term growth of the key performance indicators remains very pleasing. A twelfth set of record results is envisaged.

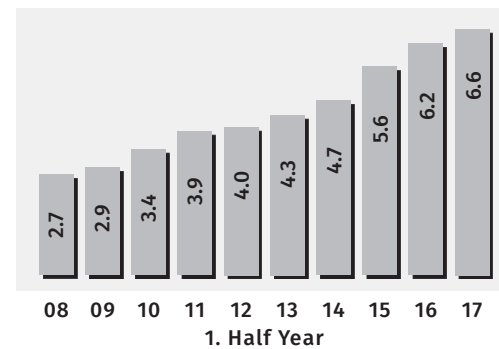
Total Sales (Mio. EUR)



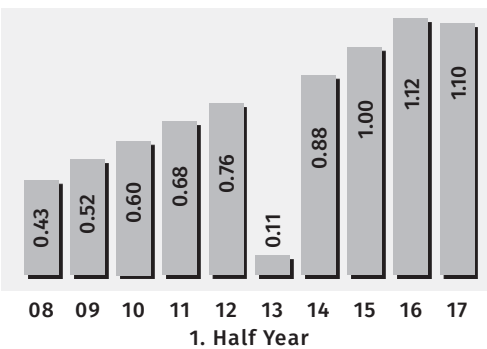
Software Sales (Mio. EUR)



EBIT (Mio. EUR)



EPS (EUR)



## CONSOLIDATED OVERVIEW AS PER IFRS: HALF-YEARLY COMPARISON IN KEUR

	01.01.2017 - 30.06.2017	Proportion of Total sales	01.01.2016 - 30.06.2016	Proportion of Total sales	Change 2017 / 2016
<b>Total sales</b>	<b>26,512</b>	<b>100%</b>	<b>23,929</b>	<b>100%</b>	<b>11%</b>
<b>Software</b>	<b>15,755</b>	<b>59%</b>	<b>14,126</b>	<b>59%</b>	<b>12%</b>
Licenses	6,050	23%	5,214	22%	16%
Maintenance	9,705	37%	8,912	37%	9%
<b>Consulting</b>	<b>7,104</b>	<b>27%</b>	<b>6,656</b>	<b>28%</b>	<b>7%</b>
<b>Hardware</b>	<b>1,938</b>	<b>7%</b>	<b>2,208</b>	<b>9%</b>	<b>-12%</b>
<b>Others</b>	<b>1,715</b>	<b>6%</b>	<b>939</b>	<b>4%</b>	<b>83%</b>
<b>EBITDA</b>	<b>7,009</b>	<b>26%</b>	<b>6,595</b>	<b>28%</b>	<b>6%</b>
<b>EBIT</b>	<b>6,643</b>	<b>25%</b>	<b>6,247</b>	<b>26%</b>	<b>6%</b>
<b>EBT</b>	<b>6,580</b>	<b>25%</b>	<b>6,489</b>	<b>27%</b>	<b>1%</b>
<b>Net profit</b>	<b>4,376</b>	<b>17%</b>	<b>4,454</b>	<b>19%</b>	<b>-2%</b>
<b>Cash flow</b>	<b>4,042</b>	<b>15%</b>	<b>4,862</b>	<b>20%</b>	<b>-17%</b>
<b>Liquidity<sup>(1/2)</sup></b>	<b>23,735</b>		<b>18,065</b>		<b>31%</b>
<b>EPS in euro</b>	<b>1.10</b>		<b>1.12</b>		<b>-2%</b>
<b>Employees<sup>(3)</sup></b>	<b>388</b>		<b>348</b>		<b>11%</b>

