Interim Report on Sept., 30

9M 2013

GK SOFTWARE

Summary of Consolidated Results

	30.9.2013 (not audited)	30.9.2012[1] (not audited)	31.12.2012 (audited)
Sales (EUR K)	**28,650**	22,396	28,426
Operating performance (EUR K)	**28,741**	23,009	29,046
Total operating revenues (EUR K)	**30,535**	23,772	30,704
EBIT (EUR K)	**(745)**	2,508	785
EBIT margin (on sales)	**(2.6)%**	11.2%	2.8%
EBIT margin (on total operating revenue)	**(2.4)%**	10.6%	2.6%
EBT (EUR K)	**(756)**	2,482	819
Net profit or loss for the period (EUR)	**(834)**	1,808	675
Earnings per share (weighted) (EUR)	**(0.47)**	1.01	0.38
Equity ratio	**66.2%**	71.9%	64.0%

1 The IASB published amendments to IAS 19 “Employee Benefits” in June 2011, which were adopted by the EU in June 2012. In principle, the amendments to IAS 19 need to be applied retrospectively to annual accounts for business years, which start on or after 1 January 2013. The data for the same period of 2012 has been adapted in order to be able to compare the results. More detailed information on the process of adapting the previous year’s figures can be found in the explanations in the notes on the consolidated accounts on page 24, paragraph 3.

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To the shareholders

Letter from the Management Board

Dear shareholders,

We are pleased to present to you the report from GK SOFTWARE[1] covering the first nine months of the 2013 business year. We were able to increase our turnover during this period to a considerable degree in comparison with the previous year – i.e. from EUR 22.40 million to EUR 28.65 million (+27.9 percent). As a result, we have already exceeded our total turnover in the previous year. This growth was produced by the contribution to turnover by the AWEK Group, which we acquired at the end of 2012. The Group's total operating revenues rose by EUR 6.76 million or 28.5 percent to a figure of 30.54 million (EUR 23.77 million in the previous year). Earnings before interest and taxes (EBIT) were still in the negative area at EUR (0.75) million (EUR 2.51 million in the previous year). But viewed in isolation, the third quarter once again provided positive EBIT figures of EUR 0.39 million on turnover amounting to EUR 10.14 million. During the reporting period overall, the EBIT margin related to sales was (2.6) percent (11.2 percent in the previous year). Therefore, the results during the reporting period matched our expectations, as we are expecting major new business deals in the fourth quarter of the business year.

Our international business based on our partnership with SAP is playing a more and more important role in terms of turnover. We have already been able to secure five joint projects of a medium size during 2013. We will equip a Russian fashion chain, Modis, and a German operator of large-scale supermarkets and self-service department stores, the Dohle Trading Group. In addition, SAP was able to sell our software solutions to a leading manufacturer of domestic appliances, a non-food discount store chain and one of the world's leading manufacturers of cleaning machines during the reporting period. SAP provided official clearance for our software solutions in North America in May this year and introduced "GK Store Solutions by GK" as the official migration path for the old software that has been discontinued. We are therefore expecting our potential in the largest retail market in the world to be significantly higher in future.

GK SOFTWARE's project business was dominated by the ongoing development of customer projects, pilot installations, roll-out starts and the realisation of important milestones during the first nine months of the 2013 business year. The number of installations increased by almost 12,000 during the first nine months of the year, so that we now have about 175,800 productive systems in operation. Roll-out starts in several projects played their part in this process. Six projects were also transferred to the productive pilot phase. Once the pilot installations have been successfully tested, the rollout or the partial rollout (in the case of international projects) will follow. Working with our partner company valuephone, we helped ensure that the largest European mobile payment project in the retail sector was launched at the beginning of May. Since that time, it has been possible to make payments at more than 10,000 GK till systems using a mobile phone. In another project for EDEKA, more than 100 markets in Berlin and Hamburg were cleared for mobile payments. As we now have the greatest acceptance base for mobile payments in the world, we are one of the international pioneers in this forward-looking business, which plays a major role in the spectrum of omni-channel retailing.

In the field of software development, our agenda during the first nine months was dominated by the onward development of our standard solutions in line with the road map, prototyping work for new solutions and current technology issues like SAP HANA. Our major focus continues to be on consistently gearing our complete range of software solutions to the issue of omni-channel retailing.

In the field of our partner business, we were not only able to enhance our relations with SAP during the reporting period, but also gain several important service and implementation partners like HP

1 The expression GK SOFTWARE always refers to the corporate group in the following text. The same is true of the term "the company." When GK SOFTWARE AG is used, this exclusively refers to the individual company.

and RedIron. Several partners are currently being prepared to handle the introduction of our software solutions outside the Germany/Austria/Switzerland area.

The management of the company was restructured after the end of the reporting period. As a result, the Management Board was reduced to two members and now consists of Rainer Gläss, CEO, and André Hergert, CFO. One of the former members of the Management Board, Michael Jaszczyk, is moving to become Managing Director of the company's US entity, which is in the process of being set up, and he will continue to fill the position of CTO. The former COO, Oliver Kantner, left the company on 30 November 2013. The Management and Supervisory Boards would like to thank him for his work during the past three years. The scaled-down Management Board will in future be supported by an expanded management team, which will include experienced managers. The Operating and Consulting departments have been reinforced by new managers joining the company; they were formerly in responsible positions at Wincor Nixdorf and Oracle. This reorganisation of the company's management team means that we are very well positioned for ongoing developments at GK SOFTWARE.

On the basis of a very well filled pipeline, both in terms of our direct and our partner sales, we continue to believe that we will be able to return to our pathway of growth for our core business associated with GK/Retail this year. We are currently holding detailed talks with customers from Germany and abroad and believe that we are very well placed to win several ongoing tender procedures with our range of software solutions.

We assume that we will be able to increase our turnover in comparison with the previous year. However, in order to reach a significantly positive EBIT figure, the customer decisions, which we are expecting, must actually be taken during the final quarter of this business year. This forecast is subject to the proviso that no extraordinary events occur, which would lead to a negative impact on the overall economy or the retail sector.

We are delighted that you are supporting growth at GK SOFTWARE AG and we would like to thank you for the long-term confidence that you have placed in the company.

Schöneck, 26 November 2013

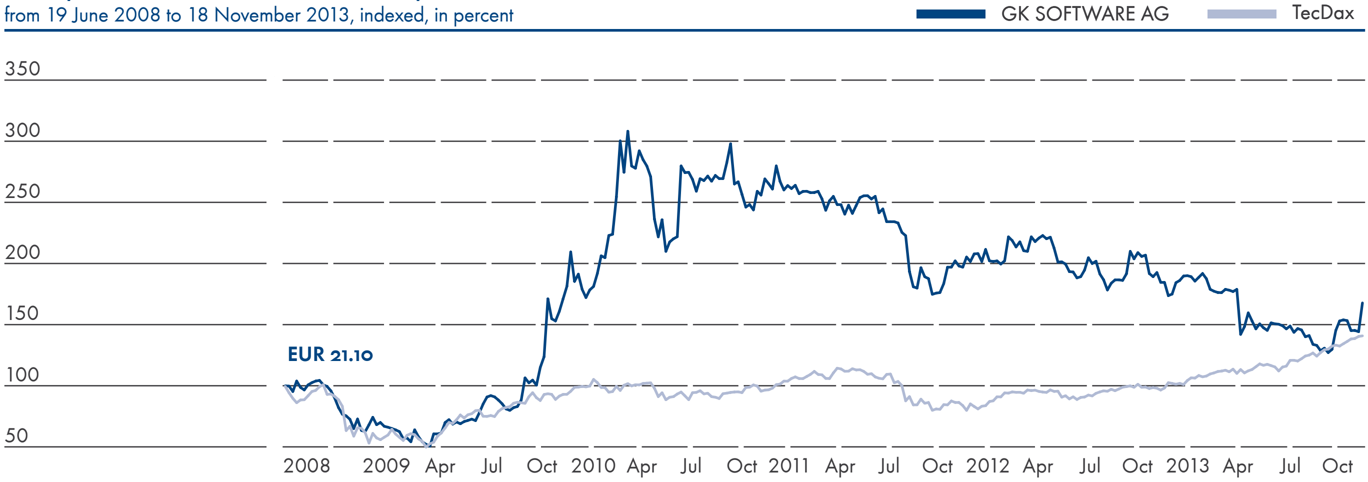
The Management Board

Rainer Gläß
(CEO)

