

face the future

2022 HALF-YEAR REPORT

ATOSS 

ATOSS|2022

Half-year report

Letter to shareholders



ANDREAS F.J. OBEREDER
CEO | ATOSS Software AG

Dear Shareholders,
Ladies and Gentlemen,

In spite of global uncertainty in the course of the ongoing coronavirus crisis and the outbreak of the war in Ukraine, ATOSS Software AG has closed the first half of 2022 with very successful results, maintaining its growth trajectory into 2022. A strong order book position, an appreciable 17 percent increase in sales revenues and the continuous expansion of its cloud business clearly demonstrate ATOSS' competitive strength and its leading position in the market for workforce management.

The future of work

ATOSS has now been revolutionizing the way in which companies work and optimize their personnel processes for 35 years. The subject of workforce management remains highly topical. This is also reflected by the results of this year's economic forum in Davos at which representatives from political and business circles discussed "The Future of Work". The tenor of the discussion reflected the conviction that the fourth industrial revolution will change our working worlds with lasting effect in the coming years. New business models will be created, areas of work automated and the jobs remaining and new ones created will demand different expertise and skills from employees. The digital workforce management solutions which support companies in making the best possible use of their personnel resources, countering the shortage of skilled labor and at the same time reflecting the growing needs of their most important resource – people – are all the more important in this context. The speed factor will become a vital characteristic of success in this process. Only companies that can exploit the potential of their data faster and more effectively than their competitors, will enjoy long-term success in the market and benefit from the opportunities of digitization. This is precisely where the strength of ATOSS and its innovative software solutions lies, as in this way, they make an important contribution towards greater sustainability in companies and society.

Sustainability@ATOSS

Sustainability for us is not just a buzzword but has been a central element of our entrepreneurial activity since the company's inception. It represents our commitment to reconciling the needs of employees, customers, society and the environment with the achievement of our own growth targets for us, responsible conduct and social acceptance are fundamental to our ability to operate successfully in the market. At the same time, we would like to make a contribution to a more sustainable world with our workforce management solutions by helping companies to work more creatively, more intelligently and more humanely.

We are proud to be able now to present our commitment in the sphere of sustainability for the first time in our new sustainability report which we published in the first quarter as part of our annual report for 2021. In this report we would like to inform you, our shareholders, as well as all our stakeholders of our work in this sphere once a year.

Growth and stability

The desire of companies to unlock their full potential and improve the lives of their employees is also impressively reflected in the Group's current order book figures. For example, the normalized order intake for software licenses increased by 50 percent in the first half of the year, rising to a total of EUR 24.9 million (previous year: EUR 16.6 million). Of this figure, EUR 18.5 million (previous year: EUR 11.9 million) – i.e. 74 percent of all software orders received – was accounted for by Cloud & Subscriptions. By comparison, the share of cloud orders in the 2021 financial year was still languishing at 68 percent. Further implementation of our cloud transformation is thus proceeding on schedule. This is clearly shown in the growth of Annual Recurring Revenue (ARR for short) which consequently increased by 72 percent to EUR 31.9 million (previous year: EUR 18.5 million).

The conditions for further growth in the ATOSS Group remain excellent against the background of the digitization deficits in companies described, the ongoing shortage of skilled labor and employees' growing needs. Combined with its very sound business model, financial strength and predictability of sales continuously enhanced by progress in cloud business, ATOSS remains a role model of stability and profitable growth into the future.

After closing the first half of the year with excellent results, we are therefore re-confirming our forecast for the whole of 2022 which was raised at the start of the year. This forecast envisages revenues growth to EUR 110 million. Furthermore, an EBIT margin of at least 25 percent is expected for the year, taking account of the investments planned in the second half of the year, particularly in the sales organization and distribution to open up new markets and in development capacity. The increasing focus on the cloud as well as the Group's greater global alignment will also secure sustainable growth prospects for the company over the long term. As part of this process, the EBIT margin is expected to rise to at least 30 percent by 2025.

With best regards



Andreas F. J. Obereder
CEO



Dirk Häußermann
Co-CEO



Pritim Kumar Krishnamoorthy
CTO



Christof Leiber
CFO



ANDREAS F.J. OBEREDER
CEO



DIRK HÄUSSERMANN
CO-CEO



PRITIM KUMAR KRISHNAMOORTHY
CTO



CHRISTOF LEIBER
CFO

Facts overview

Economic environment

The German economy has been recovering slightly from past coronavirus waves since the beginning of the year. Above all, the normalization of expenditure in consumer-oriented services had a positive impact on economic growth. High inflation, the war in Ukraine and persistent supply bottlenecks, however, are slowing the economic recovery in nearly every area. According to the ifo Institute, gross domestic product will increase by 2.5 percent in 2022.¹⁾ As of June 2022, inflation stands at 7.6 percent.²⁾

By comparison with the overall economy, the ICT sector is operating at a significantly higher level and currently benefiting from full order books. Nevertheless, the sector is viewing the second half of 2022 with some caution. With a look to 2022, the digital association Bitkom is expecting companies in IT, telecommunications and entertainment electronics to grow their sales by 4.3 percent to 189.4 billion euros. Bitkom's report is based on current computations. In June 2022, ICT companies assessed the overall state of their business as very good. The Bitkom-ifo digital index which reflects business sentiment and is calculated from the current situation and future expectations, climbed 2.3 points to 22.8 points – which equates to its level before the coronavirus pandemic.³⁾

About the company

The positive growth in revenues and earnings in the 1st half of 2022 proves customers' continuing interest in professional workforce management solutions as well as ATOSS' competitive strength.

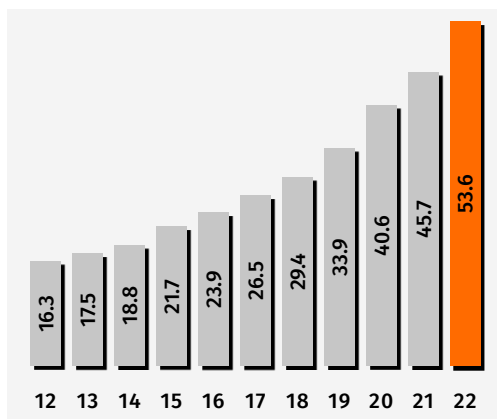
The long-term growth of the key financial indicators remains very pleasing and matches the forecasts announced by the company.