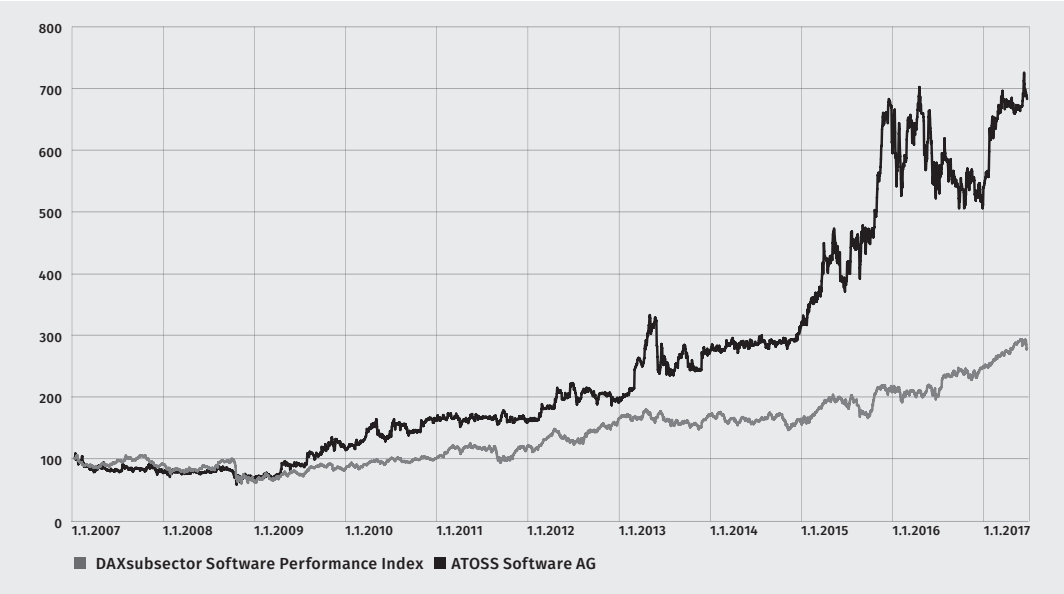
## CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
<b>Total sales</b>	<b>13,521</b>	<b>12,991</b>	<b>13,003</b>	<b>12,612</b>	<b>12,233</b>
<b>Software</b>	<b>8,083</b>	<b>7,672</b>	<b>7,790</b>	<b>7,391</b>	<b>7,242</b>
Licenses	3,174	2,876	3,134	2,858	2,747
Maintenance	4,909	4,796	4,656	4,533	4,495
<b>Consulting</b>	<b>3,469</b>	<b>3,635</b>	<b>3,528</b>	<b>3,195</b>	<b>3,355</b>
<b>Hardware</b>	<b>995</b>	<b>943</b>	<b>969</b>	<b>1,267</b>	<b>1,173</b>
<b>Others</b>	<b>974</b>	<b>741</b>	<b>716</b>	<b>759</b>	<b>463</b>
<b>EBITDA</b>	<b>3,518</b>	<b>3,491</b>	<b>3,974</b>	<b>3,708</b>	<b>3,225</b>
<b>EBIT</b>	<b>3,329</b>	<b>3,314</b>	<b>3,778</b>	<b>3,544</b>	<b>3,050</b>
<b>EBIT margin in %</b>	<b>25%</b>	<b>26%</b>	<b>29%</b>	<b>28%</b>	<b>25%</b>
<b>EBT</b>	<b>3,210</b>	<b>3,370</b>	<b>3,670</b>	<b>3,518</b>	<b>3,149</b>
<b>Net profit</b>	<b>2,120</b>	<b>2,256</b>	<b>2,409</b>	<b>2,415</b>	<b>2,170</b>
<b>Cash flow</b>	<b>-873</b>	<b>4,915</b>	<b>83</b>	<b>7,301</b>	<b>608</b>
<b>Liquidity<sup>(1/2)</sup></b>	<b>23,735</b>	<b>29,619</b>	<b>24,785</b>	<b>25,238</b>	<b>18,065</b>
<b>EPS in euro</b>	<b>0.53</b>	<b>0.57</b>	<b>0.60</b>	<b>0.61</b>	<b>0.55</b>
<b>Employees<sup>(3)</sup></b>	<b>388</b>	<b>373</b>	<b>367</b>	<b>359</b>	<b>348</b>

- (1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans)  
 (2) Dividend of EUR 1.16 per share on 04.05.2017 (KEUR 4,613) and dividend of EUR 2.80 per share on 27.04.2016 (KEUR 11,134)  
 (3) at the end of the quarter/year

# INVESTOR RELATIONS

## SHARE PRICE PERFORMANCE: 01/2007 – 06/2017



## CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN EUR

	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
Highest price	74.36	69.5	58.45	63.48	71.99
Lowest price	67.54	55.34	51.85	51.85	53.5
Share price at end of quarter	70	69.5	52.48	55.27	57.10
Dividend paid per share <sup>(2)</sup>	1.16	0.00	0.00	0.00	2.80
Cashflow per share	-0.22	1.24	0.02	1.84	0.15
Liquidity per share <sup>(1/2)</sup>	5.97	7.45	6.23	6.35	4.54
EPS	0.53	0.57	0.60	0.61	0.55
EPS (diluted)	0.53	0.57	0.60	0.61	0.55

(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans)

(2) Dividend of EUR 1.16 per share on 04.05.2017 (kEUR 4,613) and dividend of EUR 2.80 per share on 27.04.2016 (kEUR 11.134)

## ATOSS share reaches new heights in the first half of the year

The ATOSS share set new records in the first half of 2017, thereby maintaining its positive long-term growth. In the middle of June, for example, it reached EUR 74.36, its highest price since the company floated in 2000, and finished the period at EUR 70.0 on June 30, 2017.

