VISCOM
vision technology

2023
ANNUAL REPORT

Contents

Operating figures

Profit and loss

		2023	2022
Revenues	K€	118,780	105,518
EBIT	K€	6,611	8,186
Net profit for the period	K€	3,142	5,369

Balance sheet and cash flow statement figures

		2023	2022
Total assets	K€	126,012	115,998
Equity ratio	%	47.8	52.0
Cash flow from operating activities	K€	6,184	-1,687
Cash flow from investing activities	K€	-5,138	-5,022
Cash flow from financing activities	K€	-8,212	-5,162
Cash and cash equivalents	K€	-25,108	-17,927

Share

		2023	2022
Result per share	€	0.34	0.60
Dividend per share	€	0.05*	0.30

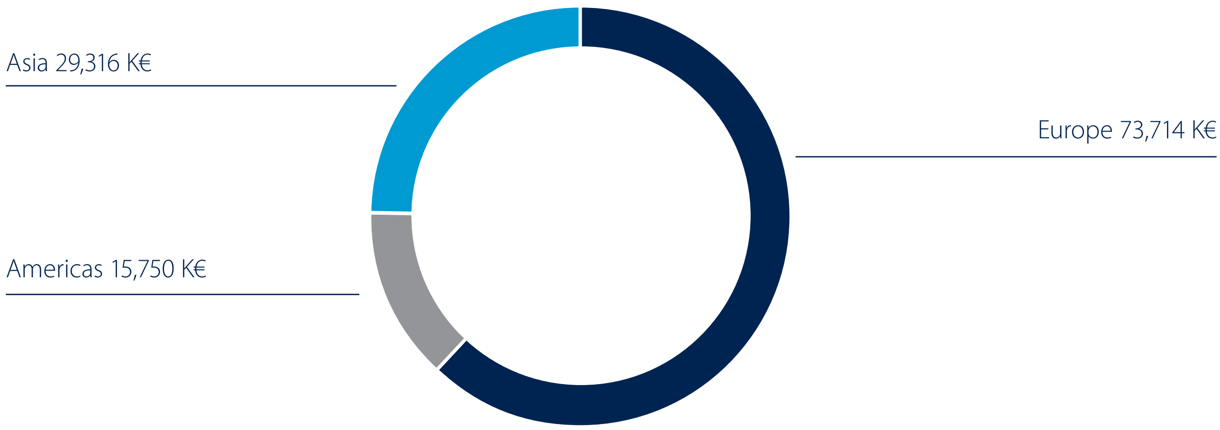
Employees

	2023	2022
Employees at year-end	600	571
Employees in annual average	590	538

* The distribution of a dividend of € 0.05 per eligible share will be proposed to the Annual General Meeting on 29 May 2024.

