INVISION

Annual Report 2019

Consolidated Financial Statements

of InVision AG as of 31 December 2019 in accordance with IFRS and § 315e of the German Commercial Code as well as the Group management report pursuant to § 315 of the German Commercial Code

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Financial Summary

(in TEUR)	2019	2018	Δ*
Revenues	**12,618**	**13,067**	**-3%**
thereof Workforce Management	12,227	12,646	-3%
thereof Education	391	421	-7%
R&D Expenses	**5,650**	**6,301**	**-10%**
as a % of revenues	45%	48%	-3 PP
EBIT	**981**	**233**	**322%**
as a % of revenues	8%	2%	+6 PP
Consolidated result	**2,945**	**-200**	**1,576%**
as a % of revenues	23%	-2%	+25 PP
Operating cash flow	**1,491**	**10**	**14,097%**
as a % of revenues	12%	0%	+12 PP
Earnings per share (in EUR)	**1.34**	**-0.09**	**1,589%**

(in TEUR)	31 Dec 2019	31 Dec 2018	Δ*
Balance sheet total	**18,214**	**12,082**	**51%**
Liquid funds	**2,616**	**670**	**290%**
Equity	**13,125**	**10,180**	**29%**
as a % of balance sheet total**	72%	84%	-12 PP

* The calculation of deviations from the previous year is based on non-rounded figures.

** With regard to the development of the equity ratio, reference is made to the explanations in the Notes to the consolidated financial statements on the first-time application of IFRS 16.

Consolidated Balance Sheet

InVision AG, 31 December 2019
IFRS, in Euro

Assets	**Note**	**31 Dec 2019**	**31 Dec 2018**
A. Short-term assets			
1. Liquid funds	(21)	2,615,707	670,454
2. Trade receivables	(22)	1,159,134	1,397,793
3. Income tax claims	(23)	43,509	218,043
4. Prepaid expenses and other short-term assets	(24)	135,667	128,650
Total short-term assets		**3,954,017**	**2,414,940**
B. Long-term assets			
1. Intangible assets	(25)	297,736	334,667
2. Tangible assets	(26)	8,937,009	9,299,122
3. Right-of-use assets	(28)	1,521,953	0
4. Deferred taxes	(29)	3,481,172	19,656
5. Other long-term assets	(30)	21,656	14,106
Total long-term assets		**14,259,526**	**9,667,551**
Total assets		**18,213,543**	**12,082,491**

Equity and liabilities	Note	31 Dec 2019	31 Dec 2018
A. Short-term liabilities			
1. Liabilities due to credit institutions	(32)	480,000	250,000
2. Leasing liabilities	(33)	176,552	0
3. Trade payables	(34)	161,870	268,494
4. Provisions	(35)	239,392	377,146
5. Income tax liabilities	(35)	1,202,487	222,989
6. Customer contract liabilities and other liabilities	(36)	858,559	783,931
Total short-term liabilities		**3,118,860**	**1,902,560**
B. Long-term liabilities			
1. Liabilities due to credit institutions	(37)	520,000	0
2. Leasing liabilities	(38)	1,449,308	0
Total long-term liabilities		**1,969,308**	**0**
C. Equity			
1. Subscribed capital	(39)	2,235,000	2,235,000
2. Reserves	(40)	1,191,184	1,191,184
3. Equity capital difference from currency translation	(41)	-402,921	-419,289
4. Group/consolidated result		10,102,112	7,173,036
Total equity		**13,125,375**	**10,179,931**
Total equity and liabilities		**18,213,543**	**12,082,491**

Consolidated Statement of Comprehensive Income

InVision AG, 31 December 2019
IFRS, in Euro

	Note	1 Jan - 30 Dec 2019	1 Jan - 31 Dec 2018
1. Revenues	(42)	12,617,767	13,066,634
2. Other operating income	(43)	133,341	114,925
3. Cost of materials/cost of goods and services purchased	(44)	-2,974	-13,034
4. Personnel expenses	(45)	-8,162,017	-8,694,719
5. Amortisation/depreciation of intangible and tangible assets	(46)	-737,035	-586,450
6. Other operating expenses	(47)	-2,868,452	-3,654,848
7. Operating result (EBIT)		**980,630**	**232,508**
8. Financial result	(49)	-108,219	-12,193
9. Currency losses/gains		16,518	4,310
10. Result before taxes (EBT)		**888,929**	**224,625**

	Note	1 Jan - 30 Dec 2019	1 Jan - 31 Dec 2018
11. Income tax	(50)	2,106,191	-462,634
12. Consolidated net profit/loss		**2,995,120**	**-238,009**
13. Exchange rate differences from converting foreign financial statements		16,368	38,395
14. Adjustment from the first-time application of new accounting standards		-66,044	0
14. Consolidated result		**2,945,444**	**-199,614**
Earnings per share		1.34	-0.09

Consolidated Cash Flow Statement

InVision AG, 31 December 2019
IFRS, in Euro

	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018
1. Cash flow from operating activities		
Consolidated net profit/loss	**2,995,120**	**-238,009**
+ Depreciation and amortisation of fixed assets	737,035	586,450
-/+ Profits/losses from the disposal of intangible and tangible assets	-12,194	33,482
-/+ Decrease/increase in provisions	-137,754	120,880
-/+ Increase/decrease in deferred taxes	-3,461,516	19,656
-/+ Other non-cash income/expenses	23,728	-8,156
-/+ Increase/decrease in trade receivables	238,658	-128,820
-/+ Increase/decrease in other assets and prepaid expenses	-14,565	69,529
+/- Decrease/increase in income tax claims/liabilities	1,154,032	-355,668
-/+ Decrease/increase in trade payables	-106,624	98,482
-/+ Decrease/increase in other liabilities and deferred income	74,627	-187,327
Cash flow from operating activities	**1,490,547**	**10,499**

	1 Jan - 31 Dec 2019	1 Jan - 31 Dec 2018
2. Cash flow from investing activities		
- Payments made for investments in tangible assets	-154,963	-332,955
- Payments made for investments in intangible assets	0	-24,832
+ Payments received from the disposal of intangible and tangible assets	17,795	26,235
Cash flow from investing activities	**-137,168**	**-331,552**
3. Cash flow from financing activities		
+ Additions to long-term financing liabilities	1,000,000	0
- Payments made for redemption of long-term financing liabilities	-250,000	-1,250,000
- Payments made for redemption of lease liabilities	-172,330	0
Cash flow from financing activities	**577,670**	**-1,250,000**
Change in cash and cash equivalents	1,931,049	-1,571,053
Effect of foreign exchange rate changes on cash and cash equivalents	14,204	31,508
Cash and cash equivalents at the beginning of the period	**670,454**	**2,209,999**
Cash and cash equivalents at the end of the period	**2,615,707**	**670,454**

Consolidated Statement of Equity

InVision AG, 31 December 2019
IFRS, in Euro

	Subscribed capital	Reserves	Equity capital difference from currency translation	Profit/Losses	Equity
31 December 2017	**2,235,000**	**1,191,184**	**-457,684**	**7,411,045**	**10,379,545**
Consolidated net profit	0	0	0	-238,009	-238,009
Exchange rate difference from converting foreign financial statements	0	0	38,395	0	38,395
Total of costs and income	**0**	**0**	**38,395**	**-238,009**	**-199,614**
31 December 2018	**2,235,000**	**1,191,184**	**-419,289**	**7,173,036**	**10,179,931**
Adjustment from the first-time application of IFRS 16	0	0	0	-66,044	-66,044
01 January 2019	**2,235,000**	**1,191,184**	**-419,289**	**7,106,992**	**10,113,887**
Consolidated net profit	0	0	0	2,995,120	2,995,120
Exchange rate difference from converting foreign financial statements	0	0	16,368	0	16,368
Total of costs and income	**0**	**0**	**16,368**	**2,995,120**	**3,011,488**
30 December 2019	**2,235,000**	**1,191,184**	**-402,921**	**10,102,112**	**13,125,375**

Consolidated Notes

to the Consolidated Financial Statements of InVision AG as of 31 December 2019 in accordance with IFRS and § 315e of the German Commercial Code

General Information

1. General information about the Company

InVision Aktiengesellschaft, Düsseldorf (hereinafter also referred to as "InVision AG" or the "Company"), together with its subsidiaries (hereinafter also referred to as the "InVision Group" or the "Group"), develops and markets products and services in the field of workforce management and education, and is mainly active in Europe and the United States.

The Company's registered offices are located at Speditionstraße 5, 40221 Düsseldorf, Germany. It is recorded in the Commercial Register of the Local Court of Düsseldorf under registration number HRB 44338. InVision AG has been listed in the prime standard segment of the Frankfurt Stock Exchange under securities identification number 585969 since 18 June 2007.

The IFRS consolidated financial statements are expected to be approved by the Supervisory Board of InVision AG on 25 March 2019 and then cleared for publication on 26 March 2019.

2. Basis of the accounting

Because it is listed on a regulated market, InVision AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The consolidated financial statements as of 31 December 2019 were prepared in accordance with the IFRS, which were promulgated by the International Accounting Standards Board (IASB), in force on the balance sheet closing date, and applicable in the European Union. The designation "IFRS" also encompasses the still valid International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC). The requirements prescribed under § 315e of the German Commercial Code (HGB) must also be observed. All provisions of the IFRS, IAS, IFRIC and SIC, which are valid for fiscal year ending 31 December 2019, have been applied in the consolidated financial statements.

In January 2016, the IASB published the new standard IFRS 16 "Leases", which in particular replaces the previous leasing standard IAS 17 and the associated interpretations. The new standard introduces a uniform lease accounting model for lessees, under which rights of use and liabilities for all leases with a term of more than twelve months, provided they are not immaterial, are to be recognized in the balance sheet. A distinction is no longer made for lessees between operating leases, in which assets and liabilities are not recognised in the balance sheet, and finance leases.

The InVision Group applied IFRS 16 for the first time at the beginning of the 2019 financial year. As part of the transition, the InVision Group decided to apply the modified retrospective approach. As a result, there is no need to adjust the prior-year figures; instead, the cumulative effect of the first-time application of the standard must be recognised by adjusting retained earnings.

Instead of the rental obligations for office space previously reported under other financial obligations, the application of IFRS 16 leads to an increase in non-current assets due to the accounting for rights of use. The rights of use are amortised on a straight-line basis over the shorter of the useful life and the term of the lease. Financial liabilities also increase due to the recognition of the corresponding lease liabilities. These liabilities are measured at the present value of the remaining lease payments, discounted at the lessee's marginal borrowing rate as of 31 December 2019. The weighted average incremental borrowing rate of the InVision Group applied to the lease liabilities as of 31 December 2019 was 1.42%. Each lease instalment is divided into repayment and financing expenses. Finance expenses are recognised in the income statement over the lease term, so that for each period a constant periodic interest rate is charged on the remaining balance of the liability.

