

ATODS

ATTORNEY GENERAL

DEPARTMENT

2015



ATOSS in Figures

CONSOLIDATED OVERVIEW AS PER IFRS: YEAR ON YEAR COMPARISON IN KEUR

	01.01.2015 - 31.12.2015	Proportion of Total sales	01.01.2014 - 31.12.2014	Proportion of Total sales	Change 2015 / 2014
Total sales	44,941	100%	39,683	100%	13%
Software	26,714	60%	23,878	60%	12%
Licenses	9,838	22%	8,517	21%	16%
Maintenance	16,876	38%	15,361	39%	10%
Consulting	11,906	26%	10,104	26%	18%
Hardware	4,610	10%	4,466	11%	3%
Others	1,711	4%	1,235	3%	39%
EBITDA	12,032	27%	10,305	26%	17%
EBIT	11,344	25%	9,787	25%	16%
EBT	11,322	25%	10,295	26%	10%
Net profit	7,591	17%	7,032	18%	8%
Cash flow	7,980	18%	8,072	20%	-1%
Liquidity ^(1/2)	24,368		20,583		18%
EPS in euro	1.91		1.77		8%
Employees ⁽³⁾	340		305		11%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14
Total sales	11,888	11,390	10,956	10,707	10,938
Software	7,125	6,640	6,624	6,325	6,387
Licenses	2,782	2,391	2,436	2,229	2,443
Maintenance	4,343	4,249	4,188	4,096	3,944
Consulting	3,125	2,965	3,022	2,794	2,707
Hardware	1,094	1,363	838	1,316	1,401
Others	544	423	472	272	443
EBITDA	3,182	3,000	2,952	2,898	2,758
EBIT	2,909	2,858	2,809	2,768	2,628
EBIT margin in %	25%	25%	26%	26%	24%
EBT	2,855	2,587	2,545	3,335	2,770
Net profit	1,867	1,750	1,717	2,257	1,911
Cash flow	7,980	5,692	-550	5,146	-573
Liquidity ^(1/2)	24,368	27,041	21,820	26,218	20,583
EPS in euro	0.47	0.44	0.43	0.57	0.48
Employees ⁽³⁾	340	330	318	313	305

(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 0.88 per share on 29.04.2015 (kEUR 3,499)
(3) At the end of the quarter/year

Developments over ten record years

from 2006 to 2015

+ 120 %
Total sales

+ 146 %
Software licenses sales

+ 140 %
Consulting sales

+ 115 %
Investments in R&D

+ 1,916 %
EBIT

+ 1,492 %
Earnings per share

+ 1,863
New customers

ATOSS

ANNUAL REPORT

Now and in future, our innovative strengths will create customer value, productivity gains and growth. This is the focus of our work, and the benchmark by which we measure our performance.

Andreas F.J. Obereder
CEO and Founder ATOSS

Shaping tomorrow's working environments

Flexibility, productivity and innovative strengths are the ultimate benchmarks in times of volatile markets – whether in industrialized nations or emerging markets. An agile personnel infrastructure and fluid processes build the necessary foundation. Rapid response organizations cannot be achieved without these essential elements in place. The key factor is to unleash the full potential of the existing workforce and maximize its flexibility. And precisely this is our strength. Every day, ATOSS Workforce Management solutions make significant contributions towards higher value creation and a sharper competitive edge for more than 4,500 customers. At the same time, we enable the implementation of employee-oriented working time concepts, thereby ensuring greater job satisfaction. In more than 40 countries all over the world.

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On the way to Workforce 4.0

Professor Dr. Marc Sachon speaks with Andreas F.J. Obereder, CEO and founder of ATOSS Software AG



“Our solutions are at home wherever the task is to systematically align workforce management with the demands of the company, make personnel processes more flexible and boost productivity. For this, national borders are of little consequence.”

Mr. Obereder, it's nice to see you again after another successful year. The tenth successful year in succession. Congratulations. Thank you, it's indeed a good feeling to see how many companies from all sectors of industry are looking at workforce management issues. And of course it's an even better feeling that we occupy a central position in companies' deliberations. That is a good position for the next decade.

When you look back over the last ten years, what has changed? A great deal, actually. Many companies' strategic considerations focused initially on the product and then on prices. Today, workforce management is firmly established as a senior management issue. Ten years ago, companies ushered us in through the rear entrance, whereas today we are knocking on boardroom doors. Demand-driven workforce management has become a major competitive advantage.

That is also reflected in the ATOSS portfolio. A lot has happened ...

You are right. We have achieved a lot in terms of product and technology. We invest around 20 percent of our revenue in research and development every year. Naturally, this has to pay off for customers and shareholders alike. For example, we have made significant advances in our enterprise solution, its full functional scope is now available in a browser edition. This gives our customers an entirely new dimension of user experience – highly efficient and effective in its ease of use, combined with ultra-modern design. With all our innovations, we attach great significance to ensuring that they can also be used seamlessly by long-standing customers. Companies such as Deutsche Bahn switch from one technology to the next – and we have now completed four such technology leaps. These leaps involve transferring all the data and settings in the process. In the last few years, we have invested almost 100 million euros in the performance, stability and above all the scalability of our software setting. This gives our customers a unique security of investment. Today, we are working on the solutions for 2025. This means our customers can always trust in getting the most advanced technologies. Our decision to also offer all our product lines in the cloud is part of the same approach.

How has the subject of the cloud been received in the market? Surprisingly well, we were actually expecting a longer lead-in period. Companies such as Bank Austria, Kentucky Fried Chicken, Pandora or VAPIANO all opted for our cloud solution last year. And demand is steadily rising.

That's quite a range ...

Yes, we are now the full range provider in the market. And that doesn't just apply to our products. The full potential of workforce management can only be unlocked if processes, organization and IT solutions are intelligently coordinated. We have specialists for all these areas in our team. Our customers not only appreciate us as the most powerful workforce management system provider, but also as process consultants commanding in-depth, best practice experience gained from thousands of successful projects. In line with this approach, we do not define project success as just another IT system running for the customer in the end, but by the effects achieved – for the company and its staff.

A propos market presence: One could say that ATOSS is seeded to win orders in German-speaking countries. But how do things stand with your activities abroad?

We are pursuing several models. We have been supporting our global customers such as Lufthansa, HORNBAACH, Playmobil or W.L. Gore in foreign markets for years. And of course we are winning own projects such the recent addition of LACOSTE in the Netherlands and Belgium. Or Toys"R"Us as well. We are in the process of introducing the ATOSS Retail Solution in Great Britain, France, Spain and Portugal. And this shows up the entire bandwidth of local requirements in which companies have to operate – from the greatest possible flexibility in Great Britain through to the rigid statutory framework in Spain. Regardless of the requirements, we deliver to our customers based on a global, standardized solution. We create transparency and the ability to strategically steer workforce management across national borders. With regard to future growth, we have firmly decided on international partnerships. Our Alliances Team is engaged in intensive discussions with companies that make a good match with us and our portfolio. Besides Germany, we have established own offices in Austria, Switzerland, Romania and the Netherlands.



“One of the visions of Industry 4.0 is a production system that is able to adapt dynamically to market demands. A highly agile personnel infrastructure is an absolute prerequisite of any such system. The challenge is to raise the deployment of workforce to a new dimension of flexibility.”

That shows that you already have substantial international experience ...

Indeed. We support our customers all around the globe with best practice know-how – from the USA to Japan. We know the legislation, regulations and specifics in more than 40 countries, and we can confidently state that we are able to map and cover these factors in the standard versions of our software. Our solutions are at home wherever the task is to systematically align workforce management with the demands of the company, make personnel processes more flexible and boost productivity. For this, national borders are of little consequence.

You are certainly right there. Workforce management is becoming more and more important on the world stage. I find that in my seminars in America or Asia to the same extent as in Europe. The question of “who works when and where and at what cost” and “how I can deploy my existing resources more efficiently and flexibly” are among those that occupy managers in New Zealand or Mexico just as much as here in the EU. We shouldn't forget that Germany is seen around the world as a paragon of economic success. People are very open to innovative concepts. This includes a smart approach to handling working time as enabled by professional workforce management. And that is precisely our strength – at home and abroad.

The results are impressive ...

They speak for themselves. Around 150 potential analyses carried out in the last two years alone show clearly where potential is concealed in retailing, healthcare, service industries, logistics and manufacturing. Naturally, the intensity with which the solution is used and the optimization of processes all along

the value chain also play a major role. But just to illustrate the scale involved: the average potential benefit of demand-optimized workforce management for a company with 1,000 employees is in the millions per year. The investment usually pays for itself within 12 months. There are other important effects besides the purely financial benefits. In many cases, employee turnover rates decline and loyalty improves significantly. The observance of legislation and company agreements is a further, central benefit of our workforce management solutions.

Retailing is one of your core sectors. What is your success rooted in?

Many customers such as CHRIST, Douglas and HORNBACH rely on a multi-channel strategy and are therefore looking for solutions which help them achieve the best possible management of their workforce on the shopfloor, in order-taking call centers and on the Internet. Our software can be profitably deployed in all these areas. Other customers such as Kastner & Öhler create special shopping experiences as their criterion of differentiation. In any case, it is important to offer the optimum service level that matches the business model – in spite of longer opening hours and many part-time workers. We are now also supporting numerous retail companies such as dm-drogerie markt, EDEKA or Gebr. Heinemann in their logistics.

But surely it's not enough just to look at the costs?

That's right, it's much more a question of synchronizing demand and staff resources to the best possible degree, and offering pinpoint precision service, whether in retail outlets or a warehouse. That is still anything but a matter of course. Overstaffing and understaffing levels of up to 30 percent, several days a

week, are not uncommon, even in successful retail enterprises. This has a direct effect on the level of service, sales and employee productivity. Our projects show that EBIT gains of five percent and more can be achieved in retail through better demand forecasts and a more flexible workforce management.

Many mega trends are reinforcing the importance of workforce management. Take Industry 4.0 or what the rest of the world calls the internet of things, the fourth industrial revolution.

Truly exciting topics! I just read in a recent study by DZ Bank that Industry 4.0 is set to boost the productivity of the German economy by 12 percent by 2025. Such benefits, however, cannot take full effect if we don't integrate people into the process. After all, Industry 4.0 is not just about the intensive networking of manufacturing and logistics processes, and making them highly flexible. If you take the concept further, you will quickly become aware that people play a central role in deliberations on the factory of the future. One of the visions of Industry 4.0 is a production system that is able to adapt dynamically to market demands. A highly agile personnel infrastructure is an absolute prerequisite of any such system. The challenge is to raise the deployment of the workforce to a new dimension of flexibility. ‘IoT’ will not only change processes but also the organization of companies and with it our entire working culture.

What does that mean for people?

The trend is towards ever shorter delivery times and individualized production down to a batch size of 1. Even today, Audi has no two identical cars rolling of the line in one year. Imagine that. The increasing need for flexibility naturally also requires more flexible and shorter-term workforce management, more variable shifts at shorter intervals as well as finely grained planning. This can only be mastered with the right tools and structured planning processes. You also need working time concepts that provide companies with the required agility and at the same time ensure attractive models for the work-life balance of different groups of employees. Our customer thyssenkrupp Rasselstein is studying these questions very closely and they are very consistently factoring in the aging workforce and the issue of long-term capacity into their strategy.

Consequently, companies with high employee satisfaction are deciding very clearly in favor of ATOSS solutions. By specifically including employees in the planning process, they are able to tangibly and sustainably enhance employee satisfaction.

And how do you see the next few years?

The markets in which we are operating very successfully will continue to offer us tremendous growth opportunities – both at home and abroad. But we also see exciting potential in the medium to long term beyond the segment of large corporations. In Germany, there are around one million companies with fewer than 50 employees. Even small companies have to manage staff attendance and absence, as well as scheduling and managing their deployment in a professional manner. Therefore, we will increasingly offer intelligent workforce management solutions specifically for this segment of the market: simple and straight forward, attractively priced, smart and mobile, from the cloud. We have already laid a solid foundation with our full range approach. First experiences show that this route will open up further growth opportunities for us.

I will certainly keep my fingers firmly crossed for your company.

Professor Dr. Marc Sachon researches and teaches at the IESE Business School in Barcelona and Munich. The focus of his work is on the area of production systems and strategy with a special emphasis on the automotive industry and FMCG/retail companies. His case studies are used in Business Schools around the world.



ALDI
Alimentana
BASLER
Benetton
Breuninger
Buffalo Boots
CHRIST
Confiserie Sprüngli
coop
Decathlon
denn's Biomarket
diska
Douglas
Eddie Bauer Japan
EDEKA
engelhorn
ESCADA
eterna
eurotrade
expert
FRESSNAPF
Gebr. Heinemann
Globus Baumaerkte
Hartlauer
Hofer
HORNBACH
INTERSPORT Voswinkel
Jack Wolfskin
Kastner & Öhler
LACOSTE
LANDS' END
Marc Cain
mister*lady
Mister Spex
MPREIS
NL Diffusion
Orell Füssli Thalia
PANDORA
Peter Hahn
ROLLER
RUNNERS POINT
s.Oliver
Segmueller
session
SportScheck
Tommy Hilfiger Europe
Toys“R“Us
Versandhaus Walz
Wolford
XXXLutz
...

95 %

Higher forecast accuracy

Company with 7,000 employees

90 %

Reduction in planning costs

Company with 7,000 employees

25 %

Reduction in overtime

Company with 7,800 employees

1,000,000 EUR/year

Savings potential

Company with 1,400 employees

Retail

The Age of Customers calls for a consistent multi-channel strategy and smooth logistics. Consequently, service and cost-optimized workforce management upfront and behind the scenes is a must. Workforce management creates convincing shopping experiences – whether online or offline.



Worldwide fashion

Founded by French tennis legend René Lacoste in 1933, LACOSTE is now an internationally known cult label for lifestyle fashion. The premium brand with the iconic crocodile logo offers sports-style and classic collections for women, men and children, as well as an exclusive line of lifestyle products. Together with its subsidiaries, **Lacoste Germany** markets the label's collections in Austria, Denmark, Sweden and Germany. In Germany, fans of the trendy brand can purchase the laid-back, elegant items in 26 boutiques and ten outlets. The working hours of the about 250 employees are scheduled using the ATOSS Retail Solution compact so as to ensure optimum customer service at all times. Sector-specific pre-configuration makes it particularly fast to implement. In order to be able to plan even more precisely at large branches such as the Düsseldorf flagship store and the Metzingen outlet, Workforce Forecasting and the Automatic Duty Plan are used as additional functions. The rollout is now on the agenda for the five boutiques and the outlet in Austria.

The reference of Lacoste Germany and a comprehensive process analysis have also convinced the Dutch joint venture partner **NL Diffusion** to opt for the ATOSS solution. The company is responsible for the Benelux region and will be managing some 150 employees in administration and sales using the ATOSS solution in future. The main aim is to ensure that personnel deployment at the 15 LACOSTE shops and outlets in the Netherlands and Belgium is also consistently geared towards customer frequency, avoiding costly understaffing and overstaffing, while further enhancing service quality. Life is a beautiful sport – with this brand claim, the LACOSTE Group is enjoying worldwide success. We look forward to embarking on further joint projects around the globe.

Workforce management is en vogue. International brands such as BASLER, Benetton, Marc Cain, Tommy Hilfiger Europe, s.Oliver and Wolford have already opted for ATOSS Retail Solution.



ATOSS CUSTOMER DECATHLON

Dynamic workforce management

Sport for all – all for sport! This sums up the philosophy of the French sports article manufacturer **Decathlon**. Based on a presence in 26 countries, 1,030 outlets and 70,000 employees, the company is enjoying international success. Decathlon relies on 20 high-quality own brands offering an excellent price-performance ratio. In Germany, Decathlon is currently operating 26 stores, a web shop and a large logistics center in Schwetzingen. All types of sports under a single roof, indoor testing areas, a huge selection and excellent service – this turns shopping into a real event for any passionate sports person. In every segment of its business, the company relies on innovation and a committed, sports-loving staff team – because Decathlon is firmly convinced that satisfied employees are the precondition for satisfied customers. Consequently, the workforce management solution focused especially on the areas of employee co-determination and personal responsibility, besides retailing expertise and state-of-the-art products. A comprehensive process analysis proved decisive: Decathlon is introducing ATOSS Retail Solution in the cloud in order to manage its 2,500 employees in the stores and logistic center in Germany. Naturally, the timetable for introducing the solution is quite a sporting challenge in itself. After a pilot project at the Plochingen branch, Working Time Management, Self Services and Workforce Scheduling are to be made available in all stores within a very short space of time. Decathlon has its sights clearly set on the objective: customer and employee-driven, flexible workforce management that can readily keep pace with the company's highly dynamic expansion.



Always different, always EDEKA

With differentiated sales concepts and around 11,500 stores, **EDEKA** is meeting the needs of all customer segments. Around 4,000 self-employed entrepreneurs give Germany's leading retail brand its face to consumers. Seven large regional companies ensure an optimum supply of groceries, as well as the provision of customized services. Six of these regional companies have been using ATOSS Workforce Management for many years to manage their staff in administration and affiliated production, logistics and franchise companies. At **EDEKA Minden-Hannover**, for example, the working times of more than 33,000 employees are scheduled by our solution with around 1,600 stores and centrally managed supermarkets, twelve logistics centers and seven production operations.

diska with a network of branches numbering over 100 stores in Northern Bavaria, Saxony and Thuringia, is now also part of the ATOSS family. The company has invested systematically in the strategic realignment and modernization of its branches. The aim is to create small supermarkets featuring a larger range of products and offering a pleasant atmosphere and good service. In the course of the project, the spotlight also turned to the area of branch and staff organization. An analysis showed the potential inherent to demand-driven staff deployment and standardized processes. The roughly 1,500 diska employees are now scheduled efficiently and cost-optimized by ATOSS Retail Solution. The wishes and preferences of the team are included in the planning process. The next step will be to introduce Workforce Forecasting and Automatic Duty Planning. The intention is to make further improvements to the planning quality and cost efficiency on the basis of fixed and variable demand drivers and basic requirements.

Numerous retailers of all sizes now rely on ATOSS for scheduling their staff – either hosted by the regional company responsible for them or as an inhouse solution. And the trend is on the rise. Karl Preuß GmbH & Co., for example, with 22 **WEZ supermarkets** and 1,700 employees, is running the installation inhouse. Also, a lot of smaller retailers such as **EDEKA Stadler+Honner** with eight outlets in Bavaria, **EDEKA Haslbeck** with a store in Lower Bavaria, **EDEKA Clausen** with a store in Hamburg or **EDEKA Glahn** with a store in Thuringia are benefiting from ATOSS Workforce Management. For all their diversity, there is one thing that the members of the expanding EDEKA Group have in common – a strong focus on quality, customers and service.



Images: ATOSS CUSTOMERS **EDEKA** (top) | **DISKA** (bottom)



ATOSS CUSTOMER CONFISERIE SPRÜNGLI

Premium

The Swiss company **Confiserie Sprüngli** stands for exclusive taste. Steeped in tradition, the company spoils its worldwide clientèle with delicacies made from the finest chocolate. Sprüngli's world not only embraces the high art of the confectioner's craft, but also a passion for style, coffee culture and perfection. Sprüngli sells its specialties in 21 outlets, as well as four cafés in Switzerland and a branch in Dubai. In addition, customers can order the exquisite chocolates and the signature Luxemburgerli macarons quickly and conveniently in the online shop. The Swiss company also places high demands on its workforce management. "We want to establish even more efficient processes along the entire value chain and ensure the demand-optimized deployment of our entire team," says Iman Azmy, Head of Finance and Controlling, as she describes the project. The team at Sprüngli consists of around 900 employees in Sales, Restaurants, Customer Services, Administration, Production and Logistics. These varying demands as well as Swiss legislation and regulations were to be mapped and met by a standard, future-proof software solution. That is no problem for our modular enterprise suite. Sprüngli has opted for Workforce Scheduling, Time and Attendance Management, Self Services as well as Task and Cost Center Management. The process of putting it all into practice is underway. The working times of 400 employees in Sales are now scheduled and managed in line with sales data. Self Services are simplifying time management processes in administration. The next step will be to integrate the almost 300 employees in Manufacturing into the planning process. The aim here is to achieve a seasonal and product-specific scheduling. The ATOSS BI Connector supplies data for in-depth management analyses. Sprüngli's aspiration and commitment is clear: premium – upfront and behind the scenes.



ATOSS CUSTOMER FRESSNAPF

Number 1 in Europe

The love of animals knows no borders. True to this motto, **FRESSNAPF | MAXI ZOO** is now operating in 11 further countries in Europe besides Germany. 1,400 stores of varying sizes, including XXL sites with 2,200 m², form an expert network for animal lovers and owners from Denmark to Italy. The Group workforce totals more than 10,000 employees, including around 5,000 staff members in franchise stores. There is a clearly defined concept behind the success of the European market leader in pet products, headquartered in Krefeld: huge selection, attractive pricing and professional service. In future, FRESSNAPF will be scheduling and managing 1,200 employees at its 120 centrally managed stores in Germany based on the ATOSS Retail Solution in the cloud. Following the successful pilot operation in four stores, ATOSS Time and Attendance Management and Workforce Scheduling will be introduced in all locations by the middle of 2016. Branch managers and their deputies will receive their induction through on-site seminars and e-learning. The Workforce Forecasting and Automatic Duty Plan modules will be implemented at a later stage of the project in order to make workforce management even more customer-driven. Branch managers at FRESSNAPF are not only impressed with the functionality, but also the modern interactive design and puristic visuals of the web-based solution. Ongoing tests are now ascertaining how the 280 German franchise partners with their 750 branches can participate efficiently in the cloud solution. Currently, the international rollout of the ATOSS solution is also being considered. At FRESSNAPF, customer and service focus extends across all borders.



ATOSS CUSTOMER JACK WOLFSKIN

Riding the success wave

Jack Wolfskin is at home in the great outdoors. And in every kind of weather. This famous brand stands for functional, high-quality outdoor clothing and equipment – whether the focus is on sporting achievements or simply on enjoying nature and exercising. In Europe and Asia, the attractive product lines are currently available in more than 900 Jack Wolfskin Stores and over 4,000 sales outlets. At the same time, the company, headquartered in the Taunus region, ranks as the largest franchiser in German retail sports shops. Europe's leading provider of outdoor equipment is steadily expanding its presence. The secret of its success? Passion, love of detail, innovative strength, product quality and expert advice. Jack Wolfskin also places great emphasis on quality when it comes to workforce management – and opted for ATOSS Retail Solution. The software was introduced in around 90 own stores in German, Belgium, France, the Netherlands, Italy, Switzerland and the UK for 800 employees within the space of a mere four months. Our standard software readily adapted to country-specific laws and regulations, as well as local payrolls. Today, Jack Wolfskin operates with consistent planning processes throughout Europe, and enjoys a high degree of transparency and flexibility in all aspects of workforce management – in connection with significantly lower planning and administration costs than in the past. All employees are integrated into the working time management via ATOSS Self Services. And the project is proceeding at a highly dynamic pace. The implementation of Workforce Forecasting in every country is now in full swing, as Jack Wolfskin aims to align its budgets in future even more closely with demand based on past data, thereby consistently improving the level of service. And that is precisely our strength. Both at home and abroad.



Smart planning

The **ROLLER** success story started with the idea of “selling good furniture at more affordable prices”. Today’s company is the market leader in Germany with over 110 large furniture stores, a successful online shop and more than 5,000 employees. The discount chain offers over 10,000 items of furniture to take away in every store, as well as a full product range for decorating, furnishing and renovating. In addition to the attractive pricing model, the strong focus on customers and staff are key success criteria of this rapidly expanding company. Acknowledging these achievements, ROLLER was selected as one of Germany’s Top Employers in 2015 by FOCUS SPEZIAL and a Customer’s Favorite by FOCUS MONEY. ATOSS Retail Solution helps ROLLER to reconciling the objectives of combining low prices with good service and satisfied staff, while operating with economic efficiency at the same time. Apart from the fact that our solution is open, scalable and fit for the future, the particular strength that tipped the decision in our favor was our know-how gained from numerous retail projects. The Time and Attendance Management and Workforce Scheduling modules are now live in all ROLLER stores, and their introduction was largely managed inhouse. Workforce Forecasting and Automatic Duty Plan are on the agenda for 2016. The integration of the ATOSS solution into the complex IT structure of the multi-channel furniture company was a challenge our consultants were happy to accept. Today, interfaces with the inventory control and business intelligence tools provide a unified basis for all data, greater transparency and the smooth flow of information throughout the entire company. CEO Marcus Droste was genuinely impressed by the project: “We have created an excellent foundation for modern workforce management. Now we can focus even more strongly on our customers and staff.” The furniture discount store is charting a consistent expansion course, and our solution will keep the pace.

Image: ATOSS CUSTOMER ROLLER

Austrian Airlines
Austro Control
BLG LOGISTICS GROUP
Condor
DB Mobility Networks Logistics
DB Regio
DB Schenker
DB Station&Service
DB Systel
Deerberg
Deutsche Bahn
DHL Global Forwarding
EDEKA
Elflein Transport & Logistik
Emirates
engelhorn
EUROGATE
expert
FedEx
FIEGE
HOYER Group
ITG
Kühne + Nagel
Loxxess
Lufthansa
Lufthansa Cargo
Lufthansa Passage Airline
LuxairGroup
Meyer Logistics
NEW
North Sea Terminal Bremerhaven
PHOENIX group
Planzer
Rhenus Group
RTS Transport Service
S-Bahn Berlin
Schäfflein
Scherm Group
Swiss International Air Lines
unitrans Hauptvogel
Versandhaus Walz
Ville de Luxembourg - Service des Transports
West Energie und Verkehr
WISAG Aviation Service
WITRON
Ziegler
Zillertaler Verkehrsbetriebe
...

40 % and 60 %

**Reduction in both overstaffing
and understaffing**

Company with 1,800 employees

90 %

Higher planning quality

Company with 1,800 employees

40 %

Reduction in external manpower

Company with 1,800 employees

30 %

**Reduction in
unproductive working time**

Company with 6,700 employees

Logistics

Rising goods volumes and the shortest possible delivery times necessitate precision in the planning of people, goods, vehicles and routes. Workforce management creates the flexibility and transparency required for just-in-time personnel deployment and enables economic and ecological scheduling.



Managing complexity

Logistics companies have to be able to cope with extreme fluctuations in orders and workloads. Cargo handling in ports is especially impacted, as it is directly dependent on global economic developments. **NTB North Sea Terminal Bremerhaven (NTB)** handles more than 3 million TEU per year. As one of the most important container hubs in Northern Europe, the company connects more than 130 ports around the world. At a total of 18 container cranes, NTB processes 45 ships a week. This is only possible through the effective interaction of qualified employees and the most advanced technology. Fast, powerful gantry cranes are capable of loading or discharging 23 containers side by side on the decks of the new giant container ships. To do so, the staffing of the teams maintaining three-shift operations has to be exactly right. This applies particularly to the waterside units. Each unit consists of ten employees with specific qualifications – from gantry crane and van carrier drivers, via lashers and Navis operators to jumpers and a signalman on deck. Gantry cranes can only work with a suitably qualified, complete crew. Any absence and every missing or expired qualification brings the entire system to a standstill. As Human Resources Manager Kay Entholt puts it: “We have to ensure smooth operations around the clock on 360 days of the year. Staff flexibility is a critical success factor in this process.” Which is the reason why NTB relies on the ATOSS Logistics Solution to schedule the shifts for its roughly 630 production workers. All the relevant factors such as legislation, absences, working time balances, qualifications, staff requests and specific agreements are incorporated into the planning process. The complicated regulations and pay-scales governing port operations are also automatically factored in. All 750 NTB employees are integrated into the working time management system via Self Services. And when they are on the move, employees can use a PC or smartphone to view the shift plans, check their working time accounts and submit holiday applications. In this way, NTB is ensuring the best possible personnel logistics.