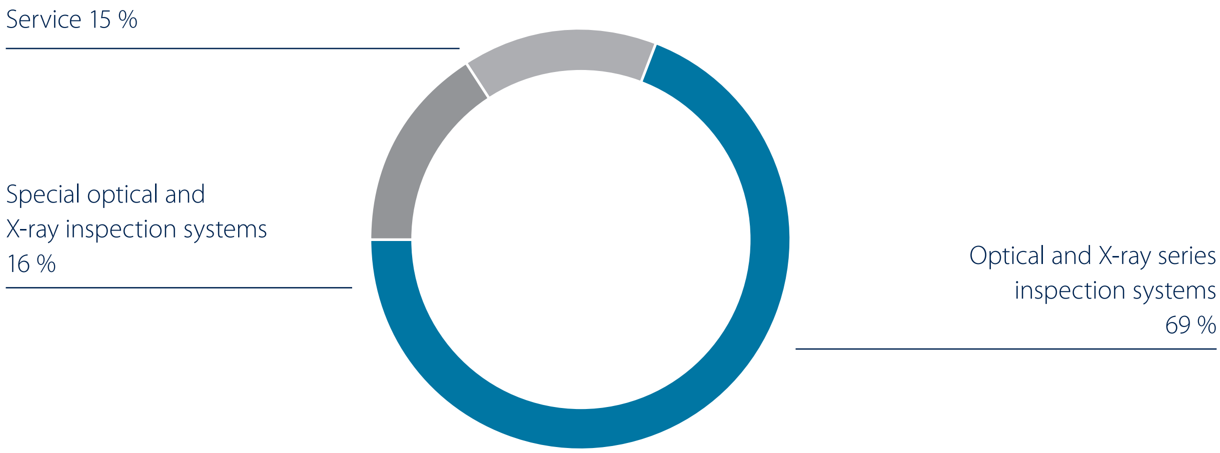
Segment information

Sales by region 1 January – 31 December 2023



Product groups

Sales by product groups 1 January – 31 December 2023



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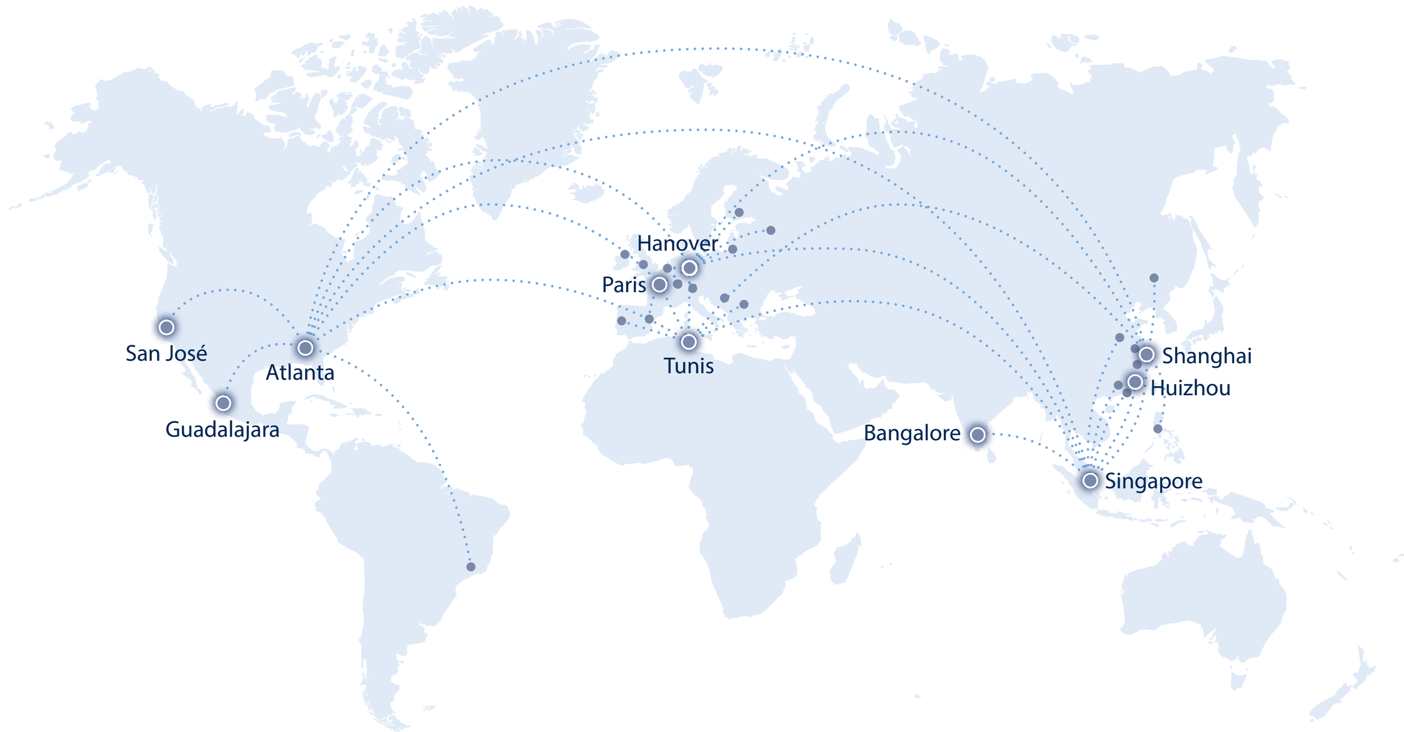


Founded:
1984 by Dr. Martin Heuser and Volker Pape

Number of employees worldwide:
600

World Market Leader:
Viscom is the No. 1 solution provider for automatic optical inspection in the automobile industry.

