



EquiRisk-Rating

Detailed Report Atoss

29.07.2005



| Company | Rating | Rating change |
|--------------|-----------|---------------|
| Atoss | B+ | ⇒ |

| Corporate data | | | | Rating development | |
|----------------|--------------|------------------|-------|--------------------|--|
| ISIN: | DE0005104400 | Price: | 7,81 | | |
| Bloomberg: | AOF GR | High 52w: | 11,60 | | |
| Reuters: | AOFG.F | Low 52w: | 7,81 | | |
| Segment: | Prime | Market cap (€m): | 31,70 | | |
| | Technology | Shares out (m): | 4,06 | | |
| Index: | TecAll | | | | |

| Balance sheet structure | Revenue and margin development |
|-------------------------|--------------------------------|
| | |

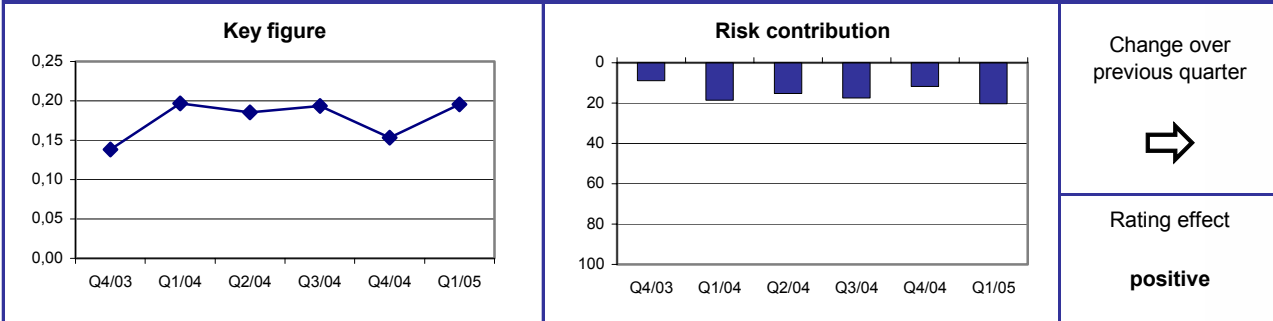
| Risk contributions of key figures (relative to previous analysis) | |
|---|--|
| | <ul style="list-style-type: none"> Degree of financial strain 2nd degree liquidity Equity to asset ratio II Impairment risk Receivables ratio trend Operating cash burn rate Revenue trend stability Operating leverage Margin trend Degree of profitability |

Notes

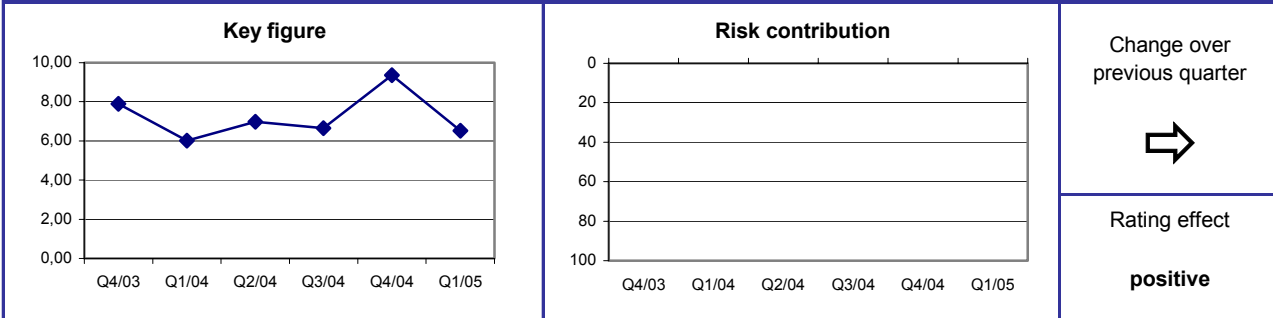
In the present EquiRisk Report the ATOSS Software AG is able to keep its rating, this again being supported on grounds of the company's very solid balance sheet. To a very limited size, the degree of financial strain has come up slightly, this resulting from an increase of the short-term liabilities (especially due to deferred revenues). The risk from net receivables remains on a comparably high level, the mid-term trend of the receivables quota is still inconstant. On the operative level, the company had to put up with a decline in sales and earnings. This continues to be reflected by a longer-term very unstable stability of the sales trend, which has again come down slightly. On the earnings side, the decided path of restructuring did show its effects. In addition to the still risen investments into product and solution that are directly booked under R&D expenditures, the company did also have quite stout expenses for marketing and organisation. Currently this does put pressure on the margin – but mid-term this does mean a potential for their improvement. The crucially important operative factor for the company is yet the development on the sales side. Taken that no improvement will arrive upon mid-term view, this could continue to shift the operative risk structure to the negative side. The rating outlook is stable to slightly positive.



