



HALF-YEAR REPORT 2020

ATOSS 





# ATOSS | HALF-YEAR REPORT 2020





## LETTER TO SHAREHOLDERS

### Dear Shareholders, Ladies and Gentlemen,

In spite of global uncertainty and the shifts emanating from the coronavirus crisis, ATOSS Software AG has brought the first half of 2020 to a successful conclusion and maintained its strong performance. The excellent business developments of the last six months are mainly attributable to the sustained expansion of the cloud business and a resulting increase in the share of recurring sales.

Workforce management issues and topics are gaining increasing significance, especially in times of volatile markets – as currently caused by the outbreak of the coronavirus pandemic. This is the only way to create transparency and efficiency in the process of managing short-time working, reducing and flexibilizing working time triggered by fluctuations in the utilization of capacity and the gradual resumption of production, distribution and workflows in other sectors under totally new conditions.

Companies which have already digitized their working time management and planning processes and are deploying professional workforce management solutions, have been able to meet the new challenges posed by the coronavirus with significantly greater agility in the last few months. Awareness of digitalization issues and topics has changed abruptly as a result of the health crisis. Public life and our economy would not have survived without digital technologies. So in spite of all its negative connotations, Covid-19 can be seen as a digital turning point and an important driver of corporate digitalization.

As a technology leader, ATOSS will continue to support and shape this digital change as well as investing in the growth engine “Cloud” as a fundamental technology for the business of tomorrow in order to retain the company’s powerful growth dynamics going forward.

The cloud has exhibited consistently strong developments over the last few years and will gain further significance in the coming years. This is also reflected in our current metrics for the order book: For example, the key metric for managing business in the cloud – Annual Recurring Revenue (ARR) – jumped 70 percent to EUR 10.6 million (prior year: EUR 6.3 million). Taken together with consistently high orders on hand for software licenses valued at EUR 8.4 million (prior year: EUR 6.1 million) as of June 30, 2020 and impressive figures for sales and earnings for the first half of the year the company is excellently equipped to face the future.

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



This growth story is also being perceived as such by the capital markets. Consequently, ATOSS Software AG was admitted to Deutsche Börse's SDAX index on June 22. This places our company among the 165 largest enterprises included in the Prime Standard now. This listing is exceptionally gratifying for us, not least as it constitutes the capital markets' confirmation and recognition of our long-term corporate strategy. At the same time, however, we see it as an incentive to not only continue to grow profitably in the current record-breaking year, our 15th in succession, but also to keep charting this course in the future.

Buoyed by a very strong first half of the year in spite of tough underlying conditions, we are reaffirming our financial targets for the whole of 2020 and assuming total sales of EUR 80 million with an EBIT margin of over 25 percent.

Yours sincerely,



Andreas F.J. Obereder  
Chief Executive Officer



Christof Leiber  
Member of the Management Board





# FACTS OVERVIEW

## Economic environment

The German economy finds itself in a deep recession following the global spread of the coronavirus. The outlook for further economic developments remains subject to considerable uncertainty. Above all, the course of the pandemic is of crucial significance. If efforts to keep the number of new infections low, maintain the easing of the lockdown and mitigate the levels of uncertainty for companies and households are unsuccessful, the weakness in the economy can be expected to last for a considerably longer period of time.

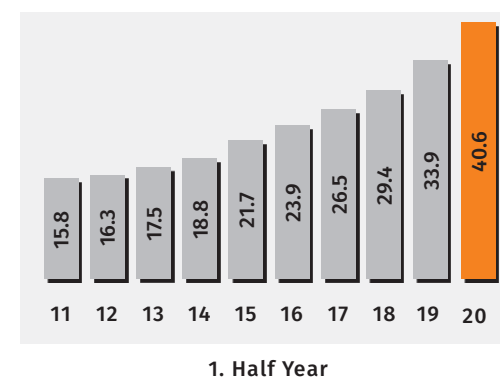
The Bitkom-ifo Digital Index published by the Digital Association Bitkom in June 2020 in collaboration with the ifo Institute is significantly more confident, as the ICT companies polled are already assessing the state of their business as appreciably better than in April and May.

## The company

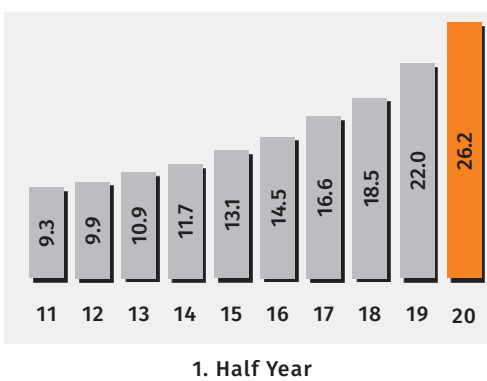
Sales and earnings growth in the first half of 2020 underlines continued customer interest and therefore also the strong competitive position of ATOSS within the workforce management field.

The long-term development of the key performance indicators remains very pleasing. A fifteenth record year in succession is conceivable.

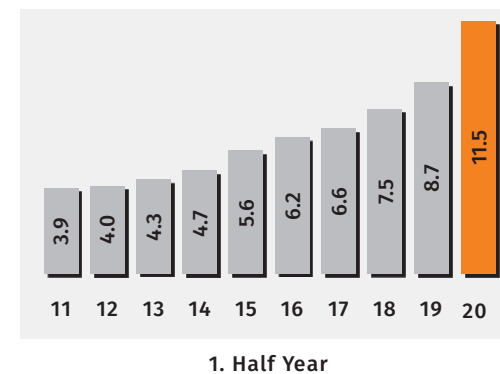
Totals Sales (Mio. EUR)



