

Financial Report 6M 2020

Consolidated Interim Financial Statements

of InVision AG as of 30 June 2020 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 (condensed/unaudited)

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Financial Summary

(in TEUR)	6M 2020	6M 2019	Δ*
Revenues	6,236	6,395	-2%
thereof Workforce Management	5,995	6,211	-3%
thereof Education	241	184	+31%
EBIT	453	365	+24%
as a % of revenues	7%	6%	+1 PP
Consolidated result	-69	203	-134%
as a % of revenues	-1%	3%	-4 PP
Operating cash flow	2,119	2,918	-27%
as a % of revenues	34%	46%	-12 PP
Earnings per share (in EUR)	-0.02	0.09	-124%

(in TEUR)	30 June 2020	31 Dec 2019	Δ*
Balance sheet total	24,621	18,214	+35%
Liquid funds	9,594	2,616	+267%
Equity	13,057	13,125	-1%
as a % of balance sheet total	53%	72%	-19 PP

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

Consolidated Balance Sheet

InVision AG, 30 June 2020 IFRS, in Euro (condensed/unaudited)

Assets	30 June 2020	31 Dec 2019
A. Short-term assets		
1. Liquid funds	9,594,438	2,615,707
2. Trade receivables	1,199,357	1,159,134
3. Income tax claims	43,509	43,509
4. Prepaid expenses and other short-term assets	170,331	135,667
Total short-term assets	11,007,635	3,954,017
B. Long-term assets		
1. Intangible assets	275,992	297,736
2. Tangible assets	8,747,033	8,937,009
3. Right-of-use assets	1,431,009	1,521,953
4. Deferred taxes	3,137,067	3,481,172
5. Other long-term assets	22,064	21,656
Total long-term assets	13,613,165	14,259,526
Total assets	24,620,800	18,213,543

Equity and liabilities	30 June 2020	31 Dec 2019
A. Short-term liabilities		
1. Liabilities due to credit institutions	960,000	480,000
2. Leasing liabilities	178,645	176,552
3. Trade payables	197,647	161,870
4. Provisions	160,383	239,392
5. Income tax liabilities	785,937	1,202,487
6. Customer contract liabilities and other liabilities	2,882,331	858,559
Total short-term liabilities	5,164,943	3,118,860
B. Long-term liabilities		
1. Liabilities due to credit institutions	5,040,000	520,000
2. Leasing liabilities	1,359,253	1,449,308
Total long-term liabilities	6,399,253	1,969,308
C. Equity		
1. Subscribed capital	2,235,000	2,235,000
2. Reserves	1,191,184	1,191,184
3. Equity capital difference from currency translation	-422,931	-402,921
4. Group/consolidated result	10,053,351	10,102,112
Total equity	13,056,604	13,125,375
Total equity and liabilities	24,620,800	18,213,543

Consolidated Statement of Comprehensive Income

InVision AG, 30 June 2020 IFRS, in Euro (condensed/unaudited)

	1 Jan - 30 June 2020	1 Jan - 30 June 2019
1. Revenues	6,236,042	6,394,602
2. Other operating income	33,639	77,819
3. Personnel expenses	-4,308,740	-4,129,489
4. Amortisation/depreciation of intangible and tangible assets	-332,673	-395,533
5. Other operating expenses	-1,175,317	-1,582,850
6. Operating result (EBIT)	452,951	364,549
7. Financial result	-53,763	-55,817
8. Currency losses/gains	-7,691	-421
9. Result before taxes (EBT)	391,497	308,311
10. Income tax	-440,258	-127,714
11. Consolidated net profit/loss	-48,761	180,597
12. Exchange rate differences from converting foreign financial statements	-20,010	22,764
13. Consolidated result	-68,771	203,361
Earnings per share	-0.02	0.09

Consolidated Cash Flow Statement

InVision AG, 30 June 2020 IFRS, in Euro (condensed/unaudited)