André Hergert
(CFO)

GK SOFTWARE AG Shares

Development of GK SOFTWARE shares in comparison to the TecDax
from 19 June 2008 to 18 November 2013, indexed, in percent



Summary

Basic Data

Basic data	
Securities Identification Number (WKN)	757142
ISIN	DE0007571424
Trading symbol	GKS
GK SOFTWARE AG IPO	19 June 2008
Type of shares	Ordinary stock in the name of the holder without any nominal value (individual share certificates)
Trading markets	Frankfurt and XETRA
Market segment	Regulated Market (Prime Standard)
Designated Sponsor	ICF Kursmakler AG
Number of shares	1,790.000
Share capital	EUR 1,790.000
Free float	41.70%
Highest price in 2013	EUR 37.00 (1 Februar 2013)
Lowest price in 2013	EUR 23.99 (25 September 2013)

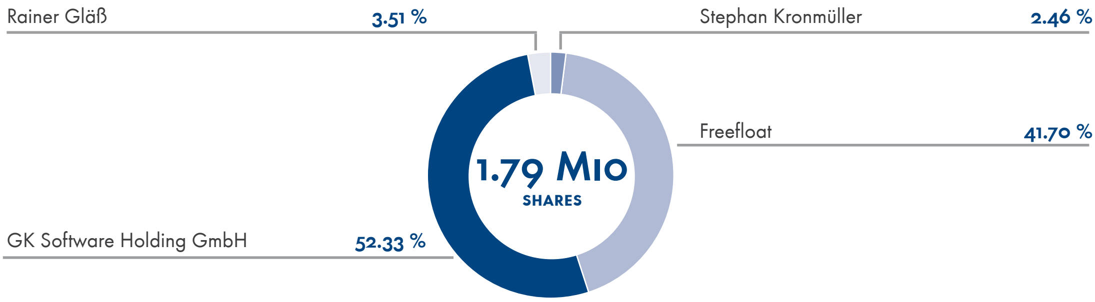
Summary/Share Performance

The value of the GK SOFTWARE AG shares listed on the Prime Standard section of the Frankfurt Stock Exchange declined slightly during the first nine months of 2013. After they had started the year at EUR 36.60 and reached EUR 37.00 at one stage, the shares were worth EUR 30.40 at the end of the reporting period. This represented a market capitalisation of approx. EUR 54.4 million on 30 September 2013.

Shareholder Structure

GK SOFTWARE AG has a very stable shareholder base, which is enabling the company to develop in a sustainable manner in the long term. The shareholder structure on the reporting date (30 September 2013) was as follows: the founder and CEO Rainer Gläss directly holds 3.51 percent of the shares. Stephan Kronmüller, who is also a founder and the former CTO, directly holds 2.46 percent of the shares. GK Software Holding GmbH owns

Shareholder Structure
for GK SOFTWARE AG on 30 September 2013



52.33 percent and they are indirectly shared by the partners Rainer Gläss and Stephan Kronmüller. This meant that 41.70 percent were spread across other shareholders on 30 September 2013.

The company was informed about the following shareholdings in GK SOFTWARE AG, which exceeded the 3 percent threshold or fell below it:

- Mr. Andreas Bremke 3.99 percent (on 16 August 2011)
- Scherzer & Co. AG, Cologne: 5.23 percent (on 6 March 2012)
- Deutsche Balaton Aktiengesellschaft, Heidelberg: 3.18 percent (on 19. June 2013).

Directors Dealings

Rainer Gläß, CEO

Purchase:	16.4.2013	3,000 Shares	EUR 27.67
Purchase:	18.4.2013	7,000 Shares	EUR 28.08

Brief Interim Group Management Report

Economic Report

Business and General Conditions for GK SOFTWARE

Market and Competitive Environment

The development of business at GK SOFTWARE AG is determined by several factors and their effect in different business regions. The most important factors are the general economic conditions and the current situation and expected business prospects in the retail sector. As GK SOFTWARE has expanded into more and more business regions, it goes without saying that the number of factors affecting its business have increased, as the situation in some individual markets may move in different directions, despite general economic trends. At the same time, this at least provides some separation of the company's business operations from the developments in its original core markets – primarily in Central Europe – without these markets losing their significance for GK SOFTWARE in the foreseeable future.

Regardless of the increasing significance of its international business, the developments in the German-speaking countries continue to be particularly important for GK SOFTWARE's direct business. Turnover in the retail sector in Germany nominally rose by 1.7 percent over the figure for the previous year during the first nine months of 2013 (0.2 percent in real terms).[1] According to the cautious forecast provided by the German Retail Federation (HDE), the German retail sector will therefore grow for the fourth year in succession and achieve record sales of EUR 434 billion – this would amount to growth of 1.2 percent.[2] However, the HDE is only expecting weak growth of 1.2 percent during the important Christmas business period.[3] The "ifo" business climate index for the retail sector, which reached a new high in September and has continued to be much more positive during the last 12 months[4], also shows a positive trend. Even the overall economic forecast for the coming year is positive, as the "economic wise men" are expecting growth of 1.6 percent next year, following GDP growth of just 0.4 percent in 2013. However, this forecast is fraught with reservations, as it is still uncertain in which direction economic policy will move during the next few months.[5]

The sales expectations for interactive trading (e-commerce and the mail order business) have once again been raised. Following the first three quarters of 2013, the forecast provided by the bhv (the German E-Commerce and Mail Order Trade Association) rose to a figure of EUR 48 billion. EUR 40 billion of this figure will be pure e-commerce (83 percent).[6] As a result, this trading sector continues to rapidly make its way towards accounting for ten percent of the retail trade.