Under otherwise unchanged conditions, the increase in total assets leads to a reduction in the equity ratio of the InVision Group.

The following tables show the main effects of the new accounting requirements of IFRS 16 for the classification and measurement of rights of use and for the accounting of current and non-current lease liabilities for the 2019 financial year.

Valuation of lease liabilities

IFRS, in Euro	**2019**
Operating lease commitments disclosed as of 31 December 2018	**2,132,759**
Less short-term leases, which are recognised as expenses on a straight-line basis:	-1,733
Less leases for low-value assets, which are recognised as expenses on a straight-line basis:	-48,000
Less non-leasing components:	-339,900
Plus effect from expected future rent adjustments:	92,785
Plus effect from probable exercise of lease extension options:	91,344
Discounted at the lessee's incremental borrowing rate at the date of first-time application of IFRS 16:	-129,064
Leasing liabilities reported in the balance sheet on 01.01.2019:	**1,798,191**
thereof current leasing liabilities:	172,330
thereof long-term leasing liabilities:	1,625,861

The change in accounting policy affected the following balance sheet items as of 1 January 2019 as follows:

IFRS, in Euro	**2019**
Rights of use - increase on 01 Jan 2019	1,703,842
Leasing liabilities – increase on 01 Jan 2019	1,798,191

IFRS, in Euro	2019
Deferred tax assets – increase on 01 Jan 2019	28,305

The net effect of the above adjustments was recognised in retained earnings in the amount of EUR -66,044.

With regard to the statement of comprehensive income, the depreciation of rights of use and the interest expenses for liabilities will in future be shown under other operating expenses under IFRS 16 instead of the previous rents. This will have a positive impact on operating expenses and consequently on the operating result (EBIT), and financing costs will increase due to additional interest expenses.

Effects of the first-time adoption of IFRS 16 on the consolidated statement of comprehensive income

IFRS, in Euro	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
	01 Jan - 31 Dec 2019		**01 Jan - 31 Dec 2019**
Operating result (EBIT)	965,772	14,858	980,630
Result before taxes (EBT)	898,488	-9,559	888,929
Consolidated net profit	3,001,811	-6,691	2,995,120
Consolidated result	3,018,179	-72,735	2,945,444

Effects of the first-time adoption of IFRS 16 on the consolidated cash flow statement

Previously, lease payments for operating leases were reported in full in operating cash flow. In future, lease payments made for all leases will be divided into a repayment and an interest portion. While the repayment portion is reported in the financing cash flow, the interest portion is reported in the operating cash flow. This increases the operating cash flow and reduces the financing cash flow. The net cash flow does not change. The repayment portion for leasing liabilities reported under financing cashflow for the 2019 financial year amounts to EUR 172,330.

In addition to IFRS 16, the following IAS/IFRS/IFRIC were endorsed by the EU in the 2019 financial year or are to be applied for the first time. Most of them have little or no effect on the consolidated financial statements of InVision AG.

IFRS standards	Material effect

IFRS standards	Material effect
Amendments to IFRS 9, 'Financial instruments' – Prepayment features with negative compensation	None
Amendments to IAS 28, 'Investments in associates' - Long term interests in associates and joint ventures	None
Amendments to IAS 19, 'Employee benefits' – Plan amendment, curtailment or settlement	None
Annual improvements 2015-2017: IFRS 3 - 'Business combinations', IFRS 11 - 'Joint ventures', IAS 12 - 'Income taxes' and IAS 23 - 'Borrowing costs'	None
IFRIC 23, 'Uncertainty over income tax'	None

The following amendments of the IASB were not applied on an early basis in these consolidated financial statements. Where the changes affect InVision AG, the future effects on the consolidated financial statements will be examined. For the most part, they have not yet been adopted by the EU.

IFRS standards with (expected) mandatory application	Material effect
Amendments to IFRS 3, 'Business combinations', definition of a business (1 Jan 2020)	None
Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', definition of material (1 Jan 2020)	None
Amendments to the Conceptual framework (1 Jan 2020)	None
IFRS 17, 'Insurance contracts' (1 Jan 2021)	None

The effects on the consolidated financial statements of the other standards newly issued or revised by the IASB, which were not yet mandatory in these financial statements, are currently being examined. However, apart from any extended disclosure requirements, no material effects are expected.

3. Group of consolidated companies

The consolidated financial statements cover InVision AG as well as the following subsidiaries:

- injixo AG, Zug, Switzerland
- InVision Software, Inc., Chicago, IL, USA
- InVision Software Ltd., London, United Kingdom
- InVision Software SAS, Paris, France

- InVision Software Systems S.L., Madrid, Spain

InVision AG holds a direct 100% ownership interest in each of the consolidated subsidiaries.

4. Consolidation principles

The consolidated financial statements comprise the annual financial statements of InVision AG and its subsidiaries as of 31 December of each fiscal year. The annual financial statements of the subsidiaries are prepared while applying the uniform accounting and valuation methods as of the same balance sheet closing date as the annual financial statements of the parent company.

The balance sheet closing date of all subsidiaries integrated into the consolidated financial statements is 31 December of the applicable fiscal year in question.

All account balances, transactions, income, expenses, profits and losses from intra-group transactions, which are included in the book value of assets, are eliminated in full.

Subsidiaries are fully consolidated as of the date of their formation or acquisition (i.e., as of the date on which the Group acquires control over them), provided that they are not of minor importance for the Group's net assets, financial position and results of operations. The inclusion of these subsidiaries in the consolidated accounts ends as soon as the parent company's control no longer exists.

Newly-formed subsidiaries are consolidated using the acquisition method pursuant to IFRS 3. Under that method, acquisition costs of the business combination are apportioned to the identifiable assets, which are acquired, and to the identifiable liabilities, which are assumed, based on their fair values as of the date of acquisition. The expenses and income, which have accrued since the acquisition, are included in consolidated accounts.

Accounting and Valuation Principles

5. In general

The consolidated financial statements were prepared on the basis of historical acquisition or production costs (costs). Historical costs are based in general on the fair value of the consideration paid in exchange for the asset.

The consolidated balance sheet was structured according to short-term and long-term assets and liabilities. The consolidated statement of comprehensive income is prepared using the cost of production method.

6. Reporting currency

The consolidated financial statements are prepared in euro because the majority of the Group transactions are based on that currency. Unless otherwise indicated, all figures herein have been rounded up or down to the nearest thousand (TEUR, T€) in accordance with standard commercial practices. The figures are shown in euro (EUR, €), in thousand euro (TEUR, T€) or in million euro (MEUR, m€).

7. Currency translation

Each company within the Group stipulates its own functional currency. The items reported in the financial statements of each company are valued using that functional currency. Foreign currency transactions are initially converted into the functional currency at the currency spot rate applicable on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency will be converted into the functional currency at the exchange rate applicable on each relevant reporting date and recognised in the income statement. This treatment does not apply to any exchange rate differences arising from foreign currency transactions, if they are used to hedge a net investment of a foreign operation. These differences are recognised directly in equity capital until the net investment is sold, and recognised in the period results only after such sale. Any deferred taxes resulting from the currency differences of such foreign currency credits will also be recognised directly in equity capital. Non-monetary items, which are valued at historical costs in a foreign currency, are converted at the exchange rate applicable on the date of the transaction. Non-monetary items, which are reported at fair value in a foreign currency, are converted at the exchange rate applicable on the date the fair value was calculated.

Assets and liabilities of foreign operations are converted into euro as of the balance sheet (reporting) date. The conversion of income and expenses shall be made at the average exchange rate for the fiscal year. Any differences resulting from these currency conversions will be booked as a separate component of the equity capital account.

Any goodwill acquired with the purchase of a foreign operation and any adjustments in the book value of the assets and liabilities, which resulted from that transaction in order to accord with fair value, will be converted at the exchange rate applicable on the reporting date.

The following exchange rates were used (per EUR 1.00):

Currency	**Exchange rate on reporting date 2019**	**Exchange rate on reporting date 2018**	**Average annual exchange rate 2019**	**Average annual exchange rate 2018**
USD	1.1215	1.1444	1.1194	1.1809
GBP	0.8505	0.8985	0.8769	0.8846
CHF	1.0853	1.1262	1.1122	1.1547

8. Intangible assets

Acquired intangible assets are valued at the time of their receipt according to their cost of acquisition or cost of production.

Internally produced intangible assets are recognised when they are identified and when it is likely that the group will receive a future economic benefit from the asset and the asset's acquisition and production costs can be reliably determined. For subsequent valuations, the value of the intangible assets is recognised at the acquisition or production costs of those assets, less the accumulated amortisation and less the accumulated impairment costs (shown under the amortisation item). Intangible assets are amortised on a straight-line basis over their estimated usable life (3 to 15 years). The amortisation period and amortisation method are reviewed at the end of each fiscal year.

When producing new software and further developing existing software, the InVision Group cannot clearly and unequivocally delineate the relevant software because the knowledge and improvements gained from producing new software and from the continued development of existing software are incorporated into other InVision Group products. Since not all criteria were met by 31 December of the fiscal year, no development costs were capitalised.

9. Tangible assets

Tangible assets (land and buildings as well as computer hardware, tenant installations, furnishings and equipment) are recognised at the cost of acquisition or production less the accumulated depreciation. These assets are depreciated on a straight-line basis over the estimated useful life of the individual asset. The useful life for buildings is 9 to 33 years, for computer hardware 3 to 5 years, and for furnishings and equipment, 5 to 13 years. Tenant installations are depreciated over the term of the lease or over their useful life, if that period is shorter.

Subsequent expenditures made for a tangible asset are recognised at the costs of acquisition, if it is likely that the Group will receive a future economic benefit from it, and the costs for the asset can be reliably determined. Costs for repairs and maintenance, which do not increase the estimated useful life of the tangible asset, are recognised in the period in which they are incurred and are reported on the income statement.

10. Accounting for leases

The Group only acts as a lessee in connection with the rental of office space.

As of January 1, 2019, leases are recognised as rights of use and corresponding lease liabilities at the time when the leased asset is available for use by the Group.

Assets and liabilities from leases are initially recognised at present value.

The lease liabilities include the present value of the following lease payments:

- fixed payments (including de facto in-substance fixed payments, less any lease incentives to be received)
- variable lease payments linked to an index or (interest) rate, initially valued at the index or interest (rate) on the commitment date
- expected payments by the Group from the utilisation of residual value guarantees
- the execution price of a call option, the group is reasonably certain that it will be used
- penalties in connection with the termination of a lease, if the lease term takes into account that the Group will exercise the termination option in question

The measurement of the lease liability also includes lease payments based on a sufficiently secure utilisation of extension options.

