

**ATOSS Q1.15**





**ATOSS** QUARTERLY REPORT Q1/2015

# Letter to Shareholders



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

*Dear Shareholders,  
Ladies and Gentlemen,*

In the first quarter of 2015 ATOSS Software AG maintained its record breaking development of the previous years. Our stable positive development not only bears witness to the leading position ATOSS enjoys in the marketplace. It also demonstrates the huge potential of workforce management. Overall sales were 11 percent higher than in the same quarter of the year before and the operating result (EBIT) with a margin at 26 percent climbed by 10 percent. What's more, thanks to positive financial earnings, net income rose by 15 percentage points.

As a result, ATOSS has continued to expand its position as a specialist in workforce management with the ability to offer our customers not just innovative solutions but also a particularly high degree of investment security. In view of the company's outstanding strategic positioning, the current economic climate offers excellent growth prospects.

Of vital importance for the extremely positive business development is the sustained ability of ATOSS to innovate and align its solutions with individual sectors and specific processes. Only by doing so has it been possible to achieve a material advantage over our rivals. By consistently investing in sector-specific expertise and the continuing development of our state-of-the-art software solutions, we have clearly distinguished ourselves from the competition and gained numerous new customers.

With the first quarter now behind us and with a software license order book which stood at EUR 5.0 million on the closing date of March 31, 2015 – significantly above last year's level – we anticipate to continue the growth seen in the previous years in 2015. The EBIT margin measured against sales is set to remain well above 20 percent.

Yours sincerely,

Andreas F.J. Obereder  
Chief Executive Officer

Christof Leiber  
Member of the Board of Management

# Facts Overview

## ECONOMIC BACKGROUND

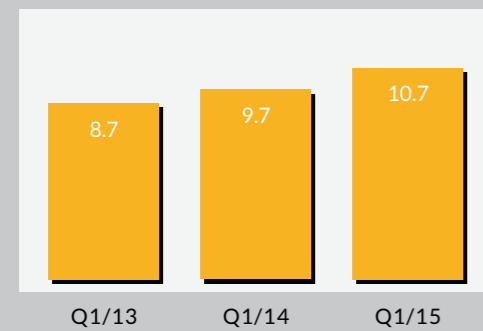
According to the German Institute for Economic Research, German GDP in the 1<sup>st</sup> quarter of 2015 is expected to rise by 0.7 percent relative to the previous quarter.

The software market is likely to grow by 5.5 percent in 2015.

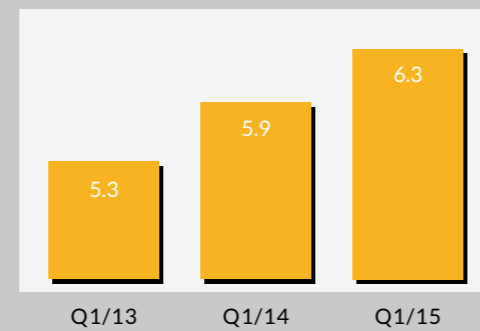
## ATOSS SOFTWARE AG

Overall sales up 11 percent; EBIT up 10 percent with EBIT margin steady at 26 percent.

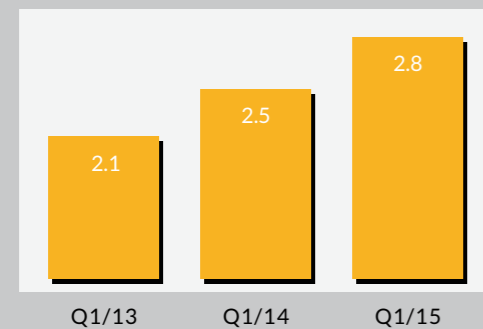
TOTAL SALES (EUR MILL.)