These developments present huge challenges for the stationary retail sector, which is also being driven by other issues like home delivery. There is much ground to be made up in Germany in the latter sector in particular. The market share of food retailers in the total online market is only one percent in Germany, while it is already 19.1 percent in Great Britain, 17.1 percent in Switzerland or 11.8 percent in France.[7]

Based on stable turnover during the current year and good prospects for 2014, retailers say that they expect investments to remain constant or

1 http://www.presseportal.de/pm/32102/2587725/einzelhandelsumsatz-im-september-2013-real-um-0-2-hoeher-als-im-vorjahresmonat
2 http://www.einzelhandel.de/index.php/presse/aktuellemeldungen/item/123323 %EF%BB%BFweihnachten-handel-erwartet-steigenden-umsatz.html
3 Präsentation des HDE: Das Weihnachtsgeschäft 2013 im Einzelhandel. http://www.einzelhandel.de/index.php/presse/aktuellemeldungen/item/download/6137_6b9b05bf581a78082bf14bcd81a3304b.html
4 http://de.statista.com/statistik/daten/studie/155602/umfrage/ifo-geschaeftsklima-fuer-den-einzelhandel/
5 http://www.cesifo-group.de/de/dms/ifodoc/docs/facts/forecasts/forecasts_container/GD20131017/gd20131017-lang.pdf
6 http://www.bvh.info/presse/pressemitteilungen/details/datum/2013/november/artikel/umsatzzahlen-des-interaktiven-handels-im-3-quartal-2013-steigerung-gegenueber-dem-3-quartal-des-v/?cHash=7f48b0fd0f885c14ae923ee211d14012
7 http://de.statista.com/statistik/daten/studie/163502/umfrage/marktanteil-des-lebensmittelhandels-am-online-gesamtmarkt-2010/

Rainer Gläß
CEO

André Hergert
CFO

increase. The Ernst & Young Trade Barometer in July 2013 shows that 30 percent of the retailers surveyed are assuming that overall investments will increase in 2013 (36 percent in the previous year), while 63 percent assume that they will remain at the same level.[1] As far as business developments at GK SOFTWARE are concerned, it is important to determine to what degree this trend also covers IT investments, as the experience of the last few years indicates that an increasing readiness to invest on the part of the retail sector does not automatically include investments in this field. The strategy pursued by many retailers has obviously been to enhance their retail network during the growth phase or to expand abroad. However, the signals coming from GK SOFTWARE's market environment indicate that the logjam in investments in this field during the last few years is beginning to break up.

In general terms, new and replacement investments must be equipped to handle future issues. As the number of prime examples of genuine omni-channel integration is still very low and uncertainties about the strategy that should be pursued persist, this is currently creating a situation where greater time elapses before a decision is made to purchase software solutions. GK SOFTWARE has been feeling the effects of this in delays in sales cycles since last year.

Overall, the need for investments on the part of the retail sector remains high, as indicated by the latest study published by the EHI Retail Institute entitled "Till Systems 2012 – Facts, Background Information and Prospects".[2] The age of the software in use has continued to rise and almost a quarter of the solutions are more than 10 years old.[3] A current study by the EHI shows that the replacement investments are increasingly being stifled by the new issues mentioned here.[4] It describes multi-channel integration and the use of mobile devices by customers and employees as the greatest challenges at the moment and they are only surpassed by the introduction of new merchandise management solutions in their strategic importance.[5]

Overall, the conditions for ongoing business at GK SOFTWARE continue to remain positive in 2013. And this is all the more so, because the company is assuming, on the basis of its partnership with SAP, that it will be able to expand its base of potential customers in the international arena. But these trends are subject to the proviso that the global economic is not hugely disrupted by political or economic factors, which would have a negative effect on economic developments.

GK SOFTWARE continues to assume that the necessary investments in new systems needed in the short and medium term and the introduction of new issues within the retail sector will continue to offer sales potential in Germany and in the other markets that are being actively processed. There is also an expectation that the partnership with SAP in particular will create success stories in the international market place and reinforce the company's potential in the long term.

GK SOFTWARE is currently submitting bids in several tender procedures in Germany and abroad as part of its direct sales and is in a good position in its partnership business; with its broad portfolio of products, the internationality of its solutions and its proven ability to introduce projects quickly, it has important advantages over its competitors.

Customer Projects

GK SOFTWARE was able to land new customer projects and follow-up orders during the first nine months of 2013. AWEK was also able to successfully sell its medium-size business software in two projects and thereby occupy a segment that has not been addressed by GK/Retail.

As part of introducing our existing projects, 2013 was dominated by productive pilot starts in several projects. At the same time, the process of significant customers migrating to the Major

1 Ernst & Young Handelsbarometer, July 2013, p. 7.
2 EHI Retail Institute, Kassensysteme 2012, Cologne 2012.
3 Ibid, p. 30f.
4 EHI Retail Institute, IT-Trends im Handel 2013. Investitionen, Projekte und Technologien, Cologne, 2013.
5 Ibid, p. 20f.

Release 12 continued. This is creating the conditions for ensuring that business relationships, which are already long-standing, will continue to exist with these customers for a long time to come.

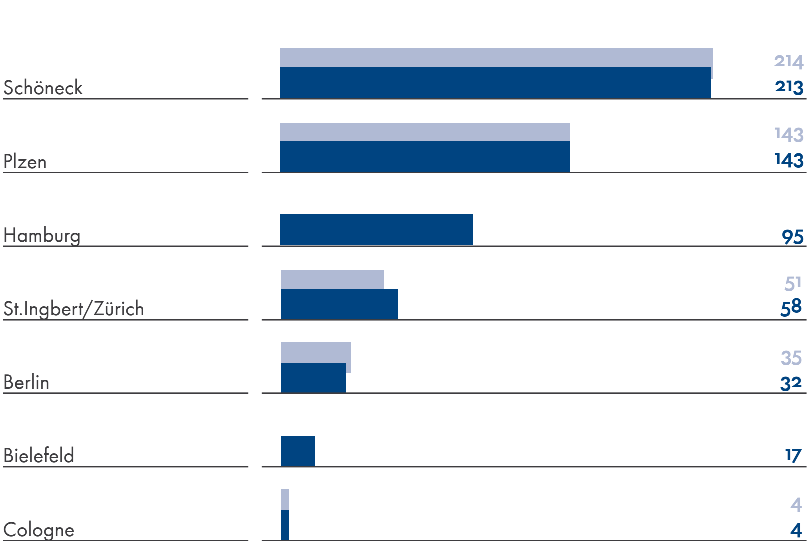
There is further evidence that the partnership with SAP is thriving; there are now eleven joint customer projects where GK solutions have been sold by SAP and they are either being introduced directly by GK SOFTWARE or through implementation partners.

Human Resources

GK SOFTWARE currently employs 567 members of staff (figure on 30 September 2013; the previous year's figure was 449), which means that this number has grown by 118 in comparison with the same period in the previous year.However, 112 AWEK employees still have to be assigned; they were not yet part of GK SOFTWARE on the reporting date in the previous year. Disregarding the acquisition, the number of employees remained largely constant (increase = 1.3 percent). The number of employees has largely remained constant compared to the figure at the end of 2012.

The majority of members of staff are employed at corporate headquarters in Schöneck – 213 persons, in comparison with the previous year's figure of 214. There are 32 employees working at the branch in Berlin, mainly in the sales & marketing, project management and partner management or the hotline departments (35 employees on the reporting date in the previous year). The Czech subsidiary EUROSOFTWARE s.r.o. current employs 143 people (143 in the previous year). There were 58 employees working at St. Ingbert on 30 September 2013 (51 in the previous year). Four employees were working in the Office Cologne on the reporting date. The OOO GK SOFTWARE (RUS) has two permanent employees and the StoreWeaver GmbH in Dübendorf/Switzerland three employees. GK SOFTWARE also employed four trainees on the reporting date. There are 95 AWEK employees in Hamburg and 17 in Bielefeld.