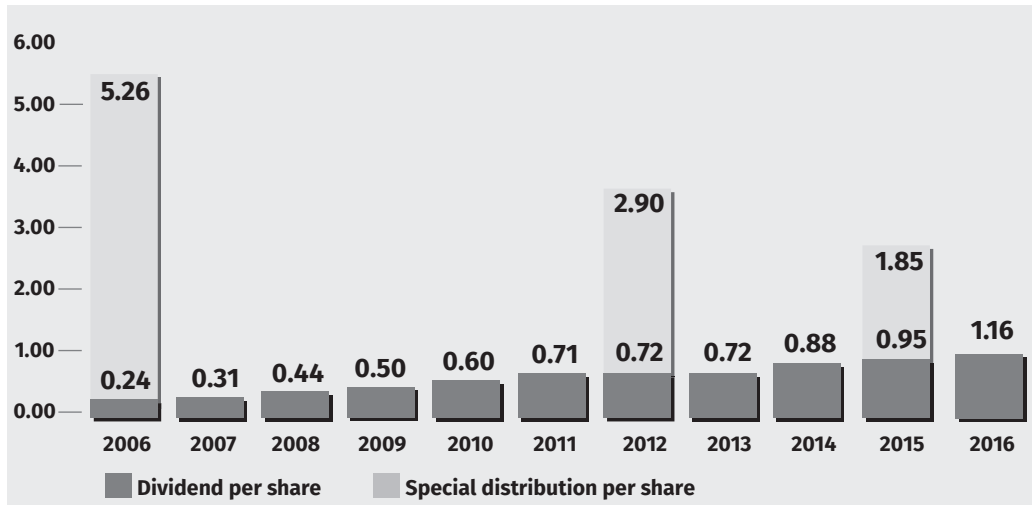
A long-term view also reveals the strength of the ATOSS share: From 2007 to June 2017, it has appreciated by a total of 583 percent. In relation to the same period, the Daxsubsector Software Performance Index was up by just 179 percent. The ATOSS share has clearly outperformed the index and substantially outpaced the market.

Every year, ATOSS Software AG distributes around 50 percent of its profits per share to shareholders, assuming corresponding payout capability. The company has been pursuing this transparent policy with consistency since 2003. In addition, the company made considerable special distributions for the 2006, 2012 and 2015 financial years. Overall, in the course of the past 14 years, long-term ATOSS shareholders have received dividend payouts totaling EUR 20.35 per share.

Given this distribution policy – in combination with very positive earnings growth – ATOSS will also in future retain its positioning as a technology company with an attractive and reliable dividend return, as well as a constantly positive trend, plus the growth opportunities on offer.



ATOSS DIVIDEND PAYMENTS IN EUR



### Analysts praise continuous growth

According to the analysts at Warburg Research the half-year figures presented by ATOSS again underline the tendency towards very steady business development. They particularly stressed the high earnings stability shown in the strong software license revenues. The Company is currently investing in the expansion of capacities and continues to invest strongly in the development of their software products. Analysts see considerable growth potential especially in the Cloud business. In view of the strong continuous growth, the share continues to be rated Hold.

Further information: [www.atoss.com](http://www.atoss.com)



# GROUP MANAGEMENT REPORT

## 1. Business and conditions: German economic upturn continues

After the weakness displayed in the six-month winter period, the global economy regained momentum in the spring of 2017 and according to the ifo Institute, it will remain on this path for the remainder of the year. Production across the entire global economy can thus be expected to grow by 3.0 percent this year.

Total economic output in the eurozone will also continue to show dynamic growth in 2017. The feared negative effects of the Brexit vote and the election of Donald Trump as the new US President have so far fortunately not materialized. This is evidenced by various indicators of the sentiment in the eurozone. This trend is supported by the increasing recovery of the labor market alongside the markedly expansive orientation of monetary policy.

In Germany, the sustained pace of economic growth since 2013 is gaining in strength and depth, according to an assessment of the ifo Institute. Growth of real GDP in 2017 is expected to reach 1.8 percent and 2.0 percent in the coming year. Exports will make an increasing contribution to the upturn as they benefit from improved economic prospects in the eurozone and the rest of the world.