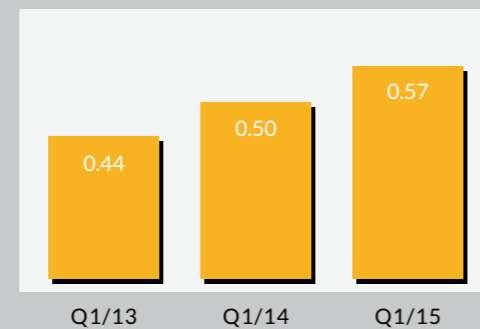
SOFTWARE SALES (EUR MILL.)



EBIT (EUR MILL.)



EPS (EUR)



## CONSOLIDATED OVERVIEW AS PER IFRS: 3-MONTH COMPARISON IN KEUR

	01.01.2015 - 31.03.2015	Proportion of total sales	01.01.2014- 31.03.2014	Proportion of total sales	Change 2015 to 2014
<b>Total Sales</b>	<b>10,707</b>	<b>100%</b>	<b>9,653</b>	<b>100%</b>	<b>11%</b>
<b>Software</b>	<b>6,325</b>	<b>59%</b>	<b>5,910</b>	<b>61%</b>	<b>7%</b>
Software licenses	2,229	21%	2,142	22%	4%
Software maintenance	4,096	38%	3,768	39%	9%
<b>Consulting</b>	<b>2,794</b>	<b>26%</b>	<b>2,495</b>	<b>26%</b>	<b>12%</b>
<b>Hardware</b>	<b>1,316</b>	<b>12%</b>	<b>1,050</b>	<b>11%</b>	<b>25%</b>
<b>Others</b>	<b>272</b>	<b>3%</b>	<b>198</b>	<b>2%</b>	<b>37%</b>
<b>EBITDA</b>	<b>2,898</b>	<b>27%</b>	<b>2,662</b>	<b>28%</b>	<b>9%</b>
<b>EBIT</b>	<b>2,768</b>	<b>26%</b>	<b>2,527</b>	<b>26%</b>	<b>10%</b>
<b>EBT</b>	<b>3,335</b>	<b>31%</b>	<b>2,844</b>	<b>30%</b>	<b>17%</b>
<b>Net profit</b>	<b>2,257</b>	<b>21%</b>	<b>1,968</b>	<b>20%</b>	<b>15%</b>
<b>Cash flow</b>	<b>5,146</b>	<b>48%</b>	<b>3,979</b>	<b>41%</b>	<b>29%</b>
<b>Liquidity<sup>(1/2)</sup></b>	<b>26,218</b>		<b>19,493</b>		
<b>EPS (in EUR)</b>	<b>0.57</b>		<b>0.50</b>		
<b>Employees<sup>(3)</sup></b>	<b>313</b>		<b>293</b>		

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

	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
<b>Total Sales</b>	<b>10,707</b>	<b>10,938</b>	<b>9,985</b>	<b>9,107</b>	<b>9,653</b>
<b>Software</b>	<b>6,325</b>	<b>6,387</b>	<b>5,810</b>	<b>5,771</b>	<b>5,910</b>
Software licenses	2,229	2,443	1,930	2,002	2,142
Software maintenance	4,096	3,944	3,880	3,769	3,768
<b>Consulting</b>	<b>2,794</b>	<b>2,707</b>	<b>2,452</b>	<b>2,450</b>	<b>2,495</b>
<b>Hardware</b>	<b>1,316</b>	<b>1,401</b>	<b>1,384</b>	<b>631</b>	<b>1,050</b>
<b>Others</b>	<b>272</b>	<b>443</b>	<b>339</b>	<b>255</b>	<b>198</b>
<b>EBITDA</b>	<b>2,898</b>	<b>2,758</b>	<b>2,589</b>	<b>2,296</b>	<b>2,662</b>
<b>EBIT</b>	<b>2,768</b>	<b>2,628</b>	<b>2,462</b>	<b>2,170</b>	<b>2,527</b>
<b>EBIT margin in %</b>	<b>26%</b>	<b>24%</b>	<b>25%</b>	<b>24%</b>	<b>26%</b>
<b>EBT</b>	<b>3,335</b>	<b>2,770</b>	<b>2,411</b>	<b>2,270</b>	<b>2,844</b>
<b>Net profit</b>	<b>2,257</b>	<b>1,911</b>	<b>1,639</b>	<b>1,514</b>	<b>1,968</b>
<b>Cash flow</b>	<b>5,146</b>	<b>-573</b>	<b>5,945</b>	<b>-1,279</b>	<b>3,979</b>
<b>Liquidity<sup>(1/2)</sup></b>	<b>26,218</b>	<b>20,583</b>	<b>21,118</b>	<b>15,325</b>	<b>19,493</b>
<b>EPS (in EUR)</b>	<b>0.57</b>	<b>0.48</b>	<b>0.41</b>	<b>0.38</b>	<b>0.50</b>
<b>Employees<sup>(3)</sup></b>	<b>313</b>	<b>305</b>	<b>300</b>	<b>295</b>	<b>293</b>