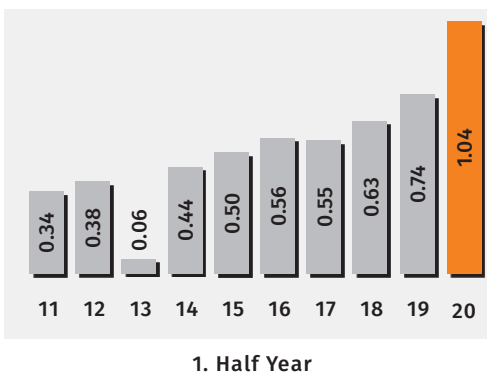
Software Sales (Mio. EUR)



EBIT (Mio. EUR)



EPS\* (EUR)



\* 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 AS PER IFRS: HALF-YEAR COMPARISON IN KEUR

	01/01/2020 - 06/30/2020	Proportion of Total sales	01/01/2019 - 06/30/2019	Proportion of Total sales	Change 2020 to 2019
<b>Total sales</b>	<b>40,635</b>	<b>100%</b>	<b>33,933</b>	<b>100%</b>	<b>20%</b>
<b>Software</b>	<b>26,154</b>	<b>64%</b>	<b>22,015</b>	<b>65%</b>	<b>19%</b>
Licenses	7,398	18%	6,750	20%	10%
Maintenance	12,998	32%	11,879	35%	9%
Cloud	5,757	14%	3,386	10%	70%
<b>Consulting</b>	<b>11,642</b>	<b>29%</b>	<b>9,408</b>	<b>28%</b>	<b>24%</b>
<b>Hardware</b>	<b>1,788</b>	<b>4%</b>	<b>1,744</b>	<b>5%</b>	<b>3%</b>
<b>Others</b>	<b>1,051</b>	<b>3%</b>	<b>766</b>	<b>2%</b>	<b>37%</b>
EBITDA	13,343	33%	10,138	30%	32%
<b>EBIT</b>	<b>11,532</b>	<b>28%</b>	<b>8,658</b>	<b>26%</b>	<b>33%</b>
EBT	11,863	29%	9,085	27%	31%
<b>Net profit</b>	<b>8,252</b>	<b>20%</b>	<b>5,904</b>	<b>17%</b>	<b>40%</b>
Cash flow	11,852	29%	8,486	25%	40%
Liquidity <sup>(1/2)</sup>	30,747		25,108		22%
EPS in euro <sup>(3)</sup>	1.04		0.74		40%
Employees <sup>(4)</sup>	524		484		8%

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

	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
<b>Total sales</b>	<b>20,885</b>	<b>19,750</b>	<b>19,708</b>	<b>17,751</b>	<b>16,998</b>
<b>Software</b>	<b>14,325</b>	<b>11,828</b>	<b>13,090</b>	<b>11,428</b>	<b>11,168</b>
Licenses	4,684	2,714	4,499	3,266	3,369
Maintenance	6,582	6,416	6,236	6,092	5,976
Cloud	3,059	2,698	2,355	2,068	1,824
<b>Consulting</b>	<b>5,482</b>	<b>6,160</b>	<b>5,149</b>	<b>4,990</b>	<b>4,495</b>
<b>Hardware</b>	<b>565</b>	<b>1,223</b>	<b>1,004</b>	<b>935</b>	<b>967</b>
<b>Others</b>	<b>512</b>	<b>539</b>	<b>465</b>	<b>399</b>	<b>367</b>
EBITDA	7,319	6,025	6,779	5,589	5,272
<b>EBIT</b>	<b>6,425</b>	<b>5,107</b>	<b>5,846</b>	<b>4,793</b>	<b>4,054</b>
EBIT margin in %	31%	26%	30%	27%	24%
EBT	6,694	5,169	5,820	5,007	4,223
<b>Net profit</b>	<b>4,826</b>	<b>3,426</b>	<b>4,403</b>	<b>3,213</b>	<b>2,720</b>
Cash flow	5,832	6,020	907	5,873	1,271
Liquidity <sup>(1/2)</sup>	30,747	35,650	30,363	30,361	25,108
EPS in euro <sup>(3)</sup>	0.61	0.43	0.56	0.41	0.34
Employees <sup>(4)</sup>	524	520	503	508	484

(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 2.55 per share on 06/03/2020 (KEUR 10,140) and dividend of EUR 4.00 per share on 05/06/2019 (KEUR 15,906)

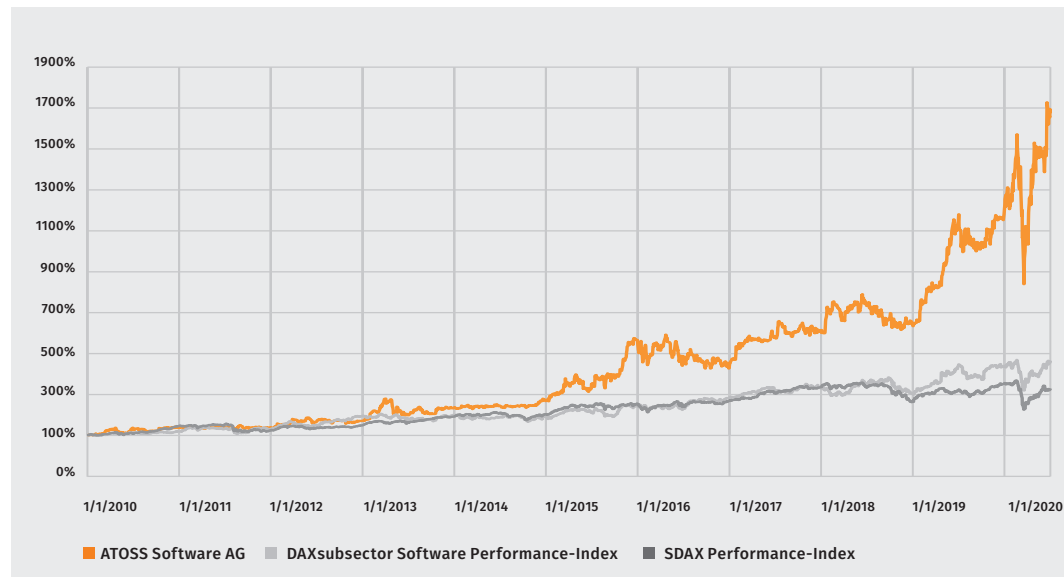
(3) In accordance with IAS 33.64, earnings per share (EPS) have been retrospectively adjusted for the previous period due to the share split carried out in June 2020.