Lease payments are discounted at the implicit interest rate underlying the lease if this can be readily determined. Otherwise - and this is generally the case in the Group - the lease is discounted at the lessee's incremental borrowing rate, i.e. the interest rate that the respective lessee would have to pay if it had to borrow funds to acquire an asset with a comparable value in a comparable economic environment for a comparable term with comparable certainty under comparable conditions.

Lease instalments are divided into repayments and interest payments. The interest portion is recognised in the income statement over the lease term so that a constant periodic interest rate is charged on the remaining balance of the liability for each period.

Rights of use are measured at cost, which is comprised as follows:

- the amount of the initial measurement of the lease liability
- all leasing payments made at or before the provision, less any leasing incentives received
- all initial direct costs incurred by the lessee, and
- estimated costs incurred by the lessee in dismantling or removing the underlying asset, restoring the site on which it is located or returning the underlying asset to the condition required by the lease agreement.

Rights of use are amortised on a straight-line basis over the shorter of the useful life and the term of the underlying lease agreement. If the exercise of a purchase option is reasonably certain from the Group's perspective, the asset is depreciated over the useful life of the underlying asset.

11. Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, unless the borrowing costs were incurred for the purchase, construction or production of qualified assets. In that case, the borrowing costs will be added to the production costs for such assets. During the fiscal year, the InVision Group had neither acquired nor produced qualified assets.

12. Impairment of non-financial assets

Non-financial assets are tested for impairment if facts or changes in circumstances suggest that the book value of an asset might no longer be recoverable. For the impairment test, the recoverable amount of the asset or the cash-generating unit must be determined. The recoverable amount is either the fair value less the costs to sell or the value in use, whichever value is higher. The fair value less the costs to sell is defined as the price which two informed, contractually-willing and independent business partners could achieve (less the cost to sell) when selling an asset or a cash-generating unit. The value in use of an asset or a cash-generating unit is calculated by determining the present cash value of the estimated future cash flow based on the current use of the asset or unit. If the recoverable value is less than the book value, then the difference will be immediately written off and entered in the income statement.

The impairment of a particular asset (except for goodwill), which had been previously recognised to profit and loss, will be reversed, if there is evidence that the impairment no longer exists or that the amount of the impairment has declined. The recoverable amount will be recognised as income in the income statement. The recoverable amount (or the reduction in the amount of the impairment) of an asset will be recognised, however, only to the extent that it does not exceed the book value, which would have resulted had no impairment been previously recognised (including the effects from amortisation or depreciation).

13. Financial investments and other financial assets

On initial recognition, financial assets are classified for subsequent measurement either as at amortised cost or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets. With the exception of trade receivables, which do not contain any significant financing components, the Group measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with IFRS 15. In this context, reference is made to the accounting policies in Note 18. In order for a financial asset to be classified and measured as at amortised cost or at fair value through equity in other comprehensive income, cash flows may consist solely of payments of principal and interest (SPPI) on the outstanding principal amount. This assessment is known as the SPPI test and is performed at the level of the individual financial instrument. Purchases or sales of financial assets that require delivery of the assets within a period determined by the regulations or conventions of the respective market (regular way purchases) are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell the asset.

For subsequent measurement, financial assets are classified into two categories:

- financial assets measured at amortised cost (debt instruments)
- financial assets at fair value through profit or loss (not relevant for these consolidated financial statements)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within the framework of a business model whose objective is to hold financial assets in order to collect the contractual cash flows; and

- the contractual terms of the financial asset result in cash flows at specified points in time that represent only principal and interest payments on the outstanding principal amount.

The Group's financial assets measured at amortised cost mainly comprise trade receivables and receivables from banks. They also include other receivables.

Financial assets measured at amortised cost are measured in subsequent periods using the effective interest method and are tested for impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired. For trade receivables, the Group applies the simplified value adjustment scheme of IFRS 9 and directly recognises the expected default over the entire term of the receivable. The necessary value adjustment is derived taking into account historical defaults and - if relevant - adjusted on the basis of current market developments. In individual cases, however, the default is also derived directly from information on the customer's creditworthiness. In the event of the insolvency of a customer, the full value of the receivable is reported as a loss on the receivable. Only at this point the receivable is derecognised. In principle, changes in the carrying amount of trade receivables from customers are reduced using an allowance account and the impairment loss is recognised in profit or loss. If the amount of an estimated impairment loss increases or decreases in a subsequent reporting period as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased through profit or loss by adjusting the allowance account. If a derecognised receivable is subsequently reclassified as recoverable as a result of an event occurring after derecognition, the corresponding amount is recognised immediately against other operating expenses.

14. Cash and cash equivalents

Cash and cash equivalents consist of credit balances held with financial institutions as well as securities which may be redeemed for cash on short notice. Bank balances are measured at amortised cost. In this context, reference is made to the accounting policies in Note 13.

15. Taxes

The actual tax refund claims and tax debts for the current period and for earlier periods must be valued at the amount at which a refund is expected from the tax authorities or a payment must be made to the tax authorities.

Deferred taxes are recognised under the liabilities method for all temporary differences between the tax basis of the assets / liabilities and their respective book values in the IFRS financial statements.

Deferred taxes are valued according to the tax rates (and tax regulations), which are effective as of the balance sheet closing date or which have for the most part been enacted into law, and which are expected to be valid and binding on the date the deferred tax receivable is realised and/or the deferred tax liability is settled.

Deferred tax receivables, including those on losses carried forward, are recognised in an amount at which it is likely that taxable income will be available for crediting against the temporary differences.

The valuation of deferred tax assets for loss carry-forwards and for deductible temporary differences depends on the future taxable earnings of the InVision Group companies. The estimate regarding such taxable earnings is made as of the balance sheet date taking into account the respective business perspectives. For purposes of capitalising deferred taxes based on the losses carried forward, only those tax loss carry-forwards will be recognised, which are very likely to be applied.

16. Provisions

A provision is shown only if the Company has a present, statutory or de facto obligation (liability) based a past event, if it is likely that the fulfilment of the obligation will lead to an outflow of funds representing an economic benefit, and if a reliable estimate of the amount of the obligation can be made. If no provision could be created because one of the criteria mentioned was not fulfilled, then the liabilities in question will be reported as contingent liabilities.

Provisions are examined on each balance sheet closing date and adjusted to accord with the best estimate as of that date. If there is an expectation that the expenditures, which are required to satisfy a deferred liability, will be reimbursed either in whole or in part by another party, then the reimbursement will be recognised only when it is nearly certain that the Group will receive the reimbursement.

17. Financial liabilities

Liabilities include non-current liabilities to banks, trade payables, tax liabilities, interest liabilities, liabilities to employees and other liabilities. On initial recognition, they are carried at cost, which corresponds to the fair value of the consideration received. In subsequent years, all liabilities are measured at amortised cost using the effective interest method in accordance with IFRS 9. They are derecognised when the liability is settled, cancelled or expires.

Since the 2019 financial year, liabilities from leases are reported under financial liabilities. Please refer to the explanations in section 10 for the accounting policies applied.

18. Revenue and cost recognition

The InVision Group's revenues are generated by granting rights of use to software products (unlimited use, one-time use, time-limited use) and by providing related services.

In case of unlimited or one-time use rights, the revenues are recognised completely at the point in time of the granting of rights of use. In case of time-limited rights, revenues are recognised on a straight-line basis pro rata temporis over the time for which they were calculated. Revenues from services are recognised at the point in time the service is provided.

The revenues are reported less any early payment discounts, customer bonuses and rebates. Agreements with several components (e.g. subscriptions and services) are internally allocated to their individual components, and revenues are recognised on the basis of those individual components.

Revenues are generally recognised when the sales price is determined or determinable, no significant duties exist and the collection of the receivables is likely. Costs are recognised when the good or service is used or at the time they were generated. Interest is recognised as either an expense and/or income according to the period in which it arose under the effective interest method.

19. Contingent liabilities and contingent receivables

Contingent liabilities are either potential obligations, which could result in an outflow of resources but the existence of which must be confirmed through the occurrence or non-occurrence of one or more future events, or current obligations, which do not satisfy the recognition criteria of the liability. These items are listed separately in the notes, unless the possibility that resources with economic benefits will be lost is unlikely. There were no contingent liabilities in the fiscal year.

In connection with business combinations, contingent liabilities are recorded as liabilities on the balance sheet pursuant to IFRS 3.37, if the fair value can be reliably calculated.

Contingent receivables are not recognised in the financial statements. They are, however, listed in the notes, if the receipt of economic benefits is likely.

20. Management discretion and the main sources of forecasting uncertainty

When preparing the consolidated financial statements, some assumptions and estimates must be made, which have an effect on the amount and reporting of the recognised assets and liabilities, the income and expenses, and the contingent liabilities for the reporting period. These assumptions relate primarily to the assessment of the carrying value of assets, the assessment of deferred tax assets, uniform group determination of the economic useful lives of tangible assets, and the recognition and measurement of provisions. The assumptions and estimates are based on premises delivered from available information at the time in question. The basis for the anticipated future business development is the circumstances present at the time the consolidated financial statements are prepared in a realistic scenario of the future development of the overall environment. If these overall conditions deviate from the assumptions made and cannot be influenced by management, then the resulting figures could deviate from the originally anticipated estimates.

Notes to the Consolidated Balance Sheet

21. Liquid funds (cash and cash equivalents)

Liquid funds contain only those payment instruments, which have a term to maturity of less than three months calculated from the date of purchase. As in the previous year, cash and cash equivalents consist solely of credit balances held with financial institutions.

22. Trade receivables

The trade receivables (net) subject to the impairment provisions of IFRS 9 have a remaining term of up to one year and are composed as follows:

	31 Dec 2019	**31 Dec 2018**
Trade receivables	1,171	1,421
Bad debt allowances	-12	-23
Total	**1,159**	**1,398**

23. Income tax claims

Income tax refund claims include refund claims of InVision Software SAS, Paris, France.

24. Prepaid expenses and other short-term assets

	31 Dec 2019	**31 Dec 2018**
Prepaid and deferred items	136	124

	31 Dec 2019	31 Dec 2018
Other miscellaneous assets	0	5
Total	**136**	**129**

The deferred income mainly consists of prepayments for service and insurance contracts as well as for business travel expenses with benefits received for the following financial year.

25. Intangible assets

Intangible assets consist primarily of software and industrial property rights acquired in exchange for consideration. These assets are valued at their historical cost of acquisition, less the scheduled amortisation. With respect to scheduled amortisation, the software acquired in exchange for consideration and the industrial property rights were amortised over their expected useful lives (3 to 15 years).