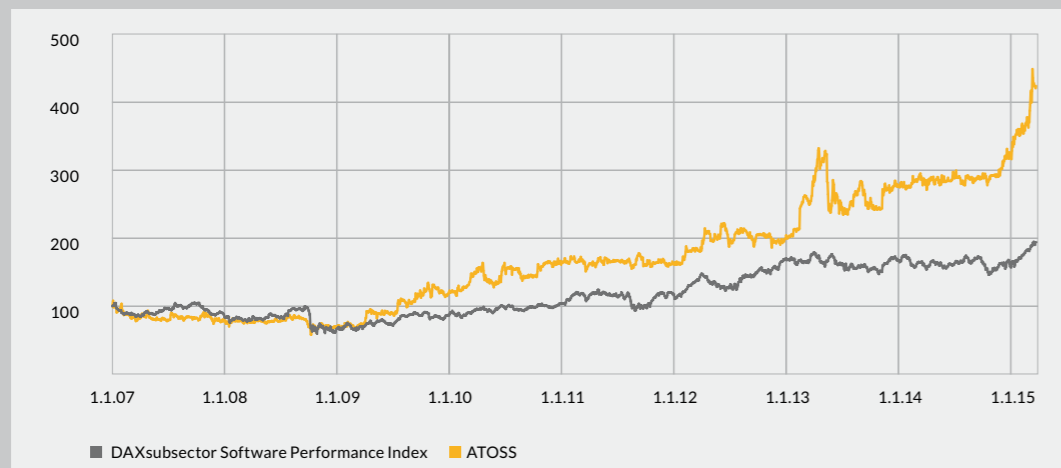
(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans);

(2) Dividend of EUR 0.72 per share on 02.05.2014 (KEUR 2,863);

(3) at the end of the quarter/half year.

# Investor Relations

## SHARE PRICE MOVEMENT: Q1/2007 – Q1/2015



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

	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Highest price	46.05	34.00	30.30	30.73	30.29
Lowest price	27.81	28.51	28.51	28.51	27.81
Share price at end of quarter	32.45	32.50	30.00	29.90	29.30
Dividend paid per share <sup>(2)</sup>	0.00	0.00	0.00	0.72	0.00
Cash flow per share	1.29	-0.14	1.49	-0.32	1.00
Liquidity per share <sup>(1/2)</sup>	6.59	5.18	5.31	3.85	4.90
EPS	0.57	0.48	0.41	0.38	0.50
EPS (diluted)	0.57	0.48	0.41	0.38	0.50

(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 0.72 per share on 02.05.2014 (kEUR 2,863)

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

The development in sales and earnings in the first quarter of 2015 once again demonstrates the sustained success of the ATOSS business model. This in turn paves the way for further potential for our stock. At the annual general meeting in Munich on April 28, the Management Board was again able to present not only new record figures for the past financial year, but also a highly positive outlook. The shareholders endorsed management's proposals and all resolutions were adopted by a large majority or unanimously in support of management. The dividend for financial year 2014 in the amount of EUR 0.88 per share was disbursed to shareholders on April 29, 2015. Based on the closing price of ATOSS shares at the end of 2014, the dividend yield stood at 2.7 percent.