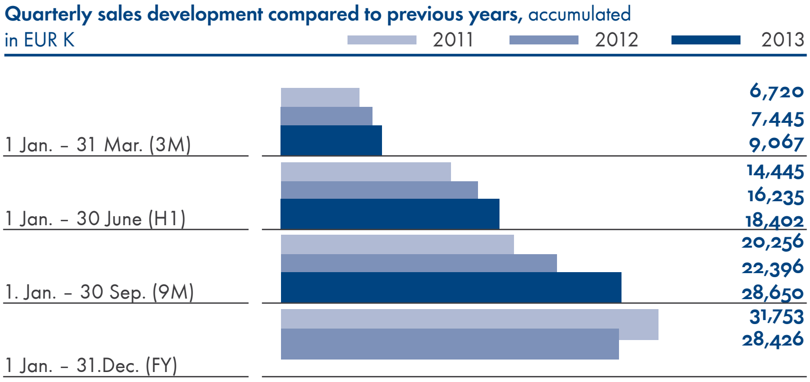
Distribution of employees at the group's sites
on 30 September 2013[1]



The major focus in the development of human resources continues to primarily be on integrating and familiarizing the permanently growing number of employees. For this purpose, special familiarization plans, trainee and mentoring programs have been developed.

1 Three other employees work at the branch in Dübendorf/Switzerland and two in Moscow and are not shown here.

Quarterly sales development compared to previous years, accumulated



Explanation of the Business Results and an Analysis of the Assets, Financial and Earnings Situation

Earnings situation

GK SOFTWARE was able to increase its sales from EUR 22.40 million to EUR 28.60 million and therefore by 27.9 percent during the first nine months of the 2013 business year compared to the figures for the same period in the previous year. Taking into account own work capitalized, the operating performance rose to EUR 28.74 million, following a figure of 23.01 million in the same period in the previous year. This represents growth of 24.9 percent.

The increase in turnover by EUR 6.25 million can be attributed to the "IT Services" business unit, which has been consolidated for this part of the year for the first time as a result of the acquisition of the AWEK Group. This business unit accounted for 28.2 percent or EUR 8.06 million of total turnover. The company had to record a decline in sales by EUR 1.39 million to a figure of EUR 19.54 million in the core business sector within the corporate group – the business associated with our GK/Retail software. The reason for this was the fall in licence revenues by EUR 1.56 million to a figure of EUR 1.81 million. In line with statements made for the previous quarters, it should be remembered that the development of licence revenues was far better during this period in the previous year than normal. The licence revenues during the first nine months of the year 2013 were EUR 1.75 million was therefore considerably below that of the previous year (9M 2012: EUR 3.37 million).

Our business relations with existing customers prove to be robust and the figures for the other types of services remained constant. For example, the services business related to GK/Retail was worth EUR 11.85 million, i.e. just EUR 0.16 million below the figure for the previous year of EUR 12.00 million. The maintenance revenues remained constant at EUR 5.39 million (EUR 5.37 million in the previous year). Other business expanded from a figure of EUR 0.2 million in the previous year to EUR 0.5 million.

K EUR	9M 2013		9M 2012		Change
Sales revenues	28,650	93.8%	22,396	94.2%	6,254
Own work capitalized	91	0.3%	613	2.6%	(522)
Operating revenues	**28,741**	**94.1%**	**23,009**	**96.8%**	**5,732**
Other operating revenues	1,794	5.9%	763	3.2%	1,032
Total operating revenues	**30,535**	**100.0%**	**23,772**	**100.0%**	**6,764**

As expected, it was not possible to achieve the previous year's results in the SQRS segment. Following turnover of EUR 1.47 million during the first three quarters of 2012, sales during the reporting period fell by 28.8 percent to a figure of EUR 1.04 million. This is primarily due to the fall in maintenance turnover in this business unit, which declined from EUR 1.11 million in the same period in the previous year to EUR 0.80 million. The reason for this is the migration of existing SQRS customs to the GK/Retail software solutions. As a result, the service revenues declined and fell from EUR 0.36 million to EUR 0.25 million.

Human resources expenditure rose by 33.5 percent to a figure of EUR 18.97 million compared to the same period in the previous year. The main reason for this increase involves the integration of the new IT Services business unit. This department accounts for an extra EUR 4.22 million in human resources costs. If we correct the development by disregarding the impact of this, the human resources expenditure amount to EUR 14.75 million without the "IT Services" business, following a figure of EUR 14.20 million in the previous year.

Depreciation/amortisation accounted for a figure of EUR 1.74 million (EUR 1.49 million in the previous year) during the first nine months of 2013, as scheduled. This increase is mainly due to the scheduled need for amortisation for the IT Services business unit, which was included in the reporting period for the first time; this amounted to EUR 0.31 million. As a result, the need for amortisation for the remaining parts of GK SOFTWARE remained largely constant. Other operating expenditure amounted to EUR 7.65 million (EUR 5.00 million in the previous year). This increase of EUR 2.65 million is partly accounted for by the other operating expenditure for the IT services business unit amounting to EUR 1.46 million and partly by the increases in travel expenses, which have been caused by a significant expansion in the company's sales activities. The remaining increase of EUR 1.19 million is largely due to increases in costs because of the greatly expanded sales activities (overall +EUR 0.47 million for trade fair presentations, travel expenses and data traffic), increases in expenditure for consultancy work (+EUR 0.29 million) and various other cost items that have increased, e.g. advertising for employees and tying them to the company, expenditure on operating and business equipment.

EUR K	9M 2013		9M 2012		Change		FY 2012	
Sales with								
GK/Retail	19,539	68.2%	20,926	93.4%	(1,387)	(6.6)%	25,959	91.3%
SQRS	1,046	3.7%	1,470	6.6%	(424)	(28.8)%	1,918	6.7%
IT Services	8,065	28.2%	–	–	8,065	100%	549	1.9%
Total	28,650	100.0%	22,396	100.0%	6,254	27.9%	28,426	100.0%
Licences	1,926	6.7%	3,366	15.0%	(1,440)	(42.8)%	3,838	13.5%
GK/Retail	1,811	6.3%	3,366	15.0%	(1,555)	(46.2)%	3,838	13.5%
SQRS	–	–	–	–	–	–	–	–
IT Services	115	0.4%	–	–	115	100%	–	–
Maintenance	10,417	36.4%	6,483	28.9%	3,934	60.7%	8,819	31.0%
GK/Retail	5,385	18.8%	5,373	24.0%	12	0.2%	7,332	25.8%
SQRS	798	2.8%	1,110	5.0%	(312)	(28.1)%	1,487	5.2%
IT Services	4,234	14.8%	–	–	4,234	100%	–	–
Services	14,102	49.2%	12,360	55.2%	1,742	14.1%	14,469	50.9%
GK/Retail	11,848	41.4%	12,004	53.6%	(156)	(1.3)%	14,043	49.4%
SQRS	248	0.9%	356	1.6%	(108)	(30.3)%	426	1.5%
IT Services	2,006	7.0%	–	–	2,006	100%	–	–
Other business	2,205	7.7%	187	0.8%	2,018	1079.1%	1,300	4.6%
GK/Retail	495	1.7%	183	0.8%	312	170.5%	746	2.6%
SQRS	–	–	4	0.0%	(4)	(100.0)%	5	0.0%
IT Services	1,710	6.0%	–	–	1,710	100%	549	1.9%

EUR K	30.9.2013		31.12.2012		Change	
Non-current assets	15,110	35.7%	16,274	36.9%	(1,164)	(7.2)%
Current assets or cash and cash equivalents	14,849	35.1%	17,519	39.8%	(2,670)	(15.2)%
Cash and cash equivalents	12,338	29.2%	10,265	23.3%	2,074	20.2%
Assets	**42,298**	**100.0%**	**44,058**	**100.0%**	**(1,760)**	**(4.0)%**
Equity	27,986	66.2%	28,187	64.0%	(201)	(0.7)%
Non-current liabilities	4,027	9.5%	5,007	11.4%	(980)	(19.6)%
Current liabilities	10,285	24.3%	10,864	24.7%	(578)	(5.3)%
Liabilities	**42,298**	**100.0%**	**44,058**	**100.0%**	**(1,760)**	**(4.0)%**

GK SOFTWARE recorded negative consolidated earnings before interest and taxes (EBIT) of EUR (0.75) million (EUR 2.51 million profit in the previous year) during the reporting period. Related to sales, the EBIT margin amounted to (2.6) percent, following a figure of +11.2 percent in the comparable period in the previous year.