Image: ATOSS CUSTOMER NTB NORTH SEA TERMINAL BREMERHAVEN

Frontstage and backstage



ATOSS CUSTOMER ENGELHORN

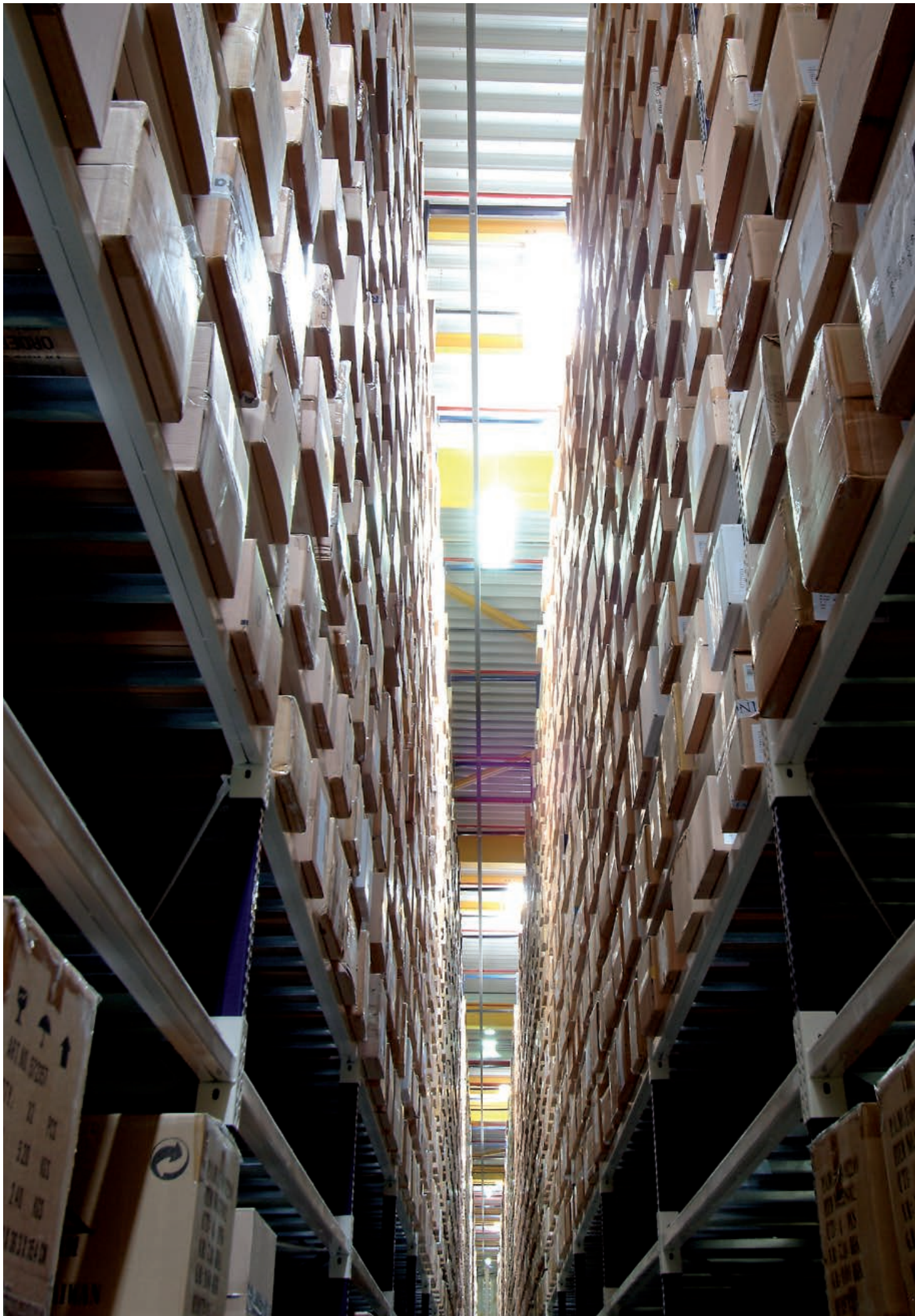
engelhorn is one of the top notch addresses in Germany for fashion, accessories and sports-fashion – accounting for a shop floor area exceeding 41,000 m² spread over nine shops, in addition to two online shops. This family-run business headquartered in Mannheim is a salient example of demand-driven, staff-oriented workforce management along the entire value chain. Around 1,650 staff members, including 470 employees in logistics, ensure that the company's demanding customers receive outstanding service both frontstage and back. Logistics is responsible for supplying the shops and the online shops. The task scope includes incoming goods, storage, labeling, order picking, returns and shipping. "Same-day processing" is the driving principle behind engelhorn's modern logistics center. This means that orders are processed and completed on the same day. ATOSS Workforce Management helps to put this key objective cost efficiently into practice. Based on trend forecasts and key performance indicators, Workforce Forecasting calculates the exact number of employees required per hour for every deployment area. The Automatic Duty Plan generates a demand-optimized, rules-based plan which takes account of legislation, pay-scales, working hour balances, availabilities and qualifications. An internal relief pool with multiple qualifications provides short-term flexibility. The effects of this integrated planning speak for themselves: higher forecasting accuracy and a significant reduction in overtime and idle times.



ATOSS CUSTOMER MEYER LOGISTICS

Spot on freshness

Wherever food has to be distributed, fresh and on the spot, the team from **Meyer Logistics** is most likely to be involved. Scheduling, planning and delivery run reliably 365 days a year. The company has around 2,000 employees and more than 1,200 vehicles in daily operation in order to distribute sensitive food on time throughout Europe. In Germany, virtually all the renowned food chains and many key players among the restaurant chains rely on the expertise of Meyer Logistics. The most advanced technology ensures the right temperature during storage and transport. The challenge is not only to meet the strict requirements of the Food Hygiene Ordinance, but also to observe the driving and rest times that are regulated for truck drivers within the European Community. The specialist for temperature-controlled transport logistics maintains an overview of the driving and therefore working times of its drivers by means of ATOSS Workforce Management. Drivers' cards are evaluated daily, using the archiving solution for digital speedometers and are imported into the ATOSS solution. Breaks and departure checks are also registered in the process. Ensuring that the obligation to keep records on the subject of the statutory minimum wage is met, is an additional effect of the solution. Workforce Scheduling, too, at Meyer Logistics is state-of-the-art. In order to manage all its resources as efficiently as possible, the food logistics company deploys its staff directly to workstations, vehicles, shifts or special services. The equipment required such as fork-lifts or lift trucks are scheduled at the same time. Relevant stakeholders such as branch managers are incorporated into the process by defined workflows. Working time data are transferred via the ATOSS BI Connector to the company's business intelligence tool, and are available to the management for detailed analysis. The pilot project is running. The goal is to plan and steer a total of 1,600 workers using ATOSS Workforce Management.



Employees just-in-time

Whether online, stationary or click & collect – efficient merchandise logistics with short delivery times make a decisive contribution to a stronger service focus and greater customer satisfaction. Many retailers such as EDEKA, CHRIST, Deerberg Versand or Gebr. Heinemann are relying on ATOSS Workforce Management from the warehouse through to the point of sale.

They also include **Versandhaus Walz** with around 50 specialist retail stores in Germany, Austria and Switzerland as well as various thematic online shops. 24-hour delivery is the standard lived at Walz. The company schedules and manages its 1,300 employees with ATOSS software, among them around 430 staff at its own logistics center. Our solution ensures that all the stages of the process – from incoming goods via the warehouse to order picking as well as occasional returns – run smoothly. And there is a lot to do at Walz, as around 25,000 orders are shipped every day, and up to 42,000 at peak times. Automatic Duty Plan assigns pickers and putters to the correct stations at the conveyor belt. Short notice changes are part of day-to-day business in logistics. ATOSS Logistics Solution translates them into practice with ease, giving Walz the necessary transparency in working times, for example in monitoring annual guaranteed hour quotas.

expert – this is a powerful group with currently 215 members and a total sales area of 451,000 m² at 454 locations all over Germany. With around 460 employees, expert's goods distribution center provides a variety of services for the expanding association. This also involves expert's warehousing. The logistics center in Hanover/Langenhagen with total space of 32,000 m² supplies retailers and handles online business. expert's specialist retailers procure around 45 percent of all goods – from consumer electronics to domestic electrical equipment – through their own group wholesaler. This calls for a tight organization and lean personnel processes. After a detailed analysis of their requirements, management opted for ATOSS Workforce Management in order to ensure pinpoint-precision, cost-effective workforce management in logistics. The result is professional, uniform planning based on real-time data, and staff who can keep right up to the minute on duty schedules and working time accounts via Self Services.

Destination: Top employer

With around 200,000 employees, **Deutsche Bahn** is one of Germany's largest employers and corporate training centers. One of the world's leading mobility and logistics companies, it has set itself the goal of recruiting thousands of qualified employees and tying them to the company for the long term. Becoming a Top Employer represents a central corporate objective of Deutsche Bahn: By 2020, Deutsche Bahn intends to rank among the top ten employers in Germany and also to occupy a top spot on the international stage. Our modular enterprise solution has been contributing to making personnel processes surrounding working time and workforce management more efficient for over 20 years. In more than 60 DB Group companies – among them **DB Station&Service**, **DB Gastronomie**, and the recent addition of **DB Schenker** – Deutsche Bahn manages the deployment of around 70,000 employees with ATOSS solutions. The individual requirements of the various areas have been mapped to varying degrees of intensity. Up to 1,200 time management officers, planners and administrators in the Group access our solution at the same time. The ATOSS app for Mobile Workforce Management via smartphone or tablet is currently being tested in various application scenarios within the Group. “Future-proof, employee-oriented human resource management is a vital component of our corporate strategy. That includes efficient time and attendance management as well as flextime concepts,” says Dr. Christian Behnke, Head of HR IT Systems and International HR IT at Deutsche Bahn. Workforce management puts the DB companies on the right track.



ATOSS CUSTOMER DEUTSCHE BAHN

AHC Oberflächentechnik
Allgaier-Group
BERLIN-CHEMIE
CeramTec
CIBA VISION
Coca-Cola
DELKESKAMP
DURABLE
Dyneon
Erdinger Weißbräu
Exide Technologies
FingerHaus
Fränkische Rohrwerke
Fronius International
GLOBALFOUNDRIES
Hoesch Hohenlimburg
Jeppesen
Knauf Insulation
Kodak
Leica
LEIMER
Leitner ropeways
LTS
Magna Steyr
MEGGLE
Mercedes-AMG
MEYER WERFT
MIBRAG
Nemera Neuenburg
Nordzucker
Otto Vollmann
PLAYMOBIL
Procter & Gamble Manufacturing Berlin
Reckitt Benckiser
RITTER SPORT
Schmitz Cargobull
Schreiner Group
SEW-EURODRIVE
TE Connectivity
TEREX Germany
thyssenkrupp Rasselstein
TMD Friction
Uponor
Vanderlande
Vetter Pharma
Voglauer
W.L. Gore & Associates
Zwick
...

> 4 %

**Increase in
employee productivity**

90 %

Higher planning quality
Company with 10,000 employees

120,000 EUR/year

Lowering of planning costs
Company with 1,600 employees

150 EUR/employee per year

Value added potential
Company with 800 employees

Production

The future of industry is characterized by an extensive degree of individualization and a highly flexible production. Industry 4.0 links man and machine, virtual and analog worlds, as well as production and logistics processes. Workforce management handles the real-time management of working time and creates the preconditions for an agile planning and steering of all production relevant resources and processes.



Industry 4.0 needs flexibility

Globalization, demographics and digitization are changing the working environment at a rapid pace. Production companies have to be agile enough to respond to market and customer requirements quickly and cost-effectively. Two companies belonging to the international thyssenkrupp group, rely on ATOSS Workforce Scheduling in order to achieve the necessary flexibility in their workforce. An online interface with the company's SAP® ERP HCM system ensures the smooth exchange of data.

Hoesch Hohenlimburg, the specialist for hot rolled steel strip, produces customer specific items primarily for the automotive supply industry, and they have to be able to make even small batches profitably. The manufacturer of Hohenlimburg medium strip has optimized its personnel processes all along the value chain. In future, the company will be scheduling its 800 industrial workers even more precisely to fit the order volume. As well as statutory, collective agreement and company parameters, the planning process also takes account of working time models, qualifications, employee requests and special group regulations. With ATOSS Workforce Scheduling, the company achieves greater flexibility in its organization, faster response times to demand fluctuations, higher employee satisfaction and ultimately greater competitive strengths.

thyssenkrupp Rasselstein, the world's largest production facility for packaging steel, is also opting for demand-specific production. Flexible operating points create the necessary preconditions to enable the company to achieve a fast, cost-optimized response to customer requests. The steel producer has been scheduling and managing the deployment of its 1,800 production workers with ATOSS Workforce Management since 2014. Even the complex planning process for the roughly 70-strong works fire brigade comprising full-time and part-time firefighters is carried out with the aid of the program in an audit proof manner. The company is working continuously and systematically on implementing flexible productivity capacities and ensuring the optimum allocation of production facilities. Klaus Höfer, Head of Industrial Engineering, comments: "With measures such as closely synchronized deployment plans, innovative shift models, 'traffic light' accounts, organization of working time factoring in aging workforce or multiple qualifications, we are able to create flexible staff capacity. Industry 4.0 cannot be achieved without short-term flexibility on all levels." The next objective at thyssenkrupp Rasselstein is qualification-related planning for several years ahead and accurate to the month. This is intended to facilitate operating and strategic decisions with regard to recruitment and qualification concepts. Production-on-demand is a reality embraced by thyssenkrupp.

Image: ATOSS CUSTOMER THYSSENKRUPP RASSELSTEIN
A joint project with our partner KWP



ATOSS CUSTOMER **NORDZUCKER GROUP**
A joint project with our partner KWP

Major market changes

The global sugar market is undergoing a period of change. In 2017, the competition for market shares will intensify further still with the discontinuation of the European sugar market regulations currently protecting domestic production. The **Nordzucker Group** is adapting to the situation and implementing consistent changes. A comprehensive efficiency program is creating the basis for even greater focus on the market and customers, while sustainability and profitability will play an important part in the process. With 3,300 employees in seven countries, the company is one of the leading sugar manufacturers in Europe. Sugar production is a heavily seasonal business concentrated around three to four months of harvest time in the fall. This represents a challenge for working time management, because the short annual campaign period causes more than 10,000 hours of overtime per year, depending on the volume of the harvest. ATOSS Workforce Management is helping to schedule the deployment of 1,200 industrial workers and additional seasonal workers in the German factories in a demand-driven and cost-optimized manner. The ATOSS online interface SAP® Connector allows the smooth exchange of all relevant data with the company's SAP® ERP HCM system. The objective of the project is clear: enhanced planning quality, greater transparency and more flexibility in all aspects of working time and at least 30 percent fewer hours of overtime per year. We are happy to take on the challenge.



Shifting the limits

Fronius International stands for quality and innovation. The company that began in 1945 as a small operation for welding power sources and battery chargers, today regularly sets the standard with new technologies and unique solutions for monitoring and controlling energy. The three divisions, Perfect Welding, Solar Energy and Perfect Charging, represent the pillars of its success. With 3,385 employees worldwide, 21 foreign companies and 928 patents issued, Fronius International is a global leader in innovations and a European market leader in the segment of arc welding technology. Shifting the boundaries of the feasible – that is the principle behind the company's success. Where others move gradually, Fronius International relies on achieving genuine development leaps. And that also applies to workforce management at its central production and logistics facility in the Upper Austrian town of Sattledt. Battery charging systems, welding systems and solar inverters of the highest quality are made here. Fronius International relies on efficient processes, maximum flexibility and dynamic shift planning to manufacture competitively and in line with markets. Based on information from the production planning system, the aim is to determine optimal shift models, and generate automated, rules-based duty plans. Besides the required qualifications, plan proposals also factor in the individual wishes and requirements of some 1,500 production workers. Thomas Herndler, member of the Executive Board, and responsible for Production, explains: "The fast pace of today's markets demands a high degree of automation and flexibility along the entire value chain – and that applies especially to the workforce. Our new solution is to contribute towards dynamically synchronizing personnel demand and workforce deployment and adapting them to fit the current order situation. We see great optimization potential here."

Image: ATOSS CUSTOMER FRONIUS INTERNATIONAL
A joint project with our partner KWP



ATOSS CUSTOMER TMD FRICTION
A joint project with our partner KWP

Safety first

If it moves it's our job to stop it. True to this motto, **TMD Friction** has been operating successfully on the brake lining technology market for more than 135 years. The company – part of the Japanese Nisshinbo Group – ranks among the largest original equipment manufacturers in the world serving the automotive and brake industries. The TMD Friction Group has 4,800 employees and is represented around the world in Europe, the USA, Brazil, Mexico, China, Japan and South Africa. The company is operating four production facilities in Germany and a research and development center in Leverkusen. TMD Friction is introducing ATOSS Workforce Management for around 1,500 industrial workers in Germany in order to make workforce deployment more flexible, while at the same time relieving the HR Shared Service Center of administrative tasks. The pilot project for ATOSS Workforce Scheduling interfacing with the group-wide SAP® ERP HCM solution, is running at the facility in Hamm an der Sieg. The Automatic Duty Plan and Flexible Workforce Schedule allocating staff directly to machines or workstations deliver even greater planning quality. In future, company first aiders will be planned audit proof with the solution, too. Relevant information such as time corrections or additional payments are automatically fed into the SAP® ERP HCM system. Complicated manual entries are a thing of the past. Optimized shift plans and lean HR processes – a combination that certainly won't slow TMD Friction down.



ATOSS CUSTOMER MIBRAG
A joint project with our partner KWP



Workforce management meets energy

Mitteldeutsche Braunkohlengesellschaft (MIBRAG) stands for dedicated employees, innovative mining technology and high economic strength in the state triangle of Saxony-Anhalt, Saxony and Thuringia. In total, MIBRAG mines over ten percent of the raw brown coal extracted in Germany in its Profen and Vereinigtes Schleenhain open-cast mines. That adds up to around 20 million tonnes a year. The Group employs around 3,100 staff members, and runs a refinery and two of its own industrial power stations, as well as the two open-cast mines. The company also devoted a lot of energy to launching its workforce management project for its 2,200 industrial workers in 65 different areas, and implementing the solution in a very short space of time. The objective was to establish a unified scheduling process throughout the company, while improving the planning quality at the same time. Payroll accounting was also to be processed efficiently and electronically whenever there were deviations from the plan. ATOSS Workforce Management supported MIBRAG in mastering these challenges and creating the basis for smooth, cost-effective production operations. The result is shift planning aligned with requirements which takes account of numerous factors such as the number of employees needed, working time accounts, qualifications, availabilities and working time regulations. Thanks to the use of the Flexible Workforce Schedule, staff with the appropriate authorizations and qualifications are directly allocated to assignments or workstations such as open-cast mining large equipment or mobile technology. To ensure that all the relevant data are available in real time, our Workforce Scheduling is fully integrated into the existing SAP® ERP HCM system via the ATOSS SAP® Connector. Allowances that affect pay packets such as travel allowances or remuneration for hazardous or unpleasant work are made available in SAP® once a month. The pilot project in the areas open-cast mining equipment/Profen mine, mechanical engineering/Schleenhain mine and dust and briquette factory has been successfully completed. The solution is now being rolled out throughout the Group.



Full power

Exide Technologies based in Milton, Georgia, USA, is one of the world's largest manufacturers and recyclers of lead batteries with branches in more than 80 countries. In Germany, Exide is represented at facilities in Bidingen and Bad Lauterberg with around 1,350 employees. A process analysis quickly identified enormous potential for optimization in the management of working time in administration and production. With the aim of reducing the expenditure for administration, error checking, application processes and particularly for shift planning, Exide opted for ATOSS Time Control as a cloud solution. The complete integration of Time and Attendance Management and Workforce Scheduling ensures that data recorded just once are available correctly and in real time for pay statements, evaluations and shift planning. Staff are integrated into the HR processes via Self Services. Today, approval processes for vacations, absences or overtime run electronically according to defined workflows. This takes pressure off the HR department. Production management, however, is benefiting especially from the new solution. All information relevant to the planning process is available at all times, right up to the minute, at the push of a button. The system automatically checks that statutory and company regulations such as working time violations or rest periods are being adhered to. Meaningful evaluations help planners in making the right decisions. To put it in a nutshell: planning quality has risen significantly. So much process optimization has a measurable effect. Overall, the company is expecting to achieve annual savings in the mid-six figure range.

Image: ATOSS CUSTOMER EXIDE TECHNOLOGIES



ATOSS CUSTOMER **FINGERHAUS**
A project of our partner **FOURTEXX**

Quality of life - made to measure

Prefabricated houses from **FingerHaus** are quality products "made in Germany". In collaboration with the FingerKeller and FingerTreppen subsidiaries, the houses are prefabricated in huge production halls in accordance with individual wishes and assembled in the defined finishing stage at the desired location. Operating one of Europe's most modern production facilities for prefabricated houses, the company manufactures around 700 houses per year in Frankenberg in Northern Hesse, Germany. Optimized processes not only ensure quality and precision but also fast, smooth production sequences combined with maximum cost efficiency. A performance-related bonus system supports this aspiration. Transparency with regard to the hours worked, the costs accumulated and the current stage of completion is an absolute must for every building and in every construction phase. Consequently, all 700 employees from Sales, Administration, Logistics and Production, as well as architects and CAD draftsmen, record their working times with ATOSS Workforce Management using the cost-by-cause principle. Industrial PCs are also employed in production flexible registration forms and self-service functionality. Thanks to an interface with the production data acquisition system, management has a complete overview of individual projects and total costs at all times. As an employer, too, FingerHaus stands for attractive concepts. Flexible, family-friendly working hours, part-time offers for female managers and individual working time models can be easily managed with our solution.

Acer
aha Abfallwirtschaft Hannover
ARAG
Austrian Post
Avis
Bank Austria
BAWAG P.S.K.
BEIT Systemhaus
Brenners Park-Hotel & Spa
Carglass
CinemaxX
Cine-World
City of Würzburg
comdirect bank
CommuniGate
Credit Suisse Germany
Deutsche BKK
FraCareServices
GfK Austria
Global Tech I
HECTAS Facility Services
Host Europe
HUK-COBURG
Jeppesen
Kentucky Fried Chicken
kingdom of sports
LSG Sky Chefs Germany
Luzerner Kantonalbank
Mozarteum University of Salzburg
Municipality Regensburg
radio ffn
ReiseBank
REMONDIS
Ringier
Schörghuber Foundation
Sixt SE
Sonnenhotels Germany
Spiegel TV
Starbucks Coffee Company
VAPIANO
Vienna City Administration
Vienna Social Fund
Voith Industrial Services
WISAG Facility Service
YORMA'S
Zurich Insurance

80 %

Reduction in the cost of applications

30 %

Reduction in unproductive working time

1,300,000 EUR

Savings within 4 years

Company with 600 employees

85 %

Reduction in planning costs

Company with 400 employees

Services

Quality of service and customer focus are the deciding factors between success and failure in the rapidly growing service sector. Workforce management provides the agility and cost-effectiveness of an individualized service society – at working times driven by customers’ as well as employees’ needs. For a customer journey with a feelgood factor.



Global player

The mobility provider **Sixt SE** is geared up for worldwide expansion. The company is currently represented in over 100 countries with around 2,200 rental stations, of which around 1,000 are the company's own. The global Sixt rent-a-car network continues to grow – organically and through franchise partners. Excellent service, systematic customer-orientation and a high degree of innovative strength are the hallmarks of the group, as are its profitability and cost awareness. This successful company relies on ATOSS Workforce Management. What started in 2000 as a German working time solution, has become the leading HR management system in the international Sixt Group. In Belgium, Germany, France, Great Britain, Luxembourg, the Netherlands, Austria, Switzerland, Spain and the USA, the master data and working times of the more than 4,000 employees are managed by the ATOSS Enterprise Solution. This also includes scheduling and managing the roughly 700 staff members at the customer center in Rostock. The service-oriented mobility provider is always on the move, also with regard to our solution: The company has just started deploying ATOSS Mobile Workforce Management in its myDriver Division. The drivers of this innovative chauffeur service can now book their working times directly via their smartphones. Sixt is growing along the entire value chain of modern mobility – and our solution is growing with them.



ATOSS CUSTOMER ACER

Happy customer

Demanding customers, fluctuating orders, multi-channel service and high availability make workforce scheduling in support centers a genuine challenge. The hardware manufacturer **Acer** ranks among the pace-setters when it comes to customer orientation. The company has already won multiple awards for its excellent service and modern interaction options, most recently as the winner of a test conducted by the German Institute for Service Quality, for advice and support offered by computer manufacturers. In order to ensure that the company retains this edge, planning and managing of the roughly 200 staff members employed in the Contact and Repair Center at Acer Germany, are conducted with ATOSS Workforce Management. The clear objective is to move away from rigid shift planning to flexible, customer-oriented workforce scheduling. There are around 50 employees at the Contact Center who can be reached at all times by Acer customers through live chat, social media, email and by telephone. ATOSS Call Center Solution is now providing demand-based and cost-optimized duty plans based on historical data for the Contact Center. Legislation, pay-scales, company regulations and individual rules and qualifications are automatically factored in. The solution is also used to generate the duty plans for the roughly 150 employees in the Repair Center. The system uses performance indicators to calculate how many orders per day can be processed and also includes backlog repairs in its daily schedules. This ensures that maintenance is always running at full capacity. Acer has a good grip on its staff planning process and provides excellent service on a daily basis. And customers are happy.

Balancing a cost efficient load factor and optimal staff availability is business as usual at the Customer Service Center. Competent information, rapid response and friendly advice contribute to a polished corporate image, and not least to healthy business growth. That is why companies such as CommuniGate, GfK Austria, Deerberg Versand, HUK-COBURG, LANDS' END, Medgate or Peter Hahn are also relying on ATOSS Workforce Management in this business area.



Smart banking, smart working

The financial markets are changing. The picture is dominated by rising costs, stagnating income opportunities, tough competition and altered customer behavior. **Bank Austria**, a member of the European UniCredit Group, is meeting these challenges with a strategic realignment. Greater customer focus, flexibility and competitive strengths are among the objectives. Today, the bank is offering its 1.7 million private and 100,000 business customers a business model with an innovative customer service concept: a basic bank with 24/7 services of the highest quality and a consulting bank with experts and highly qualified customer support in each branch. Technically-minded customers are happy to have SmartBanking via Internet, telephone, SMS and video telephony at their fingertips. SmartBanking calls for SmartWorking. And this is our mission. The task was to adapt staff deployment to the changed branch and consulting concept, customer frequencies and the extended service times in a demand- and cost-optimized manner. Our solution: ATOSS Workforce Scheduling in the cloud. Automatic Duty Plan factors in requirements, qualifications, working time models, legislation and pay scales, and generates a rules-based schedule proposal. This makes the process of managing the roughly 1,700 branch employees much easier, and creates even higher planning quality. Via ATOSS Self Services, the team takes an active part in time and attendance management. The fact that Austria's most highly capitalized bank is on the right track for the future is aptly underlined by the numerous awards it has recently won such as "Service Champion", "Top Service Austria", "Top Employer" or "Best Bank". We are delighted to have been able to support one of Europe's most innovative financial service providers on this journey.