1) ifo Economic Forecast – June 15, 2022: Inflation, supply bottlenecks and war are burdening the economic recovery in Germany

2) DESTATIS Federal Statistical Office; Press Release No. 272 dated June 29, 2022

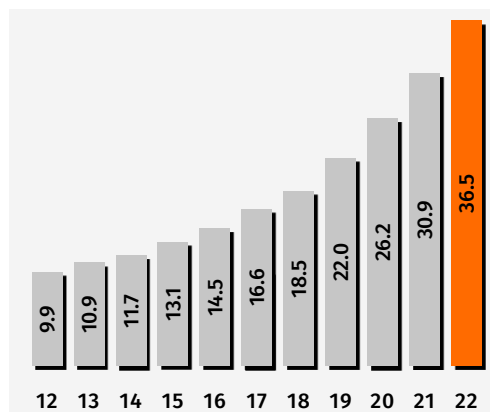
3) bitkom – Press Release July 5, 2022 – Multiple crises weigh on future digital business

Total sales revenues (Mio. EUR)



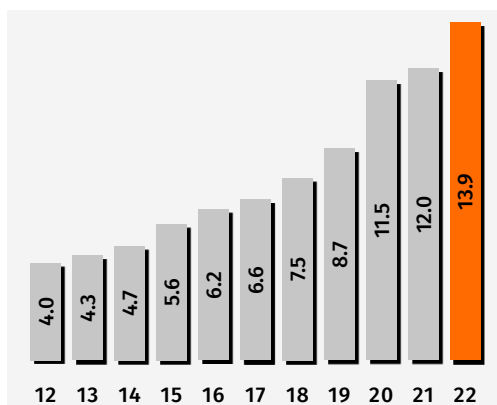
1. half-year

Software revenues (Mio. EUR)



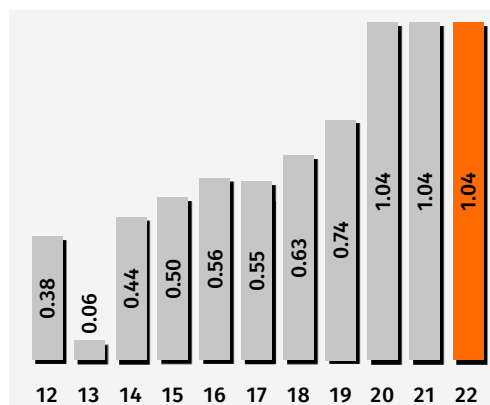
1. half-year

Operating profit – EBIT (Mio. EUR)



1. half-year

EPS* (EUR)



1. half-year

* In accordance with IAS 33.64, earnings per share (EPS) have been retrospectively adjusted for the previous period due to the share split carried out in June 2020.

CONSOLIDATED OVERVIEW PURSUANT TO IFRS: HALF-YEAR COMPARISON IN KEUR

| | 01/01/2022 - 06/30/2022 | Proportion of total sales | 01/01/2021 - 06/30/2021 | Proportion of total sales | Change 2022 / 2021 |
|-----------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|-----------------------|
| Sales revenues | 53,573 | 100% | 45,726 | 100% | 17% |
| Software | 36,532 | 68% | 30,922 | 68% | 18% |
| Licenses | 6,084 | 11% | 8,077 | 18% | -25% |
| Maintenance | 15,369 | 29% | 14,084 | 31% | 9% |
| Cloud & Subscription | 15,079 | 28% | 8,761 | 19% | 72% |
| Consulting | 13,812 | 26% | 12,119 | 27% | 14% |
| Hardware | 1,986 | 4% | 2,059 | 5% | -4% |
| Others | 1,243 | 2% | 625 | 1% | 99% |
| EBITDA | 15,813 | 30% | 13,851 | 30% | 14% |
| EBIT | 13,853 | 26% | 11,976 | 26% | 16% |
| EBT | 12,434 | 23% | 11,995 | 26% | 4% |
| Net profit | 8,294 | 15% | 8,258 | 18% | 0% |
| Cash flow | 8,120 | 15% | 8,054 | 18% | 1% |
| Liquidity ^(1/2) | 40,605 | | 33,808 | | 20% |
| EPS in euro | 1.04 | | 1.04 | | 0% |
| Employees ⁽³⁾ | 650 | | 588 | | 11% |

CONSOLIDATED OVERVIEW PURSUANT TO IFRS: QUARTERLY GROWTH IN KEUR

| | Q2/22 | Q1/22 | Q4/21 | Q3/21 | Q2/21 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Sales revenues | 27,571 | 26,002 | 27,534 | 23,807 | 22,775 |
| Software | 19,438 | 17,094 | 18,922 | 16,127 | 15,562 |
| Licenses | 4,036 | 2,048 | 5,485 | 3,615 | 3,708 |
| Maintenance | 7,645 | 7,724 | 7,334 | 7,517 | 7,222 |
| Cloud & Subscriptions | 7,757 | 7,322 | 6,103 | 4,995 | 4,631 |
| Consulting | 6,584 | 7,228 | 7,200 | 5,924 | 5,831 |
| Hardware | 915 | 1,071 | 1,052 | 1,262 | 1,056 |
| Others | 633 | 610 | 361 | 495 | 326 |
| EBITDA | 8,833 | 6,980 | 9,929 | 7,571 | 6,898 |
| EBIT | 7,843 | 6,010 | 8,678 | 6,590 | 5,815 |
| EBIT margin in % | 28% | 23% | 32% | 28% | 26% |
| EBT | 7,143 | 5,291 | 8,936 | 6,774 | 5,856 |
| Net profit | 4,749 | 3,545 | 6,669 | 4,416 | 4,113 |
| Cash flow | 2,060 | 6,060 | 2,249 | 15,981 | 960 |
| Liquidity ^(1/2) | 40,605 | 54,709 | 50,360 | 49,069 | 33,808 |
| EPS in euro | 0.60 | 0.45 | 0.84 | 0.55 | 0.52 |
| Employees ⁽³⁾ | 650 | 646 | 630 | 612 | 588 |

(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 1.82 per share on 05/04/2022 (KEUR 14,475); Dividend of EUR 1.67 per share on 05/05/2021 (KEUR 13,282)