The financial results amounted to EUR (0.01) million during the first nine months of the business year, in comparison with a figure of EUR (0.03) million in the same period in the previous year. The pre-tax results therefore amounted to EUR (0.76) million, following a figure of EUR 2.48 million in the same period in the previous year. After tax, the group shortfall for the period was EUR (0.83) million (EUR (1.81) million in the previous year). This corresponds to a loss of EUR (0.47) per share in terms of the 1,790,000 shares in circulation on the reporting date, following a figure of EUR 1.01 per share in the previous year.

EUR K	30.9.2013		30.9.2012		Change	
EBIT	(745)	(2.6)%	2,508	11.2%	(3,253)	(129.7)%
EBT	(756)	(2.6)%	2,482	11.1%	(3,239)	(130.5)%
Net income for the period	(834)	(2.9)%	1,808	8.1%	(2,642)	(146.1)%

Assets situation

The balance sheet total decreased by EUR 1.76 million to a figure of EUR 42.30 million in comparison with the figures at the end of 2012. As a result of the course of business, the group's equity on the balance sheet fell from EUR 28.19 million on 31 December 2012 by EUR 0.20 million to a figure of EUR 27.99 million on 30 September 2013 during the first nine months of the business year. The equity ratio now amounts to 66.2 percent, following a figure of 64.0 percent on the balance sheet date in 2012.

Non-current liabilities only declined clearly from EUR 5.01 million at the end of 2012 to a figure of EUR 4.03 million. The non-current bank liabilities also fell clearly by EUR (0.16) million to EUR 1.07 million through their reclassification as current debts; the deferred subsidies from the public sector remained almost unchanged at EUR 0.90 million (EUR 0.96 million on the balance sheet date in 2012). Because of the slight changes in the inventories of own work capitalized, the deferred tax assets and liabilities remained almost unchanged at EUR 1.06 million, following a figure of EUR 1.11 million.

Current liabilities fell from EUR 10.86 million at the end of the 2012 business year to a figure of EUR 10.29 million. Current provisions in particular fell by EUR 1.20 million to a figure of EUR 1.36 million. Trade accounts payable also fell; they declined by EUR 0.84 million to a figure of EUR 0.60 million. While advance payments that were received fell by EUR 0.35 million to a figure of EUR 0.71 million, current liabilities increased by EUR 1.19 million to EUR 4.97 million. This increase is primarily due to the integration of the IT Services business unit. Major components in the other current liabilities on the "liabilities side" are accruals and deferrals for maintenance invoices, which total EUR 1.51 million in all, and liabilities towards employees amounting to EUR 1.25 million. The remaining major items concern liabilities from income and sales tax of EUR 0.63 million and liabilities arising from outstanding cost accounting for EUR 0.39 million.

On the assets side, the carrying amount of non-current assets fell by EUR 1.16 million from EUR 16.27 million at the end of the previous business year to EUR 15.11 million at the end of the reporting period. Property, plant and equipment valued at EUR 4.80 million remained almost unchanged compared to the figure at the end of 2012, while immaterial assets, where the carrying amount changed slightly from EUR 10.88 million to EUR 9.92 million during the same period of time, recorded a slight decline. This fall is due to the scheduled amortization of own work capitalized and the acquired customer relations and other intangible assets that were acquired.

The non-current asset items were valued at EUR 27.19 million, following a figure of EUR 27.78 million on the balance sheet reporting date in 2012. The lion's share of this involved cash and cash equivalents, which rose by EUR 2.08 million from a figure of EUR 10.26 million on the balance sheet date in 2012 to EUR 12.34 million. But trade accounts receivable declined. The fall in comparison with the balance sheet date in 2012 amounted to EUR 2.05 million, with the result that the outstanding payments still amounted to EUR 8.81 million. The accounts receivable from work in progress, on the other hand, rose only slightly by EUR 0.13 million to a figure of EUR 0.90 million.

Financial situation

Cash flow in the narrower sense (largely the pre-tax earnings, adjusted by depreciation/amortization that does not affect the company's liquidity) amounted to EUR 2.33 million until the reporting date. This decline by EUR 1.47 million compared to the same period in the previous year is almost exclusively due to the net profit or loss for the period, which fell by EUR 1.81 million. The cash flow from operating business amounted to EUR 1.92 million in the reporting period, following a figure of EUR 5.05 million in the same period in the previous year (EUR 4.85 million for the full year in 2012). In addition to the effects of the lower results for the period, which have already been mentioned, the reasons for this can be found in the provisions, which were reduced by EUR 1.93 million, the decline in advance payments received by EUR 0.35 million and the decrease in stocks by EUR 0.18 million; these detrimental changes to elements in the net current assets were unable to completely offset the positive trends, with the result that the changes in the net current assets weighed on the overall cash flow from business operations to the tune of EUR 0.40 million. The operating cash flow in the reporting period was buoyed by income tax refunds amounting to EUR 0.80 million.

The cash flow from investment activities amounted to EUR (0.54) million during 2013 until 30 September (EUR (3.99) million for the whole of 2012). The cash flow from financial activities amounted to EUR (0.13) million during the reporting period (an outflow of EUR 2.67 million for the whole of 2012). Overall, there was an inflow of cash within the group of EUR 2.07 million during the reporting period so that the total cash and cash equivalents now amount to EUR 12.34 million.

Report on key events after the reporting period

The Management Board was reduced in size after the end of the reporting period. This process involved scaling down the size of the Management Board to just two members; they are now Rainer Gläss, CEO, and André Hergert, who is CFO. The former member of the Management Board, Michael, Jaszczyk, is switching to become Managing Director of the company's US entity, which is in the process of being set up, and he will continue to act as CTO. The former COO, Oliver Kantner, left the company on 30 November 2013. The Management and Supervisory Boards would like to thank him for his work over the past three years.

Report on Risks and Prospects at GK SOFTWARE

Opportunities and Risks for GK SOFTWARE

No major changes to GK SOFTWARE's risk situation have arisen during the course of the 2013 business year so far in terms of the remarks provided in the consolidated annual report for the 2012 business year, which might then have a serious effect on the development of the company in the current business year. As a result, the descriptions of the potential opportunities and risks for the future development of GK SOFTWARE in the consolidated annual report for the 2012 business year remain unchanged.

Outlook

The 2012 business year and the course of the business year in 2013 so far have proven that sales successes and particularly the timing of these successes cannot be guaranteed, despite good assumptions and an excellent position in the market place. If our way of viewing things is focused on time periods that are too short, this can lead us to draw the wrong conclusions about the corporate group's position in the market place. Based on the information available, the Management Board still expects the company's financial and revenue situation to improve through the expected expansion of business and of its core business too again in 2013 and that there will not be any developments that pose a threat to the company's existence in terms of its financial situation. This estimate is naturally subject to the impact of developments, which the company cannot influence and which might have a significant effect on this forecast, whether they are expected or come as a surprise.