In recent years, ATOSS Software AG has significantly increased the value of its shareholders' assets. The continuous positive development in the company's operations coupled with the dynamic growth opportunities inherent in a technology business have gone hand in hand with the company's own shareholder-friendly dividend policy. This combines substantial continuity in the level of shareholder participation in the company's success in the form of dividends with the opportunity for regular distributions of surplus liquidity.

This combination of strong share price growth and cash distributions continues to appeal in particular to investors with a medium- to long-term investment strategy. ATOSS stock rose substantially in value during the first quarter of 2015, with the share price peaking at EUR 46.05. Viewed in the long term from 2007 until the end of March 2015, the share price has risen by 324 percent; in the same period, the relevant benchmark for ATOSS, the DAXsubsector Performance Index, rose by just 95 percent. ATOSS stock has thus clearly outperformed its benchmark and substantially outpaced the market.

## Analysts praise continuous growth

The figures for the first quarter were slightly higher than expected by analysts at Warburg Research, who view this performance as a solid start to the new financial year. The strong order book valued at EUR 5.0 million provides an excellent basis for the remainder of the current year. Analysts also stress the gratifying development in indirect sales, which rose strongly year on year as a proportion of software licensing turnover from 25 to 30 percent. Further growth opportunities are expected here, especially at international level. With forecasts unchanged, the target for the stock remains at EUR 40. In view of the marked increase in price in recent months, the stock is now rated as a "hold".

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

# Group Management Report

## 1. Business and conditions: Global economy gradually gathering pace

The process of expansion in the advanced economies has continued to gather pace in a trend which, according to the economic forecasting institutes, will continue in the year ahead. On the other hand, global economic progress is hampered by developments in the emerging markets such as China, where the slowdown in trend growth is bound to result in a perceptible reduction in the rate of global expansion. Moreover, the global economy remains susceptible to disruptions resulting from geopolitical developments or financial market turbulence.

Forecasts for the German economy have also been revised upwards due to the positive improvement in economic output in the first quarter. The leading economic researchers in their spring reports for the current year now expect to see growth of 2.1 percent in real GDP in 2015, with 1.8 percent in the coming year.

Despite an increase of 0.7 percent in GDP relative to the preceding quarter, however, experts at the German Institute for Economic Research (DIW Berlin) are warning against overly optimistic expectations for the development in the economy, given that the increasing tempo is largely attributable to non-recurrent factors, such as the sharp fall in the oil price and the cheap euro.

The high-tech sector continues to face the future with optimism and is markedly more confident than industry as a whole. 79 percent of companies in the digital economy expect rising sales in the first half of 2015, while among software providers the proportion is 86 percent. In its market forecast in December 2014, industry association BITKOM expected the software market to grow by 5.5 percent this year (previous year: 5.3 percent). The positive mood in this sector is also reflected in the BITKOM Index which still stands at a high level of 72 points, unchanged since last summer.

Against this background, in the first three months ATOSS recorded strong business with sales up 11 percent and a 10 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 7 percent. Growth in consulting amounted to 12 percent, buoyed up by strong orders on hand for implementation services. With orders received amounting to EUR 1.7 million in the first quarter, the order book as of March 31, 2015 stood at EUR 5.0 million, some 22 percent higher than the previous year's figure of EUR 4.1 million.

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

In the first three months of financial year 2015, ATOSS recorded 11 percent growth in overall sales which came in at EUR 10.7 million (previous year: EUR 9.7 million). In our core software business, turnover climbed 7 percent from EUR 5.9 million to EUR 6.3 million, with software licenses rising from EUR 2.1 million to EUR 2.2 million. Software maintenance continued to develop positively with turnover increasing by 9 percent to EUR 4.1 million.