Small and agile or large and established? What counts are lean processes and cost-optimized workforce management. Which is why numerous financial service providers place their trust in ATOSS solutions, among them BAWAG P.S.K, comdirect bank, HUK-COBURG, Luzerner Kantonalbank, ReiseBank or Zurich Versicherung.



ATOSS CUSTOMER **GLOBAL TECH I**
A project of our partner FOURTEXX

On land and water

The offshore wind farm **Global Tech I** is capable of supplying up to 445,000 households with environmentally friendly power from its 80 wind turbines. The power station in the North Sea, around 140 kilometers off Emden, was built and is now operated by Global Tech I Offshore Wind GmbH. The complex scheduling of the roughly 100 onshore and offshore employees is conducted with the help of ATOSS Workforce Management. The operating control center for the power station in Hamburg's HafenCity district works in three shifts in order to guarantee smooth operation of the wind farm at all times. The center is in permanent contact with the transformer substation, which serves as the logistics base for service and maintenance work at the heart of the wind farm. Similar to a small, self-sufficient town, the platform has all the necessary facilities such as fresh water and waste water treatment, bedrooms and communal rooms, a hospital, fire fighting service and a helicopter landing pad. Up to 38 operating, service and maintenance employees ensure optimum operation of the transformer substation and turbines around the clock. The rough climate, special location and tightly synchronized service and maintenance projects make it a challenge to schedule the company's own staff and external service providers. The offshore working time regulation must be incorporated into the planning process, as well as the required qualifications, specified certificates and regular training. If a crew change by helicopter is postponed, for example, due to fog, technicians will be faced with offshore overtime that has to be compensated by onshore leisure time. Scheduling the helicopter transfer to the wind farm with up to twelve technicians is also a complex affair. Only if all the required qualifications and certificates, e.g. emergency rescue at sea or company first aiders, are valid for the entire duration of their stay, will employees be permitted to board. An interface with the helicopter scheduling system enables optimum helicopter load planning, which includes the weight of the passengers and their equipment, as well as factoring in any spare parts and underlying conditions such as weather forecasts. Our solution ensures that there are no failures due to scheduling and that the wind farm is able to work cost-effectively and with pinpoint accuracy. A demanding and exciting project that we were able to solve smoothly with ATOSS Workforce Management and add-on modules as standard.



Prepared to order

Easygoing, communicative, genuine and with a great love for good taste: That is the formula of the lifestyle brand **VAPIANO** with currently 167 restaurants in 30 countries and 5 continents, all designed and furnished in a Mediterranean style. The company's triumphant success march across the globe was launched from Hamburg in 2002 with a new form of restaurant chain and an innovative "fresh, casual dining" concept. Guests can watch live as pasta, pizza, dolci & more are made in the glass manifattura "à la minute". The workforce management for the 3,500 employees in the roughly 40 German wholly-owned operations will in future also follow this principle of transparency. After a comprehensive process analysis with our consulting team, the expanding company decided to introduce ATOSS Retail Solution as a cloud solution, and to manage its workforce in a demand- and cost-optimized manner. The solution will be phased in. After Time & Attendance Management and Cost Center Management have been put in place, all VAPIANO employees will be actively involved in the working time management via the ATOSS Mobile App and Self Services. The next step will be to introduce Workforce Scheduling and Qualification Management, to be followed by Workforce Forecasting and the Automatic Duty Plan. Task Management is intended to support the general managers in administrative tasks, for example, in checking or renewing study certificates or residence permits. VAPIANO has clear objectives, not only in the planning and steering of its employees. The workforce management project also serves the successful restaurant chain as best practice for other countries and franchise partners. "We are systematically geared for expansion – at home and abroad. Our new cloud solution will readily support our growth strategy," explains Claudius zur Linden, Director Special Projects.

Augsburg Clinical Center
Austrian Red Cross Salzburg
AWO Mittelrhein
Bavarian Red Cross Blood Donor Service (BSD)
BGU Frankfurt/Main
Caritas Association Heidelberg
Center of Psychiatry Emmendingen
Danube Hospital Vienna
Diakoniewerk Bethel
Diocese Muenster
District Clinics Erding
District Clinics of the Main-Taunus Area
District Clinics Reutlingen
Esslingen Clinical Center
Evangelic Foundation Alsterdorf
Evangelic Foundation Hephata
Frankfurt's University Hospital
Fuerth Hospital
German Heart Centre Munich
German Kidney Care Foundation (KfH)
Herne Radiology Clinic
Hospital of the Merciful Brothers Trier
Ingolstadt Clinical Center
Itzehoe Clinical Center
Kassenaerztliche Vereinigung North Rhine
Leverkusen Clinical Center
Lubinus Clinical Center
Mainz University Medical Center
Marienhospital Herne
Medgate
MEDIAN Clinics
Medical Chamber North Rhine
Oberhavel Hospitals
Pfennigparade Foundation
Residential and Care Home St. Elisabeth
RoMed Hospitals
Rotkreuzklinikum Munich
Saarbrücken Clinical Center
Schwarzwald-Baar Klinikum
SLK-Clinics Heilbronn
Social Foundation of Bamberg
University Hospital Salzburg
Vitos Rheingau

...

80 %

**Reduction of
planning time**

14.000 hours/year

Capacity gains

Company with 2,800 employees

0 days

**Days lost in operating room
in 12 months due to poor planning**

< 5 %

Fluctuation rate

Healthcare & Social Services

A chronic shortage of skilled employees, multimorbidity and integrated care structures: Changes in society are presenting the sector with enormous staffing challenges. Workforce management enables flexible rostering aligned with interdisciplinary treatment processes, supports work-life balance concepts and creates more attractive jobs – along with greater cost-effectiveness and care quality.



Care quality around the clock

Whether patients require a 320° open MRI, a 3-Tesla MRI or a PET-CT scan – the 150 employees of the **Herne Radiology Clinic**, among them 26 doctors, are excellently equipped to carry out all types of radiological and nuclear medicine diagnostics. The clinic operates four sites and counts among the leading radiology service providers in the Rhein-Ruhr region. It performs the full range of radiological diagnostics for four hospitals, on either a stand-by or regular basis as requested. Twenty home office workstations with digital speech recognition enable the doctors to rapidly record medical findings for the partner clinics – around the clock. In order to ensure the highest availability of its services at all times, the Herne Radiology Clinic has also opted for an innovative approach to workforce management. The clinic plans full- and part-time shifts as well as stand-by and on-call duties for each workstation at all sites using ATOSS Time Control. Parameters such as patient volume, equipment utilization rates, regulations, qualifications, working time balances or working time requests all flow into the planning process. Working time data including any provisions are evaluated in the system and transmitted online to DATEV for monthly payroll accounting. Workflows make it easier to apply for and approve vacation days or absences. Furthermore, the team of doctors also relies on the ATOSS App for Mobile Workforce Management. “ATOSS Time Control fulfills all of our clinic’s requirements. We were able to significantly reduce the time and costs associated with workforce management. Our workforce scheduling is also much more efficient and precise now, which benefits the business as well as the staff,” as Dr. Christoph Labisch, M.D., Partner at the Herne Radiology Clinic stated.

Image: ATOSS CUSTOMER HERNE RADIOLOGY CLINIC

Inclusion as a vision



Self-reliant living and the inclusion of individuals with disabilities are among the primary goals and challenges of the **Evangelic Foundation Hephata**. The foundation offers its roughly 3,000 customers in North Rhine Westphalia comprehensive services for orchestrating daily life, leisure time, work and education. More than 2,400 employees work either full-time or part-time in the 140 institutions belonging to the Foundation, among them numerous workshops and residential complexes. The foundation relies on quality and modern methods. This applies in particular to the organization of working time, which is systematically aligned with individual care services. ATOSS Medical Solution supports this commitment and ensures cost-effective and efficient workforce management. The Task Management add-on module enables numerous time management processes and organizational sequences to be optimized, such as changing authorizations in case of permanent redeployment. All employees are integrated into Time and Attendance Management via Self Services. Our mobile app is used in selected areas. This enables the Evangelic Foundation Hephata to respond flexibly to the demands of the social market and the needs of its customers and staff.

The Diocese of Muenster, Diakoniewerk Bethel, the Evangelic Foundation Alsterdorf, the Pfennigparade Foundation and the Social Foundation of Bamberg also use ATOSS solutions to manage their staff.



Medical excellence

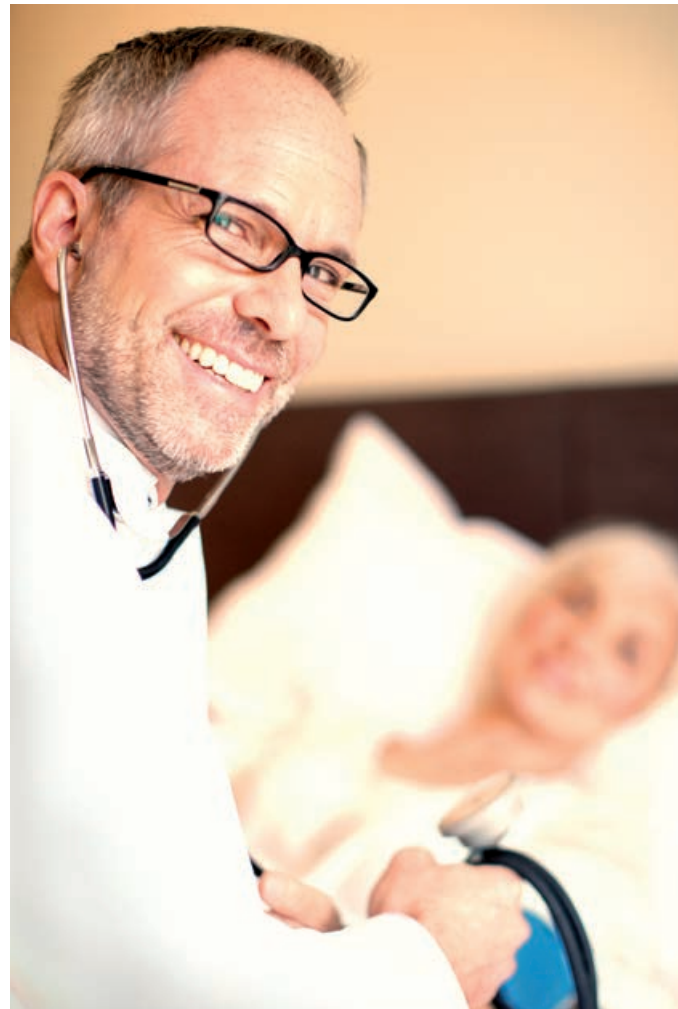
The **University Hospital Salzburg (SALK)** is a central hospital, including emergency medical care, and treats around 380,00 outpatients and 100,000 inpatients per year. SALK, which has been a partner and training center of the Paracelsus Medical University since 2003, employs over 6,000 staff and provides high-end healthcare services. As the largest employer in the Federal State of Salzburg, the hospital places a strong emphasis on organizing working times in a family-friendly manner. The duty scheduling for around 1,500 doctors and medical technical service staff has been managed by ATOSS Medical Solution for some time now. Next, the solution is due to be implemented for the hospital's 3,000 care workers and nursing staff as well. Legal stipulations, collectively bargained pay scales, company agreements, working time regulations and duty requests are all precisely accounted for in the system. Workflows simplify the complex, multi-tiered approval processes. The ATOSS BI Connector, an online interface connecting to the hospital's BI tool Cognos, makes it possible to conduct quick, real-time data analyses for the management. Mrs. Mag. Waltraud Weissengruber, Human Resources Manager at SALK: "Today, we have more efficient processes and significantly more flexibility and transparency with regard to organizing staff working time. This has helped us optimize our personnel costs without compromising the quality of care." In 2016, the Landeslinik Tamsbeg also joined the clinic network. The hospital has already been integrated in the ATOSS Workforce Management Solution.

With more than 60 clinics, institutes and departments, the **University Medical Center of the Johannes Gutenberg University in Mainz** represents the entire range of modern medicine. The facility is equipped with over 1,593 beds and treats around 325,000 patients each year, 65,000 of whom are inpatients. For quite some time, the Mainz University Medical Center has already been scheduling doctors, special and functional duties as well as on-call services using the Automatic Scheduling feature of the ATOSS Medical Solution. After implementing the system for some 1,100 physicians, in 2015, the entire 2,500 care staff members were also integrated into the solution within a mere four months. A further 600 technicians and administrative employees are also managed based on the solution. The ATOSS SAP® Connector ensures a seamless data exchange with the medical center's existing SAP® ERP HCM system. The improved planning quality has noticeably benefited the OR schedule, for example: The utilization rate of the surgery rooms has increased, while planning-related closures are now a thing of the past.



A healthy growth strategy

MEDIAN is a modern healthcare company comprising over 70 rehabilitation clinics, acute care hospitals and care facilities at 45 sites across Germany. With close to 10,000 staff members and 12,000 beds, it is the country's leading company in the rehabilitation medicine sector. Every year, more than 180,000 patients benefit from the MEDIAN team's collective experience in therapy and treatment. The expanding corporate network has set high standards with regard to profitability, quality of care and employee satisfaction, which is why it relies on professional workforce management. With the help of ATOSS Medical Solution, workforce deployment is scheduled in a way that is beneficial to patients and staff alike. At the same time, the processes and costs related to workforce management are optimized. More than ten clinics have already implemented the ATOSS solution, while a further six clinics in the federal state of Hesse and three facilities in Mecklenburg-Vorpommern are currently in the implementation phase. The plan is to roll out the solution at the healthcare facilities in North Rhine-Westphalia next. ATOSS Employee & Manager Self Service is at work across the entire company group. Stefan Matzke, Head of MEDIAN's HR & Legal Department: "Highest medical standards, best perspectives for our staff and patient satisfaction are the corner stones of our corporate philosophy. With our workforce management solution we are creating the foundation for our ambitious growth strategy and a future-proof work environment." The implementation of the Automatic Duty Scheduling and the ATOSS App for Mobile Workforce Management are next on the company's agenda.



ATOSS CUSTOMER MEDIAN CLINICS





ATOSS CUSTOMER ROMED CLINICAL
CENTER PRIEN (top)

LUBINUS CLINICUM (bottom)



Duty plans with a long-term effect

Every year, the four **RoMed Clinical Centers** in Bad Aibling, Prien am Chiemsee, Rosenheim and Wasserburg am Inn care for around 60,000 inpatients and close to 90,000 outpatients based on state-of-the-art diagnostic tools and treatment methods. The more than 3,200 employees working for this group of clinics ensure personalized patient care. Working times of the doctors and nursing staff are managed by ATOSS Medical Solution. Additionally, the Automatic Duty Scheduling was implemented in selected care areas. The result: an 80 percent reduction in planning effort in connection with drawing up the monthly schedules, and an even higher level of planning quality. Deputy Human Resources Manager Jürgen Weiß: “The RoMed clinics stand for services that consistently meet the needs of patients and employees alike. Our state-of-the-art planning system supports this goal, while also improving economic efficiency.”

The **Lubinus Clinicum** in Kiel employs more than 500 staff members and prioritizes care quality. And successfully so: For the fifth time in a row, the hospital equipped with 212 beds has received awards from the news magazine FOCUS – distinguished as the “TOP National Hospital 2016 for Orthopedics” and the “TOP Regional Hospital 2016”. The hospital’s management has selected the ATOSS Medical Solution compact, a preconfigured solution that reflects all of the relevant best practice processes for workforce management in the healthcare sector. As a result, the hospital was able to significantly reduce the time and costs associated with introducing the system and training the staff in its use, and to quickly put the solution into operation. Using the Cost Center Management add-on module, working times at the Lubinus Clinicum are allocated according to the cost-by-cause principle. This creates a solid foundation for increased transparency and profitability. And employees stand to profit as well: Thanks to ATOSS Self Services, they are actively involved in time and attendance management.



ABOUT US



“Our customers expect best-of-breed solutions that interact smoothly with our systems. This also applies to time and attendance management and workforce scheduling. We have a long-standing partnership with ATOSS and we appreciate the professionalism and expertise of their team in addition to the high quality of their products.”

JOACHIM POPP
Solutions for Companies and Collaborations
DATEV eG



“The demand for workforce management solutions in the cloud is on the rise. We are offering the entire ATOSS portfolio at our data center. Thanks to the modular structure and unlimited scalability of the product suite, we are able to deliver solutions for all company sizes and application scenarios. Our customers have access to the defined functionality within a very short space of time.”

KLEMENS BAUMGÄRTEL
CEO
Ratiodata IT-Lösungen & Services GmbH



“We are specialists in providing strategic, professional and technical consultancy services for the introduction and refinement of SAP® ERP Human Capital Management, SuccessFactors and Concur. An online interface developed together with ATOSS enables companies to integrate sophisticated workforce scheduling into their SAP® solution. This creates genuine added value and opens up an exciting market for us.”

HARALD BETZ
CEO
KWP team HR GmbH

Images: ATOSS PARTNERS

Successful ecosystem

The market for workforce management is one of the most dynamic in the IT sector and records above-average growth every year. ATOSS, and its partners, are both benefiting from this trend. With substantial and sustainable growth. Together, we can look back on a very successful decade. We work continuously to extend our partner network at home and abroad and to expand our strong position in tomorrow's market of workforce management. Whether it is industry know-how, IT expertise or process skills, complementary software or innovative security and access concepts – together with our partners, we are pooling resources and skills in order to offer our customers a measurable added value.

Networked markets call for networked action. True to this philosophy, we have created a powerful and successful ecosystem with over 50 partnerships and alliances at home and abroad. The openness of our solutions plays an important part in this process as they can be smoothly integrated into partners' portfolios. **Ratiodata**, for example, one of Germany's largest IT system houses, provides ATOSS Workforce Management as software-as-a-service at its own data center. Together with the established SAP® Partner **KWP team HR**, we have developed an online interface with SAP® ERP HCM which has opened up a lucrative market for our companies. We are a preferred **DATEV** partner. Proven interfaces ensure that our solution for mid-sized companies can be smoothly connected to the DATEV payroll system.

“Our aim is to develop the growing workforce management market even more intensively with a powerful network. That is why we are on the lookout especially for distribution and implementation partners at home and abroad”, says Alexander von Fritsch, Director Global Alliances, explaining the strategy. ATOSS partners benefit from a market with high potential, state-of-the-art product suites, a sustainable business model and the security of working with a stock market listed company.



Workforce management is our métier

More than 25 years of experience in the field of workforce management and over 4,500 successful projects, this represents intellectual property that we are proud of, and that is indispensable for the sustainable creation of value. Our customers benefit daily from this in-depth knowledge. Our uncompromising specialization has paid off. Today, ATOSS is firmly positioned as a full range provider with a unique portfolio of solutions. No scenario is too complex, no company too large or too small for us. We have the right answer for all requirements - whether classical time and attendance management, self services, mobile apps, detailed workforce forecasting, sophisticated workforce scheduling or strategic capacity and demand planning. Sector-specific solutions for call centers, healthcare, retailing, logistics and manufacturing round off our portfolio. In the cloud or on-premises - we live workforce management.

And this also applies to the refinement of our product suites. Because it is our conviction that sophisticated, top-notch software development represents an ongoing obligation. Every year, more than 20 percent of our revenue goes into R&D. In absolute terms, this translates as a total investment in our solutions of 98 million euros. According to the EU Industrial R&D Investment Scoreboard, ATOSS ranks among the top 20 software companies in Germany with the highest investments and we are the number 1 in Europe in the field of workforce management. More than 140 ATOSS employees in R&D and Product Management work daily on creating advanced solutions. Agile development processes ensure they are quickly put into practice. And that pays off. ATOSS Workforce Management software is state-of-the-art in technology, functionality and user experience. And we never stop improving - always committed to workforce management solutions that create substantial added value for our customers.



Images: ATOSS TEAM



All over the world

Managing staff in more than one country means coping with the diversity and complexity of tasks resulting solely from specific legislation in individual countries. ATOSS solutions are made in Germany, but at home wherever customers are striving for greater productivity in their workforce. Our solutions are currently available in more than 40 countries and eight language versions around the world.

For example at **W.L. Gore & Associates** with their renowned GORE-TEX brand®. The company researches, develops and manufactures all around the world with 10,000 associates. We have been supporting Gore for many years with Time and Attendance Management and Self Services. Following Germany, France, Italy, Greece, Great Britain and Spain, ATOSS Workforce Management will now be deployed in numerous additional foreign locations. Finland, Norway, Sweden, the Netherlands, Poland, Russia, Turkey, Cyprus, Australia, China, Japan, Singapore, Taiwan – these are only some of the nearly 30 countries where our solution for Gore is meeting the demands of specific regulations and cultures – hands-on.

Boeing's subsidiary **Jeppesen** with 3,700 employees around the world, has also decided on ATOSS for its workforce management in EMEA. Our solution is live in Germany, Sweden, Great Britain and Poland. Legislation, country-specific aspects and interfaces with national payroll systems have been covered in the ATOSS standard product. The global market leader for aeronautical cartography is already planning rollouts in the Netherlands, Ireland and Singapore. As Mayleen Becker, Director Global HR Business Services, The Boeing Company, comments: "Exacting labor laws and social legislation coupled with cultural differences make international rollouts more complex than one would think. The in-depth expertise of the ATOSS team and the flexibility of the solution are impressive."

That is precisely the reason why companies such as Eddie Bauer Japan, HORNBACH, HOYER Group, Jack Wolfskin, Lufthansa, Playmobil, Sixt, Toys"R"Us, WITRON or Wolford place their trust in ATOSS Workforce Management. After all, our solutions show their genuine strength when deployed internationally.

Image: ATOSS TEAM



ATOSS TEAM

Spotlight on processes

Global competition, individualization, Industry 4.0, multi-channeling – fast moving times are putting organizations to the test. Success in volatile markets stands or falls with a company's response times. Agile processes and flexibility in the organization of working time are essential preconditions. Human resources processes must not act as a brake, but facilitate the fast implementation of changes instead. This is the only way to guarantee the best possible allocation of resources appropriate to every market scenario. We help companies of all sectors and sizes in optimizing personnel processes along the entire value chain, standardizing process structures and thereby increasing operating agility.

The management of complexity and change is a human resource issue, first and foremost. Process and organizational changes in a company's core business must therefore be consistently reflected in its workforce management. This is also the conviction of Dr. Dr. Florian Forster, Director ATOSS Consulting: "A company can only work efficiently and effectively when all its processes interact and interoperate smoothly. An astonishing number of organizations hold tremendous unexploited potential for greater value creation." Therefore, he recommends that even companies that have been employing professional workforce management for some time, should subject their personnel processes to regular review.

In terms of designing processes and examining ROI, our consultants draw on experience and knowledge amassed from more than 4,500 projects. Results show that the average annual potential benefit for a company with 1,000 employees is in the millions range. Numerous customers such as BASLER, Breuninger, the dm distribution centers, Kastner & Öhler, RITTER SPORT or VAPIANO have initiated their entry into professional workforce management with a comprehensive analysis of processes and potentials. Whether innovative working time models, detailed workforce forecasting, optimized workforce management, ergonomic duty plans or efficient time and attendance management – we help companies in making their working worlds fit and viable for the future. After all, workforce management can only unfold its full effects if the foundations are firmly in place.



The people behind ATOSS

Designing working environments for the benefit of companies, employees and society – this is a fascinating challenge, an exciting prospect and a major responsibility. Our employees meet this challenge with skill, experience and enthusiasm, and every day they breathe life into the ATOSS vision of a human economy.

The dedication of our team is the engine of our success and the driver of our aspiration to create added value for our customers. We place great emphasis on a motivating, productive and dynamic working environment. Flat hierarchies, scope to take initiative, excellent development opportunities, individual career paths, inspiring teamwork and participation in success – these are the cornerstones of our human resources work. We live a corporate culture in which commitment and team spirit are encouraged and performance is rewarded. In this environment, our employees can thrive both professionally and personally and enjoy long-term success. And this applies to each and every one of our employees right from the outset – whether in Sales, Marketing, Product Management, R&D, Consulting, Professional Services or Administration. We define an induction and development program tailored to individual requirements and the specific future role, and support our employees in all phases of their employee journey.

ATOSS offers domestic and foreign career models, as our objective is to steadily expand our worldwide presence. In order to achieve this, we are expanding our own business activities as well as alliances. Following on from Austria, Switzerland and Romania, we have now also opened an ATOSS branch in the Netherlands. And we have big plans for the future. With several thousand projects involving companies from a wide variety of sectors, of differing sizes and degrees of internationalization, we have created a solid base for growth and expansion. At present, around three million people in more than 40 countries around the world have their working time scheduled and managed with ATOSS solutions. This represents an obligation and incentive for our team to improve each and every day.



Images: ATOSS TEAM

FINANCIAL REPORT



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Letter to Shareholders



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

*Dear Shareholders,
Customers, Business Partners and Colleagues,*

ATOSS Software AG looks back on the most successful financial year in the company's history. For the 10th time in succession we have succeeded in scaling new heights in sales and earnings. We reached our targets, and we exceeded them once again – demonstrating repeatedly the high degree of stability and success of our business model. Against a background of steadily advancing digitization and globalization, the relevance of workforce management is soaring.

Workforce management for every scenario – national and international

Volatile markets, the minimum wage, a shortage of skilled staff and the requirements of Generation Y are together causing corporate managers to focus ever more closely on the issue of flexible, transparent and at the same time employee-oriented work time structures. Our workforce management solutions which have the capacity to optimize internal HR processes and improve the efficiency of staff deployments represent a significant means of overcoming this challenge.

The requirements of our international customers in the enterprise segment have long since ceased to be restricted to the German market. Professionals who are engaged in managing personnel in more than one country will know how complex and widely varying this task can be. The differing legislation in individual countries alone poses difficulties for international workforce management. Challenges that are easily overcome with ATOSS solutions. Not only because they speak different languages, but also because they are geared to coping with change – whether this is expansion, takeovers, internationalization or changes in legislation. Today, more than 4,500 customers in over 40 countries are relying on our software solutions – and their trust underscores the success of ATOSS.

An innovation leader fielding customer-oriented solutions

Our industrialized society is in flux, as Industrie 4.0 is ushering in the greatest changes since the arrival of computers. In these volatile times, professional software-based workforce management is becoming a must-have for companies that aim to remain successful in the marketplace over the long term. We are also consistently addressing current technological trends such as cloud computing and mobile solutions for tablets and smartphones. Investment in research & development has long ranked as a paramount priority at ATOSS. We believe that our customers are entitled to expect products that offer the maximum performance. In turn, this philosophy has earned us a clear competitive advantage which we intend to maintain and further expand.

Thanks to our strategy as a full range provider fielding a comprehensive range of solutions for companies of all orders of magnitude, with all ATOSS solution suites available “on-premises” or in the cloud, and a long-standing focus on specific sectors, the company has once again succeeded in convincing numerous prominent customers that ATOSS is the right partner to choose for workforce

management. With the arrival of the latest product generation ATOSS Staff Efficiency Suite 10.1, the year 2015 saw the successful launch of the new Expert Interface Web, one of the largest development projects in the history of ATOSS. The Enterprise Solution features state-of-the-art web technology, high-efficiency interactive design and puristic visual appeal – combined with maximum functionality. The ATOSS Cloud Solution (Hosting & Managed Services) additionally offers customers the opportunity to utilize the full performance of the ATOSS Enterprise Suite in the form of software-as-a-service.

The decisive factor for our customers, however, that tips the balance in opting for workforce management solutions by ATOSS is that through our products we deliver measureable contributions towards strengthening the competitiveness and economic efficiency of our customers, while increasing employee satisfaction at the same time. Process and potential analyses by ATOSS Consulting clearly reveal the underlying benefits of workforce management for companies particularly in our focus sectors such as Retail & Logistics, Manufacturing and Healthcare.

