

The background is black and features several dark grey, semi-transparent handprints. One handprint is prominently outlined in a bright yellow line, positioned in the lower half of the frame. The text "ATOSS Q3.15" is centered in the upper half.

**ATOSS Q3.15**





**ATOSS** QUARTERLY REPORT Q3/2015



# Letter to Shareholders



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

*Dear Shareholders,  
Ladies and Gentlemen,*

ATOSS Software AG has remained on course for continued growth in the third quarter of 2015, and is now set to deliver a tenth successive record full-year performance. The substantial growth in sales offers clear evidence of the competitive strength of ATOSS, as well as illustrating the steadily increasing importance of workforce management in the field of professional business management.

The majority of businesses are under steadily increasing pressure to boost productivity. Human resources must be deployed efficiently, exactly where and when needed. Employees are increasingly keen to play a part in structuring their own working hours along ever more flexible lines, while employers face ever stricter statutory requirements and other regulatory conditions in this regard. These developments underscore both the comprehensive challenges facing corporate managers and the huge potential in the market for workforce management – potential that ATOSS can tap into with its solutions.

With the introduction of the new product generation of the ATOSS Staff Efficiency Suite, ATOSS is setting new standards in terms of functionality, visual appeal, user-friendliness and technology. The current generation of the ATOSS flagship product offers comprehensive functionality coupled with intuitive user guidance and clear design. Thanks to the use of the latest Web technology, the ATOSS Enterprise solution supports innovative workforce management that is fit for the future – anytime, anywhere. As a result, we are not only able to make a measurable contribution towards lowering our customers' operating costs, we also offer a high degree of investment security and future-proofing.

The sustained power of innovation inherent in ATOSS solutions is also reflected in the current outstanding development in our business. Consolidated sales, for example, were up by a substantial 15 percent at EUR 33.1 million, accompanied by double-digit growth in operating profits (EBIT) that climbed 18 percent to EUR 8.4 million.

Thanks to our long-standing strategy of focusing on specific sectors, and by deploying our highly qualified and committed staff, we have again succeeded in convincing a large number of prominent companies to choose ATOSS as their partner. This is impressively demonstrated in the orders booked through to September which were valued at EUR 7.6 million, up once again on the previous year's figure of EUR 7.1 million.

Given the volume of orders on hand for software licenses, which on September 30 stood at EUR 6.0 million – significantly above the previous year's level of EUR 4.5 million – we continue to expect the highly positive development in business to be sustained through the rest of 2015, leading once again to a new record year. Despite further scheduled investments in developing new markets and a continuing high level of expenditure equal to around one fifth of sales on research & development, we also expect an EBIT margin of around 25 percent.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A. Obereder'.

Andreas F.J. Obereder  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'C. Leiber'.

Christof Leiber  
Member of the Board of Management

# Facts Overview

### ECONOMIC BACKGROUND

The German economy is experiencing a modest upswing; according to the joint outlook of the leading economic institutes, gross domestic product in Germany will increase by 1.8 percent this year and next.

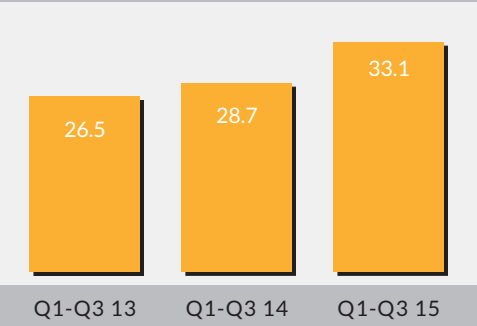
The current economic prospects for small to medium-sized IT companies in Germany, on the other hand, remain entirely positive. According to the latest economic survey by information and communications technology and new media trade association Bitkom, three quarters of IT SMEs expect sales to increase in the second half of 2015.

### ATOSS SOFTWARE AG

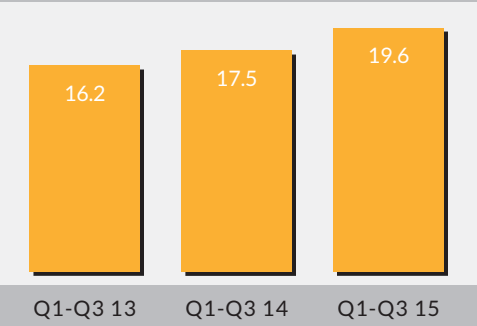
The development in sales underscores sustained customer interest in workforce management as well as the competitive strength of ATOSS.