	1 Jan - 30 June 2020	1 Jan - 30 June 2019
1. Cash flow from operating activities		
Consolidated net profit/loss	-48,761	180,597
+ Depreciation and amortisation of fixed assets	332,673	395,533
-/+ Profits/losses from the disposal of intangible and tangible assets	0	-19,043
-/+ Decrease/increase in provisions	-79,009	6,498
-/+ Increase/decrease in deferred taxes	344,105	9,828
-/+ Other non-cash income/expenses	2,749	23,376
-/+ Increase/decrease in trade receivables	-40,223	458,779
-/+ Increase/decrease in other assets and prepaid expenses	-35,074	-101,174
+/- Decrease/increase in income tax claims/liabilities	-416,550	25,479
-/+ Decrease/increase in trade payables	35,777	-120,387
-/+ Decrease/increase in other liabilities and deferred income	2,023,773	2,058,204
Cash flow from operating activities	2,119,460	2,917,690

	1 Jan - 30 June 2020	1 Jan - 30 June 2019
2. Cash flow from investing activities		
- Payments made for investments in tangible assets	-29,754	-123,421
+ Payments received from the disposal of intangible and tangible assets	0	19,043
Cash flow from investing activities	-29,754	-104,378
3. Cash flow from financing activities		
+ Additions to long-term financing liabilities	5,000,000	1,000,000
- Payments made for redemption of long-term financing liabilities	0	-250,000
- Payments made for redemption of lease liabilities	-87,963	-86,440
Cash flow from financing activities	4,912,037	663,560
Change in cash and cash equivalents	7,001,743	3,476,872
Effect of foreign exchange rate changes on cash and cash equivalents	-23,012	2,603
Cash and cash equivalents at the beginning of the period	2,615,707	670,454
Cash and cash equivalents at the end of the period	9,594,438	4,149,929

Consolidated Statement of Equity

InVision AG, 30 June 2020 IFRS, in Euro (condensed/unaudited)

	Subscribed capital	Reserves	Equity capital difference from currency translation	Profit/Losses	Equity
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
31 December 2019	2,235,000	1,191,184	-402,921	10,102,112	13,125,375
Consolidated net profit	0	0	0	-48,761	-48,761
Exchange rate difference from converting foreign financial statements	0	0	-20,010	0	-20,010
Total of costs and income	0	0	-20,010	-48,761	-68,771
30 June 2020	2,235,000	1,191,184	-422,931	10,053,351	13,056,604

Consolidated Notes

to the Consolidated Interim Financial Statements of InVision AG as of 30 June 2020
(condensed/unaudited)

General Information

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.

Basis of the accounting

The condensed consolidated interim financial report for the reporting period was prepared in accordance with IAS 34 “Interim Financial Reporting”. The condensed consolidated interim financial report does not contain all explanations and information that are required for the financial statements of the full fiscal year and should be read in conjunction with the consolidated financial statements as of 31 December of the previous fiscal year.

Group of consolidated companies

InVision Software B.V. was founded on April 21, 2020 and entered in the Dutch Commercial Register on April 22, 2020. The company joined the consolidated group on the same date. The remaining group of consolidated companies has not changed since 31 December of the previous fiscal year.

Treasury shares

The Company has no treasury shares.

Revenues

Revenues are categorised as follows:

By Business Activities (in TEUR)	6M 2020	6M 2019
Workforce Management	5,995	6,211
Education	241	184
Total	6,236	6,395

By Regions (in TEUR)	6M 2020	6M 2019
Germany	1,791	1,912
Foreign countries	4,445	4,483
Total	6,236	6,395

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

Events after the balance sheet closing date

After the end of the reporting period, there were no specific events which were of significant importance for the interim financial report.

Executive Board

The Executive Board is composed of the following members:

Peter Bollenbeck, Düsseldorf

Earnings per share

Earnings per share were calculated by dividing the periodic result, which is attributable to InVision AG's shareholders, by the average weighted number of shares issued and outstanding during the reporting period. InVision AG has issued only ordinary shares. In the first six months of 2020, there was an average of 2,235,000 shares issued and outstanding. Therefore, earnings per share for this period were EUR -0.02, compared to EUR 0.09 in the previous year, based on 2,235,000 shares issued.