Excellent growth prospects for ATOSS

As before, and in future, we will continue to make every effort to keep ATOSS on course for success. The market for workforce management continues to offer substantial growth potential, as confirmed by a variety of studies in this field. Analysts at technology market research and consulting company TechNavio forecast annual growth rates for the global market for workforce management of around 11 percent through to 2018. The very concept of Industrie 4.0 can only be implemented with the aid of powerful information systems and a link between the virtual and the real world. Workforce management provides the necessary real time data and ensures that a company's most valuable resource, the human face of the work process, is planned and managed to optimum effect. These extremely positive forecasts are underpinned in particular by the increasingly dynamic growth of our company in the past two financial years, each of which have seen double-digit growth in sales, and emphatically confirm that the growth potential of ATOSS is still far from exhausted.

Our thanks go out to our employees, business partners and shareholders

At this juncture, we would like to thank all of our employees who have committed themselves with vision and foresight to the success of ATOSS and its customers, and in so doing have contributed to our 10th record year in succession.

Moreover, we would also like to thank our business partners and our Supervisory Board for their trusting cooperation in 2015, which we look forward to continuing. And finally to you, our valued shareholders, we would like to express our gratitude for the trust you have placed in us. We look forward to writing another chapter of our success story in 2016, and to continue offering you an attractive investment.

Yours sincerely,



Andreas F.J. Obereder
Chief Executive Officer



Christof Leiber
Member of the Board of Management

Investor Relations

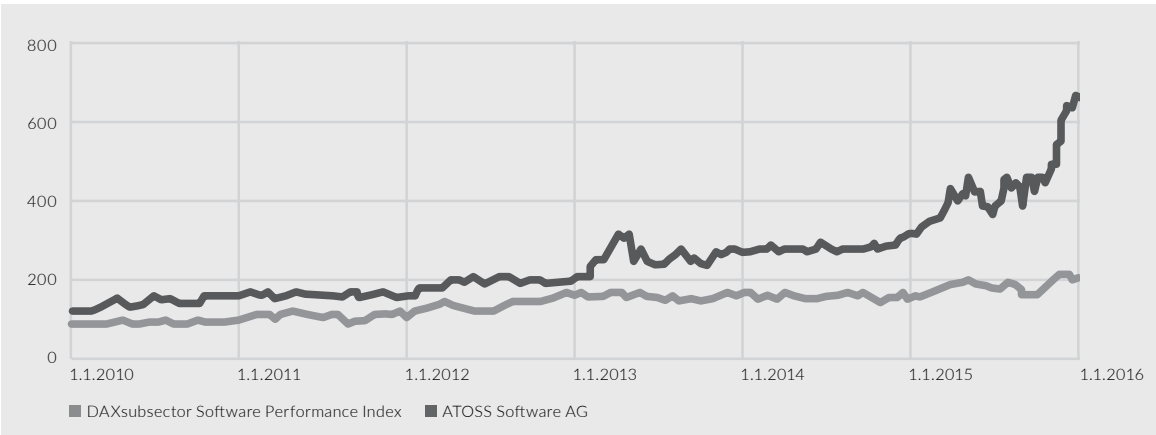
ATOSS shares reach new highs in 2015

In 2015, the German stock market was marked by numerous upswings and downturn. Over the course of the year the German share index rose from 9,764 to 10,727, while marking an all-time high of 12,390 in April and a low for the year of 9,325 in September. This equated to an increase of just under 10 percent. Other important indices such as the FTSE100 and the Dow Jones were in decline. Between the beginning of January and the end of December 2015, Britain's FTSE 100 dropped 2.5 percentage points, with America's Dow Jones also slipping back by 2.2 percent. The yield on 10-year Bunds stood at 0.64 percent at the year-end, while US bonds with the same maturity returned a yield of 2.3 percent.

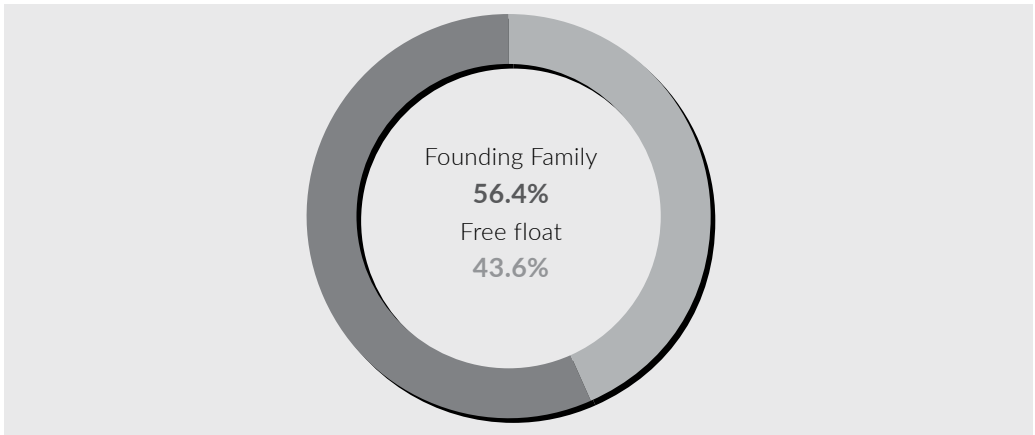
At the end of December 2015 ATOSS shares reached their highest price since they were first floated in 2000, standing at EUR 69.7 (Xetra). Over the year as a whole, the shares gained 112 percent, and paid a dividend of EUR 0.88. Overall, our shareholders saw their investment more than double in 2015, with an increase of 114 percent. Our shares significantly outperformed the comparative DAXsubsector Software Performance Index, which in the same period registered an increase of 29 percent.

From a longer-term perspective, too, ATOSS Software AG continued to create value for its shareholders. Since 2007, the share price has risen by 572 percent (not taking into account special distributions), whereas in the same period the DAXsubsector Performance Index put on 116 percent.

Stocks from 01/2010 to 12/2015



ATOSS Software AG shareholder structure



The founding family continues to hold 56.4 percent of the shares in ATOSS Software AG. Since December 6, 2012 Mr. Obereder has held 50.0000025 percent of the shares indirectly via AOB Invest GmbH, of which he is sole owner.

Among the shares in free float, in accordance with voting rights notices received, the following institutional investors hold interests in excess of 3 percent / 5 percent in ATOSS Software AG:

Investor	Shareholding	Threshold exceeded on:
MainFirst SICAV	5.07%	16.12.2014
Investmentgesellschaft für langfristige Investoren TGV	5.004%	28.10.2013

Capital market-oriented figures

(in EUR, unless otherwise specified)

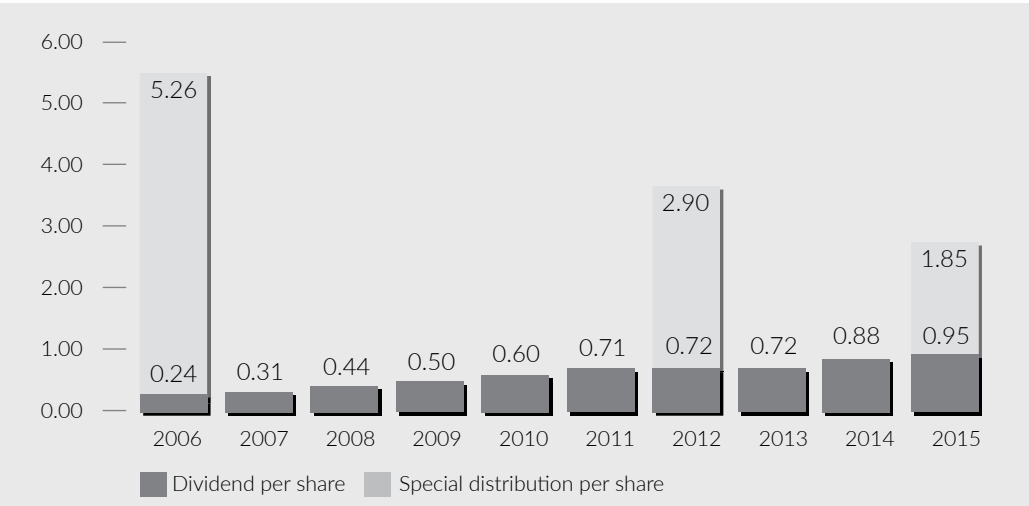
		Reporting period	Previous year 2014
Market price at the financial year-end		68.83	32.50
Number of shares (Dec. 31)		3,976,568	3,976,568
Market capitalization in million EUR	as of 30.12	273.71	129.24
Earnings per share in EUR		1.91	1.77

As a result of the sharp increase in the share price in comparison with the year before, the market capitalization of ATOSS has more than doubled. Based on the results for 2015 the average price/earnings ratio amounted to 24.31 with liquidity of EUR 6.13 per share at the year-end.

ATOSS Software AG dividend policy

In 2003 ATOSS published the principles of its long-term dividend policy. As in the case of the company's communications with the capital markets, one of the essential goals of this dividend policy was to offer a maximum of dependability. With dividends consistently rising over many years, ATOSS has remained faithful to its principles, offering its shareholders an excellent and reliable return in addition to significant increases in the share price. In addition there have been respectable special distributions for financial years 2006 and 2012. A special distribution is also planned for financial year 2015.

Dividends and special distributions (EUR)



ATOSS Software AG has set a new record with earnings per share of EUR 1.91. In line with its proposed appropriation of net income, the Management Board has submitted a proposal to the Supervisory Board for a dividend of EUR 2.80 per share. This represents a continuation of the company's dividend policy, which in principle provides for a dividend amounting to 50 percent of Group earnings per share: In this case, a regular dividend of EUR 0.95 per share for financial year 2015 and a special distribution of EUR 1.85 per share. A decision on the appropriation of earnings recommended by the Management and Supervisory Boards will be taken at the annual general meeting on April 26, 2016. Provided that the meeting adopts the proposal, based on the (XETRA) closing price on EUR 68,863 on December 30, 2015, this puts the dividend yield at 4.1 percent. By comparison, last year's yield was 2.7 percent.

Analysts stress dynamic growth, increase forecast

The course of business and the company's dividend policy serve to confirm analysts' previous assessments of ATOSS stock. The substantial growth in sales, maintained now over many years, coupled with the stability of earnings and the dividend yield underscore the sustained value as well as the outlook for our stock.

Investment analysts take the view that ATOSS Software AG occupies a leading position in an attractive market. The company has positioned itself as a full-range provider offering solutions for companies of all orders of magnitude, available both "on-premises" and in the cloud, in conjunction with a clear focus on specific sectors that has been refined over many years. This means that almost any customer in the company's core DACH region and beyond can access products tailored to their needs. With the decision to offer all its solutions in the cloud and the launch of a cloud product specifically for small businesses, the company has opened the door to further potential growth. Likewise, the development of ATOSS to date has also been characterized by increasing investment in research and development and higher personnel costs resulting from the development of sales and customer services capacities. Thanks to the strong development in licenses and cloud solutions, highly dynamic growth and attractive margins can be expected in future. In the analysts' opinion, the cloud business in particular will lead to higher margins in the long term.

The company's development has been regularly reviewed during the reporting period by analysts at Warburg Research. The upside target for ATOSS stock has been raised on several occasions, most recently following presentation of the preliminary figures for the past financial year, when analysts set a target of EUR 54.00. With the company continuing to post strong figures and long-term growth expected to remain highly dynamic, forecasts were again raised and the stock rated as a "hold".

The complete analyses by Warburg Research are available on the Internet at: <https://www.atoss.com/company/investor-relations/stock/analysts-reports/2015>

Supervisory Board Report on Financial Year 2015



Peter Kirn
Chairman of the Supervisory Board

Dear Shareholders,

The 2015 financial year was extremely successful for ATOSS Software AG, as the company maintained its continuing positive development for the tenth year in succession. The Supervisory Board has advised and supported the Management Board in directing the business. We have overseen the measures taken and fulfilled all of the tasks incumbent upon us in accordance with the law and the company's articles of association as well as the German Corporate Governance Code and our own rules of procedure. The Board was also integrated into all decisions of a fundamental nature. The Management Board has kept us regularly, fully and promptly informed, verbally and in writing, of all material aspects of the development in business, including the current earnings situation, risks and risk management. At no time did we have cause for complaint regarding either the due and proper nature or economic efficiency of the company management.

Decisions made by the Supervisory Board were reached on the basis of extensive reports and proposals by the Management Board. In addition we were kept informed, even outside of meetings, of projects and events of material importance or urgency. We also resolved upon those matters required of us in accordance with the law or the company's articles of association. The Chairman of the Supervisory Board was in regular contact with the Management Board, with the result that events of exceptional importance for ATOSS Software AG could be discussed without delay.

In financial year 2015 there were no conflicts of interest on the part of Management or Supervisory Board members which required immediate disclosure to the Supervisory Board.

The following report describes the main emphases of the work of the Supervisory Board.

Supervisory Board meetings and resolutions in 2015

Four ordinary meetings of the Supervisory Board were held in the reporting period. With the exception of the meetings on April 28, 2015 and December 1, 2015, all members of the Supervisory and Management Boards were in attendance. Supervisory Board member Rolf Baron Vielhauer von Hohenhau was absent from the meeting on April 28, 2015 and sent his apologies. Supervisory Board member Klaus Bauer was absent from the meeting on December 1, 2015 and also sent his apologies and signified his support for the draft resolutions on planning and the declaration of conformity that accompanied the invitation to attend.

Principal subjects of discussion at the meeting on March 3, 2015

At the first meeting of the financial year, the auditors Ernst & Young GmbH of Munich gave a presentation to the Supervisory and Management Boards regarding their audit of the annual financial statements and consolidated financial statements of ATOSS Software AG and the management reports for financial year 2014. The Supervisory Board approved the annual financial statements for the Group and company for financial year 2014 which had been audited and awarded an unqualified audit certificate, and these are now deemed to be adopted. Under item 4 on the agenda the Supervisory Board subsequently approved the Supervisory Board report for financial year 2014.

The discussion also extended to the agenda for the annual general meeting on April 28, 2015 which was approved by the Supervisory Board and the Management Board.

The Management Board also submitted a report explaining the profitability of ATOSS Software AG and in particular the return on equity and the current development in business. The meeting concluded with a status report on the development of ATOSS Aloud GmbH.

Principal subjects of discussion at the meeting on April 28, 2015

This meeting of the Supervisory Board took place following the 2015 annual general meeting in Munich. The meeting was attended by the Supervisory Board members newly elected at the annual general meeting, Mr. Peter Kirn and Mr. Klaus Bauer, and by the Management Board. The Supervisory Board was also reconstituted at this meeting, with Mr. Peter Kirn elected as Supervisory Board Chairman. Rolf Baron Vielhauer von Hohenhau was elected as his deputy. The Supervisory Board then went on to establish that all three members meet the criteria that render them suitable to act as financial experts within the meaning of § 100 Para. 5 of the German Stock Corporation Act. The Management Board also reported on the current course of business, the risk report and investment policy, as well as the current development in orders.

Principal subjects of discussion at the meeting on September 22, 2015

At the third Supervisory Board meeting of the year, the Management Board informed the Supervisory Board of the current course of business, the latest risk report and the company's investment policy and provided an outlook for the budget and planning process for 2016. The last item on the agenda was a detailed report by the CEO on current developments in sales and marketing at ATOSS Software AG.

As a result of the revisions to § 76 Para. 4 and § 111 Para. 5 of the German Stock Corporation Act, subsequent to its meeting on September 22, 2015 the Supervisory Board turned its attention to the issue of setting targets for the proportion of female members of the boards of ATOSS Software AG. The Supervisory Board resolved upon a quota of 0 percent as a target up to June 30, 2017.

Principal subjects of discussion at the meeting on December 1, 2015

In addition to the Management Board report on current business development, the main focus of the last Supervisory Board meeting of the year was on the balance sheet, liquidity, sales and earnings projections for financial year 2016. The plans were approved as presented.

The declaration of conformity for 2015 on the basis of the German Corporate Governance Code as amended on May 5, 2015 was also approved at this meeting and published on the company website (www.atoss.com) on December 3, 2015. In this context the Supervisory Board also considered the appropriateness of Management Board compensation. The discussion centered in particular on the appropriate nature of compensation in relation to senior management and workforce and in comparison with third parties.

Appointment of auditors and conduct of audit

At the annual general meeting of ATOSS Software AG held on April 28, 2015 in Munich, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Stuttgart (Munich Branch) was elected as auditor for financial year 2015. Prior to the election, the Supervisory Board satisfied itself as to the independence of the auditors. The Board was able to exclude any relationships between the company and the auditors. The audit assignment included a consideration of the early warning system for the detection of risk and the obligation to observe the auditing principles contained in the current German Corporate Governance Code.

Ernst & Young GmbH have audited the annual financial statements and management report for ATOSS Software AG to December 31, 2015 as well as the consolidated financial statements and consolidated management report to December 31, 2015 and awarded an unqualified audit certificate.

Supervisory Board meeting on March 4, 2016 to adopt the financial statements

The Supervisory Board received the annual financial statements, consolidated financial statements and management reports for financial year 2015 from the Management Board for examination in good time prior to the meeting. In addition, the Supervisory Board also received the 2015 dependence report confirming that no transactions took place in financial year 2015 between ATOSS Software AG and AOB Invest GmbH or companies associated with AOB Invest GmbH which were unreasonably disadvantageous to the company.

These documents were examined by the members of the Supervisory Board and addressed in full detail at the meeting in the presence of the auditors Ernst & Young GmbH. The auditors reported on the essential results of their audit and answered all questions posed by the Board.

The Supervisory Board agreed the results of the audit and raised no objections. The accounts prepared by the Management Board having been approved, the annual financial statements were then adopted. The Supervisory Board likewise concurred with the proposal by the Management Board regarding the appropriation of surplus profits.

The report by the Supervisory Board for financial year 2015 was also discussed and agreed and the agenda for the annual general meeting on April 26, 2016 was approved.

Once again, in the financial year 2015 the Management Board and staff have achieved an outstanding result. The Supervisory Board would like to express its gratitude to the Management Board and all of the employees of ATOSS Software AG for their commitment and their contributions to the success of the past financial year, and to signify its appreciation of 10 record years in succession.

Munich, March 2016



Peter Kirn
Chairman of the Supervisory Board

Members of the Supervisory Board, with a summary of other supervisory board positions held

The Supervisory Board of ATOSS Software AG is comprised of three members. In view of its size, the Supervisory Board dispenses with the formation of committees as recommended by the German Corporate Governance Code, including an Audit Committee within the meaning of § 107 of the German Stock Corporation Act. The Supervisory Board is of the opinion that with a Board comprised of three members, the efficiency with which the Board performs its tasks would in no way be increased by the formation of committees.

Peter Kirn

Chairman of the Supervisory Board

Corporate consultant, Böblingen.

Mr. Kirn held no other supervisory or similar board positions in financial year 2015.

Rolf Baron Vielhauer von Hohenhau

Deputy Chairman of the Supervisory Board

President of the Bund der Steuerzahler in Bayern e.V., Munich.

Baron Vielhauer von Hohenhau holds the following other supervisory and administrative board positions:

- Europäischer Wirtschaftssenat e.V., Munich (Supervisory Board Chairman)
- Member of the Administrative Board of Stadtsparkasse Augsburg

Klaus Bauer

Member of the Supervisory Board

Supervisory and advisory board member, Nuremberg

Mr. Bauer holds the following other supervisory or similar board positions:

- Schwanhäußer Industrie Holding GmbH & Co. KG, Heroldsberg (Advisory Board member)
- Schwanhäußer Grundbesitz Holding GmbH & Co. KG, Heroldsberg (Advisory Board member)

Group Management Report 2015

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1. Company

ATOSS Software AG is one of the leading providers in the field of workforce management. In this field the company offers standard software solutions as well as consulting and implementation services for businesses of all sizes.

With headquarters in Munich, ATOSS Software AG also has offices in Berlin, Frankfurt, Hamburg, Stuttgart, Meerbusch and Utrecht (Netherlands) as well as its subsidiaries ATOSS CSD Software GmbH in Cham, ATOSS Software Ges.m.b.H. in Vienna, ATOSS Software AG in Zurich, ATOSS Software SRL in Timisoara (Romania) and ATOSS Aloud GmbH in Munich.

The company's software solutions are currently deployed worldwide in over 40 countries and 8 languages. More than 4,500 customers ranging from SMEs to blue chip corporations now use workforce management solutions from ATOSS Software AG.

2. Group Basics

Economic climate

In view of moderate performance in China, as well as other important developing countries such as Russia and Brazil, the development in the global economy this year was weaker than expected. The sharp fall in oil and raw material prices since the middle of last year has been of benefit mainly to the industrialized countries, where economic growth has so far proven largely robust. The economic recovery in the eurozone has continued.

In Germany, economic output as a whole increased moderately in the course of the past year, without major fluctuations. The upturn was driven mainly by domestic demand, predominantly consumer spending. According to the forecast published in December by the Bundesbank¹ the economy is expected to have grown by 1.7 percent in 2015.

The business climate index for December 2015 indicates that manufacturing industry in Germany remains optimistic about the future. In addition to the sustained positive labor market situation with employment high and still rising, and incomes developing strongly, the current economic development in Germany is also underpinned by both the low oil price as well as the euro exchange rate which favors exports.

Segmental environment and market background

The forecasts for the German ICT market published by trade association BITKOM² in October 2015 also remain positive. Growth last year in the software segment, for example, is expected to equal the year before at 5.4 percent.

Against this background, ATOSS succeeded in 2015 in achieving new record sales and operating profits for the tenth time in succession. Sales revenues rose by 13 percent in 2015, while

¹⁾ Deutsche Bundesbank (June 2015): Prospects for the German economy – Macroeconomic estimates for 2015 and 2016 with an outlook for 2017
²⁾ bitkom (October 2015): Press release: Employment in the ICT sector for the first time exceeds one million

EBIT (earnings before interest and taxes) climbed 16 percent. The company also generated growth of 12 percent relative to the year before in its core software business. EBT increased by 10 percent, coming in at EUR 11.3 million. Earnings before taxes in the past year were additionally influenced by the non-recurrent effect of an upward revaluation of the company's remaining holdings in gold.

In the year elapsed ATOSS booked orders for software licenses and the proportion of software accounted for by contracted cloud solutions together amounting to EUR 11.1 million. In total, orders on hand for software licenses rose from EUR 5.4 million past year to stand at EUR 5.9 million as of December 31, 2015, with orders for cloud solutions climbing from EUR 0.6 million to EUR 2.7 million. The substantial volume of orders on hand allows us to predict sales in the near future and plan ahead with security. What's more, the company's substantial liquidity and high equity ratio provides security for customers, employees and shareholders.

Positioning of the ATOSS Group

The market ATOSS addresses is comprised on the one hand of extensive numbers of small and medium-sized enterprises (the SME market) with up to 500 employees, and on the other of the premium market represented by the high-end medium-sized businesses, and major, large-scale companies. Naturally, the competitive pressure is greater in the case of applications which make no more than modest demands on personnel resource planning systems than for complex solutions which demand a high degree of integration between working time management (WTM) and personnel resource planning (PRP). The pioneering technological platform on which ATOSS products are based, our consulting skills and the reliable and successful ATOSS management are convincing decision-making criteria.

One of the defining features of the competitive environment in which the company operates is a high degree of fragmentation. In this environment, the company has established itself as one of the leading providers of time and attendance management and workforce management software systems and has secured a significant market position in the retail, healthcare, manufacturing and logistics sectors in particular. ATOSS, however, also offers solutions for all sectors, in both the SME and premium market segments.

Since the inception of the company, ATOSS has pursued a vision of offering products and software solutions which impact upon the structures of the modern working world so as to result in more creative, more intelligent and more humane ways of working.

The products and services developed by ATOSS are designed to solve the problems its customers experience in ascertaining optimum staffing needs, developing ideal working time models, allocating working hours to meaningful advantage, ensuring secure access and deploying and managing personnel efficiently. By utilizing personnel resources in a manner which is both economically advantageous as well as sensitive to employee and customer needs, the clients of the ATOSS Group are thereby able to improve their own performance and efficiency.

ATOSS has positioned itself as a best-of-breed specialist in its core fields of time and attendance management and workforce scheduling, offering an in-depth range of integrated solutions that meet even the highest functional and technological demands. And with the availability of interfaces to solutions from complementary providers, we can meaningfully address the needs of customers of every size and in every industry. ATOSS has thereby achieved great success in all customer segments. What's more, the company is able to offer supremely competent consultancy services coupled with solutions of convincing depth, with the guarantee that its customers will benefit from improved efficiency and enhanced productivity. And ultimately, as a financially independent partner with a committed long-term outlook, ATOSS solutions offer investment security.

Our own observations and sales successes as well as numerous productivity studies point to the fact that the market requires solutions capable of meeting the most complex requirements in order to enable higher productivity.

The right staff

ATOSS' end-to-end portfolio includes solutions which highlight the qualifications of available personnel, thereby facilitating rapid planning, scheduling and deployment. In this way, short-term and also seasonal bottlenecks can be overcome by accessing a multitude of employees.

At the right time

In almost every industry, demands on capacity are likely to fluctuate, whereas staff cannot always be employed on a pattern which mirrors these fluctuations. Taking into account operational requirements, wage agreements and statutory regulations as well as factors such as vacations, sickness, part-time employment and so on, ATOSS provides solutions which optimize workforce management in order to cover both peaks and troughs in demand.

In the right place

Flexible staff deployment and workforce management at varying locations enable decentrally organized businesses and branch-based operations to make more efficient use of capacity and thereby raise their productivity levels.

Working on the right job

It is rare today for workforce scheduling to be integrated into the process of production planning. Nevertheless, a meaningful exchange of data in this very instance can underpin planning reliability and accelerate production processes.

At the right cost

Nowadays, company and operational working time models can often yield more flexible options for staff deployment than is possible with rigid working hours. However, deploying and managing staff under conditions of optimized cost can be achieved only by evaluating hours worked in association with wage supplements and ancillary costs.

Many ATOSS customers have seen significant improvements thanks to ATOSS solutions, as their own analyses have shown. ATOSS offers appropriate individual concepts and functional competence supported by the advanced, leading-edge technologies for customers of all sizes.

When deciding on long-term partnerships, major customers in particular are increasingly focusing on independent companies with a sound financial base. When investment decisions are made, our robust equity ratio, our substantial liquidity and our continuing high level of expenditure on technological development are among the determining factors.

Business development

The company regards the key figures for sales, operating profits (EBIT) and cash flow as the essential measures of its success. The development in software licensing revenues is of central importance, since this is the driving force behind the company's business model. In this context, orders received for software licenses and for the software components of cloud subscriptions are an essential indicator of the company's future development.

In financial year 2015 ATOSS achieved sales of EUR 44.9 million (previous year: EUR 39.7 million) with an operating profit (EBIT) of EUR 11.3 million (previous year: EUR 9.8 million). This gratifying development in sales and results in economically challenging times is attributable not least to the advanced Java-based technology embodied in our software since 2005. The many references that now support the ATOSS Staff Efficiency Suite provide a sound basis on which to secure further business successes.

Development in sales of software licenses and maintenance, software license order situation

Software licensing and maintenance sales were increased in 2015 with revenues rising 12 percent to EUR 26.7 million (previous year: EUR 23.9 million). The proportion of sales accounted for by software in 2015 remained at 60 percent.

Software maintenance sales during the year rose by 10 percent to reach a total of EUR 16.9 million (previous year: EUR 15.4 million).