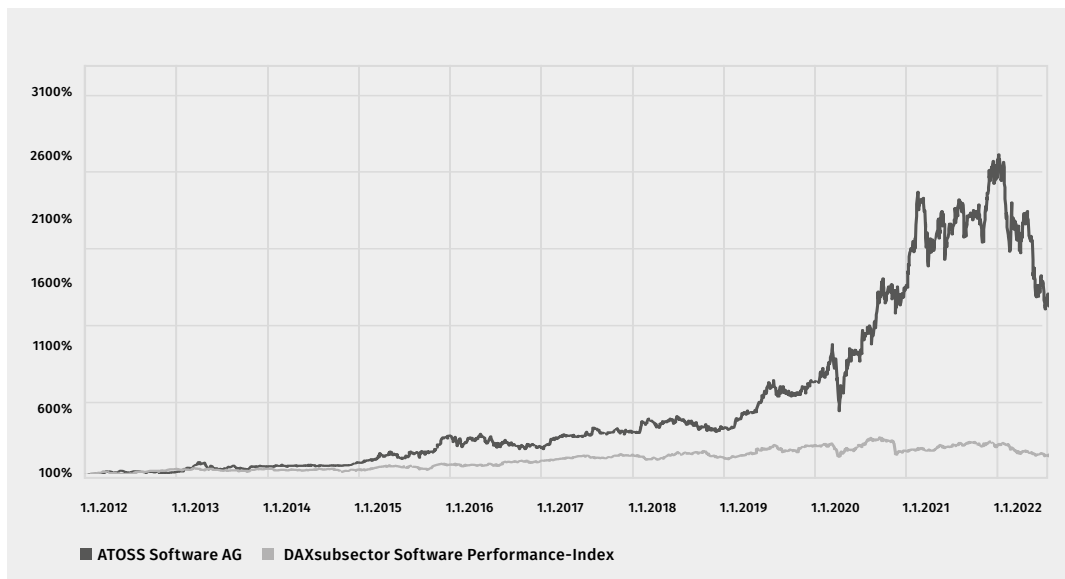
(3) at the end of the quarter/year



NICOLA & STEFANIE
ATOSS Software AG

Investor Relations

SHARE PRICE DEVELOPMENT 01/2012 – 06/2022



CONSOLIDATED OVERVIEW PURSUANT TO IFRS : QUARTERLY COMPARISON IN EUR

| | Q2/22 | Q1/22 | Q4/21 | Q3/21 | Q2/21 |
|--|-------|-------|-------|-------|-------|
| Share price (high) | 184.4 | 213.5 | 222 | 192 | 186.4 |
| Share price (low) | 118.8 | 156.4 | 163.4 | 166.6 | 152.0 |
| Share price at the end of the quarter | 121 | 179.4 | 217 | 179.2 | 186.4 |
| Dividend per share ⁽²⁾ | 1.82 | 0 | 0 | 0 | 1.67 |
| Cash flow per share | 0.26 | 0.76 | 0.28 | 2.01 | 0.12 |
| Liquidity per share ^{(1),(2)} | 5.11 | 6.88 | 6.33 | 6.17 | 4.25 |
| EPS | 0.60 | 0.45 | 0.84 | 0.55 | 0.52 |
| EPS (diluted) | 0.60 | 0.45 | 0.84 | 0.55 | 0.52 |

(1) Cash and cash equivalents, other current and non-current financial assets (deposits, gold) as of the reference date, adjusted for borrowings (loans)

(2) Dividend of EUR 1.82 per share on 05/04/2022 (KEUR 14,475) and a dividend of EUR 1.67 per share on 05/05/2021 (KEUR 13,282)

ATOSS on the capital markets

The first half of 2022 on the stock exchanges was heavily impacted by the outbreak of war in Ukraine in February and the ensuing pick-up in inflation. The publication of US inflation data, once again fueling worries about interest rates and recession, led to a further slide in share prices on German and international exchanges at the beginning of June. Overall, the Dow Jones recorded its worst half year since 1962 and the DAX its worst month of June of all time in June 2022.¹⁾

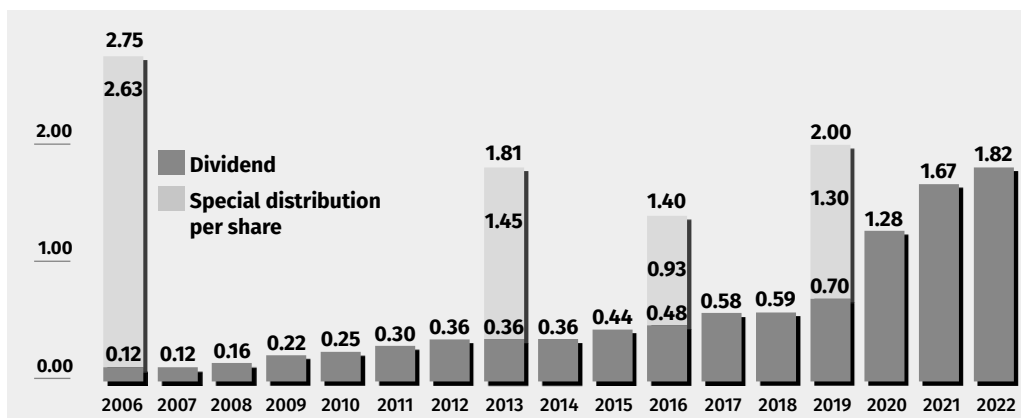
Against this background, the share price of the ATOSS stock has also fallen from EUR 217 when the exchanges opened on January 3, 2022 to EUR 121 on June 30, 2022. A long-term view, however, continues to show the strength of the ATOSS stock. From 2012 to the end of June 2022, the share price has risen by 1,362 percent. By way of comparison, the DAXsubsector Performance Index was only able to grow by 153 percent over the same period. The SDAX on which ATOSS Software AG has been traded since July 1, 2021, climbed 169 percent over the same period. Even in the short term – in the period from January 2020 to June 2022 – the ATOSS share price has already risen by 67 percent, while the SDAX recorded a 5 percent decline in performance during this period. The ATOSS stock has therefore significantly outperformed both indices and grown faster than the market by an appreciable factor.

Dividend policy

Every year, ATOSS Software AG distributes around 75 percent of its earnings per share to its shareholders assuming there are corresponding profits to be distributed. The company has been systematically pursuing this transparent policy since 2003 having adjusted the dividend rate from 50 to 75 percent in 2020. In addition, financial years 2006, 2013, 2016 and 2019 were capped off with attractive special dividends. In total, long-term shareholders of ATOSS have received dividends of EUR 17.65 per share since the company went public.*

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

ATOSS DIVIDEND IN EUR



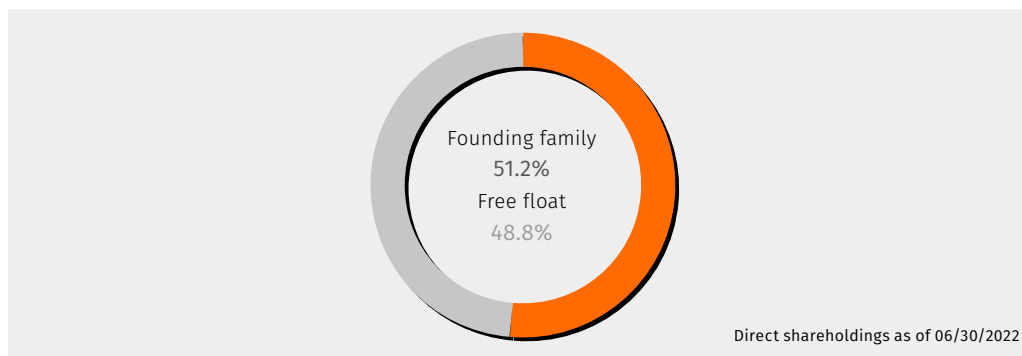
* For greater comparability, the figures shown are after the stock split carried out on June 19, 2021.