The pathway covered during the last few years has encouraged the Management Board that the strategy pursued in the past of placing the company's business on a broader geographical footing and making deeper inroads into the domestic market is a successful approach. We therefore intend to increase the share of sales with companies, which have their corporate headquarters outside Germany, and, at the same time, serve our domestic market here in Germany by expanding into other retail segments not served in the past and enhancing business relations in the segments that we have already opened up to an even better and more extensive degree.

If we follow the assessments stated at the beginning on the development of the overall economy and of the retail sector, an expansion of sales in the company's core GK/Retail business continues to be probable in 2013. This growth should continue to be achieved with the level of profitability of previous years. The acquisition of the AWEK Group will also expand the company's business, but the growth in sales will probably be lower than the group's sales recorded in the 2012 business year. The Management Board is not expecting a positive contribution to the group's earnings before interest and taxes in 2013 because of the expenditure required for restructuring and integration purposes.

This kind of development may still be negatively affected to a significant degree by the remaining lack of clarity about the economic situation in the European Union. If the overall economy suffers a set-back, it is possible that the recognisable readiness to invest on the part of the retail sector will be curbed once again and this could have a negative effect on the results at GK SOFTWARE. The short-term effects of discussions related to the omni-channel approach within the retail sector on business developments at GK SOFTWARE are still unclear.

We are expecting a significant growth in sales for the GK/Retail business sector in 2014. We expect our profitability to reach the margin levels of previous years again. On the basis of these expectations, we do not expect any negative impact on the good financial situation that we enjoy at the moment.

Consolidated Accounts

Consolidated Balance Sheet on 30 September 2013

Assets

EUR	30.9.2013 (not audited)	31.12.2012 (audited)
Non-current assets		
Property, plant and equipment	4,796,884.28	4,884,102.79
Intangible assets	9,918,902.17	10,883,814.83
Financial assets	1,660.00	1,660.00
Deferred taxes	392,925.28	504,452.39
Total non-current assets	**15,110,371.73**	**16,274,030.01**
Current assets		
Trade accounts receivable	1,200,237.54	1,018,607.23
Accounts receivable from ongoing work	8,809,803.44	10,859,813.32
Income tax assets	902,101.73	768,700.00
Other accounts receivable and assets	512,848.07	1,321,894.70
Accounts receivable from associated companies	4,786.79	0.00
Other accounts receivable and assets	3,419,605.43	3,550,244.42
Cash and cash equivalents	12,338,357.39	10,264,631.10
Total current assets	**27,187,740.39**	**27,783,890.77**
Balance sheet total	**42,298,112.12**	**44,057,920.78**

Liabilities

EUR	30.9.2013 (not audited)	31.12.2012 (audited)
Equity		
Subscribed capital	1,790,000.00	1,790,000.00
Capital reserves	14,426,256.73	14,352,940.73
Retained earnings	31,095.02	31,095.02
Other reserves (OCI from introducing IAS 19 2011)	234,085.93	(325,283.00)[1]
Balance sheet profits	11,504,276.40	12,338,171.71[1]
Total equity	**27,985,714.08**	**28,186,924.52**
Non-current liabilities		
Provisions for pensions and similar obligations	986,593.85	1,708,325.80
Non-current bank liabilities	1,074,000.00	1,230,750.00
Deferred public sector subsidies	904,579.08	957,586.04
Deferred tax assets and liabilities	1,061,771.90	1,110,389.90
Total non-current liabilities	**4,026,944.83**	**5,007,051.74**
Current liabilities		
Current provisions	1,358,246.34	2,562,347.94
Current bank liabilities	2,267,942.78	2,244,605.84
Trade accounts payable	599,481.12	842,927.23
Initial payments received	711,385.35	1,056,989.66
Income tax liabilities	382,287.41	376,202.24
Other current liabilities	4,966,110.21	3,780,871.61
Total current liabilities	**10,285,453.21**	**10,863,944.52**
Total liabilities	**14,312,398.04**	**15,870,996.26**
Balance sheet total	**42,298,112.12**	**44,057,920.78**

1 Information on the adaptation of the previous year's figures can be found in the explanations under paragraph 3.

Consolidated Income Statement on 30 September 2013

EUR	30.9.2013 (not audited)	30.9.2012 (not audited)	31.12.2012 (audited)
Ongoing business divisions			
Sales revenues	28,649,591.66	22,395,679.86	28,425,826.84
Changes in stocks of unfinished work	0.00	0.00	(127,306.31)
Own work capitalized	91,172.48	613,293.88	747,679.34
Other operating revenues	1,794,332.46	762,565.98	1,657,766.63
	30,535,096.60	**23,771,539.72**	**30,703,966.50**
Materials expenditure	(2,918,122.97)	(568,281.43)	(672,572.73)
Human resources expenditure	(18,967,023.93)	(14,203,662.68)[1]	(19,440,739.87)[1]
Depreciation and amortization	(1,740,514.66)	(1,492,784.79)	(2,073,169.27)
Other operating expenditure	(7,654,440.44)	(4,998,876.43)	(7,400,578.30)
	31,280,102.00	**21,263,605.33**[1]	**29,587,060.17**[1]
Operating results	**(745,005.40)**	**2,507,934.39**[1]	**1,116,906.33**[1]
Financial results	(11,165.39)	(25,442.14)[1]	27,622.26[1]
Results before income taxes	**(756,170.79)**	**2,482,492.25**[1]	**1,144,528.59**[1]
Income taxes	(77,724.58)	(674,190.59)	144,378.53
Net income for period	**(833,895.37)**	**1,808,301.66**[1]	**1,000,150.06**[1]
Profits carried forward	12,338,171.77	12,233,021.71	11,388,021.71
Dividend payments	–	(895,000.00)	–
Consolidated balance sheet profits	**11,504,276.40**	**13,146,323.37**	**12,338,171.77**[1]
Number of shares issued (average figure)	1,790,000	1,790,000	1,790.000
Non-diluted earnings per share (eur/share)	**(0.47)**	**1.01**[1]	**0.56**[1]
Diluted earnings per share (eur/share)	**(0.47)**	**1.01**[1]	**0.56**[1]

1 Information on the adaptation of the previous year's figures can be found in the explanations under paragraph 3.

Consolidated Results Accounts on 30 September 2013

EUR	30.9.2013 (not audited)	30.9.2012 (not audited)	31.12.2012 (audited)
Consolidated annual net income	**(833,895.37)**	**1,808,301.66** [1]	**1,000,150.06** [1]
Items, which are not subsequently reclassified in the profit and loss statement			
Actuarial profit/loss from defined benefit pension plans	559,368.93	(243,962.25) [1]	(325,283.00) [1]
Other earnings, after tax	**559,638.93**	**(243,962.25)** [1]	**(325,283.00)** [1]
Total results	**(274,526.44)**	**564,339.41**	**674,867.06**
Allocation of total results to the owners of the parent company	**(274,526.44)**	**564,339.41**	**674,867.06**