(4) at the end of the quarter/year



# INVESTOR RELATIONS

## SHARE PRICE DEVELOPMENT 01/2010 – 06/2020



## CONSOLIDATED OVERVIEW PURSUANT TO IFRS QUARTERLY COMPARISON IN EUR

	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
Share price high <sup>(1)</sup>	105.0	95.5	71.75	71.75	70.25
Share price low <sup>(1)</sup>	62.75	51.0	61.75	60.5	49.8
Share price at the end of the quarter <sup>(1)</sup>	103.0	65.5	71.75	63.25	68.5
Dividend per share <sup>(1/3)</sup>	1.28	0.00	0.00	0.00	2.00
Cash flow per share <sup>(1)</sup>	0.73	0.76	0.11	0.74	0.16
Liquidity per share <sup>(1/2/3)</sup>	3.87	4.48	3.82	3.82	3.16
EPS <sup>(1)</sup>	0.61	0.43	0.56	0.41	0.34
EPS (diluted) <sup>(1)</sup>	0.61	0.43	0.56	0.41	0.34

(1) To enhance comparability, the figures shown are after the share split  
 (2) Cash and cash equivalents, other current and non-current financial assets (deposits, gold) as of the reporting date, adjusted to exclude borrowings (loans)  
 (3) Dividend of EUR 2.55 on 06/03/2020 (KEUR 10,140) and dividend of EUR 4.00 on 05/06/2019 (KEUR 15,906)

## ATOSS share hits new heights in the first half of 2020

After a turbulent first half of the year on the exchanges, the ATOSS stock set a new record in the first 6 months, thereby maintaining its long-term positive growth. The stock reached EUR 105.0 in mid-June 2020 – its highest price since the IPO in 2000 – and closed the first half of the year at EUR 103.0 on June 30, 2020.

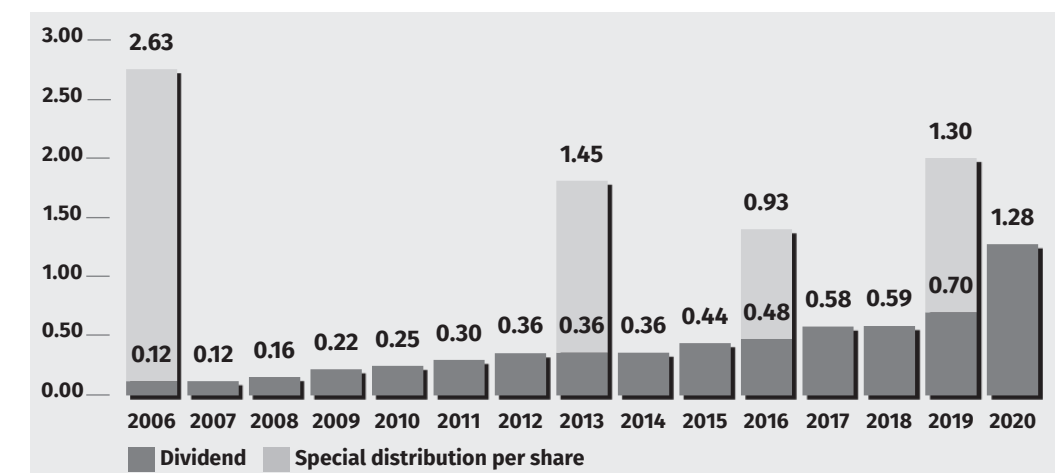
The ATOSS stock also looks strong across a longer time frame: From 2010 to the end of June 2020, the stock has recorded a price increase of 1,579 percent. By way of comparison, the Daxsubsector Software Performance Index was only able to grow by 361 percent over the same period. The SDAX, on which ATOSS Software AG has been listed since June 22, 2020, posted a rise of 226 percent in the same period. The ATOSS stock has thereby significantly outperformed both indices and put in appreciably higher growth than the market.

## Dividend policy

In January 2020, the Management Board decided to propose to the Supervisory Board a sustainable increase in the company’s previous distribution ratio from 50 to 75 percent of consolidated earnings per share. Otherwise, the dividend policy that has been in place since 2006 remains unchanged. This policy follows the principle of dividend continuity according to which this year’s dividend should not fall below that of the previous year and it should be increased if this is possible with a distribution ratio of now 75 percent (previously 50 percent) with respect to consolidated earnings per share. Adjustment of the dividend policy thus represents continuation of the sustainable participation of the shareholders in the success of ATOSS Software AG. Overall, long-term ATOSS shareholders have received a dividend of EUR 14.16 per share in the last 18 years.\*

Given this distribution policy – in combination with the 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

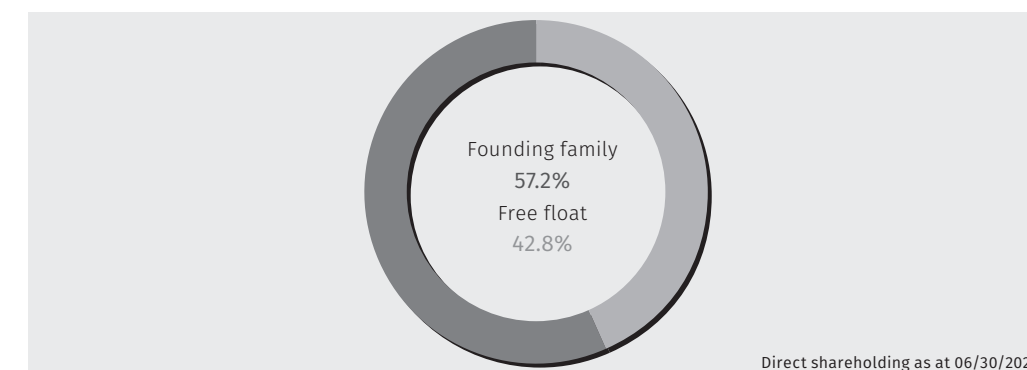


\* To enhance comparability, the figures shown are after the share split





## Shareholder structure



The founding family holds 57.2 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.