All essential financial indicators continue to develop positively, with a tenth record year in prospect.

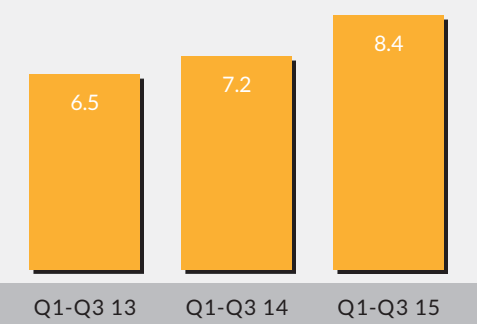
TOTAL SALES (EUR MILL.)



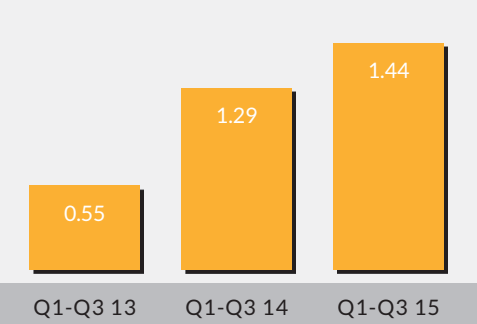
SOFTWARE SALES (EUR MILL.)



EBIT (EUR MILL.)



EPS (EUR)



### CONSOLIDATED OVERVIEW AS PER IFRS: 9-MONTH COMPARISON IN KEUR

	01.01.2015 - 30.09.2015	Proportion of total revenues	01.01.2014 - 30.09.2014	Proportion of total revenues	Change 2015/2014
Sales	33,053	100%	28,745	100%	15%
Software	19,589	59%	17,491	61%	12%
Software licenses	7,056	21%	6,074	21%	16%
Software maintenance	12,533	38%	11,417	40%	10%
Consulting	8,781	27%	7,397	26%	19%
Hardware	3,517	11%	3,065	10%	15%
Others	1,166	4%	792	3%	47%
EBITDA	8,850	27%	7,547	26%	17%
EBIT	8,435	26%	7,159	25%	18%
EBT	8,467	26%	7,525	26%	13%
Net profit	5,724	17%	5,122	18%	12%
Cash flow	10,288	31%	8,644	30%	19%
Liquidity <sup>(1/2)</sup>	27,041		21,118		28%
EPS in euro	1.44		1.29		12%
Employees <sup>(3)</sup>	330		300		10%

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

	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14
Sales	11,390	10,956	10,707	10,938	9,985
Software	6,640	6,624	6,325	6,387	5,810
Software licenses	2,391	2,436	2,229	2,443	1,930
Software maintenance	4,249	4,188	4,096	3,944	3,880
Consulting	2,965	3,022	2,794	2,707	2,452
Hardware	1,363	838	1,316	1,401	1,384
Others	423	472	272	443	339
EBITDA	3,000	2,952	2,898	2,758	2,589
EBIT	2,858	2,809	2,768	2,628	2,462
EBIT margin in %	25 %	26%	26%	24%	25%
EBT	2,587	2,545	3,335	2,770	2,411
Net profit	1,750	1,717	2,257	1,911	1,639
Cash flow	5,692	-550	5,146	-573	5,945
Liquidity <sup>(1/2)</sup>	27,041	21,820	26,218	20,583	21,118
EPS in euro	0.44	0.43	0.57	0.48	0.41
Employees <sup>(3)</sup>	330	318	313	305	300

(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) adjusted to exclude borrowings (loans) as of the qualifying date  
(2) Dividend of EUR 0.88 per share on 29.04.2015 (KEUR 3,499)  
(3) At end of quarter / half-year.