Headquarters and production:
"Made in Germany":
Hanover, Germany

Subsidiaries:
Viscom France S.A.R.L., Paris, France
Viscom Tunisie S.A.R.L., Tunis, Tunisia
Viscom Inc., Atlanta, Georgia, USA
Viscom Machine Vision Pte Ltd., Singapore
Viscom Machine Vision Trading Co. Ltd., Shanghai, China
VICN Automated Inspection Technology (Huizhou), Huizhou, China Co., Ltd
VISCOM MACHINE VISION (INDIA) PRIVATE LIMITED, Bangalore, India
Viscom Metallgestaltung GmbH, Langenhagen/ Hanover, Germany
Exacom GmbH, Hanover, Germany
VISCOM VXS S. DE R.L. DE C.V., Zapopan/ Guadalajara, Mexico

Dr. Martin Heuser, Carsten Salewski, Dirk Schwingel (f. l. t. r.)

Foreword by the Executive Board

Dear Sir or Madam,

We have had a challenging financial year. Demand for our inspection systems, which are manufactured exclusively at our home location in Hanover, Germany, was consistently high in 2023 as well, which allowed us to once again achieve the highest incoming orders and revenue in Viscom AG's history. In 2023, our business continued to be negatively affected by shortage in various components and supply chain disruption. This led to delays in revenue recognition during the year and to a build-up of inventories of parts, assemblies and finished goods. The high level of revenue recognised in the final quarter also caused a sharp increase in receivables. We were only partially able to compensate for elevated prices for energy and raw materials in Germany. The increase in staff costs and the cost of capital likewise had a negative impact on our business in the past financial year. Incoming orders and revenue rose as anticipated, and were within the forecast range published in March 2023. While earnings were within the range forecast for the 2023 financial year, they are still unsatisfactory and behind our expectations.

We received orders from our customers totalling € 113.2 million in the past financial year. Incoming orders thus rose slightly year-on-year (previous year: € 111.1 million) and were within our forecast range for the 2023 financial year (€ 110 to € 120 million). Revenue increased significantly by 12.6 % to € 118.8 million (previous year: € 105.5 million). Consolidated revenue was therefore also within the forecast range for the 2023 financial year (€ 110 to € 120 million). At € 6.6 million, EBIT was 19.2 % lower year-on-year (previous year: € 8.2 million) but within the forecast range of € 5.5 to € 12.0 million. The EBIT-Margin was 5.6 % (previous year: 7.8 %) and is also within the forecast range (5 % to 10 %). The result for the period was € 3.1 million (previous year: € 5.4 million) and was largely affected by the sharp increase in financial expenses to € 2.1 million (previous year: € 0.8 million).

High demand in Europe, especially from but not limited to our major customers, contributed to the positive increase in incoming orders in the 2023 financial year. Also, our subsidiary Exacom GmbH received two substantial orders in the 2023 financial year to supply X-ray inspection systems to customers in the battery cell production sector. The first order had a total volume of around € 5 million and was already recognised in revenue in the past financial year. Most of the second major order of € 4.9 million will be carried out in the 2024 financial year.

Viscom has now been developing, manufacturing and selling high-quality inspection systems for almost 40 years. Our product portfolio covers the full range of optical inspection and X-ray inspection, in particular for the area of electronic assemblies. Viscom inspection systems are used where the requirements for precision and speed are particularly high. The main customers for Viscom products are electronics manufacturers in the automotive sector, manufacturers of consumer end devices and industrial electronics, and service providers (EMS) that manufacture electronic assemblies to order for various sectors. Furthermore, Viscom inspection systems are increasingly being used for the automated final optical or X-ray inspection of finished products. This includes complete assemblies from the electromobility sector, high-end mobile consumer end devices and lithium-ion batteries in various designs. This is the successful outcome of our strategy of unlocking special revenue potential in the inspection of energy storage products, i.e. in the inspection of battery cells, which we successfully implemented in the 2023 financial year. The goal for our work is an error-free product for customers and efficient process control. Viscom is among the world's leading providers in this segment. Renowned customers around the world put their trust in our experience and in Viscom innovation.