## Share split

On June 19, 2020, ATOSS Software AG implemented the share split adopted by the Annual General Meeting on May 28, 2020. For every old share they held, every shareholder received a new share by way of a corresponding credit in their securities account. From a technical perspective, the stock split was effected by means of a capital increase from company funds of EUR 3,976,568 from EUR 3,976,568 to EUR 7,953,136. As a result of the split, the share capital of ATOSS Software AG doubled from 3,976,568 shares to 7,953,136.

## Listing on the SDAX

At market opening on June 22, 2020, ATOSS Software AG was listed in Deutsche Börse AG's SDAX. In light of the listing criteria, this means that ATOSS ranks among the 165 largest assets in the Prime Standard. Besides the exchange's high transparency requirements, ATOSS meets the crucial criteria with regard to its level of market capitalization and trading volume.

## Analysts praise strong half-year figures

For the analysts at Warburg Research, ATOSS once again delivered strong business figures in the first half-year. The high volatility of the current market environment resulting from the outbreak of the COVID-19 pandemic has led to a marked increase in the relevance of workforce management for companies in all industries and market segments. The expansion of the cloud business also increased the share of recurring revenues in software revenue by 3 percentage points to 72 percent.

Against the background of the continuing very positive forecasts, the share is still rated „buy“ with a price target of EUR 110.

For further information, please go to: [www.atoss.com](http://www.atoss.com)



# GROUP MANAGEMENT REPORT

## 1. Business and operating conditions: Corona pandemic hobbles global economy

Global economic activity probably contracted by approximately 10 percent in the first half of 2020 as a result of the Covid-19 pandemic, thereby marking a collapse of historical proportions. The nadir now seems to have passed. For example, the Chinese economy has already made up for a considerable share of the production lost in January and February. Assuming that the course of the pandemic allows a sustainable and extensive easing of the containment policy and that the massive monetary and fiscal measures have their desired effect, output across the whole economy should pick up again in the second half of the year.<sup>1)</sup>

The corona pandemic also severely impacted on the economic output in the Eurozone. The economic crash, however, took on very different forms in the four largest countries in the Eurozone. Italy, Spain and France were particularly badly affected and extensive packages to support the economy were implemented as in other European countries.<sup>2)</sup>

The German economy was plunged into by far its deepest recession in its post-war history as a result of the coronavirus pandemic and efforts to contain it. Economic output was also drastically cut with the shutdown in March and April. As the restrictions on contact were eased, economic activity slowly increased again from May onwards. However, according to economic forecasters, the recovery phase will take some time as the epidemiological risks remain and citizens and business are modifying their behavior accordingly.<sup>3)</sup>

On the other hand, the German high-tech sector is already looking to the future with much greater confidence. This is underlined, for example, by the Bitkom-ifo Digital Index published by the Digital Association Bitkom in June in collaboration with the ifo Institute in which the ICT companies polled assessed the state of their business as appreciably better than in April and May.<sup>4)</sup>

Against this background, ATOSS posted a particularly strong performance in the first half of 2020 with sales growing by 20 percent and operating earnings (EBIT) by 33 percent. Together with a consistently high order book from its licensing business standing at EUR 8.4 million (prior year: EUR 6.1 million) and a 70 percent increase in Annual Recurring Revenue – the central control metric in the cloud – which jumped to EUR 10.6 million (prior year: EUR 6.3 million), ATOSS can also boast an excellent basis for maintaining its strategic growth.

1) Kiel Institute for the World Economy (IfW): Kiel Economic Outlook World No. 67 (2020IQ2)

2) Ifo Express Service; Special Edition July 2020; ifo Economic Forecast Summer 2020: German Economy – the recovery is underway

3) Federal Ministry for Economic Affairs and Energy: Press Release: The economic situation in Germany in June 2020

4) Bitkom: Press Release dated June 23, 2020 Three out of four companies use cloud computing



## 2. Earnings situation: New records for sales and earnings

In the first half of the 2020 financial year, ATOSS generated overall sales of EUR 40.6 million (prior year: EUR 33.9 million) – a 20 percent increase. Sales in the core software business posted double-digit growth of 19 percent, rising to EUR 26.2 million (prior year: EUR 22.0 million). This equates to a 64 percent share of the Group's total sales (prior year: 65 percent). The largest boost to growth within software revenues came from recurring sales with cloud solutions which jumped 70 percent to EUR 5.8 million (prior year: EUR 3.4 million). The consistently positive development of software maintenance over the last few years was also sustained. Sales in this area rose 9 percent to EUR 13.0 million (prior year: EUR 11.9 million). Overall, recurring sales as a proportion of software revenues increased by 3 percent to 72 percent (prior year: 69 percent) thereby further stabilizing the company's already sound business model. Sales from consulting services climbed 24 percent to EUR 11.6 million, a significant year-on-year increase (prior year: EUR 9.4 million).

The key metric for the company's operating success, earnings before interest and taxes (EBIT), was heavily influenced by the successful realization of major projects and the Group's cautious cost management in light of the effects of the coronavirus crisis. Investments required to expand capacity, above all in the areas of Customer Services and Support as well as Research and Development were further stepped up. Overall, operating earnings (EBIT) rose by EUR 2.9 million or 33 percent to EUR 11.5 million (prior year: EUR 8.7 million). The return on sales represented by EBIT therefore stood at 28 percent (prior year: 26 percent).