Sales of software licenses at EUR 9.8 million were also well up on the previous year (EUR 8.5 million). The increase in sales revenues is attributable to existing customers extending their licenses, to the progress made in projects for major customers and to the acquisition of orders from new customers.

Orders received for software licenses and the proportion of software accounted for by fixed-contract cloud subscriptions, together amounting to EUR 11.1 million, were also up on the previous year's figure of EUR 10.7 million. Three percent (previous year: 9 percent) of orders booked for software licenses relate to long-term production orders.

As of December 31, 2015, orders on hand for software licenses had increased to EUR 5.4 million (previous year: EUR 5.9 million), with orders for cloud solutions rising to EUR 2.7 million (previous year: EUR 0.6 million). This very high volume provides us with an outstanding basis on which to start the new financial year in 2016. Eleven percent (previous year: 9 percent) of software license orders on hand relate to long-term production orders. It is expected that orders on hand for software licenses will be realized within one year.

Development in consultancy sales

Sales in 2015 at EUR 11.9 million were up by 18 percent on the year before (EUR 10.1 million) and equated to 26 percent (previous year: 26 percent) of overall turnover.

Development in hardware and other sales

Revenues from the sale of hardware increased by 3 percent in 2015 to EUR 4.6 million, equating to 10 percent of overall sales (previous year: 11 percent). Other sales, the heading under which certain consulting services, cloud subscriptions and customer-specific programming services in particular are booked, amounted to EUR 1.7 million, some 39 percent higher than in the year before. As a proportion of total sales, this amounted to 4 percent (previous year: 3 percent).

Long-term production orders

As in previous years the company realizes long-term orders in application of the percentage of completion method. In 2015 this applied to 12 orders (previous year: 11) which were realized in accordance with the progress of the project in the amount of EUR 2.7 million (previous year: 2.2 million).

Corporate strategy and opportunities

At the heart of our business activities lies the continuous acquisition of new customers and the development of existing customer installations in the fields of time and attendance management and workforce scheduling. Significant progress was made in both areas in 2015. For example, products incorporating the company's latest generation of software solutions were placed both with existing customers of major importance, as well as with a large number of new customers. Not least the fact that all products are now available as cloud solutions has opened the door to new customer groups and generated additional orders. The year 2015 also witnessed the successful implementation of major projects acquired in the preceding year. We regard these successes as continuing confirmation that we are pursuing the correct strategy to enhance both sales and results.

We see opportunities to continue to develop our business model in particular in the increasing demands on companies to increase the flexibility of working hours. Essential factors in this respect include a shortage of skilled staff, demographic considerations, the growing need to increase productivity and the resulting requirements on the part of employers for workforce management solutions. As one of the leading workforce management solution providers, we expect to profit from this development.

The company also sees further potential for growth in the retail, healthcare, manufacturing and logistics sectors in particular.

We also perceive growth opportunities in a dedicated approach to new sectors and in the international deployment of our software solutions, for example by accessing new markets through the formation of new partnerships.

The first-class positioning which the company enjoys is underpinned by prominent reference customers, pioneering technologies (Java J2EE), a convincing range of products and services, extensive competence in the implementation of software projects and in consulting, as well as by the stability and independence of the company itself.

In order to develop these competitive advantages over the long-term, we will continue to allocate a high level of funding to secure market access and therefore also future growth.

Research and development

The security of knowing that they will be able to master the most complex requirements now and in the future is decisive for our customers. At the same time, they also need to deploy technologically sophisticated solutions that will be equally at home in the system environments of the future and therefore capable of returning long-term economic benefits. For this reason, we shall continue to maintain our substantial commitment to the further development of our products.

We harness state of the art technology platforms as a basis on which to create solutions that are capable of replicating every customer- and industry-specific requirement, covering all aspects of intelligent personnel deployment and workforce management. In order to avoid problems in updating from one release to the next, we guarantee full upward compatibility, thereby allowing the latest solutions to be implemented at any time.

The goal of our product development is to be able to offer solutions that meet our customers' ever more complex and individual needs. The development of Java-based versions of ASES (ATOSS Staff Efficiency Suite), ASE (ATOSS Startup Edition) and ATC (ATOSS Time Control) which enable these solutions to be integrated into a variety of system environments represented a major milestone.

The implementation of what is termed as service-oriented architecture (SOA) greatly simplifies the exchange of data between our solutions and other products used by customers. For example, our solutions have successfully been combined with up-stream planning and personnel management down-stream evaluation systems. In another scenario they have also been integrated as a real-time data source into a client's visitor management system. In this way our solutions create value added over and beyond their original functions. The continuing development of interfaces with our systems makes it simple and easy for customers to integrate our solutions into their existing system architecture and thereby derive the optimum benefits.

Our fully Java-based package of solutions for software-supported workforce management is suitable for use in a wide range of industries. The ATOSS Startup Edition (ASE) and ATOSS Time Control (ATC) are distinguished by the simplicity of their user interface. These two solutions are a stepping stone for customers using a variety of system environments. As their requirements become more complex in future, they can easily migrate to the ATOSS Staff Efficiency Suite (ASES). Regular release updates ensure that our software solutions are continuously refined. For example, with the arrival of the latest product generation ATOSS Staff Efficiency Suite 10.1, the year 2015 saw the successful launch of the new Expert Interface Web, one of the biggest development projects in the history of ATOSS. Both are now available since this financial year as server-hosting (cloud) solutions.

Our expenditure on research and development in 2015 amounted to EUR 8.7 million (previous year: EUR 8.0 million). The bulk of this figure in the amount of EUR 7.1 million (previous year: EUR 6.4 million) was accounted for by the personnel costs for 146 (previous year: 130) software developers. R&D expenditure as a proportion of overall sales amounted to 19 percent (previous year: 20 percent).

As in preceding years, expenditure on research and development is not capitalized, but is instead reported in full as an expense.

Subsidiaries and international business

With the exception of ATOSS Aloud GmbH, which was newly established in financial year 2014, all subsidiaries recorded positive results in 2015. The proportion of Group sales accounted for by our international business amounted to 15 percent (previous year: 13 percent).

Employees, development in personnel

In financial year 2015 the Group employed an average workforce of 327 (financial year 2014: 299). Of these, 138 (previous year: 129) were employed in product development, 89 (previous year: 81) in consulting, 52 (previous year: 44) in sales and marketing and 48 (previous year: 45) in administration. Personnel costs in 2015 amounted to EUR 22.0 million, some 14 percent higher than the figure of EUR 19.2 for the preceding year.

On December 31, 2015 the company employed 6 trainees (previous year: 5).

Corporate management and control

The management of the Group proceeds on the basis of plans jointly agreed by the Management and Supervisory Boards. These plans are reviewed annually and adapted in line with changing circumstances and opportunities arising, whereby the company aims to safeguard average sales growth targets in a bandwidth between 8 and 12 percent and an average margin (EBIT) of around 25 percent.

The company is managed primarily on the basis of a broad system of targets. Company, departmental and individual targets are agreed with almost every member of staff and linked with an appropriate variable salary component, dependent on each employee's level of responsibility. These variable components range between 10 percent and 50 percent of the contractually agreed target salary. The company targets are in turn keyed to the relevant scheduled sales and operating profit data for the financial year. Departmental targets take the form of a uniform table of sales or performance targets dependent on position and responsibility, while individual targets are linked to the performance of each individual employee.

Annual plans and projections are approved by the Management and Supervisory Boards. Group targets are monitored on the basis of a Group-wide management information system which includes detailed reporting of sales, costs and earnings.

Executive bodies

The Supervisory Board in 2015 was then comprised of Peter Kirn as Chairman, Rolf Baron Vielhauer von Hohenhau as Deputy Chairman, and Klaus Bauer.

The Management Board continues to comprise Andreas F.J. Obereder as CEO and Christof Leiber as Member of the Board of Management.

Corporate governance

Since addressing the matter in connection with its flotation, ATOSS Software AG has concerned itself intensively with the subject of corporate governance and the associated statutory regulations. The company has reported regularly since 2001 on its activities in this regard. The company's boards examine developments and changes in the German Corporate Governance Code in particular detail. In contrast to the provisions of the law, however, the Code is not binding in its standardizing effect and in fact allows deviations from its recommendations.

Once again in 2015 the Management and Supervisory Boards have concerned themselves intensively with the new requirements of the German Corporate Governance Code, comparing these with the company's own principles and identifying those points in which deviations exist from the recommendations issued on May 5, 2015 by the Government Commission on the German Corporate Governance Code.

On December 1, 2015 the Management and Supervisory Boards adopted a new declaration of compliance pursuant to Section 161 of the German Stock Corporation Act in which it is confirmed that the recommendations of the Commission on Corporate Governance appointed by the German Government are complied with, with the exception of those points stated in the declaration. This declaration is published on the company's web site. It is consequently evident that the company in broad measure conforms with the recommendations and deviates only in respect of a small number of points which in the company's view are of marginal importance.

Deviations apply in respect of the following points:

- The German Corporate Governance Code recommends that directors and officers liability insurances (D&O) arranged by an undertaking for its management and supervisory board members should include a self-insured deductible (Section 3.8 of the Code). ATOSS Software AG has taken account of this in its current contracts with Management Board members. With regard to the agreement of a self-insured deductible to be included in the corresponding insurances covering members of the Supervisory Board, the company is fundamentally not of the opinion that the commitment and responsibility with which the Supervisory Board members perform their duties would be improved by such a measure. The D&O insurances for members of the Supervisory Board of ATOSS Software AG therefore do not contain such a provision. No change to this situation is currently intended.
- The German Corporate Governance Code additionally recommends in Section 4.2.3 that when contracts are entered into with management board members, provision should be made in the event that the employment of a board member is ended prematurely other than for good cause

to limit payments to board members to a maximum of two years' compensation including ancillary benefits and to make such payments for a period no longer than the remaining term of the employment contract. The company has made no provisions for settlements in the contracts with members of the Management Board, since these employment contracts are in each case concluded for the duration of their period of appointment and cannot be terminated during this time other than for good cause. Under these circumstances the company is of the opinion that making advance provision for a settlement in this way would be contrary to the nature of these fixed-term contracts. Moreover the contracts with the Management Board make no provision for settlement entitlements, for example in event of a change of control.

- In Section 4.2.5 the German Corporate Governance Code recommends a specified tabular structure for the disclosure of Management Board compensation. In reporting Management Board compensation the company will disclose the content specified by law. However, the company reserves the right to report remuneration in a suitable form, even if this may deviate from the rigid tables annexed to the German Corporate Governance Code.
- The German Corporate Governance Code recommends the formation of supervisory board committees (Section 5.3). In view of the size of the company, ATOSS Software AG refrains from forming separate supervisory board committees. Moreover, ATOSS Software AG is of the opinion that with a Supervisory Board comprised of three members, the efficiency with which the Board performs its tasks would in no way be increased by the formation of committees.
- The German Corporate Governance Code also recommends in Section 5.4.1 that the Supervisory Board should set specific targets for its own composition in consideration of the situation specific to the business undertaking and its international activities, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Section 5.4.2 of the Code, a defined age limit for Supervisory Board members and a defined time limit on membership of the Board, and also diversity. This recommendation is currently not complied with since in the opinion of the Supervisory Board of ATOSS Software AG such targets are not necessary for the effective and successful work of a Supervisory Board composed of three members. The Supervisory Board will consider the extent to which the recommendation can be complied with in future.
- With regard to the publication of reports, it is recommended pursuant to Section 7.1.2 that interim reports should be made available within 45 days. The company publishes an extensive overview (sales revenues, types of sales, operating profit (EBIT), earnings before taxes (EBT), net profit, net earnings per share) within fewer than 30 days. The full interim report is published within two months following the end of the quarter. In applying this process of staggered publication the company furnishes the capital market with very prompt and extensive data over and beyond such information as may necessitate an ad hoc announcement. The company will continue to follow this publication procedure to ensure that the capital market receives information that is as up to date as possible.

Corporate governance report

The corporate governance declaration made by the Board of Management pursuant to Section 289 a of the German Commercial Code (HGB) is published on the company web site at <https://www.atoss.com/company/investor-relations/corporate-governance/2015>.

Other disclosures

The company's capital is divided into 3,976,568 bearer shares each with a nominal value of one euro which carry full voting and dividend rights. The majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, holds 1,988,285 shares representing 50.0000025 percent of the shares. His shares are held via the company AOB Invest GmbH of Grünwald, Germany, which is wholly owned by him. Apart from Mr. Andreas F.J. Obereder and AOB Invest GmbH, the company is not aware of any other shareholders with reportable holdings of more than 10 percent of voting rights.

In accordance with Section 312 of the German Stock Corporation Act, the Management Board has prepared a report for the reporting period detailing relations with associate companies which has been examined by our auditors. The dependence report by the Management Board concludes with the following statement:

"We declare that in the transactions undertaken and measures taken or omitted between January 1 and December 31, 2015 and listed in the report on relations with associate companies, in accordance with the circumstances known to us at the time these transactions were undertaken and measures taken or omitted, in each legal transaction the company received an adequate consideration. Nor did the company suffer any detriment as a result of the measures being taken or omitted."

The company is not aware of any restrictions regarding voting rights or the transfer of shares, even and including any such restrictions as may arise from agreements between shareholders.

No special rights exist that convey powers of control.

Insofar as employees have a participating interest in the company's capital, their rights of control are not restricted.

At the general meeting held on April 28, 2015 the Board of Management was further authorized, other than for purposes of trading in own shares and in consideration of the restrictions imposed by Section 71, Para 2 of the German Stock Corporation Act, on or before September 30, 2016 to purchase company shares in the amount of up to ten percent on the company's capital stock either via the stock market or by means of a public offer to purchase addressed to all company shareholders.

The Management Board was further authorized at the general meeting on April 28, 2015 without further resolution by a general meeting not only to offer the purchased shares via the stock market or by a public offer to all shareholders, but also to the exclusion of existing shareholders' subscription rights and with the consent of the Supervisory Board

- to issue the shares to third parties in return for contributions in kind, insofar as it is understood to be in the interests of the company to acquire said contributions in kind and insofar as the countervalue per treasury share to be contributed by third parties is not unreasonably low;
- to issue the shares to third parties in return for contributions in cash, in order to place the shares of the company on a foreign stock exchange where the shares are not yet admitted to trading;
- to sell the shares at a cash price which shall not be materially lower than the stock market price of company shares at the time of the sale;
- to use the shares to fulfill option and/or conversion rights arising from convertible bonds, convertible profit share certificates, warrant-linked bonds or other option rights issued by the company or a Group subsidiary.

The Management Board was further authorized at the general meeting on April 28, 2015 to withdraw the treasury shares acquired without further resolution by a general meeting.

The authorizations concerning the use of treasury shares also extend to the use of shares in the company acquired on the basis of previous authorizing resolutions pursuant to Section 71, Para 1, No. 8 of the German Stock Corporation Act. The previous resolution adopted at the general meeting on April 30, 2014 regarding the repurchase of own shares was revoked at the general meeting on April 28, 2015.

Members of the Management Board are appointed and dismissed in accordance with Sections 84 and 85 of the German Stock Corporation Act and Article 6 of the company's Articles of Association.

Changes to the Articles of Association follow the regulations contained in Sections 133 and 179 ff. of the Stock Corporation Act.

No material agreements exist which are contingent upon a change of control resulting from a takeover offer. Nor have any agreements been entered into with members of the Management Board or employees regarding compensation in the event that a takeover offer is made.

In addition to its subsidiaries ATOSS Software Ges. mbH, Vienna, ATOSS Software AG, Zurich, ATOSS CSD Software GmbH, Cham, and ATOSS Software SRL, Timisoara, and ATOSS Aloud GmbH, Munich, the parent company ATOSS Software AG of Munich also has business premises in Frankfurt, Hamburg, Meerbusch, Stuttgart, Berlin and Utrecht (Netherlands).

3. Business Report

Earnings

The earnings situation in financial year 2015 was principally defined by a 13 percent increase in overall sales revenues which rose to EUR 44.9 million (previous year: EUR 39.7 million). Costs – without taking into account sales input – rose by 12 percent to EUR 29.2 million (previous year: EUR 26.0 million). As a result, taking into account continuing investments in sales and marketing and a sustained high level of development expenditure, the company maintained its profitability this year with an EBIT margin of 25 percent.

The essential key figure determining the success of the company's operating performance, namely its earnings before interest and taxes (EBIT), improved markedly from EUR 9.8 million in the preceding year to EUR 11.3 million. The return on sales represented by EBIT stood at 25 percent (previous year: 25 percent).

Earnings before taxes increased by 10 percent, coming in at EUR 11.3 million (previous year: EUR 10.3 million). EBT in the previous year was additionally influenced by the non-recurrent effect of an upward revaluation of the company's gold holdings.

Net income for financial year 2015 amounted to EUR 7.6 million (previous year: EUR 7.0 million), some 8 percent higher than in the year before. Earnings per share accordingly increased to EUR 1.91 (previous year: EUR 1.77).

Thanks in particular to its success in winning further new customers and expanding business with existing clients, as well as to the efficient management of costs, notwithstanding the investments in sales and marketing and the continuing high level of expenditure on the development of functionally superior products, the company has maintained its profitability at the previous year's level and secured a sound financial basis for a long-term strategy which is proving to be correct.

Financial and asset position

The company regards equity as an essential balance sheet item in guarding against economic, sector- and company-specific risks. Consequently, the company's financial strategy is directed towards maintaining a level of equity commensurate with such risks. The intention is to guarantee shareholders an appropriate return on equity and offer customers and suppliers investment security for their software decisions through the medium of long-term partnerships.

In this respect the ATOSS Group was highly successful in financial year 2015:

Cash flow from operations for the period from January 1 to December 31, 2015 amounted to EUR 7,993,012 (previous year: EUR 8,071,628), just slightly lower than in the year before. Liquidity (cash and cash equivalents) rose from EUR 15.1 million to EUR 17.8 million. The position as a whole comprising liquidity and other current and non-current financial assets (e.g. gold, equities, claims against banks and insurance companies resulting from investments) increased from EUR 20.6 million to EUR 24.4 million. Liquidity per share on December 31, 2015 including these other current and non-current financial assets accordingly stood at EUR 6.13 (previous year EUR 5.18).

The operating cash flow was boosted mainly by net earnings, writedowns on fixed assets, an increase in other liabilities arising from higher salary and commission liabilities and a reduction in deferred revenues. On the other hand cash flow was reduced mainly as a result of higher trade receivables and a reduction in tax provisions due to higher tax prepayments.

In financial year 2015 the company made no investments in gold or dividend-bearing securities. In fact, during the third quarter the company sold the bulk of the gold it had held for investment purposes in order to limit the negative effects of a falling gold price on financial earnings. This resulted in receipts amounting to EUR 3.8 million. In addition, the sum of EUR 5.0 million was disbursed by way of an investment in an insurance company. The market value of the overall remaining holdings in gold as of December 31, 2015 stood at EUR 1.7 million. Liquidity was correspondingly reduced by the dividend distribution of EUR 0.88 (previous year: EUR 0.72) per share (EUR 3.5 million; previous year: EUR 2.9 million).

ATOSS is excellently supplied with financial resources which enable the company to counter both macro-economic as well as sector-specific risks and exploit opportunities for external growth. Similarly, the ability of the company to meet its payment obligations remains securely guaranteed.

Tangible and intangible assets at EUR 2.8 million were on a par with the year before. Investments in fixed assets amounted to EUR 0.7 million (previous year: EUR 0.5 million).

The company's long-term holdings in gold are reported under the heading of non-current financial assets in the amount of EUR 0.4 million.

Trade receivables increased from EUR 3.8 million to EUR 4.5 million. The average time to receipt of 28 days (previous year: 27 days) remains extremely low – a fact which in the company's opinion is attributable to a high level of customer satisfaction as well as successful customer account management.

Other current financial assets classified as assets available for sale amounted on December 31, 2015 to EUR 6.1 million (previous year: EUR 5.0 million). In addition to claims against banks and insurers resulting from investments in the amount of EUR 4.9 million, this item also includes investments on a reduced scale in physical gold in line with the company's defined investment policy. A valuation of the remaining holdings in gold as of the balance sheet closing date resulted in a write-down of TEUR 21 (previous year: write-up of EUR 0.6 million). As in the year before, no downward adjustments to the value of equity instruments (shares) were made as of December 31, 2015. Other non-current financial assets classified as available for sale were reduced to EUR 0.4 million as a result of write-downs of TEUR 7 recognized in equity. The market value of current and non-current gold holdings as of December 31, 2015 amounted to EUR 1.7 million.

The company is financed through the ongoing cash flow generated from operations. Current liabilities include trade accounts payable in the amount of EUR 0.3 million (previous year: EUR 0.3 million), deferred revenues in the amount of EUR 2.7 million (previous year: EUR 2.5 million),

tax provisions in the amount of EUR 0.7 million (previous year: EUR 1.3 million) and other current liabilities in the amount of EUR 6.2 million (previous year: EUR 5.5 million). Current liabilities in total on December 31, 2015 had risen to EUR 10.0 million (previous year: EUR 9.7 million). This increase was essentially attributable to higher salary and commission liabilities and an increase in deferred revenues as of the qualifying date. It remains the company's intention not to incur borrowings to finance business operations.

The other current financial liabilities relate predominantly to commitments to employees in respect of variable salary components to be disbursed in the following year, and also to anticipated accounts payable. The company had no liabilities denominated in foreign currencies on December 31, 2015, and no bank loans. Nor does the company intend to use bank loans to finance business operations.

Unsecured current account credit lines in the amount of EUR 0.5 million (previous year: EUR 0.5 million) are available with the principal banks of the integrated companies. As in the year before, no loans were taken out during the past financial year.

Non-current liabilities essentially include the pension provision in the amount of EUR 4.3 million (previous year: EUR 4.2 million).

Group equity capital as of December 31, 2015 amounted to EUR 18.9 million (previous year: EUR 14.9 million), resulting in an equity ratio of 57 percent (previous year: 52 percent). The return on equity as of December 31, 2015 stood at 40 percent (previous year: 47 percent).

As a matter of principle, ATOSS reports its expenditure on research and development in its income statement. As in the past, intangible assets of our own manufacture are not capitalized.

In order to reduce the burden of administrative costs, the company vehicle fleet as well as various items of business equipment are leased. As of December 31, 2015 there were 92 leasing agreements for company vehicles (previous year: 83 vehicles). In addition there were also 11 leasing agreements for copiers (previous year: 9 copiers).

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

4. Remuneration Report

4.1 Remuneration report for the Management Board

The members of the Management Board are:

Andreas F.J. Obereder	Chief Executive Officer	Appointed until December 31, 2018
Christof Leiber	Member of the Board of Management	Appointed until March 31, 2017

The remuneration paid to members of the Management Board is oriented towards their contribution to the success of the business, and towards industry standards. It includes performance-related and non-performance related components. The performance-related components amount to between 19 percent and 40 percent. The non-performance-related compensation is paid monthly in the form of a salary. An advance on the performance-related compensation is paid monthly up to a maximum of 50 percent of the target profit-share payment for the financial year in question.

The Supervisory Board turns its attention at least once per year to the appropriateness of this compensation as a whole and sets new performance targets for the performance-related components yearly in advance. With regard to Section 4.2.3 of the Corporate Governance Code and to Section 87 of the German Stock Corporation Act (AktG) which has been revised following the introduction of the Appropriate Executive Compensation Act (VorstAG), when contracts with the Management Board are concluded in future the Supervisory Board will determine the level of compensation in consideration of the sustained development of the undertaking, of a multi-year basis for assessment and of both positive as well as negative aspects of the development in business. In addition, the Supervisory Board reviews the appropriateness of Management Board compensation annually on the basis of a comparison with the remuneration paid to senior management and employees.

The level of the performance-related remuneration (profit-share payment) in 2015 was as a matter of principle geared to the Group sales target and the company's operating profit target.

The contract with the CEO, Mr. Andreas F.J. Obereder, was extended with effect from January 1, 2014 for a period of five years. Of the newly agreed targets, 40 percent are one-year targets and 60 percent are multi-year targets calculated over a period of three years. The one-year targets relate to sales and earnings, while the multi-year objects comprise quantitative targets over a three-year period. In view of the extremely successful and sustained development in business, non-performance-related compensation was adjusted with effect from January 1, 2015.

The contract with Mr. Christof Leiber was extended with effect from April 1, 2012 for a period of five years. Of the newly agreed targets, 40 percent are one-year targets and 60 percent are multi-year targets calculated over a period of three years. The one-year targets relate to sales and earnings, while the multi-year objectives contain both qualitative and quantitative targets.

Moreover, the contracts with members of the Management Board also include other elements of remuneration in the form of insurance premiums paid by the company and other ancillary benefits, as well as the provision of company motor vehicles.

A non-forfeitable pension commitment also exists in favor of the CEO which is classified as a defined-benefits plan. Pursuant to this agreement, pension payments will commence when the recipient reaches the age of 65 and will be paid for life. The level of future pension rights will vary during the accrual period to an extent equal to future adjustments in the fixed salary of the CEO.

In respect of Management Board compensation, we further refer to Note 43 in the Notes to the consolidated financial statements.

4.2. Remuneration report for the Supervisory Board

The Supervisory Board of ATOSS Software AG is comprised of three members. Mr. Peter Kirn, Rolf Baron Vielhauer von Hohenhau and Mr. Klaus Bauer were re-elected to the Supervisory Board by a resolution adopted by the annual general meeting on April 28, 2015.

The members of the Supervisory Board are:

Peter Kirn	Chairman, corporate consultant, Böblingen
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman, President of the Bund der Steuerzahler in Bayern e.V., Munich.
Klaus Bauer	Supervisory and advisory board member, Nuremberg

The compensation paid to the Chairman, Deputy Chairman and members of the Supervisory Board was determined by a resolution adopted by the annual general meeting on May 22, 2001. Their compensation is accordingly composed of a fixed component and a variable component that is dependent on the number of meetings.

In respect of Supervisory Board compensation, we further refer to Note 42 in the Notes to the consolidated financial statements.

4.3 Ownership of and trading in shares and financial instruments

Board members' shareholdings insofar as these relate to shares in the company are reported in Note 33.

4.4 Reportable securities transactions

The company publishes details of all reportable securities transactions by board members on its website at <https://www.atoss.com/company/investor-relations/corporate-governance/2015>. This information remains available for at least 12 months following publication.

In financial year 2015 the following reportable transactions were undertaken by board members and disclosed:

Name	Transaction	Date of transaction	Number	Price	Disclosed on
Peter Kirn	Sale	05.05.2015	1,000	47.125	05.05.2015
Peter Kirn	Sale	27.07.2015	143	47.02	28.07.2015
Peter Kirn	Sale	13.08.2015	830	47.00	14.08.2015

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.

5. Events after the Reporting Period

There have been no further reportable events of particular significance since the end of the reporting period.

6. Risk Management and Control System

6.1 Company-wide risk management and control system

As a capital market oriented company as defined in Section 264d of the German Commercial Code, the company is obliged in accordance with Section 289, Para. 5 of the Commercial Code to describe the essential features of its internal risk management and control system insofar as this affects its accounting procedures.

The law does not provide a definition of an accounting-related internal control and risk management system. Drawing upon the definitions given by the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf, of an accounting-related internal control system (IDW PS 261 Tz. 19f) and of a risk management system (IDW PS 340, Tz. 4), we understand an internal control and risk management system to be an all-embracing system. An internal control system is accordingly considered to comprise the principles, processes and measures introduced internally within the undertaking by the management to support the organizational implementation of management decisions

- to safeguard the effectiveness and economic efficiency of business operations,
- to ensure the correctness and reliability of internal and external accounting processes, and
- comply with the provisions of the law applicable to the company.