# Investor Relations

SHARE PRICE MOVEMENT: Q1/2007 – Q3/2015



CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN EUR

	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14
Highest price	49.00	48.45	46.05	34.00	30.30
Lowest price	40.15	38.02	27.81	28.51	28.51
Share price at end of quarter	48.00	39.99	32.45	32.50	30.00
Dividend paid per share <sup>(2)</sup>	0.00	0.88	0.00	0.00	0.00
Cash flow per share	1.43	-0.14	1.29	-0.14	1.49
Liquidity per share <sup>(1/2)</sup>	6.80	5.49	6.59	5.18	5.31
EPS	0.44	0.43	0.57	0.48	0.41
EPS (diluted)	0.44	0.43	0.57	0.48	0.41

(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold), adjusted to exclude borrowings (loans) as of the qualifying date  
(2) Dividend of EUR 0.88 per share on 29.04.2015 (kEUR 3,499)

## ATOSS stock – business and investment success go hand in hand

With some fluctuations, the movement in the price of ATOSS stock followed a highly gratifying path in the first nine months, continuing the long-term positive trend. In the third quarter of 2015, the stock price reached the highest level so far in the company's history at EUR 49.00. As of the closing date for the period, the stock price had put on 47.7 percent, or 50.4 percent including the dividend.

By comparison in the first nine months, the benchmark Daxsubsector Software Performance Index put on just 2.9 percent. A long-term consideration also underscores the strength of ATOSS stock: From 2007 until September 2015, the price had risen by 368 percent. Whereas over the same period the Daxsubsector Performance Index rose by only 72 percent. ATOSS stock has clearly outperformed its benchmark and substantially outpaced the market.

The dividend payment distributed in April of EUR 0.88 per share was 22 percent higher than in the previous year. Against the background of the current development in earnings, given our policy of paying a dividend which as a matter of principle is at least equal to that paid in the previous year and which generally amounts to up to 50 percent of earnings per share, we look forward to paying an attractive dividend for the current financial year.

Shareholders in ATOSS Software AG benefit from an increase in prosperity not only through the increase in the share price, but also through dividends and substantial irregular special distributions. In total since 2006, long-term ATOSS shareholders have received dividends of EUR 13.28. This combination of strong share price growth and attractive cash distributions continues to appeal in particular to investors with a medium- to long-term investment strategy.

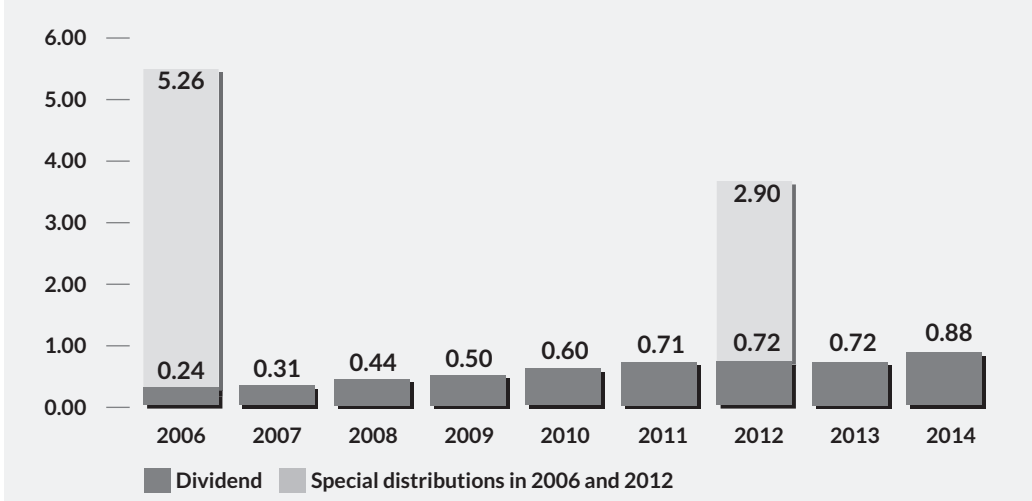
Going forward, ATOSS will maintain its position as a technology company with an attractive and reliable dividend yield and a consistently positive operating performance with the potential for growth.





Image: ATOSS CUSTOMER CITY OF WÜRZBURG

ATOSS DIVIDEND PAYMENTS IN EUR



Analysts praise continuous growth

The figures for the first nine months were slightly higher than expected by analysts at Warburg Research, who view the development in business as a continuation of the ATOSS growth story. Given the high level of software licensing orders on hand, the prospects for the fourth quarter and the coming financial year are considered to be excellent. With forecasts unchanged, the upside target remains for the stock remains at EUR 45. Due to the marked increase in price in recent months, the stock continues to be rated as a “hold”.