Earnings before taxes (EBT) recorded growth of 31 percent during the reporting period, rising from EUR 9.1 million to EUR 11.9 million.

Earnings after taxes came in at EUR 8.3 million as of June 30, 2020 (prior year: EUR 5.9 million). As a result, earnings per share stood at EUR 1.04 (prior year: EUR 0.74).

In spite, or indeed in view of the currently tough times, the overall growth in demand for workforce management solutions from this Munich software specialist has been very pleasing. Besides increasing orders for software licenses to EUR 8.4 million as at June 30, 2020, a 38 percent gain over the previous year's figure of EUR 6.1 million, the key metric for managing business in the cloud – Annual Recurring Revenue (ARR) – jumped 70 percent to EUR 10.6 million (prior year: EUR 6.3 million). The ARR stands for the sales generated by the company within the next 12 months on the basis of monthly cloud usage fees applicable on the closing date. The promising order pipeline thus represents an excellent starting point for the 2020 financial year.

## 3. Net assets and financial position

In the first six months of the year, cash flow from operations totaled EUR 11.9 million (prior year: EUR 8.5 million). Liquidity (cash and cash equivalents less borrowings) increased compared to the previous year period from EUR 12.9 million to EUR 13.6 million. The overall position comprising liquidity and other current and non-current financial assets adjusted for borrowings (e.g. loans) increased from EUR 25.1 million to EUR 30.7 million in spite of a dividend payment of EUR 10.1 million (EUR 2.55 per share) in June 2020. Liquidity per share including other current and non-current financial assets and adjusted for borrowings stood at EUR 3.87 on June 30, 2020 (prior year: EUR 3.16).

Higher net earnings and high cash flow resulting from major projects were the main factors exerting a positive impact on the cash flow from operating activities. The primary effects reducing cash flow were a decrease in miscellaneous liabilities following the payout of salary and commission liabilities, and a reduction in trade accounts payable.

Cash flow from investment activities relates to investment in fixed assets amounting to EUR 0.4 million (prior year: EUR 0.3 million) and investment in financial assets amounting to EUR 3.9 million (prior year: EUR 0 million).

As of June 30, 2020, ATOSS had an equity ratio of 40 percent (prior year: 36 percent).

Thanks to the overall excellent earnings situation and its consistently sound asset position, the company expects its ability to meet its financial commitments to remain unchanged in the future at all times.

## 4. Product development

Research and 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 moving forward. Research and development costs in the first six months rose by 19 percent compared with the previous year and stood at EUR 7.0 million as of June 30, 2020 (prior year: EUR 5.9 million). R&D costs as a proportion of overall sales amounted to 17 percent (prior year: 17 percent).

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



## 5. Employees

The number of employees has risen from 484 in the previous year to 524. As of June 30, 2020, ATOSS employs 194 staff in Development (prior year: 180), 159 in Consulting (prior year: 143), 92 in Sales and Marketing (prior year: 92) and 79 in Admin (prior year: 69).

Personnel costs for the current financial year totaled EUR 20.1 million on June 30, 2020 (prior year: EUR 17.1 million).

## 6. Risks associated with future development

The control or management of risks is particularly crucial in times of the coronavirus. On the basis of the latest analysis, ATOSS Software AG's risk structure has not materially changed from its presentation in the consolidated financial statements as of December 31, 2019 even if the general bad debt risk represented by our customers has risen appreciably as a result of new financial challenges. The Group meets this risk by intensifying its active receivables management and credit rating verification prior to concluding contracts.

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 5.2 million and EUR 2.7 million respectively as of June 30, 2020, and this risk is dependent on the price performance of the share and the development in the gold price moving forward.

## 7. Events after the closing date

No reportable events of particular significance have occurred since June 30, 2020.

## 8. Outlook

ATOSS Software AG can look back on an exceptionally successful first half of the year with new highs for sales and earnings. Together with a consistently high order book from its licensing business standing at EUR 8.4 million (prior year: EUR 6.1 million) and a 70 percent increase in Annual Recurring Revenue – the central control metric in the cloud – from its prior year level of EUR 6.3 million to EUR 10.6 million, ATOSS boasts an excellent platform for maintaining its strategic growth. For this reason, the Management Board is reaffirming its financial targets for the whole of 2020 after a strong first half of the year, and assuming total sales of EUR 80 million with an EBIT margin of over 25 percent.





CONSOLIDATED BALANCE SHEET AS OF 06/30/2020

Assets (EUR)	06/30/2020	12/31/2019
<b>Non-current assets</b>		
Intangible assets	298,763	364,613
Property, plant and equipment	4,001,481	4,076,622
Rights of use	10,224,147	10,884,625
Other non-current financial assets	1,370,658	1,270,580
Deferred taxes	1,341,791	1,713,477
<b>Total non-current assets</b>	<b>17,236,840</b>	<b>18,309,917</b>
<b>Current assets</b>		
Inventories	5,683	3,869
Trade receivables	8,018,183	7,715,364
Other current financial assets	16,375,718	12,213,779
Other current non-financial assets	2,517,793	2,313,039
Cash and cash equivalents	13,647,593	17,523,701
<b>Total current assets</b>	<b>40,564,970</b>	<b>39,769,752</b>
<b>Total assets</b>	<b>57,801,811</b>	<b>58,079,669</b>
<b>Equity and Liabilities (EUR)</b>	<b>06/30/2020</b>	<b>12/31/2019</b>
<b>Equity</b>		
Subscribed capital	7,953,136	3,976,568
Capital reserve	-661,338	-661,338
Equity deriving from unrealized profits/losses	-3,056,418	-3,056,418
Unappropriated net income	18,717,935	24,582,473
<b>Equity attributable to the equity holders of the parent company</b>	<b>22,953,316</b>	<b>24,841,285</b>
Non-controlling interests	-69,042	-69,042
<b>Total equity</b>	<b>22,884,274</b>	<b>24,772,243</b>
<b>Non-current liabilities</b>		
Pension provisions	6,719,657	6,649,439
Non-current leasing liabilities	10,437,149	10,918,017
Deferred tax liabilities	107,044	82,564
<b>Total non-current liabilities</b>	<b>17,263,850</b>	<b>17,650,020</b>
<b>Current liabilities</b>		
Trade accounts payable	430,594	918,278
Contractual liabilities	7,564,815	4,703,092
Current leasing liabilities	291,904	476,400
Other current financial liabilities	1,729,727	1,174,021
Other current non-financial liabilities	6,612,147	7,769,367
Tax provisions	895,639	587,389
Other provisions	128,861	28,861
<b>Total current liabilities</b>	<b>17,653,687</b>	<b>15,657,407</b>
<b>Total equity and liabilities</b>	<b>57,801,811</b>	<b>58,079,669</b>