As of March 31, 2015, consulting sales stood at EUR 2.8 million (previous year: EUR 2.5 million).

Operating profits (EBIT) were 10 percent up on the year before, rising from EUR 2.5 million to EUR 2.8 million.

In addition, driven primarily by positive financial earnings of EUR 0.6 million in connection with the increase in the gold price, earnings before taxes (EBT) in the reporting period climbed to EUR 3.3 million (previous year: EUR 2.8 million).

Earnings after tax as of March 31, 2015 amounted to EUR 2.3 million (previous year: EUR 2.0 million). Earnings per share accordingly came in at EUR 0.57 (previous year: EUR 0.50).

Orders received as of March 31, 2015 amounted to EUR 1.7 million (previous year: EUR 2.8 million). Orders on hand for software licenses at the end of the first quarter amounted to EUR 5.0 million, well up on the previous year's figure of EUR 4.1 million, and an excellent starting point for the current 2015 financial year.

## 3. Net assets and financial position

In the first three months, cash flow from operations amounted to EUR 5.1 million (previous year: EUR 4.0 million). At the same time, liquidity (cash and cash equivalents less borrowings) increased relative to the same period last year from EUR 14.3 million to EUR 20.1 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 19.5 million last year to EUR 26.2 million. Liquidity per share as of March 31, 2015 including these other current and non-current financial assets and after adjusting for borrowings accordingly stood at EUR 6.59 (previous year: EUR 4.90).

In addition to net earnings of EUR 2.3 million, the EUR 5.1 million in cash flow from operations was also boosted by an increase in deferred revenues of EUR 4.6 million. Cash flow was, by contrast, reduced

primarily by a reduction in miscellaneous current liabilities in the amount of EUR 2.0 million and an increase in miscellaneous current assets of EUR 0.2 million.

As of March 31, 2015, ATOSS reported an equity ratio of 50 percent (previous year: 50 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 and development costs in the first three months rose by 6 percent relative to the year before to stand at EUR 2.1 million as of March 31 (previous year: EUR 1.9 million). R&D costs as a proportion of overall sales amounted to 19 percent (previous year: 20 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 293 last year to 313. As of March 31, 2015 ATOSS employed a staff of 131 in development (previous year: 127), 86 in consulting (previous year: 79), 48 in sales and marketing (previous year: 43) and 48 in administration (previous year: 44).

Personnel costs for the current financial year amounted as of March 31 to EUR 5.2 million (previous year: EUR 4.7 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 6.1 million as of March 31, 2015 and is dependent on the ongoing development in the gold price.



Image: ATOSS Customer MISTER \*LADY

## 7. Events after the reporting period

There have been no reportable events of particular significance since March 31, 2015.

## 8. Outlook

In the first three 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 well over 20 percent.