The high-tech sector continues to take an optimistic view of the future and is markedly more confident than industry as a whole. According to forecasts for the German ITC market published by digital association Bitkom in March, 6.3 percent growth is expected in the software area for the current year.

Against this backdrop, ATOSS recorded strong business with sales up 11 percent and a 6 percent increase in operating profits (EBIT) in the first half of 2017 – with significantly higher expenditure on R&D, Sales and Customer Services by comparison with the previous year. In its core software business, the company achieved sales growth of 12 percent. Growth in consulting amounted to 7 percent, buoyed by strong orders on hand for implementation services. Orders for software licenses and Cloud solutions as of June 30, 2017 stand at EUR 5.1 million and EUR 6.9 million respectively following EUR 6.3 million and EUR 4.0 million in the previous year.

## 2. Earnings situation: Further record sales revenues and earnings

In the first half of the 2017 financial year, ATOSS achieved 11 percent growth in overall sales revenues to reach EUR 26.5 million (previous year: EUR 23.9 million). Sales revenues in the core area of software were up from EUR 14.1 million to EUR 15.8 million, an increase of 12 percent. Software licenses grew from EUR 5.2 million to EUR 6.1 million. Software maintenance, too, continued to develop positively with turnover increasing by 9 percent to EUR 9.7 million. Other sales exceeded the figure for the previous year by EUR 0.8 million, reaching EUR 1.7 million, a result that was primarily due to the successful establishment and expansion of the company's Cloud business.

As of June 30, 2017 consulting sales stood at EUR 7.1 million (previous year: EUR 6.7 million).



The key indicator for the company's operating success, earnings before interest and taxes (EBIT), improved from EUR 6.2 million in the previous year to EUR 6.6 million, thanks primarily to the positive growth in sales. The return on sales, in relation to earnings before interest and taxes, therefore stands at 25 percent (previous year: 26 percent). After a negative financial result of EUR 63,154 (previous year: pos. financial result of EUR 242,037), earnings before tax (EBT) stand at EUR 6.6 million (previous year: EUR 6.5 million). In the previous year, the financial result benefited from the positive effect of income from write-ups on the gold reserves amounting to EUR 283,040.

After net earnings of EUR 4.5 million in the previous year, a figure that was influenced by tax effects, net income as of June 30, 2017 amounts to EUR 4.4 million. Consequently, earnings per share stand at EUR 1.10 (previous year: EUR 1.12). The new order intake for software licenses and the software component of contracted Cloud solutions has remained stable at EUR 6.4 million (previous year: EUR 6.4 million). While orders for software licenses fell from EUR 6.3 million in the previous year to EUR 5.1 million as of June 30, 2017, orders for Cloud solutions increased from EUR 4.0 million to EUR 6.9 million. The current order book position consequently represents an excellent starting base for the rest of the 2017 financial year.

### 3. Net assets and financial position

In the first six months, cash flow from operations amounted to EUR 4.0 million (previous year: EUR 4.9 million). At the same time, liquidity (cash and cash equivalents less borrowings) increased relative to the same period last year from EUR 11.1 million to EUR 11.6 million. The position as a whole comprising liquidity and other current and non-current financial assets, after adjusting for borrowed funds such as loans, increased from EUR 18.1 million in the previous year to EUR 23.7 million, mainly due to the EUR 4.6 million dividend payout (EUR 1.16 per share, previous year: regular dividend EUR 0.95 plus special dividend EUR 1.85 per share) which was lower than for the previous year. Liquidity per share on June 30, 2017 including these other current and non-current financial assets and after adjusting for borrowings accordingly stood at EUR 5.97 (previous year: EUR 4.54).

Net earnings, depreciation on fixed assets and higher advance payments received as a result of orders were the main factors exerting a positive effect on cash flow from operating activities. Cash flow reducing effects arose mainly from the reduction in other liabilities as a result of paying salary and commission commitments.

The cash flow from investment activities was substantially affected in the first half of the year by the investment of EUR 2.1 million in investment funds.

ATOSS reported an equity ratio of 50 percent as of June 30, 2017 (previous year: 44 percent). Consequently, the company remains extremely well capitalized, with solvency assured at all times.

### 4. Product development

Research and development remain an important component of the ATOSS growth strategy, with

the goal of further extending the company's strong position as a technological leader in workforce management. Research and development costs in the first six months rose by 11 percent relative to the year before to stand at EUR 5.2 million as of June 30, 2017 (previous year: EUR 4.7 million). R&D costs as a proportion of overall sales amounted to 20 percent (previous year: 20 percent).

The company continues to refrain from capitalizing the expense of developing product innovations. All expenditure for this purpose is recognized in the income statement in the period in which it is incurred.