26. Tangible assets

The breakdown of tangible assets is as follows:

	31 Dec 2019	31 Dec 2018
Land and property / Buildings	7,320	7,514
Other miscellaneous assets	1,617	1,687
Assets under construction	0	98
Total	**8,937**	**9,299**

Tangible assets are recognised at their historical costs of acquisition, less any scheduled depreciation if the assets are subject to wear and tear. Tangible assets are depreciated on a straight-line basis over their useful lives (3 to 33 years). The carrying value of the tangible assets is subject to impairment testing. None of the assets have been subject to non-scheduled depreciation.

27. Development of the long-term assets

Fiscal year 2019	01 Jan 2019	Additions	Transfers	Disposals	Currency differences	31 Dec 2019

Fiscal year 2019	01 Jan 2019	Additions	Transfers	Disposals	Currency differences	31 Dec 2019
1. Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets						
Gross	1,279	0	0	571	13	721
Value adjustment	944	43	0	571	7	423
Net	335	-43	0	0	6	298
2. Tangible Assets						
Land and property / Buildings						
Gross	8,393	0	0	0	0	8,393
Value adjustment	879	194	0	0	0	1,073
Net	7,514	-194	0	0	0	7,320
Other miscellaneous assets						
Gross	2,612	155	98	105	1	2,761
Value adjustment	925	317	0	99	1	1,144
Net	1,687	-162	98	6	0	1,617
3. Assets under construction						

Fiscal year 2019	01 Jan 2019	Additions	Transfers	Disposals	Currency differences	31 Dec 2019
Gross	98	0	-98	0	0	0
Value adjustment	0	0	0	0	0	0
Net	98	0	-98	0	0	0
Total long-term assets						
Gross	12,382	155	0	676	14	11,875
Value adjustment	2,748	554	0	670	8	2,640
Net	9,634	-399	0	6	6	9,235

Fiscal year 2018	01 Jan 2018	Additions	Disposals	Currency differences	31 Dec 2018
1. Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets					
Gross	1,247	25	22	29	1,279
Value adjustment	909	43	22	14	944
Net	338	-18	0	15	335
2. Tangible Assets					

Fiscal year 2018	01 Jan 2018	Additions	Disposals	Currency differences	31 Dec 2018
Land and property / Buildings					
Gross	8,383	10	0	0	8,393
Value adjustment	685	194	0	0	879
Net	7,698	-184	0	0	7,514
Other miscellaneous assets					
Gross	2,659	225	273	1	2,612
Value adjustment	788	349	213	1	925
Net	1,871	-124	60	0	1,687
3. Assets under construction					
Gross	0	98	0	0	98
Value adjustment	0	0	0	0	0
Net	0	98	0	0	98
Total long-term assets					
Gross	12,289	358	295	30	12,382
Value adjustment	2,382	586	235	15	2,748
Net	9,907	-228	60	15	9,634

28. Rights of use

As a result of the first-time application of IFRS 16 as of 1 January 2019, the rights of use of rented office space for the Leipzig and Paris locations were recognised. For more detailed information on the first-time application of IFRS 16, please refer to sections 2 and 10.

29. Deferred taxes

The following table sets forth the status of the deferred tax assets according to the balance sheet items:

	31 Dec 2019	**31 Dec 2018**
Deferred taxes based on temporary differences from a license transfer within the Group	3,450	0
Deferred taxes based on temporary differences from the application of IFRS 16	31	0
Deferred taxes based on temporary differences from licence valuations	0	20
Total	**3,481**	**20**

The Group's tax losses carried forward as of 31 December 2019 totalled TEUR 6,194 (previous year: TEUR 10,361). For the the above mentioned losses carried forward no deferred taxes were recognised as the realisation is considered insufficient. Valued at individual tax rates, deferred taxes of up to TEUR 1,734 could have been recognised.

30. Other long-term assets

Other long-term assets consist only of security deposits paid for leased office space.

31. Short-term Liabilities

The short-term liabilities are allocated as follows:

	2019	**2018**
Income tax liabilities	1,202	223
Customer contract liabilities	571	580
Liabilities to financial institutions	480	250
Provisions	239	377

	2019	2018
Liabilities from leasing contracts	177	0
Trade payables	162	269
Other liabilities	288	204
Total	**3,119**	**1,903**

The customer contract liabilities are invoice amounts already recorded for subscription services in the respective following year.

32. Liabilities due to credit institutions

In order to refinance investments and make further investments, InVision AG has taken out a bank loan of TEUR 6,000 secured by a land charge. Of this amount, the company has drawn down TEUR 1,000 by the end of the current fiscal year. The repayment schedule provides for repayment of TEUR 480 in the course of the 2020 financial year. The remaining part of the loan is reported under long-term liabilities due to credit institutions.

33. Leasing liabilities

The portion of lease liabilities classified as current was TEUR 177 as of the balance sheet date. Due to the first-time application of IFRS 16 as of January 1, 2019, and the application of the modified retrospective method, no prior-year comparison value is shown.

34. Trade Payables

Trade payables show a balance of TEUR 162 and are lower than at the same time last year due to the balance sheet date.

35. Income tax liabilities and provisions

Income tax liabilities and provisions developed as follows:

	01 Jan 2019	Utilisation	Reversal	Allocation	Currency Difference	31 Dec 2019
Income tax liabilities	**223**	**110**	**0**	**1,088**	**1**	**1,202**
Provisions for:						

	01 Jan 2019	Utilisation	Reversal	Allocation	Currency Difference	31 Dec 2019
- Personnel expenses	73	29	0	28	0	72
- Annual accounts costs	87	87	0	91	1	92
- Outstanding invoices	48	32	4	21	1	34
- Trade associations	20	20	0	20	0	20
- Other	149	83	63	17	1	21
Total provisions	**377**	**251**	**67**	**177**	**3**	**239**
Total	**600**	**361**	**67**	**1,265**	**4**	**1,441**

	01 Jan 2018	Utilisation	Reversal	Allocation	Currency Difference	31 Dec 2018
Income tax liabilities	**406**	**406**	**0**	**223**	**0**	**223**
Provisions for:						
- Personnel expenses	104	104	0	73	0	73
- Annual accounts costs	79	78	1	87	0	87
- Outstanding invoices	14	12	2	48	0	48

	01 Jan 2018	Utilisation	Reversal	Allocation	Currency Difference	31 Dec 2018
- Trade associations	17	17	0	20	0	20
- Other	42	36	2	146	-1	149
Total provisions	**256**	**247**	**5**	**374**	**-1**	**377**
Total	**662**	**653**	**5**	**597**	**-1**	**600**

36. Customer contract liabilities and other liabilities

Customer contract liabilities and other liabilities are short-term and are allocated as follows:

	2019	2018
Customer contract liabilities	571	580
Other taxes	153	0
Payroll tax	106	140
Social security charges	23	33
Value added tax	2	29
Other miscellaneous liabilities	4	2
Total	**859**	**784**

The payments that the Group has received from customers for which services are still to be rendered over a certain period in the future were deferred as customer contract liabilities.

37. Liabilities due to credit institutions

The share of amounts due to credit institutions classified as non-current amounted to TEUR 520 on the balance sheet date.

38. Leasing liabilities

The portion of leasing liabilities classified as non-current amounted to TEUR 1,449 as of the balance sheet date. Due to the first-time application of IFRS 16 as of January 1, 2019, and the application of the modified retrospective method, no prior-year comparison value is shown.

39. Subscribed capital

The registered share capital of InVision AG is reported as the subscribed capital. The subscribed capital is divided into 2,235,000 no-par value shares (Stückaktie), each such share representing a notional amount of EUR 1.00 of the Company's registered share capital. At the end of the reporting period, the Company holds no treasury shares.

The Executive Board is authorised, with the consent of the Supervisory Board, to increase the registered share capital one or more times by up to EUR 1,117,500 (Authorised Capital Account 2015) on or before 17 May 2020.

Pursuant to the shareholder resolution adopted on 18 May 2015, the registered share capital was conditionally increased by up to EUR 1,117,500 (Conditional Capital Account 2015). Pursuant to a shareholder resolution also adopted on 18 May 2015, the Company was authorised to buy-back its own shares in a quantity representing up to 10 percent of the registered share capital as it existed at the time the resolution was adopted. The authorisation will remain in effect until 17 May 2020.

40. Reserves

The reserves include net proceeds, IPO costs (while factoring in tax effects), purchase and sale of the Company's own treasury shares and capital increases from company funds.

41. Equity capital difference based on currency conversion

The equity difference from currency conversion is a result of converting on the basis of the modified closing date method [modifizierte Stichtagsmethode]. The difference arises from conversion of the items on the income statement of those subsidiaries, which rendered their accounts in a foreign currency, at the average exchange rate and the conversion of the items of equity capital of those subsidiaries at the historical rate of the initial consolidation, on the one hand, and the exchange rate on the reporting date [Stichtagskurs] for the conversion of other assets and liabilities, on the other hand.

Notes to the Consolidated Statement of Comprehensive Income

42. Revenues

Revenues are categorised as follows:

By Business Activities	**2019**	**2018**
Workforce Management	12,227	12,646
Education	391	421
Total	**12,618**	**13,067**

By Regions	2019	2018
Germany	3,747	4,039
Foreign countries	8,871	9,028
Total	**12,618**	**13,067**

The breakdown of revenues by region is based on the location of the company recording the revenues.

43. Other operating income

Other operating income of TEUR 133 (previous year: TEUR 115) mainly includes compensation in kind from employee meals, revenue from the sale of IT hardware and income relating to other periods.

44. Cost of materials

Expenses for support services provided by external employees, which were recognised under cost of materials until the end of the 2018 financial year, will in future be reported under other operating expenses. The prior-year figures have been adjusted accordingly: For the 2018 financial year, TEUR 165 were reclassified from cost of materials to other operating expenses.

45. Personnel expenses

Personnel expenses consisted of the following:

	2019	2018
Wages and salaries	6,903	7,387
Social charges and other pension provisions	1,259	1,308
Total	**8,162**	**8,695**
- of which for pensions (direct insurance)	48	58

The direct insurance policies are classified as a defined contribution plan.

46. Depreciation and amortisation of tangible and intangible assets

Of the depreciation and amortisation reported, TEUR 182 (previous year: TEUR 0) relates to the rights of use to be capitalised under IFRS 16 since the beginning of the 2019 financial year. Please refer to Sections 2 and 10 for further information on the accounting treatment of leases.

No tangible or intangible assets were subject to impairment. Thus, only scheduled amortisation and depreciation is shown under this item.