Technology leadership and environmental protection go hand in hand. Climate-conscious production has always been Viscom's goal. The entire value chain for Viscom inspection solutions – from raw materials to delivery – is to become climate neutral. Our focus is on emissions avoidance and reduction with clearly defined targets and real action, such as the ongoing expansion of photovoltaic systems at our production location in Hanover. Viscom's inspection solutions are produced resource-efficiently, are of high quality, durable, recyclable and maximise efficiency with a high degree of process integration and automation.

The outlook for the 2024 financial year is currently dampened on account of the considerable uncertainty experienced by some of our major customers and general negative forecasts in relation to the economic growth anticipated in 2024. For this reason, we are forecasting incoming orders and revenue of between € 100 million and € 110 million with an EBIT-Margin of between 3 % and 8 % in the 2024 financial year. This corresponds to EBIT of between € 3.0 and € 8.8 million. We have modest expectations for the 2024 financial year and anticipate a sideways movement compared to the previous year. We are dependent on the investment decisions made by our customers. In view of the current economic situation and high costs of energy and materials, many are acting more cautiously even than one year ago. The scope for investment is further limited by interest rates and the associated elevated financing costs. In addition, there is currently a lack of global stimulus for further growth in capacity expansion at our customers. In the automotive sector, this is dependent not least on the success of current product developments and the anticipated sales figures of car manufacturers on the European and Asian markets. We have been able to significantly reduce the dependency on the automotive sector in recent years. We have succeeded in securing a positioning in other growth areas as well, such as battery production, consumer electronics and the back end of semiconductor production. As a result of this diversification, we are nonetheless well positioned to balance demand fluctuations in individual sectors in the 2024 financial year. Megatrends such as electrification, automation and digitalisation also offer immense growth opportunities for Viscom in the coming years.

In the Europe region the 2023 financial year showed especially strong demand for our inspection systems among electronics manufacturers in the automotive sector and in battery production. Meanwhile, our customers in the areas of consumer devices and industrial electronics were much more restrained compared to the previous year. In the first half of 2024, we anticipate reduced investment propensity among electronics suppliers, especially in the automotive sector. Owing to the current high financing costs and the uncertain general economic situation, we assume that some customers will postpone planned investment decisions for the time being. The capacity available is being optimised instead, which in turn also means opportunities for Viscom. We anticipate that customer demand in the automotive sector will begin to increase again in the medium term, starting in the second half of 2024. With inflation receding and real wages on the rise, we assume growth in consumer purchasing power and rising demand for electronic products in Europe. The European strategy of a more independent positioning likewise means new opportunities for Viscom. Our customers will again produce more in Europe; the aerospace and defence sector offers further growth for Viscom as well.

Business activities in the Americas region saw keen interest in Viscom inspection systems in all sectors in the 2023 financial year. Electric vehicle and battery manufacturers remained highly active, as did other manufacturers of vehicle electronics contract manufacturers. Many of the customer enquiries launched in 2023 are long-term projects that will continue to allow good capacity utilisation until the middle of 2024. For the Americas region, we expect a consistently high level of activity in the automotive, electric vehicle and battery sectors in the 2024 financial year. Global logistics will be a major challenge in 2024 as well.

The market in Asia underwent a fundamental change in 2023, shifting away from the regional concentration on China towards more diversified supply chains in all areas. Investment in electronics production not only shifted within Asia, but also geographically closer to the target markets of Europe and the United States. The investment that remained in Asia was therefore significantly lower. India was one of the countries to benefit from these changes. We were able to share in this positive development thanks to early investment in a location of our own.

China is still a key market for Viscom products, though competitive pressure from national providers has increased significantly, also as they are often preferred by systemically relevant enterprises. We have ramped up our organisation and our personnel in Asia with a business development team to create stimulus for innovative products for development in Germany and to cultivate new markets beyond printed circuit board production. We expect these measures to be reflected in initial successes in revenue and earnings in 2024. At the same time, however, we assume that this could be offset by further market cooling in China. All activities are focused on acquiring new orders.