1) Manager Magazin Online 30.06.2022 - Stock market slide: Wall Street ends darkest first half-year in decades



DIRK HÄUSSERMANN | Co-CEO
MITCH GOOVAERTS | Head of Sales Belgium

Shareholder structure



The founding family holds 51.2 percent of the shares in ATOSS Software AG. Since December 6, 2012 Mr. Andreas Obereder has held 50.0000025 percent of the shares indirectly via AOB Invest GmbH, of which he is sole owner.

Analysts laud strong growth in business numbers in the first half of the year with fast cloud transformation

In the first half of the year, ATOSS has once again impressed the analysts from Warburg Research and Hauck & Aufhäuser with a strong set of figures. For example, orders for Cloud & Subscriptions as a proportion of total orders has been boosted to 74 percent, and annual recurring cloud revenue (ARR) climbed 72 percent to EUR 31.9 million (previous year: EUR 18.5 million). ATOSS is thus continuing to successfully drive the cloud transformation of its business model. Notwithstanding the outstanding growth of the business, the ATOSS share price target was revised downwards slightly from EUR 230 to EUR 200 by the analysts at Warburg Research on July 25, 2022 due to the rise in risk-free interest rates; the stock continues to be rated a “Buy”. The analysts at Hauck & Aufhäuser have come to the same conclusion, rating the ATOSS stock a “Buy” with a price target of EUR 204 in their study published on July 26, 2022.

Further information: www.atoss.com/en/company/investor-relations/stock

Group interim management report





1. Business and underlying environment: War in Ukraine depresses global economic prospects

The global economic recovery has stalled again in the face of the recent negative shocks. After global production had registered a strong increase in the second half of 2021, the recovery from the coronavirus suffered a sharp slowdown after the turn of the year. The determining factors here were new restrictions caused by the pandemic and Russia's attack on Ukraine as a result of which inflation which was already high was further exacerbated and bottlenecks increased again.¹⁾

The economic recovery is also suffering a slowdown in nearly every sector of the economy in the Eurozone and Germany as a result of high inflation, the war in Ukraine and persistent supply bottlenecks. Although the German economy is proving resilient and has been recovering from past coronavirus waves since the start of the year, the outlook continues to be marked by uncertainty.^{1) 2) 3)}

By comparison with the overall economy, the ICT sector continues to operate at a significantly higher level and benefit from full order books. For example, the Bitkom-ifo digital index which reflects business sentiment and is calculated from the current situation and future expectations, climbed 2.3 points to 22.8 points in June 2022 – which equates to its level before the coronavirus pandemic.⁴⁾

Against this backdrop, ATOSS recorded very pleasing business development in the first half of 2022, with revenues growth of 17 percent as well as growth in operating profit (EBIT) of 16 percent. This business growth is primarily due to the sustainable expansion of its cloud business and the increasing share of recurring revenues as a direct result.

1) Kiel Economic Reports – Global Economy in Summer 2022 No. 91 (2022IQ2)

2) ifo Economic Forecast Summer 2022: Inflation, supply bottlenecks and war slow down economic recovery in Germany (June 15, 2022)

3) Federal Ministry for Economic Affairs and Climate Protection: The economic situation in Germany in June 2022 – Press Release 6/13/2022

4) bitkom – Press Release July 5, 2022 – Multiple crises weigh on future digital business

2. Earnings: Strong performance in the first half of the year

In the first half of the 2022 financial year, ATOSS recorded 17 percent growth in total sales revenues which increased to EUR 53.6 million (previous year: EUR 45.7 million). Overall, software revenues in the period from January to June 2022 increased by an appreciable 18 percent, climbing to EUR 36.5 million (previous year: EUR 30.9 million). In Cloud & Subscriptions, ATOSS boosted revenues by 72 percent to EUR 15.1 million (previous year: EUR 8.8 million). The growth in software maintenance which has been positive for years, also continued. Revenues here rose by 9 percent to EUR 15.4 million (previous year: EUR 14.1 million). Overall, recurring revenues advanced year-on-year by 33 percent, reaching EUR 30.4 million (previous year: EUR 22.8 million). As a result, the proportion of recurring revenues in total sales – and consequently the central, key factor in the future growth of the ATOSS Group – continued to grow significantly and has now reached 57 percent (previous year: 50 percent). Revenues with consulting services expanded to EUR 13.8 million (previous year: EUR 12.1 million).

In spite of the increased proportion of cloud orders received and notwithstanding the significant year-on-year increase in expenses – particularly for R&D as part of the continuous refinement of ATOSS software solutions as well as higher personnel costs resulting from the international expansion of its sales organization – the half-yearly return on sales relative to operating profit (EBIT) is unchanged by comparison with the previous year at 26 percent (previous year: 26 percent). The financial result in the first half of the year was affected by the declines in the financial markets as a result of interest rate movements and the outbreak of the war in Ukraine. Overall, after the deduction of taxes, the Group recorded a net income in the first half of 2022 of EUR 8.3 million (previous year: EUR 8.3 million) and an earnings per share of EUR 1.04 (previous year: EUR 1.04).

The great response to the cloud offering of ATOSS Software AG is particularly clearly reflected in its order book figures. Particular mention must be made of the dynamic double-digit increase in Annual Recurring Revenue (ARR for short) which climbed 72 percent to EUR 31.9 million (previous year: EUR 18.5 million). Furthermore, the company succeeded in expanding the proportion of orders received for Cloud & Subscriptions in total orders for software to 74 percent. By comparison, the share of cloud orders in the 2021 financial year overall was still languishing at 68 percent. Overall, the company boosted the normalized value of its software license orders received by 50 percent year on year significantly to EUR 24.9 million (previous year: EUR 16.6 million). ATOSS is thus taking giant strides in driving the cloud transformation of its business model in line with the budget.

3. Net assets and financial position

In the first six months of the year, cash flow from operating activities totaled EUR 8.1 million (previous year: EUR 8.1 million). Liquidity (cash and cash equivalents less borrowings) increased compared with the previous year period from EUR 14.1 million to EUR 23.7 million. The overall position comprising liquidity and other current and non-current financial assets adjusted for borrowings (e.g. loans) increased from EUR 33.8 million to EUR 40.6 million in spite of the dividend payment of EUR 14.5 million (EUR 1.82 per share) at the beginning of May 2022. Liquidity per share on June 30, 2022 including other current and non-current financial assets and adjusted for borrowings stood at EUR 5.11 (previous year: EUR 4.25).