CONSOLIDATED BALANCE SHEET TO 31.03.2015

Assets (EUR)	31.03.2015	31.12.2014
<b>Non-current assets</b>		
Intangible assets	138,889	141,584
Tangible fixed assets	2,761,960	2,736,726
Other financial assets	504,565	451,755
Deferred taxes	1,069,671	1,006,914
<b>Total non-current assets</b>	<b>4,475,085</b>	<b>4,336,979</b>
<b>Current assets</b>		
Inventories	12,663	6,861
Trade accounts receivables	3,563,185	3,842,007
Other financial assets	5,605,112	5,023,032
Other non-financial assets	777,784	534,163
Cash and cash equivalents	20,108,340	15,107,722
<b>Total current assets</b>	<b>30,067,084</b>	<b>24,513,785</b>
<b>Total assets</b>	<b>34,542,169</b>	<b>28,850,764</b>
<b>Equity and Liabilities (EUR)</b>	<b>31.03.2015</b>	<b>31.12.2014</b>
<b>Equity</b>		
Subscribed capital	3,976,568	3,976,568
Capital reserve	-661,338	-661,338
Equity deriving from unrealized profits/losses	-1,668,222	-1,707,831
Unappropriated net income	15,588,033	13,333,498
<b>Equity attributable to equity holders of the parent</b>	<b>17,235,041</b>	<b>14,940,898</b>
Non-controlling interests	-4,653	-5,692
<b>Total equity</b>	<b>17,230,388</b>	<b>14,935,206</b>
<b>Non-current liabilities</b>		
Pension provisions	4,237,803	4,213,769
<b>Total non-current liabilities</b>	<b>4,237,803</b>	<b>4,213,769</b>
<b>Current liabilities</b>		
Trade accounts payable	503,837	320,388
Other liabilities	3,368,224	5,450,257
Deferred revenues	7,173,222	2,535,212
Tax provisions	1,939,695	1,306,933
Other provisions	89,000	89,000
<b>Total current liabilities</b>	<b>13,073,978</b>	<b>9,701,790</b>
<b>Total equity and liabilities</b>	<b>34,542,169</b>	<b>28,850,764</b>

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 31.03.2015

	Quarterly report		3-months report	
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
<b>Sales revenues</b>	<b>10,706,839</b>	<b>9,652,799</b>	<b>10,706,839</b>	<b>9,652,799</b>
Cost of sales	-3,464,230	-2,846,588	-3,464,230	-2,846,588
<b>Gross profit on sales</b>	<b>7,242,609</b>	<b>6,806,211</b>	<b>7,242,609</b>	<b>6,806,211</b>
Selling costs	-1,652,211	-1,617,821	-1,652,211	-1,617,821
Administration costs	-871,309	-785,086	-871,309	-785,086
Research and development costs	-2,065,608	-1,943,800	-2,065,608	-1,943,800
Other operating income	174,871	76,619	174,871	76,619
Other operating expenses	-60,617	-8,838	-60,617	-8,838
<b>Operating profit (EBIT)</b>	<b>2,767,735</b>	<b>2,527,285</b>	<b>2,767,735</b>	<b>2,527,285</b>
Interest and similar income	591,678	340,171	591,678	340,171
Interest and similar expenses	-24,573	-23,117	-24,573	-23,117
<b>Earnings before taxes (EBT)</b>	<b>3,334,840</b>	<b>2,844,339</b>	<b>3,334,840</b>	<b>2,844,339</b>
Taxes on income and earnings	-1,078,016	-875,931	-1,078,016	-875,931
<b>Net profit</b>	<b>2,256,824</b>	<b>1,968,408</b>	<b>2,256,824</b>	<b>1,968,408</b>
Attributable to:				
Equity holders of the parent:	2,259,343	1,968,408	2,259,343	1,968,408
Non-controlling interests:	-2,519	0	-2,519	0
Earnings per share (undiluted)	0.57	0.50	0.57	0.50
Earnings per share (diluted)	0.57	0.50	0.57	0.50
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 31.03.2015

	Quarterly report	
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
<b>Net profit</b>	<b>2,256,824</b>	<b>1,968,408</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	52,810	22,429
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	-13,201	-5,608
<b>Other comprehensive income for the period after taxes</b>	<b>39,609</b>	<b>16,821</b>
<b>Comprehensive income after taxes</b>	<b>2,296,433</b>	<b>1,985,229</b>