CONSOLIDATED INCOME STATEMENT FROM 01/01/2020 TO 06/30/2020

EUR	Quarterly report		6-monthly report	
	04/01/2020 - 06/30/2020	04/01/2019 - 06/30/2019	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
<b>Sales revenues</b>	<b>20,884,578</b>	<b>16,998,155</b>	<b>40,634,996</b>	<b>33,932,996</b>
Cost of sales	-5,386,192	-5,261,201	-11,512,985	-10,232,252
<b>Gross profit on sales</b>	<b>15,498,385</b>	<b>11,736,954</b>	<b>29,122,011</b>	<b>23,700,744</b>
Distribution costs	-3,405,159	-3,115,069	-6,790,352	-6,133,161
Administration costs	-1,868,344	-1,362,361	-3,658,554	-2,737,844
Research and development costs	-3,641,479	-3,010,666	-7,044,649	-5,918,187
Other operating income	20,721	20,580	113,706	60,337
Other operating expenses	-48,510	-47,796	-123,819	-96,518
Net impairments on financial assets	-130,736	-167,290	-86,411	-216,958
<b>Operating profit</b>	<b>6,424,879</b>	<b>4,054,351</b>	<b>11,531,931</b>	<b>8,658,413</b>
Interest and similar income	326,596	226,365	441,211	537,298
Interest and similar expenses	-57,921	-57,849	-110,154	-110,688
<b>Earnings before taxes</b>	<b>6,693,554</b>	<b>4,222,867</b>	<b>11,862,989</b>	<b>9,085,023</b>
Taxes on income and earnings	-1,867,443	-1,502,384	-3,610,710	-3,181,393
<b>Net income</b>	<b>4,826,111</b>	<b>2,720,483</b>	<b>8,252,279</b>	<b>5,903,630</b>
Attributable:				
Equity holders of the parent	4,826,111	2,724,988	8,252,279	5,911,976
Non-controlling interests:	0	-4,505	0	-8,346
Earnings per share (undiluted)*	0.61	0.34	1.04	0.74
Earnings per share (diluted)*	0.61	0.34	1.04	0.74
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 (undiluted)*	7,953,136	7,953,136	7,953,136	7,953,136

\* 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 STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01/01/2020 TO 06/30/2020

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
<b>Net income for the year</b>	<b>8,252,279</b>	<b>5,903,630</b>
<b>Components not reallocated in profit and loss</b>		
Profits/losses recognized in equity on the revaluation of defined benefit pension plans	0	0
Tax effects of profits/losses recognized in equity on the revaluation of defined benefit pension plans	0	0
<b>Other comprehensive income for the period after taxes</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income after taxes</b>	<b>8,252,279</b>	<b>5,903,630</b>

CONSOLIDATED CASH FLOW STATEMENT FROM 01/01/2020 TO 06/30/2020

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
<b>Earnings before taxes</b>	<b>11,862,989</b>	<b>9,085,023</b>
Depreciation	1,811,334	1,479,826
Interest and similar income	-441,211	-537,298
Interest and similar expenses	110,154	110,688
Income from the disposal of fixed assets	335	0
<b>Change in net current assets</b>		
Trade receivables	-302,819	-414,810
Inventories and other non-financial assets	-224,237	-203,122
Other assets	30,752	-64,662
Trade accounts payable	-487,684	1,809
Other current financial and non-financial liabilities	-601,514	-1,711,676
Other provisions	100,000	0
Contractual liabilities	2,861,723	3,415,825
Interest received	19,686	0
Interest paid	0	0
Income taxes received	295,852	96
Income taxes paid	-3,183,517	-2,675,601
<b>Cash flow generated from operating activities (1)</b>	<b>11,851,842</b>	<b>8,486,098</b>
<b>Cash flow from investment activities</b>		
Expenditure for the purchase of tangible and intangible assets	-444,700	-307,575
Expenditure for the purchase of financial assets	-3,850,000	0
<b>Cash flow generated from investment activities (2)</b>	<b>-4,294,700</b>	<b>-307,575</b>
<b>Cash flow from financing activities</b>		
Redemption element leasing liability IFRS 16	-1,230,860	-948,494
Interest element leasing liability IFRS 16	-62,140	-63,375
Dividends paid	-10,140,248	-15,906,272
<b>Cash flow generated from financing activities (3)</b>	<b>-11,433,249</b>	<b>-16,918,141</b>
<b>Change in cash and cash equivalents - total of (1) to (3)</b>	<b>-3,876,108</b>	<b>-8,739,618</b>
Cash and cash equivalents and the start of the period	17,523,701	21,675,798
Cash and cash equivalents and the end of the period	13,647,593	12,936,179