The principal factors impacting positively on cash flow from operating activities include net income and a reduction in trade receivables. The main effects reducing cash flow resulted from a reduction in other liabilities due to the payment of salaries and commissions as well as payment of tax arrears for previous years and higher advance tax payments.

The positive cash flow from investment activities results from the sale of investment fund shares in an amount of EUR 11.5 million (previous year: return flows from fixed-term deposits in an amount of EUR 2.4 million). The acquisition of fixed assets (EUR 0.4 million; previous year: EUR 0.4 million) and financial assets (KEUR 34 million; previous year: EUR 5.0 million) had a negative impact on the cash flow from investment activities.

Furthermore, the payment of a dividend of EUR 1.82 (previous year: EUR 1.67) per share – i.e. total payment of EUR 14.5 million (previous year: EUR 13.3 million) and the repayment of lease liabilities in an amount of EUR 1.4 million (previous year: EUR 1.3 million) had a negative effect on liquidity.

As of June 30, 2022, ATOSS had an equity ratio of 47 percent (previous year: 42 percent).

Thanks to the overall excellent earnings situation and its continuing sound financial position, the company expects its ability to meet its financial commitments to remain unchanged in the future.

4. Product development

Research and development remains an important element in ATOSS' growth strategy with the objective of further expanding its strong positioning as the technology leader in workforce management. Research and development costs in the first six months rose by 15 percent compared with the previous year and stood at EUR 9.3 million as of June 30, 2022 (previous year: EUR 8.2 million). R&D costs as a proportion of overall sales amounted to 17 percent (previous year: 18 percent).

The company continues to refrain from capitalizing the expense of developing product innovations. All such expenses are recognized in profit or loss in the period in which they are incurred.

5. Employees

The number of employees increased to 650 compared with 588 in the previous year. As of June 30, 2022, ATOSS employs 225 staff in Development (previous year: 209), 182 in Consulting (previous year: 171), 151 in Sales and Marketing (previous year: 129) and 92 in Administration (previous year: 79).

Personnel costs for the current financial year totaled EUR 28.7 million on June 30, 2022 (previous year: EUR 23.7 million).

6. Report on opportunities and risks

The control and management of risk plays a particularly important role in these times of the coronavirus and the outbreak of the Ukraine war. Above all, the political and economic consequences of the Ukraine war may have a major impact on companies. Besides negative effects on sales growth, production processes as well as purchasing and distribution processes, the war may lead to a further increase in inflation rates and in the price of commodities, energy and intermediate goods. All of this could lead to serious upheavals in the global economy and on the currency, capital and foreign exchange markets and consequently also affect the investment behavior of our customers. As a matter of principle, ATOSS Software AG does not maintain any business relationships in Russia or Ukraine. However, since the outbreak of the war in Ukraine, we have observed an increase in cyber attacks and computer fraud which may represent a risk to the security of IT networks and our software solutions and lead to the illegal use, publication or loss of sensitive data, data manipulation or system failure. For this reason, we continue to pay close attention to the economic, political, geopolitical and regulatory environment to enable us to thus quickly detect changes, evaluate potential effects on the results of operations, financial position and net assets, assess risks and adjust our actions accordingly.

Otherwise, for all other existing opportunities and risks, we refer to the opportunities and risk described in the Group management report as of December 31, 2021 the structure of which has not materially changed.

The market risk associated with financial assets available for sale largely concerns the fair value of the investment funds and the company's gold holdings, which stood at EUR 7.0 million and EUR 3.0 million respectively as of June 30, 2022, and this risk is dependent on the performance of the share price and movements in the gold price moving forward.

7. Outlook

ATOSS Software AG can look back on an exceptionally successful first half of the year with new records set in revenues and earnings. Together with a consistently positive order book and the expanding share of cloud in line with the budget as well as its excellent growth prospects in the market for workforce management, the Management Board is confirming its forecast for the whole of 2022 already raised at the start of the year. This forecast envisages revenues growth to EUR 110 million. Furthermore, an EBIT margin of at least 25 percent is expected for the year, taking account of the investments planned in the second half of the year, particularly in the sales organization to open up new markets and in development capacity. The increasing focus on the cloud as well as the Group's greater global alignment will also secure sustainable growth prospects for the company over the long term. As part of this process, the EBIT margin is expected to rise to at least 30 percent by 2025.

CONSOLIDATED BALANCE SHEET AS OF 06/30/2022

| Assets (EUR) | 06/30/2022 | 12/31/2021 |
|------------------------------------|-------------------|-------------------|
| Non-current assets | | |
| Intangible assets | 98,370 | 137,501 |
| Property, plant and equipment | 3,505,821 | 3,622,884 |
| Rights of use | 10,239,824 | 10,130,888 |
| Capitalized contract costs | 2,683,761 | 1,743,638 |
| Other non-current financial assets | 1,404,049 | 1,335,619 |
| Deferred tax assets | 1,368,648 | 922,302 |
| Total non-current assets | 19,300,473 | 17,892,832 |
| Current assets | | |
| Inventories | 0 | 6,068 |
| Trade receivables | 10,104,199 | 11,944,964 |
| Other current financial assets | 16,128,973 | 29,174,895 |
| Other current non-financial assets | 2,527,112 | 1,982,511 |
| Cash and cash equivalents | 23,744,723 | 20,452,712 |
| Total current assets | 52,505,007 | 63,561,150 |
| Total assets | 71,805,480 | 81,453,982 |

| Equity and liabilities (EUR) | 06/30/2022 | 12/31/2021 |
|--|-------------------|-------------------|
| Equity | | |
| Subscribed capital | 7,953,136 | 7,953,136 |
| Capital reserve | -44,470 | -291,146 |
| Equity deriving from unrealized profits and losses | -2,671,898 | -2,671,898 |
| Unappropriated net income | 28,381,422 | 34,561,783 |
| Equity attributable to the equity holders of the parent company | 33,618,190 | 39,551,875 |
| Non-controlling interests | -109,013 | -109,013 |
| Total equity | 33,509,177 | 39,442,862 |
| Non-current liabilities | | |
| Pension provisions | 6,418,528 | 6,353,639 |
| Other non-current provisions | 751,810 | 517,611 |
| Non-current leasing liabilities | 10,396,827 | 10,103,743 |
| Deferred tax liabilities | 200,201 | 172,472 |
| Total non-current liabilities | 17,767,366 | 17,147,465 |
| Current liabilities | | |
| Trade accounts payable | 1,324,018 | 1,044,159 |
| Contractual liabilities | 7,020,600 | 4,257,853 |
| Current leasing liabilities | 490,985 | 549,790 |
| Other current financial liabilities | 3,293,047 | 3,034,174 |
| Other current non-financial liabilities | 7,934,291 | 12,874,809 |
| Tax provisions | 394,635 | 3,074,009 |
| Other provisions | 71,361 | 28,861 |
| Total current liabilities | 20,528,937 | 24,863,655 |
| Total equity and liabilities | 71,805,480 | 81,453,982 |