Development of Consolidated Equity Capital on 30 September 2013

EUR	Subscribed capital	Capital reserves	Retained earnings	Other reserves[1]	Balance sheet profits[1]	Total[1]
Figures on 1 January 2012	**1,790,000.00**	**14,177,069.73**	**31,095.02**	**0.00**	**12,233,021.71**	**28,231,186.46**
Stock option program	0.00	139,816.00	0.00	0.00	0.00	139,816.00
Dividend payments	0.00	0.00	0.00	0.00	(895,000.00)	(895,000.00)
Impact of the first use of IAS 19	0.00	0.00	0.00	(243,962.25)	0.00	(243,962.25)
Net income for the period	0.00	0.00	0.00	0.00	1,808,301.66	1,808,301.66
Figures on 30 September 2012 (adapted) [1]	**1,790,000.00**	**14,316,885.73**	**31,095.02**	**(243,962.25)**	**13,146,323.37**	**29,040,341.87**
Stock option program	0.00	36,055.00	0.00	0.00	0.00	36,055.00
Impact of the first use of IAS 19	0.00	0.00	0.00	(81,320.75)	0.00	(81,320.75)
Net income for the period	0.00	0.00	0.00	0.00	(808,151.60)	(808,151.60)
Figures on 31 December 2012	**1,790,000.00**	**14,352,940.73**	**31,095.02**	**(325,283.00)**	**12,338,171.77**	**28,186,924.52**
Stock option program	0.00	73,316.00	0.00	0.00	0.00	73,316.00
Allocation based on IAS 19	0.00	0.00	0.00	559,368.93	0.00	559,368.93
Net income for the period	0.00	0.00	0.00	0.00	(833,895.37)	(833,895.37)
Figures on 30 September 2013	**1,790,000.00**	**14,426,256.73**	**31,095.02**	**234,085.93**	**11,504,276.40**	**27,985,714.08**

Consolidated Cash Flow Statement on 30 September 2013

Cash Flows from Operating Business

EUR K	30.9.2013 (not audited)	30.9.2012 (not audited)[1]
Cash flows from operating business		
Consolidated results for the period	(834)	1,808
Income taxes affecting results	78	674
Stock option program (non-cash expenses)	73	140
Interest expenditure affecting operating results	85	184
Interest yields affecting operating results	(74)	(158)
Profit/loss from the sale or disposal of property, plant and equipment	(1)	(9)
Reversals of deferred public sector subsidies	(53)	(56)
Write-downs recognized for receivables	825	0
Write-ups recognized for receivables	(72)	(30)
Amortization/depreciation	1,741	1,493
Allocation of other earnings	559	(243)
Other non-cash revenues and expenditure	(1)	0
	2,326	**3,803**
Changes in net current assets		
Changes in trade accounts receivable and other receivables	1,297	1,002
Changes in inventories	(182)	0
Changes in trade accounts payable and other liabilities	754	(1,416)
Changes in initial payments received	(346)	398
Changes in provisions affecting results	(1,926)	1,265
Influx of cash from operating business	**1,923**	**5,052**
Interest payments received	68	68
Interest paid	(43)	(176)
Income taxes paid	800	(1,322)
Net cash flow provided by operating business	**2,748**	**3,622**
Cash flows from investment activities		
Payments for property, plant and equipment and non-current assets	(688)	(1,300)
Proceeds from disposals of fixed assets	1	9
Investment subsidies used	0	12
Disbursed loans	(27)	(196)
Proceeds for loans granted	172	0
Net outflow of cash and cash equivalents from investment activities (Transfer)	**(542)**	**(1,475)**

1 Information on the adaptation of the previous year's figures can be found in the explanations under paragraph 3.

Cash Flow provided by financing costs, credits and means of payment

EUR K	30.9.2013 (not audited)	30.9.2012 (not audited)[1]
Transfer (Net outflow of cash and cash equivalents from investment activities)	**(542)**	**(1,475)**
Cash flows from financing activities		
Dividend payments	0	**(895)**
Loans taken out	59	92
Repayment installments for loans	(192)	(3,804)
Net income in cash and cash equivalents from financing activities	**(133)**	(4,607)
Net income in cash and cash equivalents	**2,073**	**(2,460)**
Cash and cash equivalents at the beginning of the fiscal year	10,265	13,859
Impact of changes in exchanges rates on cash and cash equivalents	0	3
Cash and cash equivalents on the reporting date	**12,338**	**11,402**

EUR 10K were pledged as security as part of a leasing contract for business accommodation for the Berlin branch and Cologne branch of GK SOFTWARE AG.

Notes on the Consolidated Accounts on 30 September 2013

Principles of Reporting

1. General Information

The brief interim consolidated accounts for GK SOFTWARE AG have been prepared in line with the International Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) that applied on the accounts reporting date. Any standards or interpretations, which have been published, but are not yet in force, have not been used for these interim consolidated accounts. The company managers assume that the effects on the annual accounts during the year that they first apply will not be major. The International Accounting Standards Board (IASB) published the amendments to IAS 19 entitled "Benefits to Employees" in June 2011 and they were adopted by the EU in June 2012. The amendments to IAS 19 must be applied retrospectively to annual accounts for business years, which start on or after 1 January 2013. The main effects for GK SOFTWARE AG result from the fact that the actuarial profit and loss is no longer entered in the profit and loss statement, but directly under "Other earnings". The consolidated and profit and loss statement will in future remain free of any effects arising from actuarial profits and losses, as they are now recorded under "Other earnings". The net interest rate is also introduced. The net pension obligation is then discounted by the discounting interest rate, which forms the basis for the assessment of the gross pension obligation. As the net pension obligation is reduced by possible plan assets, interest amounting to the discounting interest rate is assumed for the plan assets as a result of this calculation.

GK SOFTWARE AG has adapted the previous year's figures through the impact arising from the amendments to IAS 19.

The International Accounting Standards Board did not publish any other new accounting standards (IFRS), which need to be applied by the company in the current business year.

The consolidation, balance sheet and assessment methods used in these brief interim consolidated accounts are based on the same consolidation, balance sheet and assessment methods, which were also used in the consolidated accounts in fiscal 2012, unless any different procedure is mentioned here.

2. Consolidated Companies

The interim consolidated accounts include GK SOFTWARE AG and all the active companies, where GK SOFTWARE AG has a majority holding of voting rights among the shareholders, either directly or indirectly.

The consolidated companies not only include the parent company, SQ IT-Services GmbH, Schöneck, 1. Waldstraße GmbH, Schöneck and AWEK GmbH, Barsbüttel, with its two German subsidiaries (AWEK C-POS GmbH, AWEK microdata GmbH), but also three companies based abroad (EUROSOFTWARE s.r.o., Plzen/Czech Republic, OOO GK Software RUS, Moskow/Russia and StoreWeaver GmbH, Dübendorf/Switzerland with a subsidiary in St. Ingbert/Germany). AWEK Hong Kong Ltd., where GK SOFTWARE AG has a majority holding of voting rights directly, was not included in the consolidated companies, as it had not yet started its business activities.

3. Adapting the previous year's figures

The IASB published amendments to IAS 19 "Benefits to Employees" in June 2011 and they were adopted by the EU in June 2012. The amendments to IAS 19 must be retrospectively applied to annual accounts for business years, which start on or after 1 January 2013. GK SOFTWARE AG has adapted the figures reported for the previous year through the impact arising from the amendments to IAS 19.

The following table shows the effect of applying IAS 19 to the major items on the consolidated balance sheet on 30 September 2012 and on 31 December 2012.

EUR	31.12.2012	30.9.2012
Other retained earnings from OCI	(325,283.00)	(243,962.25)
Net income for the period	325,283.00	14,079.91
Changes in equity	**0.00**	**(229,882.28)**

The effects on the consolidated profit and loss statement for the period 1 January – 30 September 2012 and for the full year in 2012 are shown in the following table.