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS 06/30/2020

EUR	Equity attributable to the equity holders of the parent company				Non-controlling interests	Total
	Subscribed capital	Capital reserve	Equity deriving from unrealized profits/losses	Unappropriated net income		
<b>01/01/2020</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,872,779</b>	<b>27,057,136</b>	<b>-46,720</b>	<b>28,452,867</b>
Period net income	0	0	0	5,911,976	-8,346	5,903,630
Other comprehensive income of the period	0	0	0	0	0	0
<b>Total comprehensive income of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,911,976</b>	<b>-8,346</b>	<b>5,903,630</b>
Dividends	0	0	0	-15,906,272	0	-15,906,272
Anpassung zum 01/01/2019*	0	0	0	-109,451	0	-109,451
<b>06/30/2019</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-1,872,779</b>	<b>16,953,389</b>	<b>-55,066</b>	<b>18,340,774</b>
<b>01/01/2020</b>	<b>3,976,568</b>	<b>-661,338</b>	<b>-3,056,418</b>	<b>24,582,473</b>	<b>-69,042</b>	<b>24,772,243</b>
Period net income	0	0	0	8,252,279	0	8,252,279
Other comprehensive income of the period	0	0	0	0	0	0
<b>Total comprehensive income of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,252,279</b>	<b>0</b>	<b>8,252,279</b>
Capital increase from company funds	3,976,568	0	0	-3,976,568	0	0
Dividends	0	0	0	-10,140,248	0	-10,140,248
<b>06/30/2020</b>	<b>7,953,136</b>	<b>-661,338</b>	<b>-3,056,418</b>	<b>18,717,935</b>	<b>-69,042</b>	<b>22,884,274</b>

One share represents 1 euro of subscribed capital.

\* Adaption as of 01/01/2019 due to the first application of IFRS 16 Leases



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. General

This quarterly report has been prepared in accordance with the 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 the German Accounting Standard (DRS) no. 6 regarding interim reporting have also been fulfilled.

In accordance with IAS 34.20, these 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 annual financial statements as of December 31, 2019.

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

## 2. Reporting period

These consolidated financial statements were prepared as of June 30, 2020 for the reporting period from 01/01/2020 to 06/30/2020.

## 3. Currency

All figures stated are 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 financial statements as of June 30, 2020 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%)  
ATOSS North America Inc., West Hollywood, USA (100%)

These companies are fully consolidated.



## 5. Financial debt

As of June 30, 2020, the contractual maturities of the Group's non-derivative financial liabilities were as follows:

Contractual maturities of financial liabilities	Up to 3 months EUR	3 months to 1 year EUR	Over 1 year EUR	Total contractual cash flows EUR	Carrying amount of liabilities EUR
As of 06/30/2020					
Trade accounts payable	430,594	0	0	430,594	430,594
Lease liabilities	606,466	1,610,319	8,976,797	11,193,582	10,729,053
<b>Total non-derivatives</b>	<b>1,037,060</b>	<b>1,610,319</b>	<b>8,976,797</b>	<b>11,624,176</b>	<b>11,159,647</b>
As of 06/30/2019					
Trade accounts payable	511,960	0	0	511,960	511,960
Lease liabilities	560,391	1,929,495	11,193,582	13,683,468	10,915,006
<b>Total non-derivatives</b>	<b>1,072,351</b>	<b>1,929,495</b>	<b>11,193,582</b>	<b>14,195,428</b>	<b>11,426,966</b>

## 6. Changes in equity

The development of equity can be derived from the statement of changes in consolidated equity.

As of June 30, 2020, ATOSS Software AG's share capital amounted to EUR 7,953,136 (12/31/2019: EUR 3,976,568) and is divided into 7,953,136 bearer shares. Each share represents EUR 1.00 of the share capital.

On June 19, 2020, ATOSS Software AG implemented the stock split adopted on May 28, 2020. For every ATOSS share they held, every shareholder received one further ATOSS share with no additional payment by way of a corresponding credit in their securities account. From a technical perspective, the stock split was effected by means of a capital increase from company funds of EUR 3,976,568 from EUR 3,976,568 to EUR 7,953,136. As a result of the capital increase, the share capital of ATOSS Software AG doubled from 3,976,568 shares to 7,953,136.

## 7. Sales revenues

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

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
Licenses	7,398,261	6,749,609
Maintenance	12,998,212	11,878,650
Cloud	5,757,180	3,386,422
<b>Total software</b>	<b>26,153,653</b>	<b>22,014,681</b>
Consulting	11,642,221	9,407,883
Hardware	1,788,168	1,744,383
Miscellaneous	1,050,954	766,049
<b>Total sales revenues</b>	<b>40,634,996</b>	<b>33,932,996</b>

The geographic breakdown of sales revenues was as follows:

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
Domestic	35,268,490	28,886,602
Abroad	5,366,506	5,046,394
<i>of which Austria</i>	2,210,610	2,245,166
<i>of which Switzerland</i>	1,922,126	1,775,427
<i>of which other countries</i>	1,233,770	1,025,801
<b>Total sales revenues</b>	<b>40,634,996</b>	<b>33,932,996</b>

The sales revenues were distributed between product groups as follows:

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
Sales revenues		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	33,840,889	28,074,149
ATOSS Time Control (ATC)	6,378,648	5,655,467
Crewmeister	415,459	203,380
<b>Total sales revenues</b>	<b>40,634,996</b>	<b>33,932,996</b>

## 8. Personnel expenses

Consolidated personnel expenses as of June 30, 2020 broke down as follows:

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
Wages and salaries	17,236,654	14,624,547
Social security contributions and expenditure on retirement pensions and welfare	2,818,159	2,440,676
<b>Total personnel expenses</b>	<b>20,054,813</b>	<b>17,065,223</b>

## 9. Other operating income and expenses and net impairment of financial assets

Other operating income of EUR 113,706 (prior year: EUR 60,337) essentially contains income from exchange rate differentials in the amount of EUR 71,818 (prior year: EUR 15,875) and income from the release of provisions in the amount of EUR 38,344 (prior year: EUR 41,794).