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01. TO 31.03.2015

EUR	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
<b>Net profit</b>	<b>2,256,824</b>	<b>1,968,408</b>
Depreciation of fixed assets	130,722	134,279
Gains/losses from the disposal / valuation of financial assets available for sale	-582,080	-332,800
Other financial investment income	-9,598	-7,371
Change in deferred taxes	-62,757	-146,998
Change in provisions for pension commitments	24,035	7,972
Adjustment for items not recognized in profit or loss	-13,201	-5,607
<b>Change in net current assets</b>		
Trade accounts receivable	278,822	-271,992
Inventories and other assets	-249,423	-250,912
Trade accounts payable	183,449	92,677
Other provisions	0	-8,247
Other liabilities	-2,082,033	-1,411,035
Deferred revenues	4,638,010	3,869,986
Tax provisions	632,762	340,385
<b>Cash flow generated from business operations (1)</b>	<b>5,145,532</b>	<b>3,978,745</b>
<b>Cash flow from investment activities</b>		
Disbursements for the purchase of tangible and intangible assets	-153,262	-97,508
Interest received	9,598	7,371
<b>Cash flow generated from investment activities (2)</b>	<b>-143,664</b>	<b>-90,137</b>
<b>Cash flow from financing activities</b>		
Disbursements from acquisitions of non-controlling interests	-1,250	0
<b>Cash flow generated from financing activities (3)</b>	<b>-1,250</b>	<b>0</b>
<b>Change in liquidity - total of (1) to (3)</b>	<b>5,000,618</b>	<b>3,888,608</b>
Liquidity at beginning of year	15,107,722	10,392,796
Liquidity at end of year	20,108,340	14,281,404
<b>Cash flow generated from business operations include:</b>		
Income taxes paid	562,739	717,230
Tax refunds received	0	0



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31.03.2015

EUR	Attributable to the equity holders of the parent					Total
	Subscribed capital	Capital reserve	Equity deriving from unrealized profits/losses	Profit shown on balance sheet	Non-controlling interests	
<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	1,968,408	0	1,968,408
Other comprehensive income	0	0	16,821	0	0	16,821
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>16,821</b>	<b>1,968,408</b>	<b>0</b>	<b>1,985,229</b>
Dividends	0	0	0	0	0	0
<b>31.03.2014</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-717,573</b>	<b>11,125,157</b>	<b>0</b>	<b>13,722,814</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	2,259,343	-2,519	2,256,824
Other comprehensive income	0	0	39,609	0	0	39,609
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>39,609</b>	<b>0</b>	<b>0</b>	<b>39,609</b>
Dividends	0	0	0	0	0	0
Acquisitions of non-controlling interests	0	0	0	-4,808	3,558	-1,250
<b>31.03.2015</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,668,222</b>	<b>15,588,033</b>	<b>-4,653</b>	<b>17,230,388</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 actual facts. This interim report has not undergone an auditors' inspection or statutory audit.

## **2. Reporting period**

The present interim report was prepared to March 31, 2015 for the reporting period from January 1, 2015 to March 31, 2015.

## **3. Currency**

All figures are stated in euros. 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 March 31, 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 -31.03.2015	01.01.2014 -31.03.2014
Software licenses	2,228,881	2,142,080
Software maintenance	4,096,051	3,767,672
<b>Total software</b>	<b>6,324,932</b>	<b>5,909,752</b>
Consulting	2,794,319	2,495,148
Hardware	1,315,928	1,049,963
Others	271,660	197,937
<b>Total sales revenues</b>	<b>10,706,839</b>	<b>9,652,800</b>

The geographic breakdown of sales revenues was as follows:

EUR	01.01.2015 -31.03.2015	01.01.2014 -31.03.2014
Germany	9,316,062	8,213,413
Austria	1,055,500	987,688
Switzerland	261,849	176,443
<b>German-speaking territories in total</b>	<b>10,633,411</b>	<b>9,377,544</b>
Other countries	73,428	275,256
<b>Total sales revenues</b>	<b>10,706,839</b>	<b>9,652,800</b>

#### 7. Personnel expenses

The consolidated personnel costs to March 31, 2015 were composed as follows:

EUR	01.01.2015 -31.03.2015	01.01.2014 -31.03.2014
Wages and salaries	4,311,180	3,948,228
Social security contributions and expenditure on retirement pensions and welfare	884,833	775,998
<b>Total personnel costs</b>	<b>5,196,013</b>	<b>4,724,226</b>

#### 8. Other operating income and expenses

In the first three months of the current financial year, the company recorded other operating income in the amount of EUR 174,871 (previous year: EUR 76,619). This primarily included income from exchange rate differentials in the amount of EUR 142,284 (previous year: 8,114), as well as from the liquidation of reserves in the amount of EUR 22,412 (previous year: 58,565).