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 interim financial statements give a true and fair view of the Group's assets, liabilities, financial position and results of operation, and the interim 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, 13 August 2020

The Executive Board

Peter Bollenbeck

Interim Group Management Report

of InVision AG as of 30 June 2020 pursuant to §315 of the German Commercial Code (condensed/unaudited)

Information pursuant to § 315 a HGB

The resolutions passed at the Annual General Meeting on 29 May 2020 can be found at <https://www.ivx.com/investors/corporate-governance/articles-of-association>.

Results of operation

Consolidated revenues decreased by 2 percent to TEUR 6,236 during the reporting period (previous year: TEUR 6,395). Workforce Management revenues decreased by 3 percent to TEUR 5,995 (previous year: TEUR 6,211). Education revenues increased by 31 percent to TEUR 241 (previous year: TEUR 184).

Other operating income was at TEUR 34 (previous year: TEUR 78).

The operating result (EBIT) increased in the reporting period to TEUR 453 (previous year: TEUR 365). The EBIT margin in the first-half of the year was 7 percent (previous year: 6 percent).

Despite the global economic slowdown caused by the corona pandemic, there were no significant negative effects on the Group's earnings situation in the reporting period. The high level of uncertainty regarding the further course of the pandemic and the associated economic consequences led to the short-term postponement of customer projects and the modification of payment terms in individual cases.

The Group's business facilities were temporarily closed to protect the employees. Short-time work was introduced for a small number of employees of InVision AG whose activities are directly related to the operation of the offices and office infrastructure. Corresponding support measures from the German Federal Employment Agency ("Kurzarbeitertgeld") were utilised.

Travel activities were reduced to a minimum. Business operations were maintained without interruption in remote setup. Services within the context of customer projects are currently also provided exclusively remotely. The financial consequences of the change are reflected primarily in a reduction in other operating expenses.

In the reporting period, the consolidated result equalled TEUR -69 (previous year: TEUR 203). Earnings per share were EUR -0.02 (previous year: EUR 0.09), based on an average of 2,235,000 shares (previous year: 2,235,000 shares).

Net assets and financial position

Cash flow from operating activities reached TEUR 2,119 in the reporting period (previous year: TEUR 2,918), which corresponds to a share of 34 percent of the Group revenues (previous year: 46 percent).

As of the end of the reporting period, liquid funds (cash) increased to TEUR 9,594 (31 December 2019: TEUR 2,616).

The balance sheet total equalled TEUR 24,621 (31 December 2019: TEUR 18,214), as of the end of the reporting period. Equity capital is now at TEUR 13,057 (31 December 2019: TEUR 13,125), and the equity ratio equals 53 percent (31 December 2019: 72 percent).

Opportunities & risks

Reasonable opportunities for the business development of the InVision Group are described in the forecast report of this interim Group management report and in the Group management report of the previous fiscal year. The risks are described in the Group management report for the previous fiscal year.

Supplement report

After the end of the reporting period, there were no specific events which were of significant importance for the interim financial report.

Forecast report

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.

The International Monetary Fund has now adjusted its forecasts for 2020 due to the corona pandemic and now expects economic output in the euro zone to decline by -10.2 percent (previously +1.1 percent) and in the USA by -8.0 percent (previously +2.0 percent).

Under the given economic conditions, the Company expects delays in the acquisition of new customers and revenue reductions for existing contracts in individual cases.

The corona pandemic also affects the recruitment efforts of the company. In Europe, increased uncertainty has led to a significant decrease in the willingness of candidates to seek a new job. The recruitment measures originally planned for the 2020 financial year

to strengthen activities in the areas of sales, customer service and research and development will therefore probably not be implemented at the planned speed.

As a result, the company expects lower expenses than originally planned in the short term and lower revenue growth in the medium term.

InVision now expects revenues of between TEUR 11,600 and TEUR 12,600 and EBIT of between TEUR -500 and TEUR +500 for the current fiscal year.

Düsseldorf, 13 August 2020

The Executive Board

Peter Bollenbeck