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



# Group Management Report

## 1. Business and conditions: Moderate upswing continues in the German economy

Global economic expansion has weakened in the course of 2015 and for the time being remains modest. The acceleration expected in the spring was nipped in the bud by increasing uncertainty regarding economic progress in the developing countries, primarily China. In particular the turbulence on the international financial markets and further falls in energy and raw material prices have caused further deterioration in the conditions facing many developing countries. On the other hand there has been some important growth momentum emanating from the developed economies which are profiting from an expansionary monetary policy and lower oil prices.

The economic institutes are forecasting a moderate recovery in the Eurozone economy, essentially supported at present by the stable economic developments in German and Spain. The German economy has profited above all from the increasing demand for exports that has accompanied the reduction value of the euro. However, growth expectations in Germany have been dampened by uncertainties surrounding the development in the Chinese economy. According to a joint study published in October, the economic institutes expect to see a rise of just 1.8 percent in corporate gross domestic product.

By contrast, the high-tech sector continues to face the future with optimism and is markedly more confident than industry as a whole. A total of 74 percent of companies operating in the digital economy expect sales to increase in the second half of 2015. This positive climate is also reflected in the BITKOM index which despite a small decline of 7 points still stands at a very strong 65. The BITKOM sector continues to serve as an engine of growth for the German economy.

Against this background, in the first nine months of 2015 ATOSS recorded strong business with sales up 15 percent and an 18 percent increase in operating profits (EBIT) – despite a sustained high level of investments in marketing and development. In its core software business the company achieved sales growth of 12 percent, Growth in consulting amounted to 19 percent, buoyed up by strong orders on hand for implementation services. In addition there has also been a very gratifying development in orders received. At EUR 7.6 million as of September 30 the figure was substantially 7 percent higher than last year's EUR 7.1 million.

## 2. Earnings situation: New record sales and results

In the first nine months of financial year 2015 ATOSS recorded 15 percent growth in overall sales which came in at EUR 33.1 million (previous year: EUR 28.7 million). In our core software business, turnover climbed 12 percent from EUR 17.5 million to EUR 19.6 million, with software licenses rising from EUR 6.1 million to EUR 7.1 million. Software maintenance, too, continued to develop positively with turnover increasing by 10 percent to EUR 12.5 million.

As of September 30, 2015 consulting sales stood at EUR 8.8 million (previous year: EUR 7.4 million).

Operating profits (EBIT) were 18 percent up on the year before, rising from EUR 7.2 million to EUR 8.4 million, while earnings before taxes (EBT) in the reporting period climbed 13 percent from EUR 7.5 million to EUR 8.5 million.

Earnings after tax at the end of September 2015 amounted to EUR 5.7 million (previous year: EUR 5.1 million). Earnings per share accordingly came in at EUR 1.44 (previous year: EUR 1.29). Orders received as of September 30, 2015 amounted to EUR 7.6 million (previous year: EUR 7.1 million). Orders on hand for software licenses at the end of September 2015 stood at EUR 6.0 million, well above last year's high level of EUR 4.5 million and providing an excellent starting point for the current fourth quarter and the next financial year in 2016.

### 3. Net assets and financial position

In the first nine months, cash flow from operations amounted to EUR 10.3 million (previous year: EUR 8.6 million). At the same time, liquidity (cash and cash equivalents less borrowings) increased relative to the same period last year from EUR 15.8 million to EUR 25.3 million. The position as a whole comprising liquidity and other current and non-current financial assets, after adjusting for borrowed funds such as loans, improved from EUR 21.1 million last year to EUR 27.0 million. Liquidity per share on September 30, 2015 including these other current and non-current financial assets and adjusted for borrowings accordingly stood at EUR 6.80 (previous year: EUR 5.31).

In addition to net earnings of EUR 5.7 million, the EUR 10.3 million in cash flow from operations was also boosted by an increase in deferred revenues of EUR 3.9 million and a reduction in tax provisions amounting to EUR 1.1 million.

As of September 30, 2015 ATOSS reported an equity ratio of 47 percent (previous year: 49 percent). The company thus remains extremely well capitalized, with solvency assured at all times.

### 4. Product development

A high level of expenditure on research & development remains 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 & development costs in the first nine months rose by 7 percent relative to the year before to stand at EUR 6.3 million as of the end of September (previous year: EUR 5.9 million). R&D costs as a proportion of overall sales amounted to 19 percent (previous year 21 percent).