47. Other operating expenses

Other operating expenses are itemised as follows:

	2019	**2018**
Cloud services	806	926
Consulting costs	407	426
Office space expenses	370	688
Travel expenses	366	341
Marketing costs	189	312
Other personnel expenses	166	186
Communication expenses	90	102
Recruitment costs	68	85
Insurance costs	66	75
Supervisory Board remuneration	56	56
Costs for education and seminars	42	87
Receivable write-offs and bad debt allowances	18	25
Other miscellaneous expenses	224	346
Total	**2,868**	**3,655**

Expenses for support services provided by external employees, which were reported under cost of materials in the previous year, were reported under other operating expenses in fiscal year 2019. The previous year's figures have been adjusted accordingly: For fiscal year 2018, TEUR 165 was reclassified from cost of materials to consulting expenses under other operating expenses.

The first-time adoption of IFRS 16 in the 2019 financial year lead to a reduction of TEUR 197 within the cost reported under other operating expenses. No adjustment was made to the comparative figures for the previous year. The cumulative effect of the first-time application of the standard was recognised by adjusting the retained earnings. For more detailed information on the first-time application of IFRS 16, please refer to sections 2 and 10.

48. Research and development

Research and development expenses amounted to TEUR 5,650 in the fiscal year (previous year TEUR 6,301).

49. Financial result

The financial result is divided into the following

	2019	2018
Interest and similar expenses	-108	-12

Debt capital costs are recognised as an expense in the period in which they are incurred.

50. Income taxes

Income taxes are divided as follows:

	2019	2018
Income tax	-1,327	-443
Deferred tax	3,433	-20
Total	**2,106**	**-463**

For details of the deferred tax assets recognised, please refer to the previous section 29. Deferred taxes are calculated on the basis of an income tax rate of 30% for the German corporation and the future local tax rate for the foreign subsidiaries.

The actual tax rate is computed as follows:

	2019	2018
Consolidated net income before taxes	889	225
Income tax	-2,106	463
Actual tax rate	**-237%**	**206%**

The difference between the theoretical income tax expense (when applying the tax rate applicable to the InVision Group) and the reported income tax expense may be attributed to the following causes:

	2019	2018
Result before income tax	889	225
Theoretical income tax expense based on the tax rate of the parent company	267	67
Effects of losses carried forward	-893	-213
International tax rate differences	-623	562
Other tax effects	-857	46
Total	**-2,106**	**463**

The international tax rate differences are mainly due to the results of the subsidiary injixo AG, Zug, Switzerland. In addition to non-tax-deductible expenses and non-taxable income, the other tax effects include the tax effects from the sale of the software of injixo AG, Zug, Switzerland, to InVision AG, which is to be eliminated as an intra-group transaction, but is included in the values in the tax balance sheet.

Notes to the Consolidated Cash Flow Statement

The cash flow statement shows changes in the cash position of the InVision Group in the fiscal year due to incoming and outgoing cash payments. Under IAS 7, cash flow is distinguished between cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

The net financial position, as reflected in the cash flow statement, consists of all liquid funds, which are reported on the balance sheet (i.e., cash on hand and credit balances at financial institutions) and which can be reduced to cash within three months (calculated from the date acquired) without causing any significant fluctuation in value, less any short-term financial liabilities. The cash flows from investing and financing activities are computed directly (i.e., on a cash basis). In contrast, cash flow from operating activities is derived indirectly from the results for the period. Cash flow from operating activities includes the following incoming and outgoing payments:

	2019	2018
Interest received	4	0
Interest paid	-112	-12
Income taxes received	251	49
Income taxes paid	-394	-841

The net financial position shown in the cash flow statement represents total liquid funds as reported in the consolidated cash flow statement.

Other Information

51. Financial assets and liabilities

The financial liabilities existing in the Group consist of a loan to refinance investments and to make further investments, liabilities from leases and current trade payables. The significant financial assets of the Group consist of cash and cash equivalents and accounts receivable. The book value of these positions, represents the maximum default risk and totals TEUR 3,775 (previous year: TEUR 2,068). Business relationships are established with creditworthy contracting parties (counter-parties) only. In order to evaluate the creditworthiness of counter-parties (above all, large customers), the Group relies on available financial information and on its own internal trading records. The Group holds trade receivables against a number of customers from a wide range of industries and regions. Credit assessments regarding the financial strength of the receivables are constantly performed. The typical terms of payment granted (with no discounts or deductions) are 30 days. With respect to all trade receivables, which were overdue by more than 45 days as of the balance sheet date and involve a default risk, bad debt allowances were created.

The Group did not execute any derivatives or hedging transactions. Reclassifications were not made either in 2019 or in 2018 as a result of the reclassification as part of the transition to IFRS 9.

There were no significant differences between the book value of the financial assets and liabilities reported and the fair values.

52. Capital risk management

The Group manages its capital (equity capital plus debt capital less cash and cash equivalents) with the goal of using financial flexibility to achieve its growth targets while at the same time optimising its financing costs. The overall capital management strategy has remained the same as in the previous year.

Management reviews the capital structure at least once each half-year. The review covers the costs of capital, the security and collateral provided, and the open credit lines and credit opportunities.

During the reporting year, the capital structure may be shown as follows:

	31 Dec 2019	**31 Dec 2018**
Equity capital	13,125	10,180
- as a percentage of total capital	72%	84%
Liabilities	5,088	1,903
- as a percentage of total capital	28%	16%
Short-term liabilities	3,119	1,903
- as a percentage of total capital	17%	16%

	31 Dec 2019	31 Dec 2018
Net gearing*	19%	12%

(*) calculated as the ratio of liabilities (less any cash and cash equivalents) to equity capital

The Group's equity ratio target is 50 percent.

53. Finance risk management

The monitoring of finance risk is handled by management on a centralised basis. Individual financial risks are generally reviewed at least once each quarter.

The Group's primary risks resulting from financial instruments involve liquidity and credit risks. As a rule, business transactions are executed only with creditworthy contracting parties. Moreover, the amounts of any receivables are constantly monitored in order to avoid exposing the InVision Group to any significant credit risk. The maximum default risk is limited to the book value of the asset as reported in the balance sheet.

The Group manages liquidity risks by holding adequate reserves, monitoring and maintaining credit agreements, and planning and coordinating incoming and outgoing payments.

54. Market risks

Market risks can arise from changes in exchange rates (currency risk) or interest rates (interest risk). Given the limited relevance these risks have for the Group, the Group has not heretofore hedged such risks using derivative financial instruments. These risks are managed through constant monitoring. Currency risks are largely avoided by virtue of the fact that the Group invoices primarily in euro or in the local currency. As of the balance sheet date, the receivables denominated in foreign currencies equalled TEUR 472 (previous year: TEUR 362) and the payables denominated in foreign currencies equalled TEUR 44 (previous year: TEUR 130). Had the euro appreciated by 10 percent compared to other currencies relevant to the Group as of 31 December 2019, then the pre-tax result would have been TEUR 21 (previous year: TEUR 32) lower.

55. Transactions between related parties

There were no transactions involving goods and services between closely related enterprises and persons, neither in the reporting period or the previous year.

56. Events after the balance sheet closing date

After the close of the fiscal year, no further specific transactions occurred, which would be of material importance for the consolidated financial statements.

57. Number of employees

In 2019 fiscal year, the Company employed on average 107 employees (previous year: 121), not including the Executive Board.

58. Information on the Company's governing bodies

The following person was members of the Executive Board in the fiscal year:

- Peter Bollenbeck (Chairman), Düsseldorf

In the fiscal year, the Executive Board members received the following remuneration benefits:

In EUR	**2019**	**2018**
Peter Bollenbeck	**364,426**	**364,015**
of which fixed salary	360,000	360,000
of which other benefits	4,426	4,015

As of the balance sheet date, the Executive Board holds, either directly or indirectly, 33.13 percent of the Company's registered share capital (31 December 2018: 30.8 percent).

The Supervisory Board consists of:

- Dr. Thomas Hermes (Chairman), Attorney at Law and Notary, Essen
- Matthias Schroer (Deputy Chairman), Entrepreneur, Maurach, Austria
- Prof. Dr. Wilhelm Mülder, University Professor, Essen

Dr. Thomas Hermes is the supervisory board chairman of the registered housing association known as Wohnungsgenossenschaft Essen-Nord e.G., Essen, member of the supervisory board of Rot-Weiss Essen e.V., member of the respective board of trustees of Politisches Forum Ruhr e.V., Essen, and of Sankt-Clemens-Maria-Hofbauer-Stiftung, Essen. Matthias Schroer and Prof. Dr. Wilhelm Mülder do not sit on any other supervisory boards.

The remuneration of the Supervisory Board, paid as fixed remuneration, consists of the following:

In EUR	**2019**	**2018**
Dr. Thomas Hermes	25,000	25,000
Matthias Schroer	18,750	18,750
Prof. Dr. Wilhelm Mülder	12,500	12,500
Total compensation Supervisory Board	**56,250**	**56,250**

Otherwise in the fiscal year, the Supervisory Board members were not granted any loans or provided any advances for future payments, and no contingent liabilities were incurred for the benefit of such persons.

59. Information on the fees of the Company auditors

The fee for the Company's annual accounts auditor, which was recognised for fiscal year 2019, consists of the following:

	2019	2018
Auditing service for the annual accounts	53	48
Tax advisory services	5	4
Total	**58**	**52**

60. Information on segment reporting

Since the internal and external business processes for all products and services are to the largest extent identical, they collectively represent a single operating segment within the meaning of IFRS 8.

61. Proposal for the Appropriation of Profit

The Executive Board and the Supervisory Board propose to carry forward the net profit to new account.

62. Statement under § 161 of the German Stock Corporation Act

On 24 January 2020, the Executive Board and Supervisory Board issued a statement under § 161 of the German Stock Corporation Act regarding the extent to which it has elected to comply with the recommendations of the "Government Commission of the German Corporate Governance Code" and published this statement on the internet at www.ivx.com/en/investors/corporate-governance/compliance-statement.

63. Responsibility statement by the Executive Board

To the best of our knowledge and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the Group's assets, liabilities, financial position and results of operation, and the Group's management report includes a fair review of the development and performance of the business, together with a description of the principal opportunities and risks related to the anticipated development of the Group for the remainder of the fiscal year.

Düsseldorf, 16 March 2020

Peter Bollenbeck

Group Management Report

of InVision AG for the Financial Year 2019

The following management report was prepared in accordance with the requirements under § 315 of the German Commercial Code (HGB) and contains information about InVision AG, Düsseldorf (hereinafter also referred to as “AG” or “Company”), and its consolidated subsidiaries (hereinafter together with the Company also collectively referred to as “InVision”, “InVision Group” or “the Group”). As the Group’s parent company, InVision AG performs group management functions and, at the same time, is the key member of the InVision Group. The explanations below generally relate to the Group, unless there has been an express reference to the Company itself.

The Company

Business

The InVision Group develops and markets products and services for optimising workforce management and education, and is mainly active in Europe and the United States.