The Group-wide risk management system comprises the entirety of all organizational rules and activities designed to recognize risk and deal with the risks inherent in the conduct of business. Risk in this context is deemed to be a negative deviation from expectations. Against this background within the framework of the existing risk management system we concentrate solely on the identification of risks. The procedure for the recognition and management of risk is described in the following explanatory notes:

In accordance with its long-term business strategy, the company endeavors to avoid exposure to any unreasonable risks. Nevertheless, in the course of its ordinary business activities the company is unavoidably exposed to a variety of risks which arise from these business operations as well as from changes in environmental conditions.

In order to make these risks transparently clear and evaluate them, the company has developed a comprehensive risk management system. The object is not merely to identify and monitor risks on an ongoing basis, but also having assessed the probability of their occurrence and the conceivable level of damage that may be caused, to provide decision-making criteria which convey a transparent picture of the company's willingness to accept risk exposure. Overall in the view of the Management Board, ATOSS has at its disposal an extremely comprehensive and easily comprehended system which meaningfully supports the company's risk strategy.

In the past financial year two extensive risk reviews were undertaken. The results were compiled by the risk management committee in a risk report and submitted to the Management Board.

Material aspects of risk are currently perceived to lie in particular in the economic environment and in the market environment, the degree of success in introducing new focus sectors, employee fluctuation, data protection and data security and the system and network infrastructure. The company endeavors to counter these risks through organizational and other risk-reducing measures and via the installed risk management system which ensures that risks are communicated promptly to the Management Board.

Our high equity ratio and substantial liquidity offer security in economically challenging times. The market environment is continuously monitored, possible growth opportunities are explored, and the potential to distinguish ATOSS from its competitors is duly exploited. High levels of investment in research and development and the considerable technical skills of our employees serve to guarantee high product quality. In the case of major projects, the status of progress is continuously communicated to the administrative department. The risk resulting from the loss of key personnel is fundamentally covered by the fact that knowledge is distributed within departments. Likewise, in addition to implementing organizational data protection and data security measures, new employees are placed under obligation to comply with the data protection regulations. Risks resulting from system and network failures are countered in particular by continuous data backups and via emergency plans to deal with system failures, as well as by the high-availability platform that has been introduced and refined.

The Group counters the financial risk arising from the change in investment strategy by diversifying and limiting exposure to individual forms of investment and individual securities. Moreover the company does not invest its available liquidity in speculative forms of investment. Available funds are invested in whole or in part in short-life fixed term deposits with reputable banks, in equities and in physical gold. The Group's investment strategy is oriented towards preserving value and safeguarding against inflation in the long term. Financial risk is countered through regular monitoring of the financial market and regular reports to the Management and Supervisory Boards on the development in financial assets. In addition all investments in financial assets are reviewed and approved by the company management.

To hedge against financial risks arising from existing assets, in individual cases and after in-depth examination the Group avails itself of derivative financial instruments. No such financial derivatives existed on the balance sheet closing date.

Trade accounts receivable are continuously assessed in terms of viability and allowances are made where noticeable problems arise. Since the company has no single customers which account for more than 10 percent of sales, the credit risk does not present a potential hazard to the continued existence of the business.

In view of the substantial volume of cash funds available at short notice and as well as the positive cash flow from operations, the Group is not subject to any liquidity risk.

Risks arising from existing and future customer contracts are continuously monitored and assessed.

It is possible that legal risks or changes to regulatory requirements may impair business operations. Similarly, as a stock market-listed company there is a risk that at some point it may no longer be possible to satisfy increasing legal requirements in an economically tenable manner. For this eventuality formal procedures are created within our organization, the purpose of which is to take account of changes in conditions.

Finally, there is also the possibility that as yet unrecognized and unreported risks may arise which might also have negative effects on business activities. The combination of in principle mutually independent risks may present additional hazards to the company which may amplify one another. Therefore ATOSS will continue to constantly monitor its environment and review the effectiveness of measures taken and of the risk management system as a whole. Despite continuous adjustments to the risk management system, it is not possible to quantify either the probability of the described risks occurring or their level of financial impact.

Looking ahead to the coming two years, provided that there is no material change in either the market environment or general economic data, the Group anticipates a similar risk structure.

6.2 Risk management system and the accounting process

The essential features of the accounting-related internal control and risk management system in respect of the (Group) accounting process at ATOSS Software AG and its subsidiaries may be described as follows:

- The companies exhibits a clear management, corporate and control structure.
- The functions of the financial accounting, order processing and controlling departments materially involved in the (Group) accounting process are clearly separated and responsibilities are unambiguously assigned.
- For the purpose of analyzing and managing risk factors that may impinge on earnings, we have integrated the risk management system previously described and established a coordinated planning and control system.
- In order to continuously monitor the development in our assets, financial position and earnings situation, a review is submitted to the management and to the Supervisory Board on a monthly basis.
- Uniform (Group) accounting procedures are assured by the application of uniform Group-wide guidelines which are adapted as necessary.

- Functions and responsibilities are unambiguously assigned in all areas of the (Group) accounting process.
- The departments concerned in the (Group) accounting process meet both quantitative and qualitative requirements.
- The IT systems employed in connection with the (Group) accounting process are protected by security features against unauthorized access.
- The financial systems employed are based on standard software.
- Matters with a material (Group) accounting relevance are discussed and clarified at weekly finance meetings.
- Essential (Group) accounting-related processes are subject to regular audit. Where necessary the risk management system is adapted in line with current developments.
- All essential (Group) accounting-related processes are consistently subject to the principle of dual control.
- The Supervisory Board concerns itself with matters of material importance pertaining to (Group) accounting, risk management and the audit assignment and its areas of emphasis.
- The Management Board bears overall responsibility for the (Group) accounting-related internal control and risk management system. All of the companies and departments included in the financial statements are integrated into a clearly defined management and reporting organization.

The (Group) accounting-related internal control and risk management system, the essential features of which are described above, ensures that business events are accurately recorded, treated and reflected in the internal accounts and correctly translated into external accounts. The system also guarantees that potential risks are identified at an early stage and appropriate counter-measures initiated where necessary in good time.

The clear management and corporate structure and the appropriate personnel and material resources made available to the (Group) accounting departments provide the basis for a correct, uniform and sustainable (Group) accounting process. The clear demarcation between areas of responsibility coupled with the various control and monitoring mechanisms ensures that the accounts are prepared coherently and without error.

The internal control and risk system further ensures that the Group accounts are prepared in compliance with legal regulations and statutory requirements as well as internal guidelines and that risks are recognized, assessed and communicated and where necessary counter-measures are taken in good time. With regard to the objectives and methods of financial risk management, we refer to Note No. 48.

7. Dividend Distribution

In proposing a dividend, the Management and Supervisory Boards take due account of the need to safeguard the company's financial resources as well as the principle of dividend continuity which requires that the dividend should not be lower than that paid in the previous year and should be increased if it is possible to do so at a distribution ratio of 50 percent of consolidated earnings per share generated in the financial year. At irregular intervals the company also disburses surplus liquidity in the form of special distributions. The Management Board intends to propose that in resolving on the appropriation of net income, the Supervisory Board recommends a disbursement of EUR 2.80 per share. This would include a dividend of EUR 0.95 (previous year: EUR 0.88) in line with the policy of previous years, as well as a special payment of EUR 1.85 per share. The recommendations for the appropriation of net income put forward by the Management and Supervisory Boards will be resolved upon at the annual general meeting on April 26, 2016.

8. Outlook: Future economic and sector climate, opportunities and risks associated with future development, future company situation

The ifo Institute estimates that the global economy will maintain its moderate pace of expansion in the coming year. This is due to the weaker trends in a series of developing countries, among them Russia and Brazil. In addition, the slowdown in economic growth in China is also likely to persist. In the coming year, the situation in the major advanced economies will also be marked by the development in nominal exchange rates. The increasing strength of the dollar is likely to put a damper on the growth in US exports, whereas demand for goods and services from the eurozone and Japan should increase, as the euro and the yen weaken. Nevertheless, aggregate economic output in the USA is expected to expand more strongly during the forecast period than will be the case in the eurozone or Japan.

The recovery that commenced in the eurozone in the middle of last year is likely to continue, underpinned primarily by rising consumer spending and exports.

The upturn in Germany itself is also expected to hold steady, as conditions continue to favor the German economy. Monetary policy is having an exceptionally expansionary effect, and capital market interest and borrowing rates are likely to remain low in the year ahead. Meanwhile, shadows are cast over the positive economic outlook both by international crises such as those in the Middle East, as well as by a continuation of the economic slowdown in China. The ifo Institute expects real gross domestic product overall to rise by 1.9 percent.¹

The current forecasts by industry association BITKOM anticipate the continuation in 2016 of the growth seen in recent years. The overall ITC market, of which the software, IT services and IT hardware segments form the core, is expected to increase by 1.5 percent to reach EUR 158.4 billion.²

¹⁾ ifo Institute (December 9, 2015): ifo economic forecast for 2015-2017: moderate upturn continues

²⁾ bitkom (October 2015): Press release: Employment in the ICT sector for the first time exceeds one million

We also refer to this outlook on opportunities in Section 2, Group basics, and in Section 6, Risk management and control system. Clearly distinguished as it is at the level of products and technology, financial stability and sustainability and with first-class references in all relevant markets, ATOSS is well positioned to take advantage of the opportunities that present themselves and convert these into business success. What's more, there is considerable potential to improve the competitiveness of our target customers and thereby secure sustained sales opportunities in the company's specialist field of solutions designed to enhance workforce management efficiency.

With a look to financial year 2016, we expect our cost structure to remain generally unchanged, with sales and earnings developing on a par with the past year's growth rates within a bandwidth of +/- 3 percent. At the same time, in financial year 2016 ATOSS intends to increase the level of investment in addressing new markets and associated opportunities for fresh growth in the field of workforce management. Investments are planned in particular in sales and marketing. Also after the dividend distribution, ATOSS Software AG, with its balance sheet structure largely unchanged, will continue to enjoy a comfortable equity ratio with liquidity in excess of EUR 18.0 million at the year-end. Last year's forecast of a moderate increase in sales and earnings was achieved and exceeded thanks to the number of new enterprise customers acquired.

9. Responsibility Statement

The Management Board gives an assurance to the best of its knowledge and belief that the development in business, including the results and the situation of the company, are described in such a manner in this management report as to present a true and fair view, and that the essential opportunities and risks are described accordingly.

Munich, February 12, 2016



Andreas F.J. Obereder
Chief Executive Officer



Christof Leiber
Member of the Board of Management

CONSOLIDATED BALANCE SHEET TO 31.12.2015

Assets (EUR)	Note	31.12.2015	31.12.2014
Non-current assets			
Intangible assets	11, 22	161,175	141,584
Tangible fixes assets	11, 22	2,685,539	2,736,726
Other financial assets	6, 8, 9, 20	444,504	451,755
Deferred taxes	12, 23	932,562	1,006,914
Total non-current assets		4,223,780	4,336,979
Current assets	8, 9		
Inventories		8,278	6,861
Trade accounts receivables	6, 7, 8, 20	4,461,802	3,842,007
Other financial assets	6, 7, 8, 9, 20	6,142,294	5,023,032
Other non-financial assets	21	674,954	534,163
Cash and cash equivalents	8, 9, 19	17,781,537	15,107,722
Total current assets		29,068,865	24,513,785
Total assets		33,292,645	28,850,764
Equity and Liabilities (EUR)	Note	31.12.2015	31.12.2014
Equity			
Subscribed capital	29	3,976,568	3,976,568
Capital reserve	29	-661,338	-661,338
Equity deriving from unrealized profits/losses	29	-1,798,324	-1,707,831
Unappropriated net income	53	17,428,349	13,333,498
Equity attributable to equity holders of the parent		18,945,255	14,940,898
Non-controlling interests		-10,394	-5,692
Total equity		18,934,861	14,935,206
Non-current liabilities			
Pension provisions	6, 15, 28	4,338,973	4,213,769
Deferred taxes	12, 23	37,218	0
Total non-current liabilities		4,376,191	4,213,769
Current liabilities			
Trade accounts payable	13	300,045	320,388
Other liabilities	25	6,240,055	5,450,257
Deferred revenues	26	2,700,790	2,535,212
Tax provisions		651,703	1,306,933
Other provisions	14, 27	89,000	89,000
Total current liabilities		9,981,593	9,701,790
Total equity and liabilities		33,292,645	28,850,764

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

EUR	Note	01.01.2015 –31.12.2015	01.01.2014 –31.12.2014
Sales revenues	16, 30	44,940,772	39,682,997
Cost of sales	31	-14,138,130	-12,370,014
Gross profit on sales		30,802,642	27,312,983
Selling costs	32	-7,385,889	-6,440,142
Administration costs	33	-3,532,506	-3,340,062
Research and development costs	34	-8,706,603	-7,962,681
Other operating income	37	349,967	264,128
Other operating expenses	37	-183,489	-47,604
Operating profit (EBIT)		11,344,122	9,786,622
Interest and similar income	36	97,582	605,783
Interest and similar expenses	36	-119,586	-97,381
Earnings before taxes (EBT)		11,322,118	10,295,024
Taxes on income and earnings	23, 38	-3,731,339	-3,262,838
Net income for the year		7,590,779	7,032,186
Attributable to:			
Equity holders of the parent		7,599,039	7,039,878
Non-controlling interests		-8,260	-7,692
Earnings per share (undiluted)		1.91	1.77
Earnings per share (diluted)		1.91	1.77
Average number of shares in circulation (undiluted)		3,976,568	3,976,568
Average number of shares in circulation (diluted)		3,976,568	3,976,568

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

EUR	Note	01.01.2015 –31.12.2015	01.01.2014 –31.12.2014
Net income for the year		7,590,779	7,032,186
Components not reallocated in profit and loss			
Profits/losses on the revaluation of defined benefit pension plans recognized in equity	28	-30,372	-1,492,409
Tax effects on profits/losses on the revaluation of defined benefit pension plans recognized in equity	28	9,901	486,525
Components reallocated in profit or loss in later periods			
Profits/losses recognized in equity on the disposal of financial assets available for sale	20	-103,073	43,263
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	20	33,051	-10,816
Other comprehensive income for the period after taxes		-90,493	-973,437
Comprehensive income after taxes		7,500,286	6,058,750

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

EUR	Note	01.01.2015 –31.12.2015	01.01.2014 –31.12.2014
Net income for the year		7,590,779	7,032,186
Depreciation of fixed assets	22	688,294	518,689
Gains/losses from the disposal of fixed assets		22,957	286
Gains/losses from the disposal / valuation of financial assets available for sale		-52,085	-574,850
Other financial investment income		-24,088	-30,800
Change in deferred taxes	23	114,123	-311,682
Change in provisions for pension commitments	28	102,181	101,588
Adjustment for items not recognized in profit or loss		33,051	-10,816
Change in net current assets			
Trade accounts receivable	20	-619,795	-812,172
Inventories and other assets	20	-142,208	657,440
Trade accounts payable		-20,343	-6,902
Other liabilities	25	789,798	716,166
Deferred revenues	26	165,578	-408,898
Tax provisions	23	-655,230	1,201,392
Cash flow generated from business operations (1)	39	7,993,012	8,071,628
Cash flow from investment activities			
Disbursements for the purchase of tangible and intangible assets	22, 40	-679,654	-526,374
Disbursements for the purchase of other financial assets	20, 40	-5,000,000	0
Receipts from the disposal of other financial assets	40	3,837,000	0
Interest received	40	24,088	30,800
Cash flow generated from investment activities (2)	40	-1,818,566	-495,574
Cash flow from financing activities			
Proceeds from transactions with non controlling interests through the formation of a subsidiary		0	2,000
Disbursements from acquisitions of non-controlling interests	41	-1,250	0
Dividends paid	29, 41	-3,499,380	-2,863,129
Cash flow generated from financing activities (3)	41	-3,500,630	-2,861,129
Change in liquidity - total of (1) to (3)		2,673,816	4,714,925
Liquidity at beginning of year	19	15,107,721	10,392,796
Liquidity at end of year	19	17,781,537	15,107,721
Cash flow generated from business operations include:			
Income taxes paid		-4,235,871	-2,338,125
Tax refunds received		3,518	2,722

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31.12.2015

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	
Note	29	29	29	29		
01.01.2014	3,976,568	-661,338	-734,394	9,156,749	0	11,737,585
Net income 2014	0	0	0	7,039,878	-7,692	7,032,186
Other comprehensive income	0	0	-973,437	0	0	-973,437
Total comprehensive income	0	0	-973,437	7,039,878	-7,692	6,058,750
Dividends	0	0	0	-2,863,129	0	-2,863,129
Non controlling interests	0	0	0	0	2,000	2,000
Status 31.12.2014	3,976,568	-661,338	-1,707,831	13,333,498	-5,692	14,935,206
01.01.2015	3,976,568	-661,338	-1,707,831	13,333,498	-5,692	14,935,206
Net income 2015	0	0	0	7,599,039	-8,260	7,590,779
Other comprehensive income	0	0	-90,493	0	0	-90,493
Total comprehensive income	0	0	-90,493	7,599,039	-8,260	7,500,286
Dividends	0	0	0	-3,499,380	0	-3,499,380
Non controlling interests	0	0	0	-4,808	3,558	-1,250
Status 31.12.2015	3,976,568	-661,338	-1,798,324	17,428,349	-10,394	18,934,861

One share represents a notional share of 1 Euro of subscribed capital.

Notes to the Consolidated Financial Statements 2015

I. Company information

ATOSS Software AG, hereinafter also called “ATOSS” or “the company”, is a stock corporation established in Munich, Germany, with limited liability. The company with headquarters at Am Moosfeld 3 in Munich is one of the leading providers engaged in the development and sale of software licenses, software maintenance, hardware and consulting services pertaining to the provision of electronic support for all corporate processes involved in the efficient deployment of personnel resources at business enterprises and public institutions. Each of the ATOSS product lines consists of integrated software modules which are employed by large numbers of customers.

II. Accounting and valuation methods

1. International Financial Reporting Standards (IFRS)

As in the year before, the present consolidated financial statements were prepared for both the parent company and subsidiaries in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as applicable in the EU and with the supplementary provisions of German commercial law applicable pursuant to § 315a, Para. 1 of the German Commercial Code (HGB).

The accounting and valuation methods applied in the previous year were retained with the exception of the following new or amended Standards.

Standard or Interpretation	Description	for financial years with effect from
IAS 19	Defined Benefit Pension Plans: Employee Contributions	01.02.2015
Annual Improvements to IFRSs 2010 – 2012		01.02.2015
Annual Improvements to IFRSs 2011 – 2013		01.01.2015

Application of these new or amended Standards had no material impact on Group accounting and did not affect either the presentation of the consolidated financial statements or the net assets, financial position and earnings situation of the Group.

The Group has not prematurely applied the following standards, amendments to standards and IFRIC interpretations of IFRS, which have been published but have not yet come into force, and does not plan to do so. The essential effects resulting from these changes are explained hereinafter.

Standard or Interpretation	Description	For financial years with effect from
IAS 1	Presentation of Financial Statements	01.01.2016
IFRS 9	Financial Instruments	01.01.2018
IFRS 15	Revenue from Contracts with Customers	01.01.2018
Annual Improvements to IFRSs 2012–2014		01.01.2016

As part of its disclosure initiative on December 18, 2014 the IASB published its amendments to IAS 1 “Presentation of Financial Statements”. The amendments in particular include clarifications of how to assess the materiality of information provided in the financial statements, the presentation of additional items in the balance sheet and statement of comprehensive income, the presentation of other income attributable to equity-accounted associates and joint ventures, and other information concerning the structure of notes and the presentation of principal accounting methods. The amendments must be applied for annual reporting periods commencing on or after January 1, 2016. The Group does not anticipate that the amendments to IAS 1 will have any material effects on the consolidated financial statements.

The final version of IFRS 9 which covers the reporting and measurement of financial instruments was published on July 24, 2014. This version of IFRS 9 now includes in full the sections concerning classification and measurement, impairment and reporting of financial guarantees and must be applied for financial years commencing on or after January 1, 2018. The newly included sections absent from previous versions cover impairments of financial instruments and amended measurement categories for financial assets. The new IFRS 9 also contains guidelines for the classification of financial assets. An analysis is underway to determine whether the application of IFRS 9 will impact on the consolidated financial statements, and if so what the effects may be.

IFRS 15, which provides new rules for the recognition of revenues, was published on May 28, 2014. This Standard contains a uniform 5-step model by which revenues are recognized in an amount equal to a counter-performance which may be expected in return for the transfer of goods or services to a customer. In addition, IFRS 15 also introduces extensive new disclosure requirements. The new Standard replaces IAS 18 “Revenue”, IAS 11 “Construction Contracts” and all associated Interpretations, and is to be applied for financial years commencing on or after January 1, 2018. Earlier application is permissible. The Group intends to apply the new Standard upon the prescribed date on which it takes effect. The effects of IFRS 15 on the net assets, financial position and earning situation of the ATOSS Group are currently being analyzed.

2. Bases for the preparation of the financial statements

The present consolidated financial statements were prepared to December 31, 2015 for the reporting period from January 01 to December 31, 2015. The financial year for all group companies coincides with the calendar year. As a matter of principle the consolidated financial statements are prepared in application of the historical cost method, with the exception of current financial assets which are measured at fair value.

3. Reporting currency

The present consolidated financial statements were prepared in euro. Amounts are rounded up to whole euro units.

4. Consolidated group

The parent company with registered office and stock exchange listing in Germany is ATOSS Software AG, Munich. All subsidiaries are fully consolidated in the Group financial statements for ATOSS Software AG. Subsidiary companies are fully consolidated from the time of acquisition, that is to say, from the time at which the group acquires control. The parent company is deemed to control a subsidiary when the parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. As a matter of principle, control is exercised through voting rights. Companies cease to be consolidated when the parent company no longer has control.

A change in the level of participation in a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Their annual financial statements have been prepared in accordance with national regulations and reconciled in accordance with IFRS.

Company	Proportion of Subscribed capital	Equity 31.12.15 in EUR	Result for the year 2015 in EUR
ATOSS CSD Software GmbH, Cham, Germany	100%	583,264	483,562
ATOSS Software AG, Zurich, Switzerland	100%	371,022	272,957
ATOSS Software Gesellschaft m.b.H., Vienna, Austria	100%	1,109,865	961,876
ATOSS Software S.R.L., Timisoara, Romania	100%	405,756	70,791
ATOSS Aloud GmbH, Munich, Germany	97%	-346,475	-275,320

5. Consolidation principles

The financial statements for subsidiaries are prepared in application of uniform accounting methods for the same reporting period as the financial statements for the parent company. All Group-internal balances, business events, unrealized profits and losses on internal transactions and dividends are eliminated in full.

Capital consolidation of fully consolidated companies was undertaken in accordance with the acquisition method. The recognized values of assets assigned and liabilities accepted representing the acquisition cost of the interest in each relevant company were offset against the equity capital reported by the subsidiary at the time of acquisition.

Business combinations are accounted for in accordance with IFRS 3 by the acquisition method. The cost of acquiring a company is deemed to be the sum of the consideration transferred measured at fair value at the time of acquisition and the shares without controlling interest in the entity acquired. In the case of every business combination, the acquirer must value the shares without controlling interest in the acquired entity either at fair value or at the appropriate proportion of the identifiable net assets of the acquired entity. Costs incurred in connection with the business combination must be expensed.

Should the Group acquire a business, it must assess the appropriate classification and designation of financial assets and assumed debts in compliance with the terms of contract, business circumstances and conditions prevailing at the time of acquisition. This includes the separation of embedded derivatives in underlying contracts. No mergers between companies took place in financial year 2015 (previous year: none).

ATOSS Aloud GmbH, Munich, which was newly established on August 1, 2014, is fully consolidated in the Group financial statements for ATOSS Software AG. The equity attributable to minority shareholders in ATOSS Aloud GmbH and the pro rata net earnings are each reported separately in the consolidated balance sheet, income statement, statement of comprehensive income and statement of changes in equity.

6. Estimates, assumptions and discretionary decisions made in preparing the consolidated financial statements

Preparing the annual financial statements in compliance with International Financial Reporting Standards (IFRS) necessitates estimates and assumptions which affect the figures shown in the consolidated balance sheet, consolidated income statement and the notes to the consolidated financial statements.

Consequently, for example, estimates are made in determining sales revenues for long-term production orders. The amount here is dependent upon the anticipated duration of implementation and the resulting proportionate progress of the project. These components are based on information which at the time the financial statements are prepared is in the possession of the consultants deployed and of the management in respect of the services to be provided and the required use of

resources. It is therefore to some extent more difficult and more complex to make an estimate in the early stages of a project. Sales revenues deriving from production orders in work at the end of the reporting period amounted in financial year 2015 to EUR 699,851 (previous year: EUR 551,976).

On every reporting date the Group investigates whether there are objective indications to conclude that the value of a financial asset or group of financial assets available for sale is impaired. In the case of financial assets classified as available for sale, a significant or sustained decline in fair value below the cost of acquisition would constitute objective grounds. The decision as what constitutes "significant" or "sustained" is discretionary. In this context in addition to other factors the Group considers past fluctuations in price and the duration and extent to which the fair value of a financial investment falls below its cost of acquisition. The value of the gold holdings reported among other financial assets is deemed to be impaired if the fair value as of the balance sheet closing date is 10 percent below the cost of acquisition, or has remained below cost for 6 months without interruption. The book value of gold holdings carried as other financial assets amounted as of December 31, 2015 to EUR 1,677,905 (previous year: EUR 5,469,995).

The value of pension provisions is also subject to estimates in respect of the parameters listed in Note 28. The book value of the provision as of December 31, 2015 stood at EUR 4,338,973 (previous year: EUR 4,213,768).

Actual figures may deviate from estimates made.

In application of the Group accounting methods the company has made the following discretionary decisions that materially affect the consolidated financial statements:

Development costs are recognized as expenses in profit and loss. The criteria contained in IAS 38.57 for development costs to be carried as assets are not fulfilled, since the original development of today's products to some extent took place through the medium of customer projects and it is not possible to reliably measure the income achievable in future from the development of individual functions and releases.

Moreover in the interests of greater transparency regarding the development in value of its investments – made as part of its investment policy – in physical gold, the company classifies its holdings as financial assets available for sale.

7. Currency translation

The functional currency for all Group companies is the euro.

Foreign currency transactions are initially translated by Group companies into the functional currency at the spot rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are converted into the functional currency at the exchange rate on the qualifying date.

Non-monetary items measured in foreign currency at historic cost of acquisition or manufacture are converted at the exchange rate applying the date of the transaction. Non-monetary items measured in foreign currency at fair value are converted at the exchange rate applying on the date on which fair value is ascertained.

Corresponding foreign currency profits and losses are recognized in the consolidated income statement.

8. Financial assets

Initial recognition and measurement

Financial assets within the meaning of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, financial assets available for sale or derivatives designed as hedging instruments and effective as such. The Group determines the class to which its financial assets belong upon first recognition. Financial assets are measured on initial recognition at fair value. In the case of financial investments which are not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the asset are also taken into consideration.

All purchases and sales of financial assets which foresee delivery of the asset within a period determined by the regulations or conventions of the market in question (regular way purchases) are recognized on the trade date, that is to say, on the date on which the Group entered into a commitment to buy or sell the asset.

In addition to cash and cash equivalents, the Group's financial assets also include trade receivables (classed as: "loans and receivables") and other financial assets (classed as: "financial assets available for sale").

Subsequent measurement

The subsequent measurement of financial assets is dependent on their classification, as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. Subsequent to initial recognition, such financial assets are measured at amortized cost by the effective interest method less any impairments. Amortized costs are calculated in consideration of any premium or discount at time of acquisition as well as fees or costs which represent an integral part of the effective interest rate. Amortization income in application of the effective interest method is recognized in the income statement as financial income.