Other operating expenses of EUR 123,819 (prior year: EUR 96,518) essentially relates to expenses from exchange rate differentials in the amount of EUR 123,424 (prior year: EUR 70,799). Net impairments on financial assets relates to trade receivables in the amount EUR 86.411 (prior year: EUR 216,958).

## 10. Financial investment income and expenses

The financial investment income in the amount of EUR 441,211 (prior year: EUR 537,298) relates essentially to the write-up of the company's gold holdings in the amount of EUR 390,080 (prior year: depreciation of EUR 197,575) as well as income from the valuation of claims relating to capital assurances in the amount of EUR 31,433 (prior year: EUR 31,060).

As of June 30, 2020, the company recorded financial expenses amounting to EUR 110,154 (prior year: EUR 110,688). This concerned finance costs in connection with accounting for lease liabilities under IFRS 16 amounting to EUR 62,140 (prior year: EUR 63,375), liabilities in connection with pension provisions in the amount of EUR 32,646 (prior year: EUR 46,625) and expenses from the write-down of the investment fund in the amount of EUR 11,654 (prior year: income from the write-up of EUR 307,736).

## 11. Tax charge

EUR	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
<b>Pre-tax earnings as per IFRS</b>	<b>11,862,989</b>	<b>9,085,023</b>
Expected tax charge (2020: 32.47%, 2019: 32.47%)	-3,851,912	-2,949,765
Non-deductible operating expenses	-14,978	-15,849
Tax refunds/payment of tax arrears for previous years	248,652	-116,634
Current losses for which no deferred tax claim has been recognized	0	-133,405
Lower tax rates at group companies and branches	119,208	21,160
Tax losses not previously recognized but now used to reduce the actual tax charge	-131,544	0
Miscellaneous	19,864	13,100
<b>Actual Group tax charge</b>	<b>-3,610,710</b>	<b>-3,181,393</b>

## 12. Earnings per share

Earnings per share is calculated by dividing the net result for the period of EUR 8,252,279 (prior year: EUR 5,903,630) by the weighted average number of shares outstanding. An average of 7,953,136 shares were in circulation as of 06/30/2020. The earnings per share in the first half of the year amounts to EUR 1.04 while it stood at EUR 0.74 for the same period in the previous year (in accordance with IAS 33.64, earnings per share (EPS) or number of shares were retrospectively adjusted for the previous period due to the share split carried out in June 2020).

## 13. Employees

As of June 30, 2020, the company employed 524 people (prior year: 484).

	01/01/2020 - 06/30/2020	01/01/2019 - 06/30/2019
Development	194	180
Consulting	159	143
Sales and marketing	92	92
Administration	79	69
<b>Total</b>	<b>524</b>	<b>484</b>

## 14. Management Board

Members of the Management Board:

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

## 15. Supervisory Board

Following a resolution of the annual general meeting on May 28, 2020, 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



## 16. Board member shareholdings

As of June 30, 2020, the following board members held the following volumes of ATOSS shares:

EUR	06/30/2020
Andreas F.J. Obereder	3,976,570
Moritz Zimmermann	10,928

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.

## 17. Notifiable participating interests

In the first six months of financial year 2020, the company did not receive any notifications regarding changes in participating interests pursuant to sections 21ff. of the German Securities Trading Act (WpHG).

## 18. Business relations with closely related persons

The daughter of the Chief Executive Officer is employed on standard market terms in respect of which the company incurred personnel costs in the amount of EUR 40,579 in the first half of the year (prior year: EUR 37,468).

## 19. Events after the closing date

No reportable events of particular significance have occurred since June 30, 2020.





## 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 report 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 financial year are described.

Munich, August 10, 2020



Andreas F.J. Obereder  
Chief Executive Officer



Christof Leiber  
Member of the Management Board

## 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

**10/23/2020**

Quarterly press release announcing the 9-month financial statements

**11/16-18/2020**

ATOSS at the German Equity Forum

# IMPRINT

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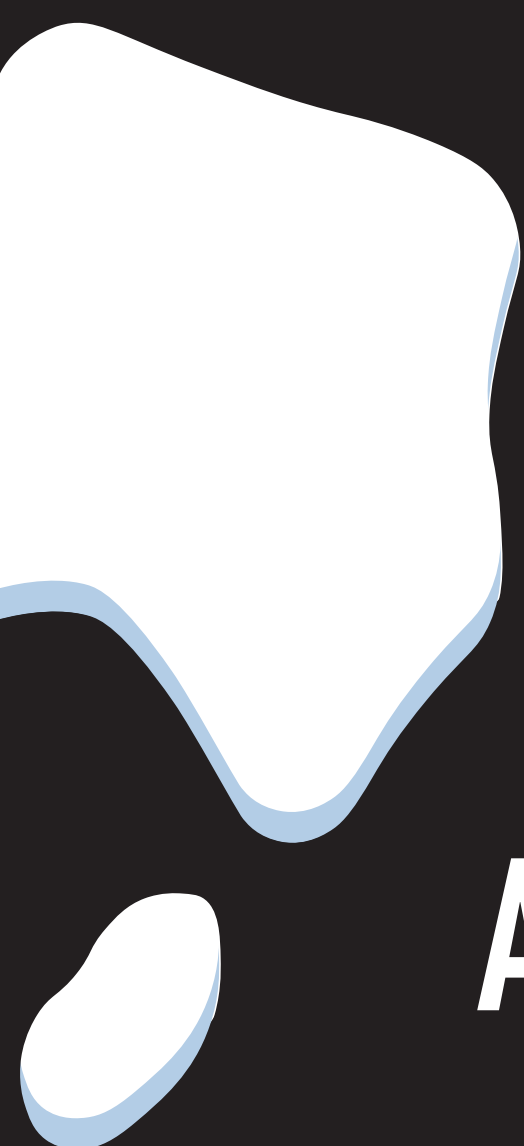
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