Employees

On 31 December 2019, InVision employed 110 employees worldwide (including the Executive Board). The number of employees as of the balance sheet date was thus at the previous year’s level (31 December 2018: 110 employees). At the end of the year, 86 employees (31 December 2018: 89 employees) were employed in Germany, while 24 employees (31 December 2018: 21 employees) were employed in foreign subsidiaries.

Research & Development

The research and development costs in the fiscal year decreased by 10 percent and totalled TEUR 5.650 (previous year: TEUR 6,301). Research and development costs as a percentage of revenues are at 45 percent (31 December 2018: 48 percent).

Information pursuant to § 315 a HGB

The Company’s registered share capital equals EUR 2,235,000 and is divided into 2,235,000 no-par value bearer shares. Each such share represents a notional share of the registered share capital of EUR 1.00. Each share entitles the holder to a single vote.

Shareholders may exercise their rights and cast their votes at the Annual Shareholders' Meeting in accordance with the Company's articles of association and the statutory rules.

Pursuant to a resolution adopted by the Company's Shareholders' Meeting on 18 May 2015, the Executive Board was authorised in accordance with § 4 (4) of the Company's articles of association but subject to the consent of the Company's Supervisory Board, to increase the Company's registered share capital one or more times by a total of up to EUR 1,117,500 on or before 17 May 2020 and to do so by issuing new, no-par bearer shares in exchange for cash and/or non-cash capital contributions (Authorised Capital Account 2015). The new shares can also be transferred to certain banks specified by the Executive Board, which assume the responsibility of offering them to shareholders (indirect subscription rights). Shareholders must generally be granted a pre-emptive right, which gives them an indirect option to subscribe shares (§ 186 (5) AktG). The Executive Board is authorised, however, with the consent of the Supervisory Board, to exclude the shareholders' pre-emptive right to subscribe shares in the following cases:

- for fractional amounts,
- if the capital increase is carried out against cash capital contributions and the pro rata amount of registered share capital attributable to the new shares, for which the pre-emptive right is excluded, does not exceed 10 percent of the registered share capital available on the date that the new shares are issued and, in accordance with §§ 203 (1) and (2), 186 (3) sentence 4 AktG, the issue price of the new shares is not significantly lower than the stock market price of the same class of existing publicly listed shares (with the same features) at the time that the Executive Board definitively sets the issue price. Included in this maximum threshold amount for a pre-emptive right's exclusion is the pro rata amount of the registered share capital that is attributable to shares, which had already been issued since 18 May 2015 from the authorised capital account of 2015 or which could be subscribed on the basis of the option and conversion rights granted since 18 May 2015 or on the basis of conversion duties also established since that time, if - upon utilising the authorised capital account or upon the granting of the warrant-linked and/or convertible bonds, the shareholder's pre-emptive rights would be excluded pursuant to or consistently with § 186 (3) sentence 4 AktG. Also added to the maximum threshold is the pro rata amount of the registered share capital attributable to treasury (own) shares, which the Company has bought back since 18 May 2015 on the basis of the authorisation granted pursuant to § 71 (1) no. 8 AktG and have been sold to third parties in exchange for a cash payment without having granted a shareholder pre-emptive right, unless the sale was carried out either on the open stock market or based on a public offer made to the shareholders;
- to the extent it would be necessary to grant to the holders of conversion or option rights under any convertible or warrant-linked bonds a subscription right, to which they would be entitled as shareholders after having exercised a conversion right or option right or after having discharged a conversion duty;

- for capital increases in exchange for the non-cash capital contributions, specifically for purposes of acquiring companies, divisions of companies and equity holdings.

Pursuant to a shareholder resolution adopted on 18 May 2015, the registered share capital was increased conditionally by up to EUR 1,117,500 (Conditional Capital Account 2015). The conditional capital increase must carried out only to the extent that the creditors, to whom convertible or warrant-lined bonds were issued by the Company on the basis of the authorising resolution of the Shareholders' Meeting on 18 May 2015, exercise their conversion rights on or before 17 May 2020 and the Company has not satisfied the conversion claim in some other manner. The new shares will be entitled to draw dividends as of the beginning of the fiscal year in which they are issued. The Executive Board is authorised, with the consent of the Supervisory Board, to stipulate the details concerning the implementation of the respective conditional capital increase.

Pursuant to the shareholder resolution adopted on 18 May 2015, the Company was authorised to buy back its own shares in an amount representing a 10 percent pro rata amount of the registered share capital of EUR 223,500. The repurchased shares, together with the other treasury shares, which the Company has previously acquired and still holds or which must be attributed to the Company under § 71 a et seq. AktG, cannot exceed 10 percent of the Company's registered share capital. The authorisation is in effect until 17 May 2020. The shares purchased on the basis of the authorisation may be used for all legally permissible purposes.

The authorisation to buy back the Company's own shares was granted to the Company in order, inter alia, to flexibly adjust the equity capital to meet the changing business needs and to be able react to favourable stock market conditions. In addition, the acquired shares may be used as consideration when acquiring companies or when making equity investments in companies.

On the reporting date, the Company did not hold any treasury shares.

To the Company's knowledge, as of 31 December 2019, the following shareholders held more than 10 percent of the Company's registered share capital:

- Peter Bollenbeck, Düsseldorf (33.13%), thereof 17.0% direct, 16.13% indirect via InVision Holding GmbH
- InVision Holding GmbH, Düsseldorf (16.13%)
- Matthias Schroer, Maurach, Austria (11.32%)
- Armand Zohari, Bochum (10.00%)

Executive Board members are appointed and dismissed in accordance with §§ 84 et seq. of the AktG.

According to Section 6 (1) sentence 1 of the Articles of Association, the Management Board consists of at least one person. Alternative members of the Executive Board may be appointed. Pursuant to § 6 (2) of the articles of association, the Supervisory Board is responsible for determining the number of, and appointing the regular Executive Board members and alternate Executive Board members and has the authority to revoke such appointments. The Supervisory Board is also responsible for selecting a member of the Executive Board to serve as that body's chairman and for selecting other Executive Board members to serve that body's deputy chairmen. § 8 sentence 2 of the articles of association specifies sole representation if only one member of the Executive Board has been appointed.

Amendments to the articles of association are adopted by the Shareholders' Meeting if, in accordance with § 179 AktG, a majority of at least three-quarters of the registered share capital represented at the meeting votes in favour of the amendment.

Pursuant to § 10 (2) of the articles of association, the Supervisory Board is authorised to amend the articles, provided the amendment involves only the wording. Pursuant to § 21 (1) of the articles of association, the shareholder resolutions require a simple majority of the votes cast, unless the laws prescribe another majority. In those cases in which the laws require a majority of the registered share capital represented at the time the resolution is adopted, a simple majority of the represented registered share capital will suffice, unless the laws prescribe a higher majority.

There are no significant agreements which are subject to a restriction relating to a change of control resulting from a takeover offer. Likewise, no agreements for indemnifying employees or members of the Executive Board in the event of a takeover offer have been reached.

General Business Conditions

According to the International Monetary Fund, the economic output in the euro area increased by 1.2 percent in 2019 and 2.3 percent in the United States. The overall good economic situation led to partial bottlenecks on the labour market. According to Bitkom Research GmbH, the market for information technology grew by 2.9 percent during 2019.

Business Development

The most significant financial performance indicators of the InVision Group are the Group revenues and the EBIT margin (ratio of consolidated earnings before interest and taxes as a percentage of revenues). Due to the Group's business model, a positive or negative development of these performance indicators has a correlating effect on the development of the net assets and financial position.

Results of operation

During the reporting year, consolidated revenues decreased by 3 percent to TEUR 12,618 (previous year: TEUR 13,067). Workforce Management revenues decreased by 3 percent to TEUR 12,227 (previous year: TEUR 12,646). Education revenues decreased by 7 percent to TEUR 391 (previous year: TEUR 421).

Other operating income increased by 16 percent to TEUR 133 (previous year: TEUR 115).

Personnel expenses fell by 6 percent to TEUR 8,162 in the year of reporting (previous year: TEUR 8,695). This is mainly due to the closure of the development site in Londonderry, Northern Ireland, at the end of the 2018 financial year. The personnel expenses ratio thus amounts to 65 percent (previous year: 67 percent).

Depreciation of intangible assets and property, plant and equipment increased by 26 percent to TEUR 737 (previous year: TEUR 586). Of the reported depreciation and amortisation, TEUR 182 (previous year: TEUR 0) relate to the rights of use from leasing contracts to be capitalised under IFRS 16 since the beginning of the 2019 financial year.

Other operating expenses fell by 22 percent in the 2019 financial year to TEUR 2,868 (previous year: TEUR 3,655) and thus represent 23 percent in relation to consolidated revenue (previous year: 28 percent). This includes expenses for support services provided by external employees, which were recorded under cost of materials in the previous year. The corresponding expenses in the previous year of TEUR 165 were reclassified from cost of materials to consulting expenses under other operating expenses for reasons of better comparability.

Expenses for cloud services fell by 13 percent to TEUR 806 (previous year: TEUR 926), mainly due to the optimisation of contract and payment conditions. Expenses for rents fell by 46 percent to TEUR 370 (previous year: TEUR 688). The first-time application of IFRS 16 in the 2019 financial year led to a reduction of TEUR 197 in the rent expenses reported under other operating expenses. For more detailed information on the first-time application of IFRS 16, please refer to sections 2 and 10 in the notes to the consolidated financial statements. In addition, the termination of the lease for the office premises in Londonderry, Northern Ireland, towards the end of the 2018 financial year led to a reduction in corresponding expenses in 2019. Travel expenses rose by 7 percent to TEUR 366 (previous year: TEUR 341), while marketing expenses fell by 39 percent to TEUR 189 (previous year: TEUR 312), primarily due to the reduction in trade fair costs. At TEUR 407, consulting expenses were 4 percent lower than in the previous year (previous year: TEUR 426, after reclassification, see previous paragraph). The other personnel expenses fell by 11 percent to TEUR 166 (previous year: TEUR 186) and mainly relate to staff catering. Communication expenses fell in the year of reporting by 12 percent to 90 TEUR (previous year: TEUR 102).

The operating result (EBIT) for the reporting period amounts to TEUR 981 and is 322 percent above the previous year (TEUR 233). The EBIT margin rose to 8 percent (previous year: 2 percent).

Interest expenses increased to TEUR 108 (previous year: TEUR 12). This is mainly due to the raising of a commitment loan of TEUR 6,000, of which TEUR 1,000 was called in the financial year, and the first-time application of IFRS 16. According to IFRS 16, lease payments are divided into repayments and interest payments. The interest portion is recognised in profit or loss over the term of the lease.

Taxes on income and earnings show a total positive amount of TEUR 2,106 (previous year: TEUR -463). On the one hand, this includes tax expenses of TEUR -1,327 for taxes on profits of the companies InVision AG, Düsseldorf, injixo AG, Zug, Switzerland, InVision Software SAS, Paris, France, and InVision Software Ltd., London, United Kingdom.