Available-for-sale financial assets

Financial investments in gold and dividend-bearing securities as well as claims against banks and insurance companies arising from capital investments are classified by the Group as financial assets available for sale. They are held for an indefinite period and may be sold in response to a need for liquidity or changes in market conditions.

Subsequent to their initial valuation, in following periods financial assets available for sale are measured at fair value. Unrealized profits or losses are recognized as other income/expenses in a reserve for financial assets available for sale. If such an asset is eliminated, the cumulative profit or loss is reported among financial income and expenses. If an asset is impaired, the cumulative loss is recognized in profit and loss as a financial expense and removed from the reserve for financial assets available for sale.

It must be assessed by the Group, whether in the case of financial assets available for sale, it is possible and intended to sell these in the near future. Insofar as the Group is unable to trade these financial assets as a result of inactive markets and there is a material change in the intention of the management to sell them in the short term, the Group may decide to reclassify these financial assets under extraordinary circumstances. No reclassifications took place in financial year 2015 (previous year: none).

Derecognition

A financial asset or a part of a financial asset or a part of a class of similar financial assets is derecognized if one of the following conditions is fulfilled:

- The contractual rights to receive the cash flow from a financial asset have expired.
- The Group has transferred its contractual rights to receive the cash flow from the financial asset to a third party or assumed a contractual obligation to immediately pass on the cash flow to a third party under an arrangement that meets the conditions in IAS 39.19 (a transmission arrangement), and has thereby either a) transferred substantially all the risks and rewards associated with ownership of the financial asset or b) neither transferred nor retained substantially all the risks and rewards associated with ownership of the financial asset, but relinquished control over the asset.

If the Group transfers its contractual rights to the cash flow from an asset or enters into a transmission arrangement whereby substantially all the risk and rewards associated with ownership of the asset are neither transferred nor retained but control over the asset is not relinquished, the Group must continue to recognize the asset to the extent that it has a continuing involvement and an associated liability.

Fair value hierarchy

The Group uses the following hierarchy to determine the fair value of financial instruments and for the purpose of making disclosures regarding the measurement process:

- Level 1: Quoted (unadjusted) prices on active markets for equivalent assets or liabilities,
- Level 2: Procedures in which all input parameters which materially affect fair value are either directly or indirectly observable,
- Level 3: Procedures which employ input parameters that have a material impact on the recognized fair value and are not based on observable market data.

9. Impairment of financial assets

On every reporting date the Group investigates whether there are objective indications that the value of a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if as a result of one or more events that have occurred subsequent to initial recognition there are objective indications of impairment, and this impairment will have an effect on the expected future cash flows from the financial asset or group of financial assets that can be reliably estimated. Impairment may be inferred if there are indications that the debtor or group of debtors are in severe financial difficulties, in the event of delay or default on interest or redemption payments or of the probability of insolvency or other restructuring, or if observable data indicate a measurable reduction in the expected future cash flow, such as for example alterations in arrears or economic conditions that correlate with business failures.

Financial assets carried at amortized cost

With regard to financial assets carried at amortized cost, it must first be determined whether there are objective indications of impairment individually among assets perceived as significant or individually or jointly among assets that are not perceived as significant.

If there are objective grounds to believe that an asset is impaired, the impairment loss is calculated as the difference between the carrying value of the asset and the cash value of the expected future cash flow with the exception of expected future loan losses which have yet to occur. The cash value of the expected future cash flow is discounted at the original effective interest rate for the financial asset.

In the case of trade accounts payable, adjustments are implemented in the amount of the carrying value of the receivable if the due date has been exceeded by more than 120 days and an assessment of the general payment pattern and credit-worthiness of the customer indicates that such action is appropriate. In the event of a customer becoming insolvent, the full value of the receivable is reported as a loss.

In the case of receivables, the carrying value of the asset is reduced with the aid of a value adjustment account and the impairment recognized in profit and loss. Receivables including an associated impairment are derecognized if they are classed as uncollectable. Should the estimated impairment increase or decrease in subsequent reporting periods as the result of an event which occurs after the impairment has been recognized, the increase or decrease in the previously recognized impairment cost is recognized in profit or loss by adjusting the impairment account. If a derecognized receivable is subsequently considered to be collectable as the result of an event which takes place after derecognition, the corresponding amount is set off directly against other operating expenses.

Available-for-sale financial assets

On every reporting date the Group investigates whether there are objective indications to conclude that the value of a financial asset or group of financial assets available for sale is impaired.

A significant or sustained decline in fair value below the cost of acquisition would constitute objective grounds. The criterion of 'significance' should be assessed on the basis of the original cost of acquiring the financial investment and the criterion of 'sustainment' should be assessed on the basis of the period for which the fair value has lain below the original cost. The decision as what constitutes "significant" or "sustained" is discretionary (see Note 6).

If there are indications of impairment, the cumulative loss – being the difference between the cost of acquisition and current fair value less any impairment of the instrument previously recognized in profit and loss – is separated from other income and expenses and recognized in profit and loss. Equity instrument adjustments are not reversed in profit and loss: A subsequent increase in fair value is recognized directly as other income.

10. Non-current non-financial assets

At the end of every reporting period the group investigates whether there are grounds to believe that the value of an asset is impaired. If such grounds exist or if an annual review of the sustained value of an asset is required, the group makes an estimate of the amount that may be achieved for the asset in question. The achievable amount is the higher of either the fair value of an asset or cash-generating unit less disposal costs or its utility value. The achievable amount must be determined for each individual asset, unless an asset generates no cash flow which is essentially independent of those generated by other assets or groups of assets. If the carrying value of an asset exceeds its achievable value, the asset is impaired and is written down to its achievable value. To determine the value in-use, the expected future cash flows are discounted to their cash value at a pre-tax discount rate which reflects current market expectations regarding the interest effect and the risks specific to the asset. An appropriate valuation model is applied to determine the fair value less sales costs. This model is based on valuation multipliers or other available indicators of fair value.

Impairment costs at going-concern business units are recognized in the income statements under cost headings which correspond with the function of the impaired asset.

An investigation is similarly made at the end of every reporting period to determine whether there are grounds to believe that a previously recognized impairment no longer exists or is reduced. If such grounds exist the group makes an estimate of the achievable amount. A previously recognized impairment will only be reversed if the estimated amount that may be achieved has changed since the last occasion on which an impairment was recognized. Should this be the case, the carrying value of the asset is increased to its achievable value. This amount must not however exceed the carrying value that would apply after scheduled depreciation if no impairment of the asset were to have been recognized in preceding years. A write-up is recognized in the result for the period.

In the financial year under review there were no impairments of non-current assets pursuant to IAS 36.

11. Tangible and intangible assets

Tangible fixed assets and intangibles are valued at cost less cumulative scheduled linear depreciation. Assets are depreciated over periods of between three and five years. In deviation herefrom, leasehold fixtures are depreciated over the term of the lease or over their estimated service life if this is shorter. The business premises acquired in Meerbusch are depreciated over a service life of 33 years. The cost of acquisition is deemed to be the amount paid in cash or cash equivalents to purchase the asset. At the end of the reporting period the company had no intangible assets with an indefinite service life.

Write-downs on tangible fixed assets and intangibles with limited service life are recognized in the income statement under the expense heading which corresponds with the function of the asset.

A tangible fixed asset or intangible asset is derecognized either when it is disposed of, or when there is no economic benefit to be expected from the continuing use or sale of the asset. The profits or losses resulting from the derecognition of the asset are calculated as the difference between the net sale proceeds and the carrying value of the asset and recognized in the income statement in the period in which the asset is derecognized.

Residual values, service lives and methods of depreciation are reviewed at least at the end of each financial year and adjusted as required. Alterations to the method or period of depreciation necessitated by changes in the expected service life or expected consumption of the future economic benefit of the asset are treated as changes in estimates.

12. Taxes

Actual taxes on income

The actual tax refund claims and tax liabilities for current and previous periods are measured at the amount in which a refund is expected from or payment expected to the tax authorities. This amount is in turn calculated on the basis of the tax rates and tax regulations applying on the balance sheet closing date.

Deferred taxes

Tax deferrals are formed in application of the liability method, based on temporary differences existing at the end of the reporting period between the value at which an asset or liability is reported on the balance sheet and its value for tax purposes.

Deferred tax claims are recognized for all tax-deductible temporary differences, unused tax loss carryforwards and unused tax credits in the amount in which taxable income against which tax-deductible temporary differences and unused tax loss carryforwards and tax credits can be offset is likely to be available.

The carrying value of deferred tax claims is reviewed on each balance sheet closing date and reduced accordingly if it is no longer likely that adequate taxable income will be available against which the

deferred tax claim might at least in part be offset. Deferred tax claims not carried on balance sheet are reviewed at the end of each reporting period and taken on balance sheet in the amount in which it is now likely that future taxable income will allow the deferred tax claim to be realized.

Deferred tax claims and liabilities are calculated at the tax rates likely to apply in the period in which an asset is realized or a liability satisfied. The tax rates and tax regulations applying on the balance sheet closing date are taken as a basis. Future changes in tax rates must be taken into account on the balance sheet closing date provided that the necessary material conditions for these changes to become effective are fulfilled in the form of legislation.

Deferred taxes relating to items recognized in equity are similarly recognized. Dependent on the underlying business event, these deferred taxes may be recognized either in other income or directly in equity.

Deferred tax claims and deferred tax liabilities are offset against one another provided that the Group has an enforceable claim to set off actual tax refund claims against actual tax liabilities and these relate to income taxes on the same taxable entity, levied by the same tax authority.

Turnover tax

Sales revenues, expenses and assets are generally recognized after deduction of turnover tax. Exceptions apply in the following cases:

- If the turnover tax incurred when assets or services are purchased cannot be reclaimed from the tax authority, the tax paid is recognized as a part of the manufacturing cost of the asset or as part of the expense.
- Receivables and liabilities are reported at an amount including the turnover tax.

The amount of turnover tax refunded by or remitted to the tax authority is recognized in the consolidated balance sheet under other non-financial assets or liabilities.

13. Financial liabilities

Financial liabilities such as trade accounts payable and other liabilities are measured on first recognition at cost, being the fair value of the counter-performance received. Thereafter these liabilities are carried on the balance sheet at amortized cost. The trade accounts payable and other financial liabilities do not attract interest.

A liability is derecognized when the underlying obligation is satisfied, terminated or expired. If an existing liability is exchanged for another liability to the same creditor under substantially different terms of contract, or if the conditions pertaining to an existing liability are materially altered, the exchange or alteration is treated as if the original liability were eliminated and a new liability taken up. The difference between the respective carrying values is recognized in profit and loss.

14. Provisions

A provision is reported if the Group is under a present statutory or actual obligation resulting from a past event, if it is likely that resources having an economic value will be expended to satisfy the obligation and a reliable estimate can be made of the extent of the obligation. Insofar as the Group expects an accrual carried as a liability to be at least in part reimbursed as for example under an insurance contract, provided that it is as good as certain that it will be received, the reimbursement is carried as a separate asset. The cost of forming the provision is reported in the income statement after deduction of the reimbursement.

The company anticipates that the remaining time to maturity of current provisions will be less than one year.

15. Pension provisions

A non-forfeitable pension commitment exists in favor of the CEO of ATOSS Software AG, Munich, which is classified as a defined benefits plan. Pursuant to this plan, pension payments will commence when the recipient reaches the age of 65 and will be paid for life. To cover this pension commitment the company has arranged pension liability insurance cover with insurers who enjoy positive ratings and assigned the entitlements arising there from with the result that since financial year 2005 the attributable fair value of the assets of the plan deriving from the pension liability insurance policies are netted against the benefit obligation.

The pension commitment is underpinned by an actuarial report prepared on the basis of IAS 19 – Employee Benefits. The figure reported for the accrued and predicted pension obligation corresponds with the actuarially calculated cash value which since 2005 has been reduced by the fair value of the plan assets. The rules governing benefit commitments contained in IAS 19.63 ff. have been taken as a basis.

For measurement purposes, the projected unit credit method is applied. In accordance with this method, the pension units accrued in individual years are regarded as building blocks which collectively form the pension obligation. The cost of the pension is a product of the cost of interest on accrued pension rights already reported at cash value, the current service cost, the past service cost resulting from the changes in the pension commitment and the expected income from the plan assets. The defined benefit obligation is the dynamic cash value of the pro rata accrued pension units, taking into account the fact that future pension rights have already been proportionately accrued.

The pension provision was calculated on the basis of an assumed interest rate of 2.3 percent (previous year: 2.4 percent), a salary trend of 0.0 percent (previous year: 2.0 percent), an inflation rate of 2.0 percent (previous year: 2.0 percent) and a pension trend of 3.0 percent (previous year: 3.0 percent). The biometric tables prepared by Prof. Klaus Heubeck [Richttafeln 2005 G] were applied.

In addition, there are also contributory pension plans for a member of the Board of Management and for employees with 15 or more years service. The company pays contributions for the latter into a private retirement pension scheme in the form of a pension fund for the duration of their employment. These contributions in financial year 2015 amounted to EUR 122,823 (previous year: EUR 122,507).

16. Recognition of sales revenues and income

The company generates sales revenues by licensing software products to end users and resellers, as well as from maintenance contracts, services and other receivables.

Discounts and turnover tax or other levies are not considered.

Pursuant to IAS 18.14, revenues deriving from licensing and other supplies and services are regarded as realized when

- (a) The essential risks and rewards associated with the contractual rights to the use of licensed software have been transferred;
- (b) The company has no further rights to dispose over the licensed material;
- (c) The level of sales can be reliably determined;
- (d) It is sufficiently probable that the economic benefits will flow (the receivable will be received), and
- (e) The costs incurred in association with the sale can be reliably measured.

The company has also entered into reseller agreements in accordance with which resellers are granted discounts on the list prices for license fees. The license fees retained by the company are in principle regarded as having been realized when rights of use to the licensed software have been granted to the reseller's end customer and the essential risks and rewards have thereby been transferred either to the end user or to the reseller.

Consultancy sales are directly associated with services rendered under essentially separate contracts. Pursuant to IAS 18.20, income from the performance of services is realized when

- (a) The level of sales can be reliably determined;
- (b) It is sufficiently probable that the economic benefit of the transaction will flow to the company (the receivable will be received);
- (c) The degree of completion at the end of the reporting period can be reliably measured, and
- (d) The costs incurred in performing the service can be reliably measured.

Software licenses and maintenance services are generally sold together. Sales revenues are realized in accordance with IAS 18.13. Maintenance revenues are treated as deferred income and recognized as sales revenues over the period during which the services are provided.

Production orders are deemed to exist insofar as the contractual agreements are structured in accordance with the law on contracts for work and services or the orders cannot be fulfilled by ATOSS partners or by services rendered by the customer on own account. If a customer commissions a long-term production order, the sales revenues and income are measured by the percentage of completion method as per IAS 11.23. Individual sales components are in principle realized in the ratio of the progress of the project services thus far rendered to the anticipated overall volume of services. The progress of the project is in turn measured on the basis of documentation maintained by the project managers and the overall assessment of the management.

Sums invoiced in advance for maintenance and production orders that are to be performed and taken to income in subsequent periods are carried as deferred revenues.

Other operating income is recognized provided that it is probable that the economic benefit will accrue to the Group and the amount of income can be reliably determined, irrespective of the time payment is made.

Interest earnings are recognized when the interest arises, or in the case of all financial instruments valued at amortized cost, at the effective interest rate. They are reported in profit and loss as a component of financial income.

17. Expenditure on research and development

The company recognizes the costs of researching and developing its software products as an expense in its income statement.

18. Leasing

Whether an arrangement constitutes a lease is determined on the basis of the economic content of the arrangement at the time the arrangement is entered into and necessitates an estimate of whether fulfillment of the contractual agreement is dependent on the use of a specific asset or assets and whether the agreement affords a right to use the asset.

The company regularly reviews its contractual relationships with suppliers to determine whether pursuant to the provisions of IFRIC 4 - Determining Whether an Arrangement Contains a Lease they should be classified as leases. On December 31, 2015 as in the preceding year there were no contractual arrangements which meet the criteria specified in IFRIC 4.

Lease payments for operating leases are recognized over the relevant periods in linear fashion as expenses in the income statement.

III. Notes to the Consolidated Balance Sheet

19. Cash and cash equivalents

EUR	31.12.2015	31.12.2014
Fixed-term deposits	10,000,000	6,818,000
Cash at banks	7,781,537	8,289,722
Total of cash and cash equivalents	17,781,537	15,107,722

The fixed-term deposits are deposited for various periods dependent on the Group's cash requirements, with remaining times to maturity of up to 2 months and at interest rates of between 0.2 percent and 0.3 percent per annum. The other cash sums held at banks earn interest at up to 0.1 percent.

Given the positive cash flow from operations amounting to EUR 7,993,012, less investment expenditure of EUR 1,818,566 and the dividend payment of EUR 3,499,380, cash and cash equivalents increased from EUR 15,107,722 to EUR 17,781,537.

Fixed-term deposits and other cash sums are invested with financial institutions with positive ratings.

The fair value of the company's cash and cash equivalents equates to the book value and accordingly stands at EUR 17,781,537 (previous year: EUR 15,107,722).

20. Other financial assets

31.12.2015 (EUR)	Held for trading	Available for sale	Held to maturity	Loans and receivables	Other
Trade accounts receivables	0	0	0	4,461,802	0
Other current financial assets					
of which at fair value	0	6,142,294	0	0	0
Other non-current financial assets					
of which at fair value	0	444,504	0	0	0

31.12.2014 (EUR)	Held for trading	Available for sale	Held to maturity	Loans and receivables	Other
Trade accounts receivables	0	0	0	3,842,007	0
Other current financial assets					
of which at fair value	0	5,023,032	0	0	0
Other non-current financial assets					
of which at fair value	0	451,755	0	0	0

The default risk associated with other financial assets that are neither overdue nor impaired is continuously monitored and assessed by the management.

Trade accounts receivables

The reported trade accounts receivable were composed as follows:

EUR	31.12.2015	31.12.2014
Gross receivables (at fair value)	4,488,993	3,850,222
Less impairments	-27,191	-8,215
Net receivables (carrying value)	4,461,802	3,842,007

These receivables include those relating to long-term production orders in the amount of EUR 388,397 net (previous year: EUR 187,686).

As of December 31, 2015, the company reported receivables amounting to EUR 59,148, the due dates for which had been extended.

As in the preceding year there were no receivables with a remaining time to maturity of more than one year.

The age structure of overdue and unadjusted receivables on December 31, 2015 was as follows:

EUR	31.12.2015	31.12.2014
Neither overdue nor adjusted	2,883,819	2,666,133
Up to 30 days overdue	1,280,280	988,202
31 to 60 days overdue	176,494	107,038
61 to 90 days overdue	131,041	58,701
91 to 120 days overdue	6,104	14,005
More than 120 days overdue	11,255	16,143
Gross receivables	4,488,993	3,850,222
Adjustments	-27,191	-8,215
Net receivables	4,461,802	3,842,007

As a matter of principle, trade accounts receivable are due for payment within 10 days. In exceptional cases varying terms of payment may be granted.

The adjustment account developed as follows:

EUR	2015	2014
Account balance on January 1	8,215	15,347
Expense allocations	27,191	8,215
Usage	0,00	-2,365
Liquidations	-8,215	-12,982
Account balance on December 31	27,191	8,215

The company demands no securities from its customers.

Financial assets available for sale were composed as follows:

Current financial assets available for sale

EUR	31.12.2015	31.12.2014
Dividend-bearing securities	4,717	4,792
Claims on insurance companies	4,904,177	0
Gold	1,233,400	5,018,240
Total of (current) financial assets available for sale	6,142,294	5,023,032

Non-current financial assets available for sale

EUR	31.12.2015	31.12.2014
Gold	444,505	451,755
Total of (non-current) financial assets available for sale	444,505	451,755

In financial year 2015 the Group identified impairments on current financial assets available for sales amounting to EUR 21,160 (previous year: write-ups of EUR 574,560) which were recognized in the income statement under the heading of financial expenses (previous year: financial income). In addition, expenses resulting from the valuation of capital sum assurance claims in the amount of EUR 95,823 and associated income tax effects of EUR -31,238 were recognized in equity as other income and expenses.

Losses on non-current assets available for sale were recognized in other income and expenses in the amount of EUR 7,250 (previous year: profits of EUR 43,264). In respect of the profits/losses recognized in other income and expenses, deferred taxes on temporary differences between the carrying value of the asset on balance sheet and the value for tax purposes were liquidated (previous year: formed) in the amount of EUR -1,813 (previous year: EUR 10,816).

The fair value of financial assets available for sale in the case of holdings in gold is measured on the basis of stock market prices on active markets (Level 1). In order to calculate the fair value of claims on capital sum assurances, the Group applies the repurchase value as calculated by the other contracting party (Level 2).

21. Other (current) non-financial assets

Other current non-financial assets in the amount of EUR 674,954 (previous year: EUR 534,163) essentially include deferrals of EUR 499,068 (previous year: EUR 407,354) and rental deposits of EUR 116,604 (previous year: EUR 85,471).

22. Fixed assets

The development in fixed assets in the financial year was as follows:

EUR	Acquisition and manufacturing costs				Cumulative depreciation				Net carrying values	
	01.01.2014	Additions	Disposals	31.12.2014	01.01.2014	Additions	Disposals	31.12.2014	31.12.2014	31.12.2013
I. Intangible assets										
Software	1,521,100	86,785	0	1,607,885	1,376,054	90,247	0	1,466,301	141,584	145,046
	1,521,100	86,785	0	1,607,885	1,376,054	90,247	0	1,466,301	141,584	145,046
II. Tangible assets										
Land and buildings	2,138,011	0	0	2,138,011	231,312	57,930	0	289,242	1,848,769	1,906,699
Technical equipment	539,294	37,961	0	577,255	462,443	19,817	0	482,260	94,995	76,851
Office and business equipment	3,920,971	401,628	4,400	4,318,199	3,178,653	350,695	4,111	3,525,237	792,962	742,318
	6,598,276	439,589	4,400	7,033,465	3,872,408	428,442	4,111	4,296,739	2,736,726	2,725,868
Total	8,119,376	526,374	4,400	8,641,350	5,248,492	518,689	4,111	5,763,040	2,878,310	2,870,914
EUR	01.01.2015	Additions	Disposals	31.12.2015	01.01.2015	Additions	Disposals	31.12.2015	31.12.2015	31.12.2014
I. Intangible assets										
Software	1,607,885	137,732	0	1,745,617	1,466,301	118,141	0	1,584,442	161,175	141,584
	1,607,885	137,732	0	1,745,617	1,466,301	118,141	0	1,584,442	161,175	141,584
II. Tangible assets										
Land and buildings	2,138,011	0	0	2,138,011	289,242	57,930	0	347,172	1,790,839	1,848,769
Technical equipment	577,255	61,484	71,789	566,950	482,260	22,675	55,819	449,116	117,834	94,995
Office and business equipment	4,318,199	472,974	71,542	4,719,631	3,525,237	489,548	64,556	3,950,229	769,402	792,962
Advance payments and assets under construction	0	7,464	0	7,464	0	0	0	0	7,464	0
	7,033,465	541,922	143,331	7,432,056	4,296,739	570,153	120,375	4,746,517	2,685,539	2,736,726
Total	8,641,350	679,654	143,331	9,177,673	5,763,040	688,294	120,375	6,330,959	2,846,714	2,878,310

All non-current assets are located in the countries of origin of the respective software companies (Germany, Austria, Switzerland, Romania), the bulk thereof in Germany.

23. Income taxes

The tax provisions in each case comprise the taxes on income for the past financial year and also preceding years if appropriate. For details of tax charges and refunds, please refer to Note 38.

The deferred taxes carried as assets in the accounts were composed as follows:

EUR	31.12.2015	31.12.2014
Deferred taxes on reporting and valuation differences carried as assets		
- Pension provisions	1,209,589	1,149,175
- Costs of the AGM	50,100	50,100
Subtotal	1,259,689	1,199,275
Deferred taxes on valuation differences carried as liabilities		
- Available-for-sale financial assets	0	-39,030
- Long-term production orders	-327,127	-153,331
Subtotal	-327,127	-192,361
Total	932,562	1,006,914

The deferred taxes carried as liabilities in the accounts were composed as follows:

EUR	31.12.2015	31.12.2014
Deferred taxes on reporting and valuation differences carried as liabilities		
- Available-for-sale financial assets	-37,218	0
Total	-37,218	0

EUR	2015	2014
Tax charge resulting from the accrual of deferred taxes carried as liabilities		
- on long-term production orders	-327,127	-153,331
Tax income resulting from the accrual of deferred taxes carried as assets		
- on pension provisions	57,861	47,106
- Costs of the AGM	0	50,100
Tax income resulting from the reversal of deferred taxes carried as liabilities		
- on long-term production orders	153,331	326,061
Total	-115,935	269,936

The tax rate applicable to ATOSS Software AG, Munich, is composed as follows:

EUR	2015	2014
Earnings before taxes	100%	100%
Trade tax	-16.77%	-16.77%
Corporation tax at 15.00 % on taxable profits	-15.00%	-15.00%
Solidarity surcharge of 5.50% on corporation tax	-0.83%	-0.83%
Nominal proportion of earnings taxed	67.40%	67.40%
Computed tax rate	32.60%	32.60%

The tax rates for subsidiary companies amounted in Austria to 25 percent, in Switzerland to 21.3 percent and in Romania to 16 percent. The translation from the expected group tax charge to the actual tax charge as per IAS 12.81 is illustrated as follows:

EUR	2015	2014
Pre-tax earnings as per IFRS	11,322,118	10,295,022
Expected tax charge (2015: 32.60%; 2014: 32.60%)	-3,691,010	-3,356,177
Non-deductible operating expenses	-23,881	-20,308
Interests as per § 8b KStG	-46,319	0
Tax payments/refunds for previous years	3,518	3,303
Lower tax rates at group companies and branches	188,139	157,109
Current losses for which no deferred tax claim has been recognized	-161,786	-112,897
Other	0	66,132
Actual Group tax charge	-3,731,339	-3,262,838

The Group has taxable loss carry-forwards in the amount of EUR 842,586 for which no deferred taxes have been capitalized.

The company anticipates that in future financial years the tax rate applicable to the parent company will be 32.6 percent. As a result, on the one hand of non-deductible operating expenses and interests as per § 8b KStG, and on the other of lower tax rates at group companies and branches, the actual tax charge may be somewhat higher or lower than this figure.

24. Credit lines

Unsecured current account credit lines in the amount of EUR 0.5 million (previous year: EUR 0.5 million) are available with the principal banks of the integrated companies. No loans were taken out during the financial year. On the closing date, as in the previous year, there were no liabilities to banks.

25. Other (current) liabilities

Other liabilities essentially comprise the following amounts:

EUR	31.12.2015	31.12.2014
Liabilities for salaries and commissions	4,763,221	4,203,789
Anticipated charges	970,929	685,651
Other liabilities	505,905	560,817
Total	6,240,055	5,450,257

The liabilities for salaries and commissions include claims deriving from variable salary components arising in the reporting period but not disbursed until the following year, as well as wage tax liabilities and provisions for vacation commitments. The anticipated charges relate to performances received but not yet billed prior to the qualifying date. Other liabilities essentially include provisions for costs associated with the financial statements and auditing as well as turnover tax liabilities.