### 5. Employees

The number of employees has risen from 348 last year to 388. As of June 30, 2017, ATOSS employs 156 members of staff in Development (previous year: 146), 109 in Consulting (previous year: 93), 68 in Sales and Marketing (previous year: 60), and 55 in Administration (previous year: 49).

Personnel costs for the current financial year amounted as of June 30, 2017 to EUR 13.6 million (previous year: EUR 12.0 million).

### 6. Risks associated with future development

No material change in the company's risk structure has occurred with regard to the description contained in the consolidated financial statements to December 31, 2016.

The market risk associated with financial assets available for sale essentially concerns the fair value of the investment funds and the company's gold holdings, which stood at EUR 5.1 million and EUR 1.9 million respectively as of June 30, 2017 and is dependent on the price performance of the share respectively the ongoing development in the gold price.

### 7. Events after the reporting period

No reportable events of particular significance have occurred since June 30, 2017.

### 8. Outlook

In the first six months of the current financial year 2017, ATOSS has experienced an extremely positive development in sales and operating profits. Against this backdrop, the Management Board is retaining its forecast for the 2017 financial year, and maintaining its assumption that sales will continue to grow at a rate of 10 percent within a range of +/-3 percent. An EBIT margin of around 25 percent is also expected despite further planned staff recruitment, especially in sales to open up new markets, and a continuously high level of research and development spend equivalent to around one fifth of sales revenue.

## CONSOLIDATED BALANCE SHEET TO 30.06.2017

Assets (EUR)	30.06.2017	31.12.2016
<b>Non-current assets</b>		
Intangible assets	196,726	219,357
Tangible fixes assets	3,210,528	3,033,049
Other financial assets	499,989	505,370
Deferred taxes	842,241	904,850
<b>Total non-current assets</b>	<b>4,749,484</b>	<b>4,662,626</b>
<b>Current assets</b>		
Inventories	5,071	4,320
Trade accounts receivables	4,097,059	4,475,776
Other financial assets	11,658,256	9,504,667
Other non-financial assets	1,015,783	611,709
Cash and cash equivalents	11,576,445	14,769,956
<b>Total current assets</b>	<b>28,352,614</b>	<b>29,366,428</b>
<b>Total assets</b>	<b>33,102,098</b>	<b>34,029,054</b>

Equity and Liabilities (EUR)	30.06.2017	31.12.2016
<b>Equity</b>		
Subscribed capital	3,9756,568	3,976,568
Capital reserve	-661,338	-661,338
Equity deriving from unrealized profits/losses	-1,965,117	-1,998,976
Unappropriated net income	15,352,161	15,581,847
<b>Equity attributable to equity holders of the parent</b>	<b>16,702,274</b>	<b>16,898,101</b>
Non-controlling interests	-27,338	-20,180
<b>Total equity</b>	<b>16,674,936</b>	<b>16,877,921</b>
<b>Non-current liabilities</b>		
Pension provisions	4,980,770	4,882,582
Deferred taxes	51,089	52,434
<b>Total non-current liabilities</b>	<b>5,031,859</b>	<b>4,935,016</b>
<b>Current liabilities</b>		
Trade accounts payable	424,550	621,958
Other liabilities	5,517,140	6,692,762
Deferred revenues	5,364,613	4,314,247
Tax provisions	0	498,150
Other provisions	89,000	89,000
<b>Total current liabilities</b>	<b>11,395,303</b>	<b>12,216,117</b>
<b>Total equity and liabilities</b>	<b>33,102,098</b>	<b>34,029,054</b>

## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01.2017 TO 30.06.2017

	Quarterly report		6-months report	
EUR	01.04.2017 - 30.06.2017	01.04.2016 - 30.06.2016	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
<b>Sales revenues</b>	<b>13,520,885</b>	<b>12,232,247</b>	<b>26,511,886</b>	<b>23,928,555</b>
Cost of sales	-4,127,678	-3,711,036	-8,069,119	-7,204,290
<b>Gross profit on sales</b>	<b>9,393,207</b>	<b>8,521,211</b>	<b>18,442,767</b>	<b>16,724,265</b>
Selling costs	-2,383,395	-2,176,419	-4,566,814	-4,063,104
Administration costs	-1,074,034	-940,455	-2,092,387	-1,798,305
Research and development costs	-2,617,359	-2,385,675	-5,187,695	-4,669,677
Other operating income	38,599	48,399	109,240	120,111
Other operating expenses	-28,586	-17,486	-62,415	-66,230
<b>Operating profit (EBIT)</b>	<b>3,328,432</b>	<b>3,049,575</b>	<b>6,642,696</b>	<b>6,247,060</b>
Interest and similar income	-96,445	-124,283	677	290,558
Interest and similar expenses	-22,862	-24,260	-63,831	-48,521
<b>Earnings before taxes (EBT)</b>	<b>3,209,125</b>	<b>3,149,598</b>	<b>6,579,542</b>	<b>6,489,097</b>
Taxes on income and earnings	-1,089,075	-980,057	-2,203,567	-2,035,287
<b>Net income</b>	<b>2,120,050</b>	<b>2,169,541</b>	<b>4,375,975</b>	<b>4,453,810</b>
Attributable to:				
Equity holders of the parent:	2,123,754	2,171,933	4,383,133	4,458,754
Non-controlling interests:	-3,704	-2,392	-7,158	-4,944
Earnings per share (undiluted)	0.53	0.55	1.10	1.12
Earnings per share (diluted)	0.53	0.55	1.10	1.12
Average number of shares in circulation (undiluted)	3,976,568	3,976,568	3,976,568	3,976,568
Average number of shares in circulation (diluted)	3,976,568	3,976,568	3,976,568	3,976,568



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2017 TO 30.06.2017

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
<b>Net income for the year</b>	<b>4,375,975</b>	<b>4,453,810</b>
<b>Components not reallocated in profit and loss</b>		
Profits/losses on the revaluation of defined benefit pension plans recognized in equity	0	0
Tax effects on profits/losses on the revaluation of defined benefit pension plans recognized in equity	0	0
<b>Components reallocated in profit or loss in later periods</b>		
Profits/losses recognized in equity on the disposal of financial assets available for sale	50,809	127,959
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	-16,950	-33,915
<b>Other comprehensive income for the period after taxes</b>	<b>33,859</b>	<b>94,044</b>
<b>Comprehensive income after taxes</b>	<b>4,409,834</b>	<b>4,547,854</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01.2017 TO 30.06.2017

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
<b>Earnings before taxes (EBT)</b>	<b>6,579,542</b>	<b>6,489,097</b>
Depreciation of fixed assets	365,873	347,668
Interest and similar income	-677	-290,558
Interest and similar expenses	63,831	48,521
Gains/losses from the disposal of fixed assets	726	1,536
<b>Change in net current assets</b>		
Trade accounts receivable	378,717	-153,575
Inventories and other assets	-353,924	-570,322
Trade accounts payable	-197,408	52,869
Other liabilities	-1,175,622	-1,245,045
Deferred revenues and payments received	1,050,365	2,591,652
Interest received	80	17,340
Interest paid	-64	0
Income taxes received	0	34,397
Income taxes paid	-2,668,975	-2,461,263
<b>Cash flow generated from business operations (1)</b>	<b>4,042,464</b>	<b>4,862,317</b>
<b>Cash flow from investment activities</b>		
Disbursements for the purchase of tangible and intangible assets	-521,447	-416,655
Disbursements for the purchase of other financial assets	-2,101,709	0
<b>Cash flow generated from investment activities (2)</b>	<b>-2,623,156</b>	<b>-416,655</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-4,612,819	-11,134,390
<b>Cash flow generated from financing activities (3)</b>	<b>-4,612,819</b>	<b>-11,134,390</b>
<b>Change in liquidity - total of (1) to (3)</b>	<b>-3,193,511</b>	<b>-6,688,728</b>
Liquidity at beginning of year	14,769,956	17,781,536
Liquidity at end of period	11,576,445	11,092,808





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 30.06.2017

EUR	Attributable to the equity holders of the parent				Non-controlling interests	Total
	Subscribed capital	Capital reserve	Equity deriving from unrealized profits/losses	Profit shown on balance sheet		
<b>01.01.2016</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,798,324</b>	<b>17,428,349</b>	<b>-10,394</b>	<b>18,934,861</b>
Net income 2016	0	0	0	4,458,754	-4,944	4,453,810
Other comprehensive income	0	0	94,044	0	0	94,044
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>94,044</b>	<b>4,458,754</b>	<b>-4,944</b>	<b>4,547,855</b>
Dividends	0	0	0	-11,134,390	0	-11,134,390
<b>Status 30.06.2016</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,704,280</b>	<b>10,752,713</b>	<b>-15,338</b>	<b>12,348,325</b>
<b>01.01.2017</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,998,976</b>	<b>15,581,847</b>	<b>-20,180</b>	<b>16,877,921</b>
Net income 2017	0	0	0	4,383,133	-7,158	4,375,975
Other comprehensive income	0	0	33,859	0	0	33,859
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>33,859</b>	<b>4,383,133</b>	<b>-7,158</b>	<b>4,409,834</b>
Dividends	0	0		-4,612,819		-4,612,819
<b>Status 30.06.2017</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,965,117</b>	<b>15,352,161</b>	<b>-27,338</b>	<b>16,674,936</b>