CONSOLIDATED INCOME STATEMENT FROM 01/01/2022 TO 06/30/2022

| EUR | Quarterly report | | 6-month report | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | 04/01/2022 - 06/30/2022 | 04/01/2021 - 06/30/2021 | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
| Sales revenues | 27,570,715 | 22,774,742 | 53,573,398 | 45.725.742 |
| Cost of sales | -7,169,805 | -6,269,837 | -14,794,936 | -12.811.837 |
| Gross profit on sales | 20,400,910 | 16,504,905 | 38,778,462 | 32.913.905 |
| Distribution costs | -5,451,543 | -4,173,665 | -10,852,295 | -8.199.545 |
| Administration costs | -2,388,010 | -2,234,361 | -4,896,603 | -4.373.651 |
| Research and development costs | -4,760,044 | -4,099,600 | -9,349,548 | -8.154.126 |
| Other operating income | 100,958 | 12,555 | 272,886 | 43.349 |
| Other operating expenses | -57,326 | -61,344 | -96,667 | -71.502 |
| Net impairment on financial assets | -1,526 | -134,242 | -2,908 | -182.852 |
| Operating profit | 7,843,419 | 5,814,248 | 13,853,327 | 11.975.578 |
| Interest and similar income | 139,570 | 196,992 | 455,230 | 207.774 |
| Interest and similar expenses | -839,603 | -155,214 | -1,874,224 | -188.685 |
| Earnings before taxes | 7,143,386 | 5,856,025 | 12,434,333 | 11.994.667 |
| Taxes on income and earnings | -2,393,906 | -1,742,568 | -4,139,986 | -3.736.568 |
| Net income | 4,749,480 | 4,113,458 | 8,294,347 | 8.258.099 |
| Attributable to: | | | | |
| Equity holders of the parent: | 4,749,480 | 4,113,458 | 8,294,347 | 8.258.099 |
| Non-controlling interests: | 0 | 0 | 0 | 0 |
| Earnings per share (undiluted) | 0.60 | 0.52 | 1.04 | 1.04 |
| Earnings per share (diluted) | 0.60 | 0.52 | 1.04 | 1.04 |
| Average number of shares in circulation (undiluted) | 7,953,136 | 7,953,136 | 7,953,136 | 7,953,136 |
| Average number of shares in circulation (diluted) | 7,953,136 | 7,953,136 | 7,953,136 | 7,953,136 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 01/01/2022 TO 06/30/2022

| EUR | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
|--|----------------------------|----------------------------|
| Period net income | 8,294,347 | 8,258,099 |
| Components not reallocated in profit and loss | 0 | 0 |
| Other comprehensive income for the period after taxes | 0 | 0 |
| Total comprehensive income after taxes | 8,294,347 | 8,258,099 |

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FROM 01/01/2022 TO 06/30/2022

| EUR | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
|---|----------------------------|----------------------------|
| Earnings before taxes | 12,434,333 | 11,994,667 |
| Depreciation | 1,960,267 | 1,875,473 |
| Interest and similar income | -478,235 | -207,774 |
| Interest and similar expenses | 1,897,228 | 188,685 |
| Result from the disposal of fixed assets | 0 | 1,851 |
| Non-cash personnel expenses | 246,676 | 0 |
| Changes in net current assets | | |
| Trade receivables | 1,840,765 | -4,076,459 |
| Inventories and other non-financial assets | 476,444 | -845,557 |
| Capitalized contract costs | -940,123 | -633,000 |
| Other assets | 0 | 43,713 |
| Trade accounts payable | 279,859 | 398,426 |
| Other current financial and non-financial liabilities | -4,447,447 | -127,705 |
| Other provisions | 42,500 | 0 |
| Contractual liabilities | 2,762,747 | 2,406,890 |
| Interest received | 111,220 | 54,656 |
| Interest paid | 0 | 0 |
| Income taxes received | 3,579 | 344,175 |
| Income taxes paid | -8,069,894 | -3,364,428 |
| Cash flow generated from operating activities (1) | 8,119,919 | 8,053,613 |
| Cash flow from investment activities | | |
| Expenditure for the purchase of tangible and intangible assets | -401,708 | -384,575 |
| Expenditure for the purchase of financial assets | -34,431 | -4,956,000 |
| Proceeds from the disposal of financial assets | 11,511,050 | 2,350,000 |
| Cash flow generated from investment activities (2) | 11,074,911 | -2,990,575 |
| Cash flow from financing activities | | |
| Redemption element leasing liabilities IFRS 16 | -1,375,526 | -1,299,578 |
| Interest element leasing liabilities IFRS 16 | -52,585 | -47,070 |
| Dividends paid | -14,474,708 | -13,281,737 |
| Proceeds from the sale of non-controlling interests with no change of control | 0 | 280,732 |
| Cash flow generated from financing activities (3) | -15,902,819 | -14,347,653 |
| Changes in cash and cash equivalents - total (1) to (3) | 3,292,011 | -9,284,614 |
| Cash and cash equivalents at the beginning of the period | 20,452,712 | 23,408,265 |
| Cash and cash equivalents at the end of the period | 23,744,723 | 14,123,651 |

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF 06/30/2022

| EUR | Equity attributable to the equity holders of the parent company | | | | Non-controlling interests | Total |
|---|---|-----------------|--|---------------------------|---------------------------|-------------------|
| | Subscribed capital | Capital reserve | Equity deriving from unrealized gains/losses | Unappropriated net income | | |
| 01/01/2020 | 7,953,136 | -661,338 | -3,089,638 | 28,179,727 | -69,042 | 32,312,845 |
| Period net income | | | | 8,258,099 | | 8,258,099 |
| Other comprehensive income of the period | | | 0 | | | 0 |
| Comprehensive income of the period after taxes | | | 0 | 8,258,099 | | 8,258,099 |
| Dividend | | | | -13,281,737 | | -13,281,737 |
| Transactions with non-controlling interests | | | | 320,703 | -39,971 | 280,732 |
| As of 06/30/2021 | 7,953,136 | -661,338 | -3,089,638 | 23,476,792 | -109,013 | 27,569,939 |
| 01/01/2022 | 7,953,136 | -291,146 | -2,671,898 | 34,561,783 | -109,013 | 39,442,862 |
| Period net income | | | | 8,294,347 | | 8,294,347 |
| Other comprehensive income of the period | | | 0 | | | 0 |
| Comprehensive income of the period after taxes | | | 0 | 8,294,347 | | 8,294,347 |
| Share-based remuneration | | 246,676 | | | | 246,676 |
| Dividend | | | | -14,474,708 | | -14,474,708 |
| As of 06/30/2022 | 7,953,136 | -44,470 | -2,671,898 | 28,381,422 | -109,013 | 33,509,177 |