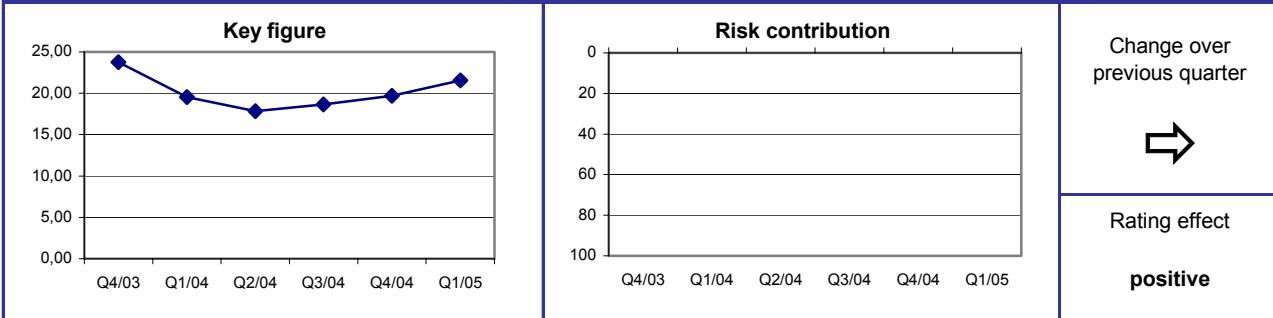
Degree of financial strain



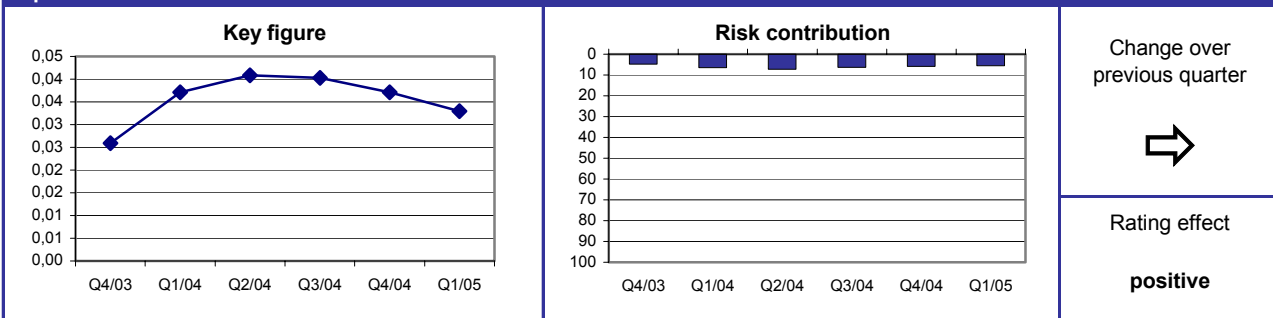
2nd degree liquidity



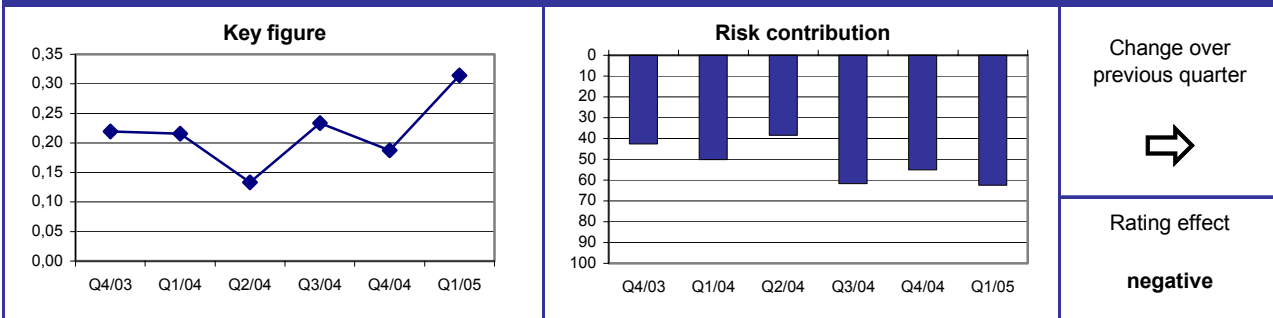
Equity to asset ratio II



Impairment risk

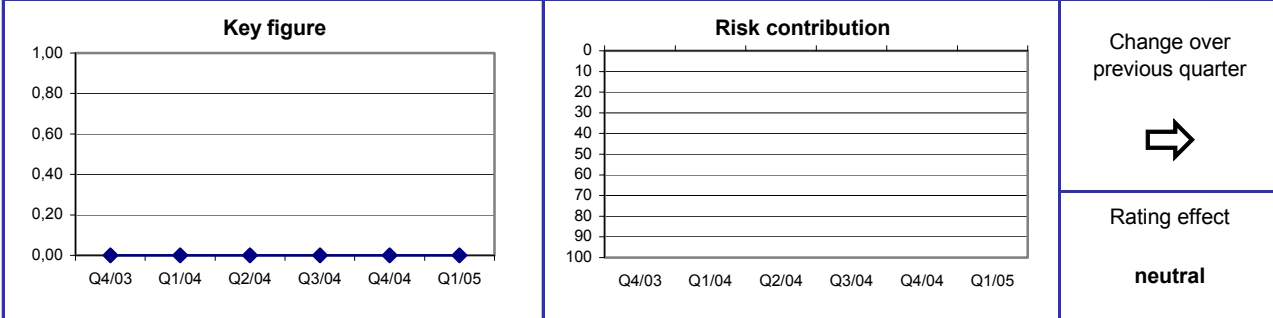


Receivables ratio trend

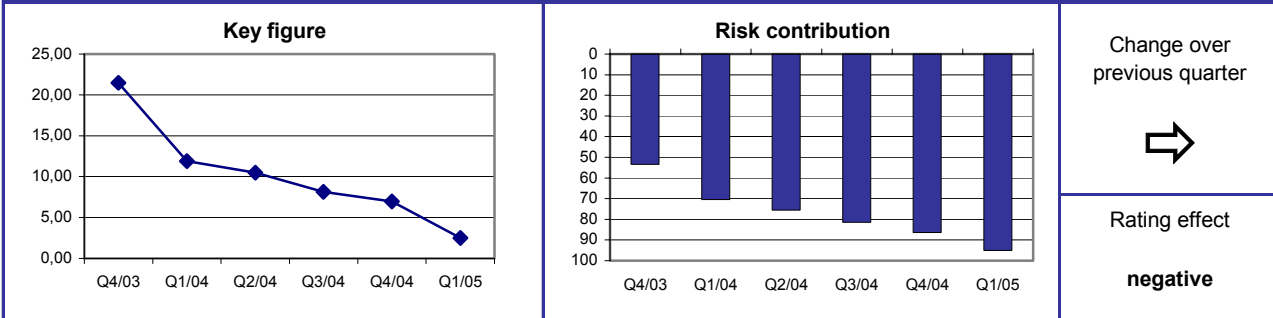




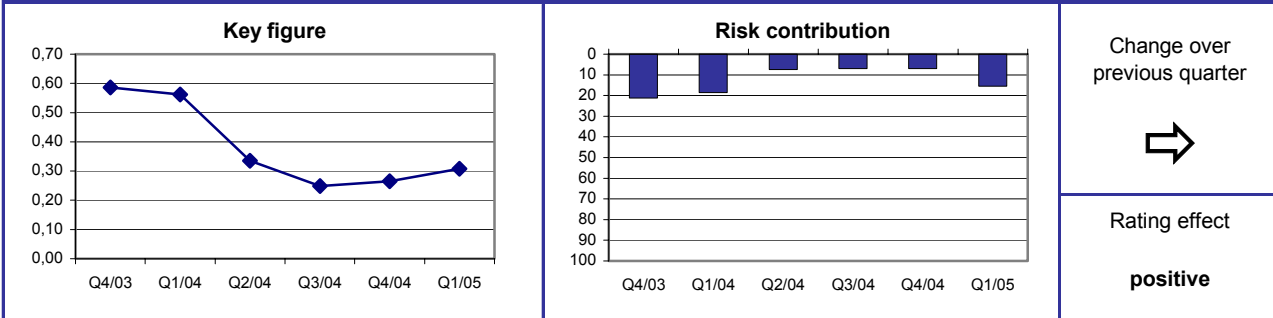
Operating cash burn rate



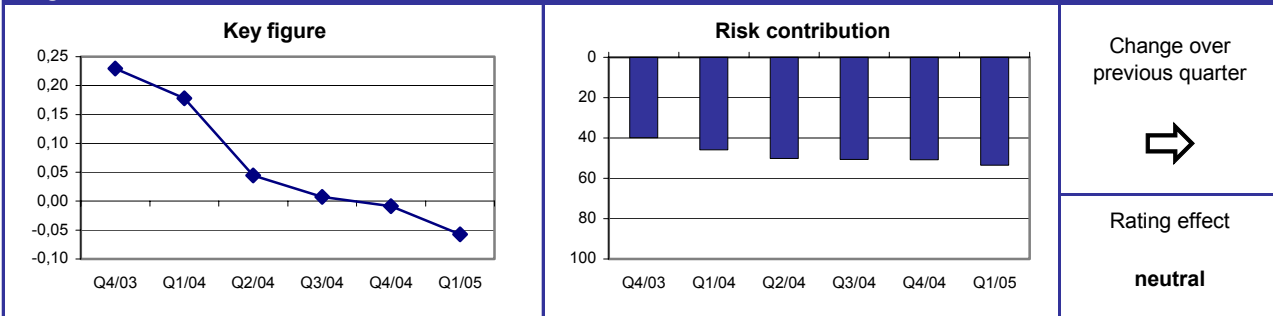
Revenue trend stability



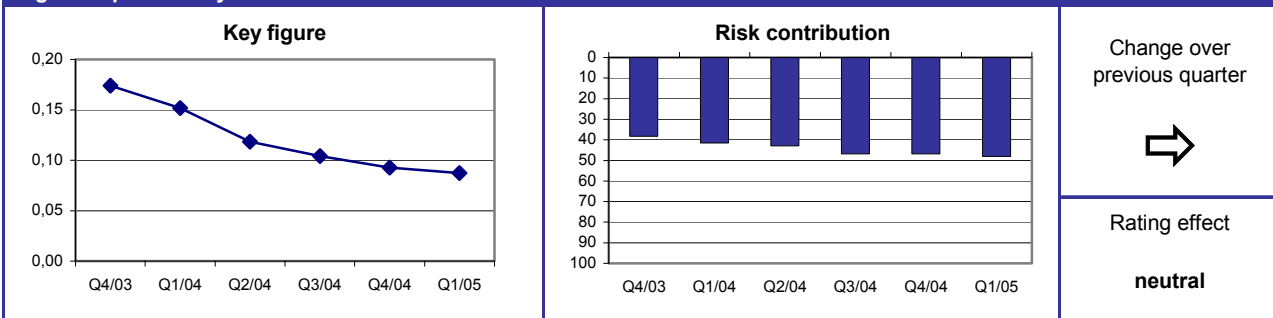
Operating leverage



Margin trend



Degree of profitability





What are EquiRisk ratings?

Hamburg-based SES Rating GmbH arrives at EquiRisk ratings on the basis of a purely quantitative model. SES Rating believes the model is able to differentiate companies by the enterprise-specific risks to which their equity's market value is subject. It covers both operating and financial risks, but not general market risks. An EquiRisk rating thus expresses the probability that a company might suffer operating setbacks in the future, get into financial difficulties, or disappoint expectations of investors regarding fundamental business development. But it is not a tool for measuring stock valuation or creditworthiness risks associated with borrowed capital.

What can EquiRisk ratings do?

EquiRisk ratings increase the comparability of available investment alternatives and thus facilitate faster and more targeted investment decisions – and that for all 150-200 technology stocks in the Prime Standard segment in the first stage of market introduction. The indication of relative risk makes it easier for investors to select stocks that match their risk profiles. But an EquiRisk rating does not constitute an investment recommendation, because as an equity rating, it only judges a company's specific risk. Further aspects essential to an investment decision, such as market prices or risk preferences of different investors, are not taken into account.

Definition of rating classes

EquiRisk A rating

A-rated companies are distinguished by especially low company-specific risk. Their situation may be characterized as solid in both operating and financial respects. No serious operating or financial setbacks are therefore to be expected.