The company continues to refrain from capitalizing the expense of developing new products. 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 300 last year to 330. As of September 30, 2015 ATOSS had 140 staff engaged in development (previous year: 129), 90 in consulting (previous year: 82), 53 in sales and marketing (previous year: 43) and 47 in administration (previous year: 46).

Personnel costs for the current financial year amounted as of September 30 to EUR 16.0 million (previous year: EUR 14.0 million).

### 6. Risks associated with future development

There has been no material change in the company's risk structure relative to the description contained in the consolidated financial statements to December 31, 2014.

The market risk associated with financial assets available for sale essentially concerns the fair value of the company's gold holdings, which stood at EUR 1.7 million as of September 30, 2015 and is dependent on the ongoing development in the gold price.

### 7. Events after the reporting period

There have been no reportable events of particular significance since September 30, 2015.

### 8. Outlook

In the first nine months of the current financial year 2015, ATOSS has experienced an extremely positive development in sales and operating profits. In view of this development and in consideration of the high level of orders on hand, despite further scheduled investments, particularly in developing new markets, and a continuing high level of expenditure on research & development amounting to around one fifth of sales, the Management Board continues to expect stable sales growth in the current financial year with an EBIT margin of around 25 percent.



## CONSOLIDATED BALANCE SHEET TO 30.09.2015

Assets (EUR)	30.09.2015	31.12.2014
<b>Non-current assets</b>		
Intangible assets	178,313	141,584
Tangible fixed assets	2,715,098	2,736,726
Other financial assets	456,830	451,755
Deferred taxes	955,728	1,006,914
<b>Total non-current assets</b>	<b>4,305,969</b>	<b>4,336,979</b>
<b>Current assets</b>		
Inventories	5,459	6,861
Trade accounts receivables	4,683,662	3,842,007
Other financial assets	1,272,352	5,023,032
Other non-financial assets	634,575	534,163
Cash and cash equivalents	25,311,937	15,107,722
<b>Total current assets</b>	<b>31,907,985</b>	<b>24,513,785</b>
<b>Total assets</b>	<b>36,213,954</b>	<b>28,850,764</b>

Equity and Liabilities (EUR)	30.09.2015	31.12.2014
<b>Equity</b>		
Subscribed capital	3,976,568	3,976,568
Capital reserve	-661,338	-661,338
Equity deriving from unrealized profits/losses	-1,704,024	-1,707,831
Unappropriated net income	15,559,172	13,333,498
<b>Equity attributable to equity holders of the parent</b>	<b>17,170,378</b>	<b>14,940,898</b>
Non-controlling interests	-8.161	-5,692
<b>Total equity</b>	<b>17,162,217</b>	<b>14,935,206</b>
<b>Non-current liabilities</b>		
Pension provisions	4,285,873	4,213,769
Deferred taxes	1,269	0
<b>Total non-current liabilities</b>	<b>4,287,142</b>	<b>4,213,769</b>
<b>Current liabilities</b>		
Trade accounts payable	487,383	320,388
Other liabilities	5,324,569	5,450,257
Deferred revenues	6,445,918	2,535,212
Tax provisions	2,417,725	1,306,933
Other provisions	89,000	89,000
<b>Total current liabilities</b>	<b>14,764,595</b>	<b>9,701,790</b>
<b>Total equity and liabilities</b>	<b>36,213,954</b>	<b>28,850,764</b>

## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 30.09.2015

	Quarterly report		9-months report	
EUR	01.07.2015 - 30.09.2015	01.07.2014 - 30.09.2014	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
<b>Sales revenues</b>	<b>11,389,885</b>	<b>9,985,134</b>	<b>33,053,256</b>	<b>28,745,214</b>
Cost of sales	-3,630,767	-3,306,879	-10,362,008	-8,830,695
<b>Gross profit on sales</b>	<b>7,759,118</b>	<b>6,678,255</b>	<b>22,691,248</b>	<b>19,914,519</b>
Selling costs	-1,892,240	-1,484,581	-5,494,837	-4,596,820
Administration costs	-823,669	-816,570	-2,521,321	-2,417,495
Research and development costs	-2,139,558	-1,972,470	-6,307,789	-5,883,074
Other operating income	30,308	59,968	249,206	163,470
Other operating expenses	-75,534	-2,934	-181,416	-21,619
<b>Operating profit (EBIT)</b>	<b>2,858,425</b>	<b>2,461,668</b>	<b>8,435,091</b>	<b>7,158,981</b>
Interest and similar income	-245,706	-28,011	107,130	434,995
Interest and similar expenses	-25,446	-23,086	-74,589	-69,427
<b>Earnings before taxes (EBT)</b>	<b>2,587,273</b>	<b>2,410,571</b>	<b>8,467,632</b>	<b>7,524,549</b>
Taxes on income and earnings	-837,392	-771,180	-2,743,797	-2,402,805
<b>Net profit</b>	<b>1,749,881</b>	<b>1,639,391</b>	<b>5,723,835</b>	<b>5,121,744</b>
Attributable to:				
Equity holders of the parent:	1,751,880	1,642,693	5,729,862	5,125,046
Non-controlling interests:	-1,999	-3,302	-6,027	-3,302
Earnings per share (undiluted)	0.44	0.41	1.44	1.29
Earnings per share (diluted)	0.44	0.41	1.44	1.29
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. TO 30.09.2015