Notes to the consolidated half-year financial statements





1. General information

The present condensed, consolidated half-year financial statements as at June 30, 2022 were prepared in compliance with the regulations of IAS 34. The requirements of the German Accounting Standard (DRS) No. 16 for interim reporting were also met.

The consolidated half-year financial statements do not comprise all the disclosures in the notes that financial statements for a full financial year usually include. The present consolidated half-year financial statements must therefore be read in conjunction with the consolidated financial statements for the financial year ending on December 31, 2021.

The accounting policies adopted correspond to those for the prior financial year and the associated interim reporting period.

The Management Board is satisfied that the net assets, financial position and results of operations portrayed in the present consolidated half-year financial statements as well as the cash flows convey a true and fair picture of the company's financial position. This half-year financial report has not been reviewed or audited.

2. Reporting period

These condensed, consolidated half-year financial statements were prepared as of June 30, 2022 for the reporting period from 01/01/2022 to 06/30/2022.

3. Currency

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

4. Consolidated group

In addition to the parent company, ATOSS Software AG, Munich, these consolidated half-year financial statements as of June 30, 2022 also include all subsidiary companies:

ATOSS CSD Software GmbH, Cham, Germany (100%)
ATOSS Software Ges. mbH, Vienna, Austria (100%)
ATOSS Software AG, Zurich, Switzerland (100%)
ATOSS Software S.R.L., Timisoara, Romania (100%)
ATOSS Aloud GmbH, Munich, Germany (93%)
ATOSS North America Inc., West Hollywood, USA (100%)

The companies are fully consolidated.

5. Financial liabilities

As of June 30, 2022 the contractual maturities of non-derivative financial liabilities of the Group are as follows:

| Contractual maturities of financial liabilities in EUR | Up to 3 months | 3 months to 1 year | Over 1 year | Total contractual cash flows | Carrying amounts of liabilities |
|--|------------------|--------------------|------------------|------------------------------|---------------------------------|
| As of 06/30/2022 | | | | | |
| Trade accounts payable | 1,324,018 | 0 | 0 | 1,324,018 | 1,324,018 |
| Lease liabilities | 730,349 | 1,932,581 | 8,311,581 | 10,974,511 | 10,887,812 |
| Total | 2,054,367 | 1,932,581 | 8,311,581 | 12,298,529 | 12,211,830 |
| As of 06/30/2021 | | | | | |
| Trade accounts payable | 937,243 | 0 | 0 | 937,243 | 937,243 |
| Lease liabilities | 641,778 | 1,705,495 | 7,682,686 | 10,029,959 | 9,560,203 |
| Total | 1,579,021 | 1,705,495 | 7,682,686 | 10,967,202 | 10,497,446 |

6. Changes in equity

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

The share capital of ATOSS Software AG as of June 30, 2022 amounted to EUR 7,953,136 (12/31/2021: EUR 7,953,136) and is divided into 7,953,136 bearer shares. Each share represents EUR 1.00 of the share capital.

7. Sales revenues

The company's sales revenues in the first half of the year are composed as follows:

| EUR | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
|-----------------------------|----------------------------|----------------------------|
| Licenses | 6,084,166 | 8,077,179 |
| Maintenance | 15,368,782 | 14,083,610 |
| Cloud & Subscription | 15,078,977 | 8,761,303 |
| Total software | 36,531,925 | 30,922,092 |
| Consulting | 13,811,521 | 12,119,399 |
| Hardware | 1,985,595 | 2,058,777 |
| Miscellaneous | 1,244,357 | 625,474 |
| Total sales revenues | 53,573,398 | 45,725,742 |

The geographic breakdown of sales revenues was as follows:

| EUR | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
|---------------------------------|----------------------------|----------------------------|
| Domestic | 44,334,567 | 38,491,455 |
| Abroad | 9,238,832 | 7,234,287 |
| <i>of which Austria</i> | 3,596,050 | 3,237,270 |
| <i>of which Switzerland</i> | 2,574,857 | 2,176,467 |
| <i>of which other countries</i> | 3,067,924 | 1,820,550 |
| Total sales revenues | 53,573,398 | 45,725,742 |

The sales revenues were distributed between product groups as follows:

| EUR | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
|---|----------------------------|----------------------------|
| ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE) | 44,717,305 | 38,764,801 |
| ATOSS Time Control (ATC) | 7,677,014 | 6,217,601 |
| Crewmeister | 1,179,079 | 743,340 |
| Total sales revenues | 53,573,398 | 45,725,742 |

8. Personnel expenses

Consolidated personnel expenses as of June 30, 2022 broke down as follows:

| EUR | 01/01/2022 - 06/30/2022 | 01/01/2021 - 06/30/2021 |
|--|----------------------------|----------------------------|
| Wages and salaries | 24,187,909 | 20,466,190 |
| Social security contributions and expenditure on retirement pensions and welfare | 4,467,355 | 3,198,624 |
| Total personnel expenses | 28,655,264 | 23,664,814 |

9. Other operating income and expenses and net impairments on financial assets

Other operating income amounting to EUR 272,886 (previous year: EUR 43,349) essentially comprises income from exchange rate differences in an amount of EUR 152,536 (previous year: EUR 25,583) and income from the reversal of value adjustments in the amount of EUR 75,617 (previous year: EUR 0).

Other operating expenses in an amount of EUR 96,667 (previous year: EUR 71,502) relate exclusively to expenses from exchange rate differences (previous year: EUR 70,265). Net impairments on financial assets relate to trade receivables in an amount of EUR 2,908 (previous year: EUR 182,852).

10. Financial income and expenses

The financial investment income in an amount of EUR 455,231 (previous year: EUR 207,774) relates essentially to the write-up of the company's gold holdings in an amount of EUR 260,335 (previous year: write-down of EUR 91,680), income from the revaluation of a fixed-term deposit in US dollars in an amount of EUR 111,220 (previous year: EUR 54,655) as well as income from distribution from investment funds of EUR 71,318 (previous year: EUR 0).