EUR	31.12.2012	30.9.2012
Human resources expenditure	(332,165.00)	(19,241.47)
Net interest	(6,882.00)	(5,161.50)

The undiluted and the diluted earnings per share increased in 9M in 2012 by EUR 0.01 and by EUR 0.18 on 31 December 2012.

If we had retained the balance sheet principles in IAS 19 in their non-amended version, this would not have had any major effects on the consolidated balance sheet or the consolidated profit and loss statement on 30 September 2013.

4. Sales Revenue

The sales revenues are exclusively the result of the sale of hardware and software and the provision of services for European customers.

Sales amounting to EUR 159K were entered during the reporting period, which are recognized in line with IAS 18.20 in conjunction with IAS 11 (customized software). Sales amounting to EUR 14K were achieved during the reporting period for sales, which are recognized according to IAS 18.27.

Overall, all the customer orders contained in the figures have a balance on the assets side and are reported as one amount in the item entitled "Accounts receivable from work in progress."

We would refer you to Section 6 "Segment reporting" for a summary of the main categories of revenues. Guarantee provisions amounting to EUR 581K have been formed for these revenues.

5. Earnings per Share

Earnings per share are calculated as the earning from the group's reporting period's net income divided by the weighted average number of shares in circulation. The number of shares in circulation was on average 1,790,000 in the reporting period (1,790,000 on 30 September 2012). The consolidated loss for the period in the reporting period amounted to EUR 834K. Hence earnings per share were EUR (0.47) (EUR 1.01 on 30 September 2012) [1].

Dilution effects were not included when calculating the diluted earnings per share, neither in terms of the net profit or loss for the period nor regarding the number of shares. This is because the company's share value on average lay below the exercise thresholds. The diluted earnings per share therefore match the undiluted earnings per share of EUR (0.47) (9M 2012: EUR 1.01) [1].

When calculating the diluted weighted average value of the ordinary shares on 30 September 2013, 25,625 options were disregarded.

6. Segment Reporting

The market supply of the group is expanded since the acquisition of the AWEK. In addition to the GK/Retail and SQRS products and related services the group now also offers general IT services for the retail industry. The structure of the sales can be subdivided in both business areas according to

1 Information on the adaptation of the previous year's figures can be found in the explanations under paragraph 3.

the sale of licenses, maintenance and introductory and adaptation services. Hardware for store IT operations continues to be sold on a small scale – this hardware is manufactured by third parties.

The following summary represents the subdivision of sales according to products and business departments:

the sales exceeds 10 percent of the total sales during the reporting period.

	GK/Retail			SQRS			IT-Services			Eliminations			Group		
EUR K	9M 2013	9M 2012	FY 2012	9M 2013	9M 2012	FY 2012	9M 2013	9M 2012	FY 2012	9M 2013	9M 2012	FY 2012	9M 2013	9M 2012	FY 2012
Sales with third parties	**19,539**	**20,926**	**25,959**	**1,046**	**1,470**	**1,918**	**8,065**	**–**	**549**	**–**	**–**	**–**	**28,650**	**22,396**	**28,426**
Licenses	1,811	3,366	3,838	–	–	–	115	–	–	–	–	–	1,926	3,366	3,838
Maintenance work	5,385	5,373	7,332	798	1,110	1,487	4,234	–	–	–	–	–	10,417	6,483	8,819
Services	11,848	12,004	14,043	248	356	426	2,006	–	–	–	–	–	14,102	12,360	14,469
Other departments	513	198	766	–	4	5	1,761	–	552	–	–	–	2,274	202	1,323
Sales deductions	(18)	(15)	(20)	–	–	–	(51)	–	(3)	–	–	–	(69)	(15)	(23)
Sales with the other segment	**618**	**965**	**1,219**	**62**	**–**	**–**	**100**	**–**	**–**	**(780)**	**(965)**	**(1,219)**	**–**	**–**	**–**
Segment EBIT	**(989)**	**2,279**	**586**	**241**	**210**	**318**	**4**	**–**	**(120)**	**–**	**–**	**–**	**(744)**	**2,489**	**784**
Assets	**36,645**	**38,713**	**37,873**	**2,082**	**2,460**	**2,263**	**5,520**	**–**	**5,130**	**(1,948)**	**(769)**	**(1,208)**	**42,299**	**40,404**	**44,058**
Cash and cash equivalents	**9,854**	**9,758**	**8,567**	**1,590**	**1,644**	**1,609**	**894**	**–**	**89**	**–**	**–**	**–**	**12,338**	**11,402**	**10,265**

The decision discontinue the SQRS software solutions in the future has been maintained. The exchange of work between the segments is governed by service agreements, which are dictated by the normal revenues for segments in their outside markets. Administrative work is calculated on the basis of service provision agreements in line with the estimated time required based on experience in the past, using the cost price of the administrative work that is provided.

Sales with customers, which have their headquarters outside Germany, amounted to EUR 5,852K during the reporting period. Sales of EUR 0K were achieved with customers, whose share of

7. Details on associated persons and companies

There was no need for any expenditure on valuation adjustments or irrecoverable accounts receivable with regard to associated persons or these items did not exist.

Business transactions between GK SOFTWARE AG and its consolidated subsidiaries have been eliminated as part of the consolidation process.

The direct parent company is GK Software Holding GmbH, Schöneck. There were no business relations existing in the first nine months of 2013.

Two loans were granted to closely related companies. The one loan with a line of credit amounting to EUR 2,000K has been granted for an indefinite period, but it can be terminated at the end of any year with a period of notice of three months. The interest payable amounts to 4% p.a. on 30 September 2013. This was worth EUR 1,945K on the balance sheet reporting date. It can be terminated with a period of notice of three months to the end of any year. Salary claims from Mr Rainer Gläß and Mr Stephan Kronmüller to GK SOFTWARE AG serve as collateral for the loans.

The second loan was granted for an indefinite period with a current account credit line of up to EUR 20K and is subject to an interest rate of 6 percent. The current balance is EUR 0K.

In addition, there are tenancy arrangements with another closely related company. The expenditure on tenancy incurred during the first nine months of the financial year amounted to EUR 43K.

Expenditure on outside services with closely related companies amounting to EUR 208K was also incurred. Revenues with closely related companies in connection with making vehicles available and other services amounting to EUR 10K and sales from the provision of project services amounting to EUR 300K were also generated.

Schöneck, November 2013

The Management Board

Rainer Gläß
(CEO)

André Hergert
(CFO)

There were no other accounts receivable on 30 September 2013 in addition to those listed above. All the business transactions with associated companies concern associated companies according to the category in IAS 24.19.

8. Major events

There are no major events to report after 30 September 2013.

9. Approval of the brief interim accounts

The brief interim accounts were approved by the management board at a meeting held on 30 November 2013 and were released for publication.

Imprint/Notes

Imprint

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Notes

Note to the Report

This Annual Report is the English translation of the original German version. In case of deviations between these two the German version prevails. This Annual Reports is in both languages can be downloaded at **http://investor.gk-software.com**.

Note regarding the rounding of figures

Due to the commercial rounding of figures and percentages small deviations may occur.

Disclaimer

This annual report includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of GK SOFTWARE AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as “expect”, “estimate”, “intend”, “can”, “will” and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the retail and IT market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of GK SOFTWARE AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.

Financial Calendar

Annual Report 2013	29 April 2014
3M Interim Report for 2014	27 Mai 2014
Annual Shareholders' Meeting in 2014	18 Juni 2014
H1 Interim Report for 2014	27 August 2014
9M Interim Report for 2014	26 November 2014

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