On the other hand, deferred tax assets of TEUR 3,433 were recognised in the income statement. This was based on the intragroup sale of software licences for workforce management from injixo AG, Zug, Switzerland, to InVision AG, Düsseldorf, in the amount of TEUR 11,500 on 27 December 2019. The transaction led to the capitalisation of intangible assets in the separate financial statements of InVision AG, Düsseldorf, and thus to a temporary difference between the consolidated balance sheet and the commercial/tax balance sheet, for which deferred tax assets had to be recognised.

In the 2019 financial year, the consolidated net income amounts to TEUR 2,995 (previous year: consolidated net loss of TEUR 238). Earnings per share amount to EUR 1.34 (previous year: EUR -0.09), based on an average of 2,235,000 shares (previous year: 2,235,000 shares).

Overall, the development of revenues and thus the development in 2019 was in line with expectations.

Net assets and financial position

The liquid funds increased by 290 percent to TEUR 2,616 as of 31 December 2019 (previous year: TEUR 670). The main reasons for this are general cost savings and lower net tax payments in the area of the operating cash flows, as well as net payment surpluses in the financing cash flows.

As of the balance sheet date, trade receivables were at TEUR 1,159 and thus, 17 percent below the comparable prior-year figure (previous year: TEUR 1,398). Income tax refund claims fell to TEUR 44 (previous year: TEUR 218). Prepaid expenses and other current assets amounted to TEUR 136 (previous year: TEUR 129). In the year under review, intangible assets went down by 11 percent to TEUR 298 (previous year: TEUR 335). Property, plant and equipment totalled TEUR 8,937 (previous year: TEUR 9,299). With the first-time application of IFRS 16, rights of use for rented office space in Leipzig and Paris were capitalised in the amount of TEUR 1,522. Deferred tax assets increased to TEUR 3,481 (previous year: TEUR 20). The intragroup sale of software licences led to the capitalisation of intangible assets in the financial statements of InVision AG and thus to a temporary difference between the consolidated balance sheet and the commercial/tax balance sheet, for which deferred tax assets had to be recognised. As in the previous year, other non-current assets exclusively comprise deposits paid for rented office space.

The long-term bank loan of TEUR 4,000 taken out in 2014 for the partial financing of an office property used by the company itself was repaid in full and according to plan in the 2019 financial year with the final payment of TEUR 250. On the other hand, the drawdown of TEUR 1,000 from a TEUR 6,000 commitment loan increased the bank balances. This loan was taken up to refinance investments and to make further investments and was reported in the balance sheet as current and non-current financial liabilities in accordance with their maturities.

Trade payables fell by 40 percent to TEUR 162 as of the balance sheet date (previous year: TEUR 268). Provisions fell by 37 percent to TEUR 239 (previous year: TEUR 377). In the previous year, rental and dismantling obligations (TEUR 114) arising from the premature termination of the lease for the office premises in Londonderry, Northern Ireland, were recognised as provisions. These were partly utilised and partly released to income in 2019 financial year.

Income tax liabilities increased by 439 percent to TEUR 1,202 (previous year: TEUR 223). These relate primarily to injixo AG, Zug, Switzerland, InVision AG, Düsseldorf, and InVision Software Ltd., London, United Kingdom.

Prepaid expenses and other current liabilities increased by 10 percent to TEUR 859 (previous year: TEUR 784).

Reserves amounted to TEUR 1,191 at the end of the reporting period (previous year: TEUR 1,191). The consolidated balance sheet result amounts to TEUR 10,102 (previous year: TEUR 7,173).

As of 31 December 2019, the balance sheet total equalled TEUR 18,214 (previous year: TEUR 12,082). Equity capital was at TEUR 13,125 (previous year: TEUR 10,180), and the equity ratio equalled 72 percent (previous year: 84 percent).

Basic Principles of the Compensation System

The members of the Company's Supervisory Board are paid a fixed fee of EUR 12,500. The Chairman of the Supervisory Board receives twice that amount, and the Deputy Chairman receives one and one-half times that amount. The fee is paid at the latest by the end of the fiscal year.

The Executive Board compensation consists of a fixed-base salary as well as an allowance to cover their costs for health insurance and long-term care insurance. Moreover, the Company has executed a D&O insurance policy with a deductible.

Risk Report

Principles of risk management and of accounting-related internal control system

For the InVision Group, a comprehensive and self-contained risk management programme is a significant component of the Group's corporate strategy. A company-wide monitoring system ensures the systematic identification and assessment of risks regarding any likelihood of occurrence or the possible quantitative effects on corporate value.

Risk management is intended to identify, at an early stage, specifically any risks which threaten the Company's very existence in an effort to launch effective counter-measures for avoiding the risks. Another goal is to minimise the possible adverse effects, which all risks could have on the net assets, financial position and results of operation, while largely preserving the corresponding opportunities.

Potential counter-measures for dealing with risk include, for example, avoiding high-risk activities, reducing individual areas of potential risk by utilising commercial alternatives with a lower potential for risk, diversifying and limiting individual risks, and shifting risks onto insurance carriers or contracting parties.

The Executive Board is responsible for administering the risk management. A fundamental review of all risks is made once each year, at least. There are standardised accounting rules used in the Group's companies, the compliance with which is continuously monitored. This also guarantees that the accounts conform to the standard accounting rules applicable from time to time. An internal ad hoc report is prepared in the event that there are significant changes or newly emerged risks. All risk-relevant topics and the then-current economic situation over time are constantly monitored. If necessary, operational teams or external experts are called in to participate.

The risk management is described and detemined in a group risk management policy.

Significant risks related to the business

InVision depends on seasoned and well-trained teams of employees. The future success of InVision will also depend on finding and retaining, on a long-term basis, highly qualified employees. The competition for employees with scientific, technical or industry-specific expertise is quite intense. It is therefore possible that the Company will be unable to promptly recruit new staff on the open labour market and that this may give rise to additional costs. The loss of qualified staff or long-term difficulties in hiring suitable employees could result in InVision's inability to successfully implement important decisions and courses of action, which in turn would impair its business operations. This particularly applies in the case of a zombie apocalypse.

In favour of the introduction of new product categories, InVision has given only secondary priority to the support of existing customers in recent years. This has had a negative impact on the overall satisfaction of these customers. It is thus possible that existing customers switch to products from InVision's competitors, meaning that the previous sales streams are drying up sustainably. Unless InVision succeeds in stabilising customer satisfaction at a high level, this can have a permanently negative effect on the business activities.

InVision had already determined in 2018 that the methods, processes and technologies used to date for introducing workforce management products had resulted in disproportionately long introduction cycles and often incompletely used functionality. This can result in customers experiencing only limited value from continuous use during or after the product launch, and subsequently deciding to discontinue the use of the product, so that existing revenue streams dry up sustainably and the possibility of establishing new revenue streams is restricted. If InVision does not succeed in changing the methods, processes and technologies used to date to introduce products to customers in such a way that customers quickly and permanently achieve a high value from the use of the products, this could have a lasting negative impact on its business activities.

As there is still a great degree of uncertainty about the effects of the corona pandemic and no specific events have yet occurred in InVision's direct business environment, it is not yet possible to assess the risks and possible influences at this point in time. Measures have been taken to protect the staff and to ensure the continuation of business operations.

The aforementioned risks, both individually and collectively, could have adverse effects on the net assets, financial position and results of operation of the Company and of the InVision Group as a whole.

Compliance Statement

The current statement according to §161 AktG, the current statements on corporate governance practices, the operating principles followed by the Executive Board and the Supervisory Board as well as the composition and operations of their committees are available on the Company's website under “Corporate Governance” at www.ivx.com/en/investors.

Forecast Report & Opportunities

Anticipated global economic development

According to the forecasts made by the International Monetary Fund, the economic output in the euro area will increase by 1.1 percent in 2020, whereas the economic output in the United States will increase by 2.0 percent. According to the forecast made by Bitkom Research GmbH, the market for information technology will grow by 2.7 percent in 2020.

Anticipated development of InVision

InVision expects demand for the products of the InVision Group to remain stable over the next few years, which means that there are opportunities to exploit the revenue potential on a sustainable basis.

InVision plans to hire up to 30 additional employees in fiscal year 2020 to strengthen its activities in the areas of sales, customer support and research and development.

If the planned recruitments are fully implemented, InVision expects revenues of between TEUR 12,400 and TEUR 13,400 and EBIT of between TEUR -1,200 and TEUR -200.

In consideration of the currently still unforeseeable macroeconomic developments of the Corona Pandemic, possible effects on InVision’s business development have not been taken into account.

Düsseldorf, 16 March 2020

Peter Bollenbeck

Independent Auditor’s Report

The following Independent Auditor’s Report is available in German only, as provided by the auditors of RSM GmbH, Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft.

“An die InVision Aktiengesellschaft, Düsseldorf

Prüfungsurteile

Wir haben den Konzernabschluss der InVision Aktiengesellschaft und ihrer Tochtergesellschaften (der Konzern) – bestehend aus der Konzernbilanz zum 31. Dezember 2019, der Konzerngesamtergebnisrechnung, der Konzerneigenkapitalveränderungsrechnung und der Konzernkapitalflussrechnung für das Geschäftsjahr vom 1. Januar 2019 bis zum 31. Dezember 2019 sowie dem Konzernanhang, einschließlich einer Zusammenfassung bedeutsamer Rechnungslegungsmethoden – geprüft. Darüber hinaus haben wir den Konzernlagebericht der InVision Aktiengesellschaft für das Geschäftsjahr vom 1. Januar 2019 bis zum 31. Dezember 2019 geprüft. Die Konzernerklärung zur Unternehmensführung, auf die im Abschnitt „Erklärung zur Unternehmensführung“ des Konzernlageberichts verwiesen wird, haben wir in Einklang mit den deutschen gesetzlichen Vorschriften nicht inhaltlich geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

- entspricht der beigefügte Konzernabschluss in allen wesentlichen Belangen den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften und vermittelt unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage des Konzerns zum 31. Dezember 2019 sowie seiner Ertragslage für das Geschäftsjahr vom 1. Januar 2019 bis zum 31. Dezember 2019 und
- vermittelt der beigefügte Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns. In allen wesentlichen Belangen steht dieser Konzernlagebericht in Einklang mit dem Konzernabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar. Unser Prüfungsurteil zum Konzernlagebericht erstreckt sich nicht auf den Inhalt der Konzernerklärung zur Unternehmensführung, auf die im Abschnitt „Erklärung zur Unternehmensführung“ des Konzernlageberichts verwiesen wird.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Konzernabschlusses und des Konzernlageberichts geführt hat.