26. Deferred revenues

Deferred revenues as of December 31, 2015 were composed as follows:

EUR	31.12.2015	31.12.2014
Amounts invoiced in advance for maintenance works	671,029	602,446
Amounts invoiced in advance for long-term production orders	616,361	394,946
Other	1,413,400	1,537,820
Total	2,700,790	2,535,212

The other amounts stated here include sums invoiced in advance for hotline services as well as for software, hardware and services yet to be supplied. The sums invoiced in advance for long-term production orders include down payments in the amount of EUR 454,854 (previous year: EUR 286,694).

27. Other provisions

These provisions essentially comprise the following amounts:

EUR	31.12.2014	Utilization	Liquidations	Allocations	31.12.2015
Other provisions	89,000	0	0	0	89,000
Total	89,000	0	0	0	89,000

These other provisions essentially comprise the provision for restoration costs. This amount will be due when the lease ends. The level of this provision is based on estimated costs. The amount required to settle this liability may differ from the provision formed.

28. Pension provisions

Pension costs were comprised as follows:

EUR	2015	2014
Current service cost	232,685	176,623
Net interest cost	98,291	92,469
Pension expenses	330,976	269,092

Current and past service costs are reported in the income statement under sales and marketing costs, while the cost of interest and income from plan assets are reflected in net interest. Actuarial profits and losses are recognized in equity as other income and expenses.

The actual return on plan assets in 2015 amounted to EUR 33,763 (previous year: EUR 29,402). Interest earnings on plan assets for 2016 will be calculated in accordance with IAS 19.125 at a discount rate of 2.3 percent (previous year: 2.4 percent).

For the year 2016 the company expects pension expenses to amount to EUR 334,435.

The commitment translates to the balance sheet as follows:

EUR	31.12.2015	31.12.2014
Defined benefits obligation	6,837,361	6,442,250
Fair value of plan assets	-2,498,388	-2,228,482
Pension provision	4,338,973	4,213,768

The company assigned its claims arising from the pension liability insurance arranged to cover the pension commitment in 2005 and 2010.

The changes in the cash value of the defined benefits obligation are illustrated as follows:

EUR	2015	2014
Defined benefits obligation as of January 1	6,442,250	4,651,347
Cost of interest	154,594	167,448
Current service cost	232,685	176,623
Actuarial profits and losses	7,832	1,446,832
Defined benefits obligation as of December 31	6,837,361	6,442,250

The adjustments to be allowed for in other income and expenses are attributable to actuarial profits and losses:

EUR	2015	2014
Experience-based demographic adjustments	50,861	43,752
Changes in financial assumptions	-58,693	-1,490,584
Deviation in actual income from plan assets relative to income calculated at the discount rate	-22,540	-45,577
	-30,372	-1,492,409

With regard to losses recognized in equity, tax deferrals in the amount of EUR 9,901 (previous year: EUR 486,525) were formed on the temporary differences between the carrying value of the pension provision on the balance sheet and the value for tax purposes as well as other tax effects.

The changes in the fair value of plan assets are illustrated as follows:

EUR	2015	2014
Fair value of plan assets effective January 1	2,228,482	1,964,155
Returns on plan assets calculated at the discount rate	56,303	74,979
Employer's contributions	236,143	234,925
Actuarial profits and losses	-22,540	-45,577
Fair value of plan assets effective December 31	2,498,388	2,228,482

In financial year 2016, contributions to the pension plan are expected to total EUR 237,367.

Sensitivity analyses

A rise or fall in essential actuarial assumptions of one half of one percent would have affected the cash value of the pension liabilities as of December 31, 2015 as follows:

EUR	Development in pension commitment	
	+0,5%	-0,5%
Discount interest rate (initially 2.3%)	-736,286	850,351
Pension trend (initially 3.0%)	566,859	-508,886

The above sensitivity analyses of the essential valuation parameters were prepared by a method which extrapolates the effect of realistic changes in the principal assumptions as of the end of the year on the defined benefit obligation.

The mean duration of the defined benefit commitment as of the end of the reporting period was 23.65 years (previous year: 22.85 years).

29. Equity

The development in equity is evident from the statement of changes in consolidated equity. The dividend paid in 2015 amounted to EUR 0.88 (previous year: EUR 0.72) per share.

Issued shares in circulation

The company's capital is divided into 3,976,568 shares each with a nominal value of EUR 1.00. All shares carry full voting and dividend rights. On average during the year there were 3,976,568 shares in circulation (previous year: 3,976,568).

ATOSS Software AG shares held by board members

At the end of the reporting period board members possessed the following holdings of ATOSS Software AG stock:

	31.12.2015	31.12.2014
Andreas F.J. Obereder	1,988,285	1,988,285
Peter Kirn	12,787	14,760
Total	2,001,072	2,003,045

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.

Capital reserve

As of December 31, 2015 the capital reserve stood at EUR -661,338 (previous year: EUR -661,338). The purpose of this reserve is to carry the premium achieved over and above the subscribed capital (share premium) in connection with a flotation or increase in capital, as well as to carry the amount achieved through the issue of convertible bonds for the purchase of shares (convertible bond premium). Due to losses incurred in the application of treasury shares in connection with the convertible bond program in 2012, the capital reserve showed a negative balance.

Equity deriving from unrealized profits/losses

Equity deriving from unrealized profits and losses was accounted for in the amount of EUR 1,845,391 (previous year: EUR 1,824,920) by the revaluation of defined benefit pension plans and the associated tax effects, and in the amount of EUR 47,067 (previous year: EUR 117,089) by the recognition in equity of losses on financial assets available for sale and their corresponding tax effects.

IV. Notes to the Consolidated Income Statement

30. Sales revenues

The sales revenues were composed as follows:

EUR	2015	2014
Software licenses	9,838,285	8,517,231
Software maintenance	16,875,958	15,360,661
Total software	26,714,243	23,877,892
Consulting	11,905,726	10,103,707
Hardware	4,610,428	4,466,067
Other	1,710,375	1,235,331
Total sales revenues	44,940,772	39,682,997

For long-term production orders, pursuant to IAS 11 the company realizes sales in accordance with the progress of each project. That is to say, the revenues are realized in line with the degree of completion. The degree of completion is in turn calculated as the ratio of hours already worked to the expected number of hours required for implementation. A project schedule is prepared for each long-term order. Deferrals which include both amounts invoiced in advance for production orders as well as maintenance services are used to demarcate sales that will be implemented in subsequent periods and be realized at that time.

Overall in financial year 2015 the amount of EUR 2,737,342 (previous year: EUR 2,155,758) deriving from production orders was realized as sales revenues. The costs of long-term production orders during the financial year amounted to EUR 1,702,629 (previous year: EUR 1,304,854). On December 31, 2015, as in the previous year, there were no profits from projects realized by the percentage of completion method and not yet billed.

The company has customers in all branches of industry, as well as in the public sector. In financial years 2015 and 2014, no single customer accounted for a proportion of 10 percent or more of total sales.

The geographic breakdown of sales revenues was as follows:

EUR	2015	2014
Germany	38,215,695	34,353,386
Austria	4,673,981	3,785,013
Switzerland	1,485,756	1,083,944
German-speaking territories in total	44,375,432	39,222,343
Other countries	565,340	460,654
Total	44,940,772	39,682,997

Sales revenues are attributed to individual countries dependent on the location of the invoice recipient.

31. Cost of sales

In addition to the material cost of goods bought for resale (hardware and other merchandise), the cost of sales also includes expenditure on external services as well as the personnel costs and overhead incurred in the provision of services by the consulting, services and support departments. Overheads included in the cost of sales essentially comprise rental, infrastructure, travel and motor vehicle costs.

EUR	2015	2014
Material costs (goods for resale)	4,398,510	4,062,410
Material costs (external services)	183,495	70,946
Personnel costs	6,959,262	6,110,130
Scheduled depreciation of property, plant and equipment as well as intangible assets	191,500	145,766
Overheads	2,405,363	1,980,762
Total	14,138,130	12,370,014

32. Selling costs

The selling costs include personnel costs and overheads attributable to selling as well as advertising costs recognized as an immediate expense.

EUR	2015	2014
Sales personnel costs	5,299,938	4,262,837
Scheduled depreciation of property, plant and equipment as well as intangible assets	127,601	94,653
Sales overheads	1,234,766	1,375,672
Advertising costs	723,584	706,980
Total	7,385,889	6,440,142

33. Administration costs

The administrative costs were composed as follows:

EUR	2015	2014
Personnel costs	2,618,633	2,472,758
Scheduled depreciation of property, plant and equipment as well as intangible assets	71,003	49,752
Administration overheads	842,870	871,552
Total	3,532,506	3,340,062

34. Expenditure on research and development

The expenditure on research and development was composed as follows:

EUR	2015	2014
Research and development personnel costs	7,089,829	6,353,627
Scheduled depreciation of property, plant and equipment as well as intangible assets	298,190	228,518
Research and development overheads	1,318,584	1,380,536
Total	8,706,603	7,962,681

35. Personnel costs

EUR	2015	2014
Wages and salaries	18,379,402	15,930,754
Social security contributions and expenditure on retirement pensions and welfare	3,588,261	3,268,597
of which expenditure on retirement pensions and welfare EUR 255,536 (previous year: EUR 241,109),		
Service costs EUR 232,685 (previous year: EUR 176,623)		
Total	21,967,663	19,199,351

36. Financial investment income and expenses

The financial investment income in the amount of EUR 97,582 (previous year: EUR 605,783) essentially comprised profits realized on the sale of three quarters of the gold holdings carried as other current financial assets in the amount of EUR 73,320, and interest on short-dated fixed-term deposits as well as overnight deposits and current accounts in the amount of EUR 24,262 (previous year: EUR 30,933). In the previous year this item also included income from write-ups on other financial assets (gold) in the amount of EUR 574,560.

In 2015, the company recorded financial expenses amounting to EUR 119,586 (previous year: EUR 97,381). This essentially concerned financial expenses in connection with pension provisions amounting to EUR 98,291 (previous year: EUR 92,469) as well as expenses in connection with the adjustment of other financial assets in the amount of EUR 21,324 (previous year: EUR 0.00).

37. Other operating income and expenses

Other operating income essentially includes income from the liquidation of miscellaneous liabilities and provisions in the amount of EUR 159,625 (previous year: EUR 221,585) as well as income from exchange rate differentials in the amount of EUR 167,577 (previous year: EUR 21,849).

Other operating expenses essentially comprise the amount of EUR 140,063 (previous year: EUR 37,840) in connection with exchange rate differentials.

38. Tax charge / tax income

EUR	2015	2014
Current tax charge	3,615,404	3,532,774
Deferred taxes: (cf. Note 25)	115,935	-269,936
Tax charge	3,731,339	3,262,838

V. 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 efficient workforce management. In accordance with the company's strategy as a provider of end-to-end solutions to issues of time and attendance management and workforce scheduling, these software solutions comprising software licenses, maintenance services, consulting services and the supply of hardware for time recording and access control purposes (merchandise for resale) are offered to customers as integrated packages and exhibit a comparable risk structure. These software solutions are employed both by small and medium-sized customers comprising the SME market and by high-end small businesses and major customers who comprise the premium market. The choice of software solution is essentially dependent on the specific technical and functional requirements of the individual customer. The company's endeavors in addressing the SME and premium markets differ only in terms of the marketing approach. For this reason, the Management Board manages the company on the basis of key figures for business as a whole. Business activities are not divided into segments, and therefore the Group does not prepare segment reports.

There are no sales revenues deriving from individual customers who account for more than 10 percent of overall revenues.

The following tables depict sales revenues broken down by software solutions:

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. Alongside these software solutions other services are generally also provided to implement the solutions at the customer's place of business and train the customer's employees. In addition consulting services are rendered with the object of making meaningful use of the available scope and developing optimum solutions for the efficient deployment of personnel under specific operating conditions and in consideration of works agreements and industry-wide pay deals. The company also sells hardware components for time recording and access control purposes.

The ASES/ASE software solution 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 irrespective of size and sector.

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

The sales revenues were distributed between product groups as follows:

EUR	2015	2014
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	39,538,373	34,732,025
ATOSS Time Control	5,402,399	4,950,972
Total	44,940,772	39,682,997

The geographic breakdown of Group revenues is listed in Note 30.

VI. Notes to the Consolidated Statement of Cash Flows

39. Cash flow from business operations

Cash flow from operations for the period from January 1 to December 31, 2015 amounted to EUR 7,993,012 (previous year: EUR 8,071,628), slightly lower than in the year before.

The operating cash flow was boosted mainly by net earnings, writedowns on fixed assets, an increase in other liabilities arising from higher salary and commission liabilities and a reduction in deferred revenues. On the other hand cash flow was reduced mainly as a result of higher trade receivables and a reduction in tax provisions due to higher tax prepayments.

The average time to receipt in financial year 2015 was 28 days (previous year: 27 days), and may once again be regarded as very low.

40. Cash flow from investment activities

Cash flow from investments for the period from January 1 to December 31, 2015 amounted to EUR -1,818,566 (previous year: EUR -495,574), representing an increase of EUR -1,322,992 over the year before. This resulted from expenditure on investments in fixed assets in the amount of EUR -679,654 (previous year: EUR 526,374) as well as disbursements in respect of a capital investment with an insurance company amounting to EUR 5,000,000 (previous year: EUR 0.00). Meanwhile income from the sale in July of three quarters of the gold in the amount of EUR 3,837,000 held as current assets available for sale and interest income in the amount of EUR 24,088 (previous year: EUR 30,800) impacted positively on cash flow from investments.

41. Cash flow from financing activities

The cash flow from financing activities for the period from January 1 to December 31, 2015, amounted to EUR -3,500,630 (previous year: EUR -2,861,129) and was thus EUR -639,501 higher than in the year before. This derived from the payment of a dividend of EUR 0.88 per share (previous year: EUR 0.72) and disbursements in connection with the acquisition in March 2015 of an additional 5 percent interest in ATOSS Aloud GmbH.

VII. Other disclosures

42. Supervisory Board

The members of the Supervisory Board are:

Peter Kirn	Chairman, corporate consultant, Böblingen
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman, President of the Bund der Steuerzahler in Bayern e.V., Munich
Klaus Bauer	Supervisory and advisory board member, Nuremberg
In the past financial year the members of the Supervisory Board held other supervisory board positions with the following companies:	
Rolf Baron Vielhauer von Hohenhau	Europäischer Wirtschaftssenat e.V., Munich (Chairman of the Supervisory Board) Member of the Administrative Board of Stadtsparkasse Augsburg
Klaus Bauer	Schwanhäußer Industrie Holding GmbH & Co. KG, Heroldsberg Schwanhäußer Grundbesitz Holding GmbH & Co. KG, Heroldsberg

Mr. Peter Kirn held no other supervisory or similar board positions in financial year 2015.

The compensation paid to Supervisory Board members was composed as follows:

EUR	2015	2014
Peter Kirn		
Compensation pursuant to the Articles of Association	20,000	20,000
Attendance allowances	6,000	6,000
Total	26,000	26,000
EUR	2015	2014
Rolf Baron Vielhauer von Hohenhau		
Compensation pursuant to the Articles of Association	20,000	20,000
Attendance allowances	4,500	6,000
Total	24,500	26,000
EUR	2015	2014
Klaus Bauer		
Compensation pursuant to the Articles of Association	10,000	10,000
Attendance allowances	2,250	3,000
Total	12,250	13,000

In financial year 2015 there were no payments made for consultancy work beyond the scope of Supervisory Board activities (previous year: EUR 0.00).

43. Member of the Management Board

The members of the Management Board are:

Andreas F.J. Obereder	Chief Executive Officer, businessman, Grünwald
Christof Leiber	Member of the Board, lawyer, Munich

The compensation paid to the Management Board in the financial year was composed as follows:

EUR	2015	2014
Andreas F.J. Obereder		
Non-performance-related remuneration		
Salary	540,000	290,000
Other	117,364	111,865
Performance-related remuneration		
Single-year profit-share payment	41,831	39,866
Multi-year profit-share payment	84,000	84,000
Overall remuneration	783,124	525,731
Christof Leiber		
Non-performance-related remuneration		
Salary	200,000	195,000
Other	66,520	66,367
Performance-related remuneration		
Single-year profit-share payment	59,758	56,951
Multi-year profit-share payment	120,000	85,375
Overall remuneration	446,278	403,693

As a result of the extension of his contract effective January 1, 2014 for a further five years, the profit-share payment to the Chief Executive Officer, Mr. Andreas Obereder, includes entitlements for the achievement of single-year (40 percent) and pro rata multi-year targets (60 percent, three-year target-based profit share payment). Given that these entitlements are confirmed only after the financial year has ended, actual payments may deviate.

On the basis of the contract extended for further five years with effect from April 1, 2012 with the Board Member Mr. Christof Leiber, his profit-share payment includes entitlements for the achievement of single-year (40 percent) and pro rata multi-year targets (60 percent, three-year target-based profit-share payment). Given that these entitlements in respect of single-year targets are confirmed only after the financial year has ended, actual payments may differ from the calculated profit-share payment. The multi-year profit-share payment entitlement for 2015 is calculated on

the basis of the estimated achievement of targets for 3 years. Part-amounts are disbursed by way of advance payments. The actual multi-year profit share payment entitlement may vary dependent on the extent to which targets are achieved over the overall period from 2015 to 2017.

The other amounts include insurance premiums paid by the company and the benefit in money's worth of other ancillary items such as the provision of company cars.

With regard to expenses incurred in 2015 for benefits after the retirement of the CEO, please refer to Notes 15 and 28.

As of December 31, 2015, there were provisions for liabilities to members of the Board of Management amounting to EUR 262,450.34 (previous year: EUR 251,044.15) in respect of variable remuneration elements not yet paid.

44. Business relations with closely related persons

The wife of the Chief Executive Officer provides services to the company. In 2015 the value of services provided amounted to EUR 1,924 (previous year: EUR 4,048). These are standard market terms.

On December 6, 2012 the majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, transferred 1,988,285 shares in ATOSS Software to the company AOB Invest GmbH of Grünwald, Germany, which is wholly owned by him. Accordingly AOB Invest GmbH is the ultimate parent company of ATOSS Software AG.

With the exception of the existing contract between the company and Mr. Andreas F.J. Obereder and the contract newly entered into effective January 1, 2015, there were no reportable events during the financial year in the relationship between our company and AOB Invest GmbH (controlling company) and Mr. Andreas F.J. Obereder, nor with any company associated with AOB Invest GmbH (controlling company) or Mr. Andreas F.J. Obereder. The company is in no way disadvantaged by the abovementioned contracts.

No further transactions took place in the 2015 reporting period with members of the Management or Supervisory Boards or other affiliated persons other than those specified in Note 42 (Supervisory Board) or Note 28 (Pension provisions).

45. Employees

On December 31, 2015 the company had 340 employees (previous year: 305). The average during the year was 327 (previous year: 299 employees); excluding the Management Board, trainees and interns and temporary staff, the average number of employees was 311 (previous year: 287 employees).

The quarterly average number of employees was as follows:

	2015	2014
Sales and marketing	52	44
Consulting	89	81
Development	138	129
Administration	48	45
Total	327	299
Of which trainees	6	4
Of which temporary staff and interns	8	6
Of which Management Board members	2	2

46. Auditors' fees

The following fees paid to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Stuttgart, Munich branch, and associated companies for auditing, verification and valuation services were recognized as expenses:

EUR	2015	2014
Audit of the annual financial statements	62,320	60,320
Total of fees	62,320	62,320

No further payments were made to the auditors.

47. Financial commitments

The financial commitments relate to rental and leasing contracts.

The company leases its vehicle fleet as well as copiers and servers from various leasing companies. The arrangements are classified as operating leases since essentially all risks and rewards associated with ownership remain with the lessor. In individual cases expiring leases may be extended. No provision is made for an option to buy at the end of the term. Pursuant to IAS 17.33 the lease payments are recognized over the relevant periods in linear fashion as expenses in the income statement. The lease contracts have an average term of between three and five years.

The company rents office premises at various locations.

The agreements also in some cases include price adjustment clauses on standard market terms. The financial obligations in respect of rents and lease payments for the coming financial years are composed as follows:

EUR	Rents for premises	Other rents and lease payments
2016	736,475	623,563
2017 to 2019	581,859	592,979
post 2019	74,700	0
Total	1,393,034	1,216,542

The overall costs of all rental and lease agreements in financial year 2015 amounted to EUR 1,511,496 (previous year: EUR 1,428,141).

48. Objectives and methods of managing financial risk

The company regards equity as an essential management parameter in guarding against economic, sector- and company-specific risks. Therefore the company's financial strategy is directed towards maintaining a level of equity commensurate with such risks.

The Group manages its capital structure and makes adjustments in consideration of changes in the economic climate. In order to maintain or modify its capital structure, the Group can adjust its dividend payments to shareholders, or make a repayment of capital to the shareholders, or issue new shares. As of December 31, 2015 and December 31, 2014 no changes were made in the Group's objectives, policies or procedures. Further information on how the capital structure of the Group is managed is contained in the Management Report.

The principle financial liabilities of which the Group avails itself are trade accounts payable. The main purpose of these financial liabilities is to finance the business activities of the Group.

The Group has various financial assets at its disposal including for example trade accounts receivable, financial assets available for sale and cash and cash equivalents. The essential risks deriving from the financial assets comprise market, liquidity and credit risks.

The market risk in connection with financial assets available for sale is regarded as being of material significance. The market risk is namely the risk that the fair value of or cash flows from a financial instrument may fluctuate as a result of variations in market prices. The investments made by the Group in physical gold are susceptible to market price risks arising from uncertainties in the future development in the value of these financial instruments. The Group limits its exposure to market price risk by restricting the volumes allocated to individual forms of investment. Moreover the company does not invest its available liquidity in speculative forms of investment. The Group's investment strategy is oriented towards preserving value and safeguarding against inflation in the long term. The Group management and Supervisory Board regularly receive reports on the development in financial assets available for sale. All decisions concerning investments in financial assets are reviewed and approved by the company management.

In the case of financial assets invested in gold, the risk on the closing date amounted at fair value to EUR 1,677,905 (previous year: EUR 5,469,995). A further fall of 10 percent in the gold price as a consequence of changes in market conditions would impact earnings in the amount of EUR -123,340 (previous year: EUR -501,824) and equity in the amount of EUR -156,678 (previous year: EUR -535,706). The value of gold is deemed to be impaired insofar as the fair value is 10 percent below cost, or remains below cost for 6 months without interruption. An increase of 10 percent in the value of gold would affect equity or earnings, dependent on whether an impairment had previously been recognized.

These sensitivity analyses each relate to the situation as of December 31, 2015

The Group holds no derivative financial instruments. In accordance with internal policy, the Group did not engage in any trading in derivatives in financial years 2015 or 2014, nor will it do so in future.

To manage these credit risks the Group enters into transactions exclusively with creditworthy third parties. All customers with whom the Group wishes to enter into credit-based transactions are subjected to credit checks. In addition the trade accounts receivable are permanently monitored with the result that the Group is not exposed to any significant risk of default. The maximum default risk is limited to the carrying value detailed in Note 20. In the case of the Group's other financial assets such as cash and cash equivalents, the maximum credit risk in the event of a counterparty default equates to the carrying value of these instruments.

In addition in order to continuously monitor the risk of a liquidity shortage, the Group prepares liquidity forecasts with a fixed planning horizon of one year.

The Group assesses the concentration of risk in connection with other financial assets as low. Receivables are due from customers in a variety of sectors, operating in independent markets. The Group also invests its available liquidity in various forms of investment such as gold, capital investments in banks and insurance companies and fixed-term deposits.

49. Events after the reporting date

There have been no reportable events of particular significance subsequent to the reporting date.

50. German Corporate Governance Code

The Management and Supervisory Boards issued a declaration of compliance with the German Corporate Governance Code as required by Section 161 of the German Stock Corporation Act on December 1, 2015. The full text of the declaration is available on the Internet at https://www.atoss.com/en/company/investor-relations/corporate-governance/2015/Documents/ATOSS%20Entsprechenserklaerung_2015.pdf. The Management and Supervisory Boards each year study and form an opinion on the recommendations of the German Corporate Governance Code and report their findings in the Annual Report.

51. Notifiable participating interests

As of 31 December 2015 the following voting rights need to be declared based on the notifications pursuant to Sections 21 ff. of the German Securities Trading Act:

On April 10, 2002 Mrs. Ursula Obereder, Grünwald, informed the company about her voting rights amounting to 6.5 percent at this time.

Since December 16, 2014 MainFirst SICAV, Luxembourg, holds 5.07 percent of the voting rights.

Since October 22, 2013 Investmentgesellschaft für langfristige Investoren TGV, Bonn, holds 5.004 percent of the voting rights.

The actual number of shareholder voting rights can deviate from the number disclosed above due to interim, non-reportable or unreported trading.

Furthermore in financial year 2015 the company received the following notifications regarding changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act.

As a result of the sale of shares on November 18, 2015 the proportion of voting rights held by IFM Independent Fund Management AG, Vauz, fell below the threshold of 3 percent and amounted at this time to 2.96 percent.

52. Adoption of the consolidated financial statements

The present annual financial statements were passed on February 10, 2016 by the Management Board and submitted to the Supervisory Board which may make alterations to the said statements up to and including the time of the Supervisory Board meeting to adopt the accounts on March 4, 2016.

The Management Board is satisfied that all of the information given conveys an impression of the economic situation of the company, its net assets, financial position and earnings situation and its cash flow which accords with the true circumstances.

53. Appropriation of net income

The Management and Supervisory Boards propose that the surplus net income reported by ATOSS Software AG, Munich, for the past financial year 2015 in the amount of EUR 11,230,934 should be used to pay a dividend of EUR 2.80 per dividend-bearing share.

The remainder of the net income will be carried forward to new account.

Munich, February 12, 2016



Andreas F.J. Obereder
Chief Executive Officer



Christof Leiber
Member of the Board of Management

Audit Opinion

We have audited the consolidated financial statements prepared by ATOSS Software AG, Munich, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [“Handelsgesetzbuch”: “German Commercial Code”] are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

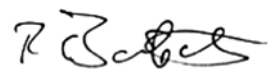
We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

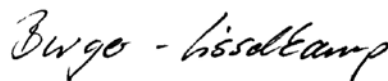
In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.

Munich, February 12, 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft



Bostedt
Wirtschaftsprüfer
(German Public Auditor)



Dr. Burger-Disselkamp
Wirtschaftsprüferin
(German Public Auditor)

Declaration by the Legal Representatives

We hereby give an assurance to the best of our knowledge and belief that in accordance with the applicable reporting standards the consolidated annual financial statements and consolidated management report for ATOSS Software AG and the annual financial statements and management report for ATOSS Software AG, Munich, each convey an impression of the net asset, financial position and earnings situation of the Group and of ATOSS Software AG which accords with the true fact; and that the development in business including the results and the situation of the Group and of the company are so described in the consolidated management report and in the management report for ATOSS Software AG, Munich, as to convey an impression which likewise accords with the true facts; and that the essential opportunities and risks associated with the anticipated development of the Group and of ATOSS Software AG are so described.

Munich, February 12, 2016



Andreas F.J. Obereder
Chief Executive Officer



Christof Leiber
Member of the Board of Management

Corporate Calendar

March 10, 2016

Publication of the annual report for 2015

March 10, 2016

Balance sheet press conference

April 22, 2016

Publication of the 3-monthly financial statements

April 26, 2016

Annual General Meeting

July 22, 2016

Press release announcing the 6-monthly financial statements

August 12, 2016

Publication of the 6-monthly financial statements

October 25, 2016

Publication of the 9-monthly financial statements

Nov. 21, 2016 – Nov. 23, 2016

ATOSS at the German Equity Forum

Imprint

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