The other operating expenses amounting to EUR 60,617 (previous year: EUR 8,838) essentially comprised costs resulting from exchange rate differentials in the amount of EUR 57,729 (previous year: EUR 8,292).

#### 9. Financial investment income and expenses

The company recorded income in the first three months of the current financial year in the amount of EUR 591,678 (previous year: EUR 340,171) from financial investments. This essentially comprised income from write-ups on the company's gold holdings in the amount of EUR 582,080 (previous year: EUR 332,800) and interest income of EUR 9,598 (previous year: EUR 7,371).

The company also recorded expenses amounting as of March 31, 2015 to EUR 24,573 (previous year: EUR 23,117). This exclusively concerned interest expenses in connection with the pension provision.

## 10. Tax charge

Consolidated tax expenses to March 31, 2015 were comprised as follows:

EUR	01.01.2015 -31.03.2015	01.01.2014 -31.03.2014
<b>Earnings before taxes (EBT)</b>	<b>3,334,840</b>	<b>2,844,339</b>
Expected tax charge (2015: 32.60%, 2014: 32.60%)	-1,087,158	-927,255
Non-deductible operating expenses	-17,316	-3,205
Current losses for which no deferred tax claim has been recognized	-59,219	0
Differences in tax rates at consolidated companies	85,677	54,529
<b>Actual Group tax charge</b>	<b>-1,078,016</b>	<b>-875,931</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 2,256,824 by the weighted average number of shares outstanding. From January 1 to March 31, 2015 there was an average of 3,976,568 shares in circulation. Accordingly, earnings per share for this period amounted to EUR 0.57, in comparison with EUR 0.50 in the first three 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 workforce management.

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 workforce management 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.

### ATOSS Time Control (ATC):

ATC offers a software solution to time and attendance management and workforce scheduling solutions for small and medium-sized customers, as well as large, 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 using market-accessible 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 -31.03.2015	01.01.2014 -31.03.2014
<b>Sales revenues</b>		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	9,181,479	8,806,620
ATOSS Time Control (ATC)	1,525,360	846,179
<b>Total sales revenues</b>	<b>10,706,839</b>	<b>9,652,799</b>
<b>Operating profit (EBIT)</b>		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	2,502,774	2,329,438
ATOSS Time Control (ATC)	264,961	197,847
<b>Operating profit (EBIT) in total</b>	<b>2,767,735</b>	<b>2,527,285</b>

### 13. Employees

On March 31, 2015, the company had 313 employees (previous year: 293).

	01.01.2015 -31.03.2015	01.01.2014 -31.03.2014
Development	131	127
Consulting	86	79
Sales and marketing	48	43
Administration	48	44
<b>Total</b>	<b>313</b>	<b>293</b>

### 14. Management Board

The members of the Management Board are:

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

### 15. Supervisory Board

By a resolution adopted at the annual general meeting on April 28, 2015, the Supervisory Board was re-elected and is now 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 March 31, 2015, the following board members held the following numbers of ATOSS shares:

EUR	31.03.2015	31.12.2014	30.09.2014	30.06.2014	31.03.2014
Andreas F.J. Obereder	1,988,285	1,988,285	1,988,285	1,988,285	1,988,285
Peter Kirn	14,760	14,760	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 three 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 March 31, 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 March 31, 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, May 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

July 22, 2015	Press release announcing the 6-monthly financial statements
August 14, 2015	Publication of the 6-monthly financial statements
October 22, 2015	Press release announcing the 9-monthly financial statements
November 13, 2015	Publication of the 9-monthly financial statements
November 23 – 25, 2015	ATOSS at the German Equity Forum

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