EUR	Quarterly report	
	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
<b>Net profit</b>	<b>5,723,835</b>	<b>5,121,744</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	5,076	29,603
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	-1,269	-7,401
<b>Other comprehensive income for the period after taxes</b>	<b>3,807</b>	<b>22,202</b>
<b>Comprehensive income after taxes</b>	<b>5,727,642</b>	<b>5,143,946</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01. TO 30.09.2015

EUR	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
<b>Net profit</b>	<b>5,723,835</b>	<b>5,121,744</b>
Depreciation of fixed assets	415,223	387,910
Gains/losses from the disposal of fixed assets	9,955	288
Gains/losses from the disposal/valuation of financial assets available for sale	-86,320	-414,080
Other financial investment income	-19,938	-20,915
Change in deferred taxes	52,455	-175,568
Change in provisions for pension commitments	72,104	23,915
Adjustment for items not recognized in profit or loss	-1,269	-7,401
<b>Change in net current assets</b>		
Trade accounts receivable	-841,655	-322,917
Inventories and other assets	-99,010	578,835
Trade accounts payable	166,995	420,811
Other provisions	0	-32,054
Other liabilities	-125,688	-269,151
Deferred revenues	3,910,706	2,707,022
Tax provisions	1,110,792	645,597
<b>Cash flow generated from business operations(1)</b>	<b>10,288,185</b>	<b>8,644,036</b>
<b>Cash flow from investment activities</b>		
Disbursements for the purchase of tangible and intangible assets	-440,278	-378,833
Receipts from the disposal of other financial assets	3,837,000	0
Interest received	19,938	20,915
<b>Cash flow generated from investment activities (2)</b>	<b>3,416,660</b>	<b>-357,918</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-3,499,380	-2,863,129
Disbursements from acquisitions of non-controlling interests	-1,250	0
Proceeds from transactions with non controlling interests trough the formation of a subsidiary	0	2,000
<b>Cash flow generated from financing activities (3)</b>	<b>-3,500,630</b>	<b>-2,861,129</b>
<b>Change in liquidity - total of (1) to (3)</b>	<b>10,204,215</b>	<b>5,424,989</b>
Liquidity at beginning of year	15,107,722	10,392,796
Liquidity at end of year	25,311,937	15,817,785
<b>Cash flow generated from business operations include:</b>		
Income taxes paid	1,597,224	1,971,871
Tax refunds received	32	4,058



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 30.09.2015

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>01.01.2014</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-734,394</b>	<b>9,156,749</b>	<b>0</b>	<b>11,737,585</b>
Net profit 2014	0	0	0	5,125,046	-3,302	5,121,744
Other comprehensive income	0	0	22,202	0	0	22,202
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>22,202</b>	<b>5,125,046</b>	<b>-3,302</b>	<b>5,143,946</b>
Dividends	0	0	0	-2,863,128	0	-2,863,128
Non controlling interests	0	0	0	0	2,000	2,000
<b>30.09.2014</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-712,192</b>	<b>11,418,667</b>	<b>-1,302</b>	<b>14,020,403</b>
<b>01.01.2015</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,707,831</b>	<b>13,333,498</b>	<b>-5,692</b>	<b>14,935,206</b>
Net profit 2015	0	0	0	5,729,862	-6,027	5,723,835
Other comprehensive income	0	0	3,807	0	0	3,807
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>3,807</b>	<b>5,729,862</b>	<b>-6,027</b>	<b>5,727,641</b>
Dividends	0	0	0	-3,499,380	0	-3,499,380
Proceeds from transactions with non controlling interests through the formation of a subsidiary	0	0	0	-4,808	3,558	-1,250
<b>30.09.2015</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,704,024</b>	<b>15,559,172</b>	<b>-8,161</b>	<b>17,162,217</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, 2014.