EquiRisk B rating

B-rated companies are distinguished by moderate company-specific risk. Negative or disappointing events may occur. Their operating and/or financial situation exhibits weaknesses, but is not threatening.

EquiRisk C rating

C-rated companies are distinguished by high company-specific risk. The probability of negative or disappointing fundamental events is above average. Their operating and/or financial situation exhibits weaknesses that could become threatening to their continued existence in the medium term.

EquiRisk D rating

D-rated companies suffer from a shortage of liquidity and financing. Their operating situation and development is eclipsed by their financial strain. Bankruptcy is likely if no additional funds can be procured in the foreseeable future.

Rating additions

EquiRisk ratings can be amplified with qualifications of plus or minus (+ or -). Those additions describe the relative position of the respective company within a rating class:

+ = Company is in the upper area of a rating class

- = Company is in the lower area of a rating class.

Limitations

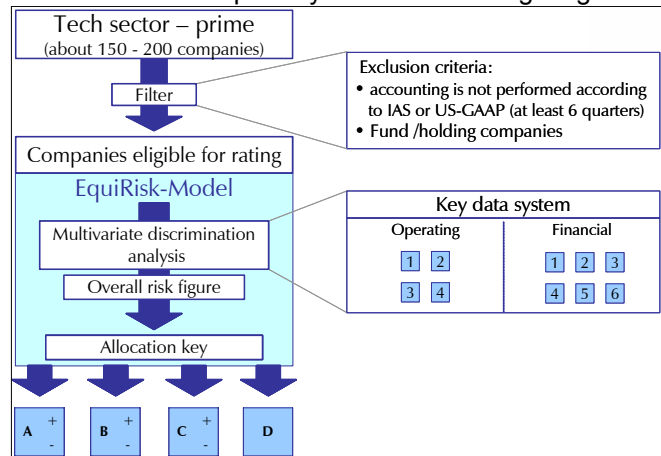
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Brief presentation of the rating process

Only the published annual and quarterly reports of the covered companies are used as the basis for determining the ratings by the EquiRisk model. Given selected business data from the balance sheet, income statement, and cash flow statement, the model determines key data that make it possible to judge the respective operating and financial situation. Combined into a key data system (for more detailed information on this, see the SES Rating publication "EquiRisk Rating: The Key Data System"), they provide insight into the current risk profiles of the individual companies.

Building on that, the model makes a relative risk assessment of the companies. For that purpose, the individual values of the financial ratios are aggregated on the basis of empirically determined weightings. The method used here derives from a purely mathematical statistical approach (multivariate discrimination analysis). Only quantitative factors go into the assessment. The EquiRisk model is therefore free of subjective and qualitative elements.

The overall risk figure arising from the aggregation serves as the basis for the relative division of the companies into various risk classes. They are assigned to those classes according to an allocation key that is rigidly defined in advance. The model distinguishes four risk classes (rating grades), A through D. Companies with an A rating are classified as having the least risk and those with a D rating as having the most.



Legend

Accounts structure

The accounts structure compares the structural development of assets and liabilities.

Assets: Fixed assets: tangible (tFA) and intangible (iFA), Current assets (CA)

Liabilities: Equity capital (EC), Liabilities: long-term (ltL) and short-term (stL)

Sales and margin development

The chart shows the development of sales, EBITDA and EBT margins over time.

Risk contribution

The risk contribution denotes to what extent the value of a financial figure contributes to the overall risk of the company. The longer the bars, the greater the risk contribution at the time of valuation.

Key figures

The chart "Key figures" shows the changes in value of the respective financial figures over time.

Rating effect

Positive: Financial figures' positive effect on the rating, as its value indicates above-average risk

Neutral: Financial figures' neutral effect on the rating, as its value indicates average risk

Negative: Financial figures' negative effect on the rating, as its value indicates below-average risk

Change over previous quarter

↑: Large reduction in the risk contribution calculated from the financial figures compared to previous valuation.

↔: Reduction in the risk contribution calculated from the financial figures compared to previous valuation.

⇒: Marginal reduction in the risk contribution calculated from the financial figures compared to previous valuation.

↘: Increase in the risk contribution calculated from the financial figures compared to previous valuation.

↓: Large increase in the risk contribution calculated from the financial figures compared to previous valuation.



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