One share represents a notional share of 1 Euro of subscribed capital.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

The present quarterly report has been prepared in accordance with International Financial Reporting Standards (IFRS) in compliance with IAS 1.14. In particular, the report complies with the provisions contained in IAS 34 „Interim Financial Reporting“. The requirements contained in German Accounting Standard (DRS) No. 6 regarding interim reporting have likewise been fulfilled.

In accordance with IAS 34.20, the present statements include a consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, a statement of changes in consolidated equity and explanatory notes to the consolidated statements.

The same financial accounting, valuation and computation methods have been applied as in the case of the annual financial statements to December 31, 2016.

The Management Board is satisfied that the impression of the economic situation of the company, its net assets, financial position, earnings situation and cash flow conveyed by the present half-yearly financial statements accords with the true facts. This interim report has not undergone an auditors' inspection or statutory audit.

## 2. Reporting period

This interim report was prepared as of June 30, 2017 for the January 1, 2017 to June 30, 2017 period.

## 3. Currency

All figures are stated in euro. Amounts are rounded up to whole euro units.

## 4. Consolidated companies

In addition to the parent company ATOSS Software AG, Munich, the consolidated financial statements to June 30, 2017 also include all subsidiary companies:

ATOSS CSD Software GmbH, Cham, Germany (100%)  
ATOSS Software Ges. mbH, Vienna, Austria (100%)  
ATOSS Software AG, Zürich, Switzerland (100%)  
ATOSS Software S.R.L., Timisoara, Romania (100%)  
ATOSS Aloud GmbH, Munich, Germany (97%)  
ATOSS North America Inc., West Hollywood, USA (100%)

These companies are fully consolidated.

## 5. Changes in equity

The development in equity is evident from the statement of changes in consolidated equity.

## 6. Sales revenues

The company's sales revenues in the financial year were composed as follows:

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Software licenses	6,050,335	5,213,947
Software maintenance	9,704,523	8,912,459
<b>Total software</b>	<b>15,754,858</b>	<b>14,126,406</b>
Consulting	7,103,904	6,655,645
Hardware	1,938,425	2,208,040
Other	1,714,699	938,464
<b>Total sales revenues</b>	<b>26,511,886</b>	<b>23,928,555</b>

The geographic breakdown of sales revenues was as follows:

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Domestic	21,955,806	19,886,579
Abroad	4,556,080	4,041,976
<i>thereof Austria</i>	2,232,504	2,156,144
<i>thereof Switzerland</i>	1,208,066	896,111
<i>thereof other countries</i>	1,115,510	989,721
<b>Total sales revenues</b>	<b>26,511,886</b>	<b>23,928,555</b>

The sales revenues were distributed between product groups as follows:

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
<b>Sales revenues</b>		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	23,059,070	20,858,614
ATOSS Time Control (ATC)	3,452,816	3,069,941
<b>Total sales revenues</b>	<b>26,511,886</b>	<b>23,928,555</b>

## 7. Personnel expenses

The consolidated personnel costs to June 30, 2017 were composed as follows:

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Wages and salaries	11,434,526	10,121,450
Social security contributions and expenditure on retirement pensions and welfare	2,161,056	1,885,099
<b>Total personnel costs</b>	<b>13,595,582</b>	<b>12,006,549</b>

## 8. Other operating income and expenses

In the first six months of the current financial year, the company recorded other operating income in the amount of EUR 109,240 (previous year: EUR 120,111). This constitutes mainly income from the release of provisions amounting to EUR 50,885 (previous year: EUR 84,997) and income from exchange rate differences amounting to EUR 19,029 (previous year: EUR 9,958).

Other operating expenses amounting to EUR 62,415 (previous year: EUR 66,230) relate mainly to expenses from exchange rate differences amounting to EUR 61,277 (previous year: EUR 41,226).

## 9. Financial investment income and expenses

In the first six months of the current financial year the company recorded income in the amount of EUR 677 (previous year: EUR 290,558) from financial investments. This mainly consists of interest income from the investment of liquid funds. In the previous year, income was also recognized from the write-up of the gold holdings shown under other current financial assets amounting to EUR 283,040.