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 quarterly financial statements accords with the true facts. This interim report has not undergone an auditors' inspection or statutory audit.

## 2. Reporting period

The present interim report was prepared to September 30, 2015 for the reporting period from January 1, 2015 to that date.

## 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 September 30, 2015 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 (97%)  
These companies are fully consolidated.

In March 2015 the group acquired an additional 5 percent stake in ATOSS Aloud GmbH, increasing its holding from 92 to 97 percent.

#### 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	01.01.2015 –30.09.2015	01.01.2014 –30.09.2014
Software licenses	7,056,048	6,073,746
Software maintenance	12,533,340	11,417,405
<b>Total software</b>	<b>19,589,388</b>	<b>17,491,151</b>
Consulting	8,780,650	7,396,677
Hardware	3,516,689	3,065,098
Others	1,166,529	792,288
<b>Total sales revenues</b>	<b>33,053,256</b>	<b>28,745,214</b>

The geographic breakdown of sales revenues was as follows:

EUR	01.01.2015 –30.09.2015	01.01.2014 –30.09.2014
Germany	28,347,735	24,826,313
Austria	3,256,831	2,722,803
Switzerland	1,130,188	733,942
<b>German-speaking territories in total</b>	<b>32,734,754</b>	<b>28,283,058</b>
Other countries	318,502	462,156
<b>Total sales revenues</b>	<b>33,053,256</b>	<b>28,745,214</b>

#### 7. Personnel expenses

The consolidated personnel costs to September 30, 2015 were composed as follows:

EUR	01.01.2015 –30.09.2015	01.01.2014 –30.09.2014
Wages and salaries	13,338,478	11,652,232
Social security contributions and expenditure on retirement pensions and welfare	2,640,980	2,381,993
<b>Total personnel costs</b>	<b>15,979,458</b>	<b>14,034,225</b>

#### 8. Other operating income and expenses

In the first nine months of the current financial year the company recorded other operating income in the amount of EUR 249,206 (previous year: EUR 163,470). This primarily included income from exchange rate differentials in the amount of EUR 157,688 as well as from the liquidation of reserves in the amount of EUR 76,840 (previous year: EUR 148,100).

Other operating expenses amounting to EUR 181,416 (previous year: EUR 21,619) essentially related to exchange rate losses amounting to EUR 127,553 (previous year: EUR 6,138).

#### 9. Financial investment income and expenses

In the first nine months of the current financial year the company recorded income in the amount of EUR 107,130 (previous year: EUR 434,995) from financial investments. This essentially comprised profits realized on the sale in July of three quarters of the gold holdings carried as other current financial assets in the amount of EUR 73,320. In addition the company received income from the write-up on the existing gold holdings in the amount of EUR 13,000 (previous year: EUR 414,080) as well as interest income of EUR 20,810 (previous year: EUR 20,915).

The company also recorded expenses amounting as of September 30, 2015 to EUR 74,589 (previous year: EUR 69,427). This almost exclusively concerned interest expenses in connection with pension provisioning.

10. Tax charge

Consolidated tax expenses to September 30, 2015 were comprised as follows:

EUR	01.01.2015 -30.09.2015	01.01.2014 -30.09.2014
<b>Pre-tax earnings (EBT)</b>	<b>8.467.632</b>	<b>7.524.549</b>
Expected tax charge (2015: 32.60%, 2014: 32.60%)	-2,760,448	-2,453,003
Non-deductible operating expenses	-43,198	-99,616
Tax refunds / back-payments for previous years	328	4,058
Current losses for which no deferred tax claim has been recognized	-163,222	0
Differences in tax rates at consolidated companies	222,743	145,756
<b>Actual Group tax charge</b>	<b>-2,743,797</b>	<b>-2,402,805</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 5,723,835 by the weighted average number of shares outstanding. From January 1 to September 30, 2015 an average of 3,976,568 shares were in circulation. Consequently, earnings per share for this period amounted to EUR 1.44, in comparison with EUR 1.29 in the first nine months of the preceding year.