Grundlage für die Prüfungsurteile

Wir haben unsere Prüfung des Konzernabschlusses und des Konzernlageberichts in Übereinstimmung mit § 317 HGB und der EU-Abschlussprüferverordnung (Nr. 537/2014; im Folgenden „EU-APrVO“) unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von den Konzernunternehmen unabhängig in Übereinstimmung mit den europarechtlichen sowie den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Darüber hinaus erklären wir gemäß Artikel 10 Abs. 2 Buchst. f) EU-APrVO, dass wir keine verbotenen Nichtprüfungsleistungen nach Artikel 5 Abs. 1 EU-APrVO erbracht haben. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht zu dienen.

Besonders wichtige Prüfungssachverhalte in der Prüfung des Konzernabschlusses

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten in unserer Prüfung des Konzernabschlusses für das Geschäftsjahr vom 1. Januar 2019 bis zum 31. Dezember 2019 waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Konzernabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt; wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Aus unserer Sicht waren folgende Sachverhalte am bedeutsamsten in unserer Prüfung:

- Umsatzrealisierung
- Latente Steuern auf Verlustvorträge

Unsere Darstellung dieser besonders wichtigen Prüfungssachverhalte haben wir wie folgt strukturiert:

1. Sachverhalt und Problemstellung
2. Prüferisches Vorgehen und Erkenntnisse
3. Verweis auf weitergehende Informationen

Nachfolgend stellen wir die besonders wichtigen Prüfungssachverhalte dar:

Umsatzrealisierung

1. Die Umsatzrealisierung wurde als besonders wichtiger Prüfungssachverhalt ausgewählt, da in ihr ein bedeutsames Risiko im Sinne des IDW PS 261 n.F.

identifiziert wurde und dieses gleichzeitig am bedeutsamsten in der Prüfung für den aktuellen Berichtszeitraum war. Bedeutsame Risiken sind Fehlerrisiken, die aufgrund ihrer Art oder des mit ihnen verbundenen Umfangs möglicher falscher Darstellungen in der Rechnungslegung bei der Abschlussprüfung besondere Aufmerksamkeit erfordern. Das Fehlerrisiko liegt hierbei vorrangig in der nicht rechtzeitigen (insbesondere zu frühen) Erfassung von Umsatzerlösen und damit einem überhöhten Ausweis von Ergebnissen wie EBIT, EBT und Konzernüberschuss.

2. Bei unserer Prüfung haben wir unter anderem ausgehend von den bei den in den Konzernabschluss einbezogenen Unternehmen erfassten Umsatzerlösen und für die unterschiedlichen Erlösarten in Stichproben Nachweise für die Erbringung der Leistungen bis zum Abschlussstichtag eingeholt. Bei der Auswahl der Stichproben sind wir im Sinne einer größtmöglichen Abdeckung der ausgewiesenen Umsatzerlöse durch unsere Prüfung auch von der Höhe der Einzelumsätze ausgegangen. Darüber hinaus haben wir Stichproben ausgewählt und die zutreffende Erfassung anhand von Nachweisen geprüft. Sofern im Fall stichtagsübergreifender Rechnungen an Kunden Abgrenzungen vorzunehmen waren, haben wir uns von der Richtigkeit der vorgenommenen Abgrenzungen und der Zuordnung der Erlöse zu der richtigen Rechnungslegungsperiode überzeugt. Darüber hinaus haben wir die anhand von Vorsystemen (Kundenplattform) ermittelte Gesamtheit der im Geschäftsjahr an Kunden erbrachten Dienstleistungen in den Absatzbereichen, in denen dies aufgrund der Art der Dienstleistungen möglich war, auf Übereinstimmung mit den erfassten Umsätzen geprüft. Die hierbei berücksichtigten auftragsrelevanten Abrechnungsparameter haben wir anhand zugrundeliegender Verträge und Rahmenbedingungen ebenfalls in Stichproben geprüft.
3. Im Konzernabschluss der InVision Aktiengesellschaft werden Umsatzerlöse in Höhe von 12.618 T€ in der IFRS-Gesamtergebnisrechnung ausgewiesen. Darüber hinaus erfolgen Erläuterungen im Konzernanhang unter Punkt 42 sowie darauf aufbauender Ergebnisse in den Folgepunkten und im Konzernlagebericht im Abschnitt „Ertragslage“.

Latente Steuern auf Verlustvorträge

1. Aufgrund der für die Aktivierung bzw. Nichtaktivierung von latenten Steuern verbundenen erforderlichen Beurteilung durch die gesetzlichen Vertreter und wegen der Höhe der nicht bilanzierten Verlustvorträge, haben wir diesen Sachverhalt als besonders wichtigen Prüfungssachverhalt identifiziert. Ein latenter Steueranspruch auf temporäre Abweichungen und auf noch nicht genutzte steuerliche Verlustvorträge ist in dem Umfang zu bilanzieren, in dem es wahrscheinlich ist, dass zukünftig zu versteuerndes Einkommen zur Verfügung stehen wird, gegen das die noch nicht genutzten Verluste oder Steuervorteile verrechnet werden können.
2. Zur Beurteilung der sachgerechten bilanziellen Behandlung haben wir im Rahmen der Prüfung die zugrundeliegenden Annahmen sowie die Herkunft der steuerlichen Verlustvorträge geprüft. Dabei wurde beurteilt, ob auf Grundlage der Planung mit

ihren impliziten Planungsunsicherheiten sowohl für den Gesamtkonzern als auch auf Ebene der einzelnen betroffenen Gesellschaften auf eine Aktivierung der steuerlichen Verlustvorträge verzichtet werden konnte.
3. Die InVision Aktiengesellschaft hat in ihrem IFRS-Konzernabschluss auf steuerliche Verlustvorträge in Höhe von insgesamt 6.194 T€ (bewertet mit dem jeweils anwendbaren Steuersatz 1.734 T€) keine latenten Steuern gebildet. Im Konzernabschluss der InVision Aktiengesellschaft findet sich eine Erläuterung zu den bestehenden nicht aktivierten Verlustvorträgen unter Punkt 29 des Konzernanhangs.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen:

- die Konzernerklärung zur Unternehmensführung, auf die im Abschnitt „Erklärung zur Unternehmensführung" des Konzernlageberichts verwiesen wird; diese stellt einen nicht inhaltlich geprüften Bestandteil des Konzernlageberichts dar,
- die übrigen Teile des Geschäftsberichts, mit Ausnahme des geprüften Konzernabschlusses und Konzernlageberichts sowie unseres Bestätigungsvermerks,
- den Corporate Governance Bericht nach Nr. 3.10 des Deutschen Corporate Governance Kodex und
- die Versicherung nach § 297 Abs. 2 Satz 4 HGB zum Konzernabschluss und die Versicherung nach § 315 Abs. 1 Satz 5 HGB zum Konzernlagebericht.

Unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit unserer Prüfung haben wir die Verantwortung, die sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Konzernabschluss, zum Konzernlagebericht oder unseren bei der Prüfung erlangten Kenntnissen aufweisen oder
- anderweitig wesentlich falsch dargestellt erscheinen.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats für den Konzernabschluss und den Konzernlagebericht

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernabschlusses, der den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Konzernabschluss unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig bestimmt haben, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Konzernabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, es sei denn, es besteht die Absicht den Konzern zu liquidieren oder der Einstellung des Geschäftsbetriebs oder es besteht keine realistische Alternative dazu.

Außerdem sind die gesetzlichen Vertreter verantwortlich für die Aufstellung des Konzernlageberichts, der insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt. Ferner sind die gesetzlichen Vertreter verantwortlich für die Vorkehrungen und Maßnahmen (Systeme), die sie als notwendig erachtet haben, um die Aufstellung eines Konzernlageberichts in Übereinstimmung mit den anzuwendenden deutschen gesetzlichen Vorschriften zu ermöglichen, und um ausreichende geeignete Nachweise für die Aussagen im Konzernlagebericht erbringen zu können.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses des Konzerns zur Aufstellung des Konzernabschlusses und des Konzernlageberichts.

Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Konzernabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist, und ob der Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss sowie mit den bei der Prüfung gewonnenen Erkenntnissen in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB und der EU-APrVO unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder

Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Konzernabschlusses und Konzernlageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Konzernabschluss und im Konzernlagebericht, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstel- lungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Konzernabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Konzernlageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss und im Konzernlagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass der Konzern seine Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Konzernabschlusses einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der

Konzernabschluss unter Beachtung der IFRS, wie sie in der EU anzuwenden sind, und der ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt.

- holen wir ausreichende geeignete Prüfungsnachweise für die Rechnungslegungsinformationen der Unternehmen oder Geschäftstätigkeiten innerhalb des Konzerns ein, um Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die alleinige Verantwortung für unsere Prüfungsurteile.
- beurteilen wir den Einklang des Konzernlageberichts mit dem Konzernabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Konzerns.
- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Konzernlagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrundeliegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Wir geben gegenüber den für die Überwachung Verantwortlichen eine Erklärung ab, dass wir die relevanten Unabhängigkeitsanforderungen eingehalten haben, und erörtern mit ihnen alle Beziehungen und sonstigen Sachverhalte, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit auswirken, und die hierzu getroffenen Schutzmaßnahmen.

Wir bestimmen von den Sachverhalten, die wir mit den für die Überwachung Verantwortlichen erörtert haben, diejenigen Sachverhalte, die in der Prüfung des Konzernabschlusses für den aktuellen Berichtszeitraum am bedeutsamsten waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte im Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus.

SONSTIGE GESETZLICHE UND ANDERE RECHTLICHE ANFORDERUNGEN

Übrige Angaben gemäß Artikel 10 EU-APrVO

Wir wurden von der Hauptversammlung am 28. Mai 2019 zum Abschlussprüfer und damit zugleich zum Konzernabschlussprüfer gewählt. Wir haben den uns erteilen Auftrag am 30. Dezember 2019 schriftlich bestätigt. Der Aufsichtsrat hat die Bestätigung am 27. Januar 2020 schriftlich gegengezeichnet. Wir sind ununterbrochen seit dem Geschäftsjahr 2007 als Konzernabschlussprüfer der InVision Aktiengesellschaft tätig.

Wir erklären, dass die in diesem Bestätigungsvermerk enthaltenen Prüfungsurteile mit dem zusätzlichen Bericht an den Aufsichtsrat nach Artikel 11 EU-APrVO (Prüfungsbericht) in Einklang stehen.

VERANTWORTLICHER WIRTSCHAFTSPRÜFER

Der für die Prüfung verantwortliche Wirtschaftsprüfer ist Rainer Grote.“

Düsseldorf, den 16. März 2020

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Grote - Wirtschaftsprüfer
Knöpfle - Wirtschaftsprüfer