The company recorded expenses amounting as of June 30, 2017 to EUR 63,831 (previous year: EUR 48,521) from financial investments. These are expenses incurred as part of the write-down of existing gold holdings amounting to EUR 18,040 (previous year: EUR 0) and interest expenses as part of pension provisions amounting to EUR 45,728 (previous year: 48,521).



## 10. Tax charge

Consolidated tax expenses to June 30, 2017 were comprised as follows:

EUR	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
<b>Pre-tax earnings as per IFRS</b>	<b>6,579,542</b>	<b>6,489,097</b>
Expected tax charge (2017: 32.56%, 2016: 32.60%)	-2,142,299	-2,115,445
Non-deductible operating expenses	-15,166	-8,593
Tax refunds / back-payments for previous years	0	11,815
Current losses for which no deferred tax claim has been recognized	-125,789	-118,780
Lower tax rates for Group companies and branches	88,907	93,009
Other	-9,220	102,709
<b>Actual Group tax charge</b>	<b>-2,203,567</b>	<b>-2,035,287</b>

## 11. Earnings per share

The figure for earnings per share is arrived at by dividing the net result for the period in the amount of EUR 4,375,975 by the weighted average number of shares outstanding. An average of 3,976,568 shares were in circulation between January 1, 2017 and June 30, 2017. Accordingly, earnings per share for this period amounted to EUR 1.10, in comparison with EUR 1.12 in the first six months of the preceding year.

## 12. Employees

On June 30, 2017 the company had 388 employees (previous year: 348).

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Development	156	146
Consulting	109	93
Sales and marketing	68	60
Administration	55	49
<b>Total</b>	<b>388</b>	<b>348</b>

## 13. Management Board

The members of the Management Board are:

Andreas F.J. Obereder	Chief Executive Officer
Christof Leiber	Member of the Board of Management

## 14. Supervisory Board

By a resolution adopted at the annual general meeting on April 28, 2017, the Supervisory Board was re-elected and is comprised as follows:

Peter Kirn	Chairman
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman
Klaus Bauer	Member of the Supervisory Board

## 15. Board member shareholdings

As of June 30, 2017 the following board members held the following numbers of ATOSS shares:

EUR	30.06.2017	31.03.2017	31.12.2016	30.09.2016	30.06.2016
Andreas F.J. Obereder	1,988,285	1,988,285	1,988,285	1,988,285	1,988,285
Peter Kirn	10,873	10,873	10,873	11,473	11,673

The majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, holds 1,988,285 shares representing 50.0000025 percent of the shares in ATOSS Software. His shares are held via the company AOB Invest GmbH of Grünwald, Germany, which is wholly owned by Mr. Obereder.

## 16. Notifiable participating interests

In the first six months of financial year 2017 the company received the following notification regarding changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act:

The voting rights share of 3 percent of the share capital was exceeded on April 27, 2017 as a result of the share purchase of Didner & Gerge Fonder AB, Uppsala, Sweden, and stood at 3.07 percent at this point in time.

There were no further notifications of changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act.

## 17. Business relations with closely related persons

As of June 30, 2017 no business relations existed with closely related persons.

## 18. Events after the reporting period

No reportable events of particular significance have occurred since June 30, 2017.

Responsibility statement

According to the best of our knowledge, we assure that, pursuant to the applicable accounting principles for interim reporting, the interim consolidated financial statements convey a true and fair view of the Group’s net assets, financial position and results of operations, and that the business development, including the business results and the Group’s position, are presented in the interim Group management reports in such a way that they convey a true and fair view, and that the key opportunities and risks pertaining to the Group’s prospective development in the remainder of the fiscal year are described.

Munich, August 11, 2017



Andreas F.J. Obereder  
Chief Executive Officer



Christof Leiber  
Member of the Board of Management

Disclaimer

This report contains forward-looking statements that are based on the conviction of the Management Board of ATOSS Software AG and reflect current assumptions and estimations. These forward-looking statements are subject to risks and uncertainties. Many facts that cannot currently be predicted may cause the actual performance and earnings of ATOSS Software AG to develop in a different manner. This could for example include the non-acceptance of newly introduced products or services, changes in the general economic and business climate, a failure to achieve efficiency and cost-reduction targets or changes in business strategy.

The Management Board is firmly convinced that the expectations embodied in these forward-looking statements are sound and realistic. Should however the above-mentioned or other unforeseeable risks materialize, ATOSS Software AG cannot guarantee that the expressed expectations will prove to be correct.

# CORPORATE CALENDAR

**October 25, 2017**  
Quarterly press release announcing the 9-monthly financial statements

**November 27 – 29, 2017**  
ATOSS at the German Equity Forum

# IMPRINT

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