12. Segment reporting

The identification of operating segments presupposes that a senior decision-maker monitors and assesses the profitability of significant components of the company as the basis for resource allocation and profitability measurement, that the components of the company generate income and incur expenses as part of their business activities, and that financial information is available for these components of the company. Several segments can be aggregated into one segment if the type of products and services, production processes and customers for which the products and services are intended are similar, as well as the sales methods applied, and where they exhibit a significant shortfall relative to the quantitative thresholds for segment formation.

The company has only one uniform business segment within the meaning of IFRS 8 which comprises the creation, sale and implementation of software solutions directed towards the efficient deployment of personnel.

The following tables depict sales revenues broken down by software solutions and their contributions to the operating result.

The individual software solutions comprise:

**ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE):**

ASES and ASE are time and attendance management and workforce scheduling solutions for customers of all sizes in all industries. These software solutions are generally accompanied by other services covering implementation and training. In addition consulting services are rendered with the object of making meaningful use of the available scope and developing optimum solutions for the efficient deployment of personnel under specific operating conditions and in consideration of works agreements and industry-wide pay deals. The company also sells hardware components for time recording and access control purposes. ASES/ASE software is used in conjunction with all major standard system platforms and databases. Moreover, thanks to the extensive facility to define customer-specific parameters, these solutions are capable of satisfying even the most sophisticated requirements of customers of all sizes in all industries and sectors.

**ATOSS Time Control (ATC):**

ATC offers a software solution for time and attendance management and workforce scheduling for small and medium-sized customers, as well as large, but decentrally organized clients. Likewise, in conjunction with ATC, ATOSS offers software implementation and training, as well as consulting services. Merchandise, including hardware and recording media, is also available. ATC software is installed on the Microsoft Windows system platform in association with standard SQL databases and is particularly user-friendly and convenient for small to medium-sized customers as well as large decentralized organizations.

EUR	01.01.2015 -30.09.2015	01.01.2014 -30.09.2014
<b>Sales revenues</b>		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	28,999,909	26,044,027
ATOSS Time Control (ATC)	4,053,347	2,701,187
<b>Total sales revenues</b>	<b>33,053,256</b>	<b>28,745,214</b>
<b>Operating result (EBIT)</b>		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	7,657,834	6,570,187
ATOSS Time Control (ATC)	777,257	588,794
<b>Operating result (EBIT) in total</b>	<b>8,435,091</b>	<b>7,158,981</b>



13. Employees

On September 30, 2015 the company had 330 employees (previous year: 300).

	01.01.2015 -30.09.2015	01.01.2014 -30.09.2014
Development	140	129
Consulting	90	82
Sales and marketing	53	43
Administration	47	46
Total	330	300

14. Management Board

The members of the Management Board are:

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

15. Supervisory Board

By a resolution adopted at the annual general meeting on April 28, 2015, the Supervisory Board was reelected and is comprised as follows:

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

16. Board member shareholdings

As of September 30, 2015 the following board members held the following numbers of ATOSS shares:

EUR	30.09.2015	30.06.2015	31.03.2015	30.12.2014	30.09.2014
Andreas F.J. Obereder	1,988,285	1,988,285	1,988,285	1,988,285	1,988,285
Peter Kirn	12,787	13,760	14,760	14,760	14,760

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 him.

17. Notifiable participating interests

In the first nine months of financial year 2015 the company received no notifications regarding changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act.

18. Business relations with closely related persons

As of September 30, 2015, there were no business relations with closely related persons.

19. Events after the reporting period

There have been no reportable events of particular significance since September 30, 2015.

## 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, November 13, 2015



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.



Financial calendar

24.11.2015	ATOSS at the German Equity Forum
29.01.2016	Press release announcing preliminary results for 2015
10.03.2016	Publication of the annual report for 2015
10.03.2016	Balance sheet press conference
22.04.2016	Press release announcing the 3-monthly financial statements
26.04.2016	Annual General Meeting
13.05.2016	Publication of the 3-monthly financial statements
22.07.2016	Press release announcing the 6-monthly financial statements
12.08.2016	Publication of the 6-monthly financial statements
21.10.2016	Press release announcing the 9-monthly financial statements
11.11.2016	Publication of the 9-monthly financial statements

Imprint

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