As of June 30, 2022, the company reports financial expenses amounting to EUR 1,874,224 (previous year: EUR 188,685). These relate to expenses from the valuation or sale of investment funds of EUR 1,768,286 (previous year: income in an amount of EUR 120,040), interest expenses in connection with the accounting of lease liabilities under IFRS 16 amounting to EUR 52,585 (previous year: EUR 53,699) as well as interest expenses as part of the pension provision of EUR 53,349 (previous year: EUR 43,306).

11. Earnings per share

Earnings per share is calculated by dividing the net income of EUR 8,294,347 (previous year: EUR 8,258,099) by the weighted average number of shares outstanding. As of 06/30/2022, an average of 7,953,136 shares were in circulation. Earnings per share in the first half of the year amount to EUR 1.04 (previous year: EUR 1.04).

12. Employees

As of June 30, 2022 the company has 650 employees (previous year: 588).

| | 06/30/2022 | 06/30/2021 |
|---------------------|------------|------------|
| Development | 225 | 209 |
| Consulting | 182 | 171 |
| Sales and marketing | 151 | 129 |
| Administration | 92 | 79 |
| Total | 650 | 588 |

13. Management Board

Members of the Management Board as of June 30, 2022:

| | |
|-----------------------------|--------|
| Andreas F.J. Obereder | CEO |
| Dirk Häußermann | Co-CEO |
| Pritim Kumar Krishnamoorthy | CTO |
| Christof Leiber | CFO |

14. Supervisory Board

Following a resolution of the Annual General Meeting on April 29, 2022, the Supervisory Board was re-elected and is comprised as follows:

| | |
|-----------------------------------|---|
| Moritz Zimmermann | Chairman |
| Rolf Baron Vielhauer von Hohenhau | Deputy Chairman |
| Klaus Bauer | Member of the Supervisory Board and Chairman of the Audit Committee |

15. Board members' shareholdings

As of June 30, 2022, the following board members held the following volumes of ATOSS shares:

| | 06/30/2022 |
|---|------------------|
| Andreas F.J. Obereder (CEO) | 3,976,570 |
| Dirk Häußermann (Co-CEO) | 3,400 |
| Pritim Kumar Krishnamoorthy (CTO) | 1,140 |
| Moritz Zimmermann (Chairman of the Supervisory Board) | 10,928 |
| Total | 3,992,038 |

The majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, holds 3,976,570 shares representing 50.0000025 percent of the shares in ATOSS Software AG via AOB Invest GmbH, Grünwald, Germany in which he owns 100 percent of the shares.

16. Notifiable participating interests

In the first six months of financial year 2022, the company received the following notifications regarding changes in participating interests pursuant to Sections 33 ff. of the German Securities Trading Act (WpHG):

On 01/26/2022, the voting rights threshold of 3 percent of the share capital of ATOSS Software AG was exceeded as a result of the share purchase of AIM International Mutual Funds (Invesco International Mutual Funds), Hamilton, Bermuda, and amounted to 3.05 percent at this time.

On 01/26/2022, the voting rights threshold of 3 percent of the share capital of ATOSS Software AG was exceeded as a result of the share purchase of AIM International Mutual Funds (Invesco International Mutual Funds), Wilmington, USA, and amounted to 3.04 percent at this time.

On 05/11/2022, the share of the voting rights in the share capital of ATOSS Software AG fell below 5 percent as a result of the sale of shares by MainFirst SICAV, Luxembourg, and on this date stood at 4.999273242655 percent at this time.

Since 12/06/2012 AOB Invest GmbH, Grünwald, has held 50.0000025 percent of the company's capital stock.

The actual number of voting rights may deviate from the number listed as a result of interim, non-notifiable or unreported trading.

17. Business relations with closely related persons

The daughter of the Chief Executive Officer is employed on standard market terms. The company incurred personnel costs in an amount of EUR 48,627 (previous year: EUR 34,145) for this contract in the first half of the year.

18. Events after the reporting date

No further reportable events of particular significance have occurred since June 30, 2022.

Declaration by the legal representatives

We declare that to the best of our knowledge and in accordance with applicable accounting principles for interim reporting, the Group interims consolidated financial statements provide a true and fair view of the company's net assets, financial position and results of operations and that the Group interim management report presents a true and fair view of the development of business, including the operating results and the position of the company, and also describes the significant opportunities and risks relating to the probable development of the company for the remainder of the financial year.

Munich, August 12, 2022



Andreas F. J. Obereder
CEO



Dirk Häußermann
Co-CEO



Pritim Kumar Krishnamoorthy
CTO



Christof Leiber
CFO

Disclaimer

The present report contains forward-looking statements based on the convictions of the ATOSS Software AG's Management Board, reflecting its current assumptions and estimates. Such forward-looking statements are subject to risks and uncertainties. Many currently unforeseeable facts may cause the actual performance and results of ATOSS Software AG to turn out differently. Such circumstances may include: the non-acceptance of newly launched products and services, changes in the general economic and business situation, failure to meet efficiency or cost reduction targets or changes to the business strategy.

The Management Board is firmly of the opinion that the expectations contained 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 expectations expressed will prove to be correct.

Corporate Calendar

10/24/2022

Publication of the 9-monthly financial statements

11/28-30/2022

ATOSS at the German Equity Forum

Imprint

RESPONSIBLE

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| | |
|------------|---|
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| DÜSSELDORF | ATOSS Software AG Robert-Bosch-Straße 14 40668 Meerbusch |
| FRANKFURT | ATOSS Software AG Campus Carré Herriotstraße 8 60528 Frankfurt/Main |
| HAMBURG | ATOSS Software AG Osterbekstraße 90 b 22083 Hamburg |
| OSNABRÜCK | ATOSS Software AG Westerkappelner Straße 26 49497 Mettingen |
| STUTTGART | ATOSS Software AG Bertha-Benz-Platz 1 70771 Leinfelden-Echterdingen/Stuttgart |

REPRESENTATIONS EUROPE

| | |
|-----------|---|
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| STOCKHOLM | ATOSS Software AG Vasagatan 7 111 20 Stockholm Sweden |
| UTRECHT | ATOSS Software AG Newtonlaan 115 3584 BH Utrecht Netherlands |

AFFILIATED COMPANIES GERMANY

| | |
|--------|--|
| CHAM | ATOSS CSD Software GmbH Rodinger Straße 19 93413 Cham |
| MUNICH | ATOSS Aloud GmbH Rosenheimer Straße 141 h 81671 Munich |

AFFILIATED COMPANIES EUROPE

| | |
|-----------|---|
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