The difficult current market prospects and geopolitical uncertainty have prompted us to be more cautious in our liquidity management. Cash levels were already severely impacted by the high cost of capital in the past year. At the same time, we anticipate that our customers will be more reluctant to invest during the first half of the year, to be followed by a significant recovery in the second half of 2024. As a result of this special situation, in coordination with the Supervisory Board, we intend to propose the payment of a dividend of € 0.05 per share for the 2023 financial year at the Annual General Meeting on 29 May 2024. The proposal to pay a reduced dividend for the 2023 financial year and to carry forward the remaining amount to new account are intended to ensure that Viscom AG's financial and liquidity position remain solid moving forward. This does not affect the Group's fundamental dividend policy of distributing 50 % of consolidated net profit. We would like to thank our shareholders for their trust and hope that you will understand and approve this step.

After 35 years at Viscom, Peter Krippner, formerly Chief Operations Officer, stepped down from operating business at Viscom AG for personal reasons as at 31 May 2023. We are delighted that Mr. Krippner will continue to serve Viscom AG in an advisory capacity moving ahead, and we would like to take this opportunity to thank him for the outstanding and constructive working relationship. Mr. Krippner has been a defining factor in Viscom AG's history and has played a big part in its success.

With the Supervisory Board's approval, we have resolved to prepare to transform the company into a European company (societas europaea (SE)) while preserving its legal identity. The extraordinary general meeting of the company approved the transformation on 24 November 2023. The societas europaea legal form is right for modern, international companies that do not just see themselves as a part of a national system, but that rather wish to signal their internationalism as a European company. Viscom's business is largely defined by exports to Asia and America – where we established branches around 25 years ago. Europe is a counterweight among these major economic regions, while national states are becoming less significant. We wish to highlight our connections to Europe with our transformation into an SE. The legal form of an SE promotes an open and international corporate culture. This will allow employees – especially those from abroad – to identify more strongly with the Viscom Group. The societas europaea is also an attractive legal form for international contract partners and for the acquisition of qualified staff. Finally, the legal form of the European Company offers the opportunity to maintain and enhance Viscom AG's corporate governance structure in the tried and tested two-tier management system. The responsibilities and composition of the Executive Board and the Supervisory Board are thus unaffected by the new structure. The registered office and headquarters of the company will remain in Hanover. For the conversion to the SE legal form to take effect, the proceedings for an agreement on employee involvement in the future Viscom SE must be completed. We assume that the proceedings will be completed soon and that the SE transformation can go ahead. The legal position of the shareholders of Viscom AG remains fundamentally unaffected by the SE conversion. They will hold the same number of no-par value shares in Viscom SE as they did immediately before the change of legal form. The stock exchange listing of Viscom's shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange will also not be affected by the change of legal form.

We would like to take this opportunity to express our appreciation for our employees. With their commitment and exemplary team spirit, they have played a key part in the successes of the past financial year. We would like to thank our customers and business partners, who will support and accompany us on our path to further growth and technological innovation. We will continue to do everything we can to honour your trust and to lead Viscom AG cautiously, strategically and successfully. We would also like to thank our Supervisory Board and our shareholders for the trusting and long-term working relationship.

Hanover, March 2024

The Executive Board

Carsten Salewski   Dr. Martin Heuser   Dirk Schwingel

Report of the Supervisory Board

Prof. Dr. Ludger Overmeyer, Volker Pape, Prof. Dr. Michèle Morner (f. l. t. r.)

The following section comprises the Supervisory Board's report on its activities in the 2023 financial year, and in particular the focal points of its monitoring and advisory functions, compliance with the German Corporate Governance Code, and the audit of the single-entity and consolidated financial statements.

Dear Sir or Madam,

In the 2023 financial year, the Supervisory Board carried out the duties and obligations required of it by law and the Articles of Association, critically monitoring the course of business as well as the Executive Board's management of the company. It also acted regularly in an advisory capacity on corporate management issues to ensure that the Executive Board acted in accordance with the relevant rules and statutory provisions. Furthermore, it obtained regular, prompt and comprehensive information on the development of business operations over the course of the year, the corporate strategy and its implementation, planning, the risk situation, risk management measures and compliance. The Supervisory Board continuously monitored management on the basis of written and verbal Executive Board reports and joint meetings, receiving explanations from the Executive Board of any deviations from plans and objectives for business developments and the reasons for these. The Supervisory Board carefully examined transactions that were important for the business and that required its approval and discussed each of them with the Executive Board. The Supervisory Board also satisfied itself that the Executive Board had developed its effective and efficient corporate compliance system and the internal risk management and control system for the Viscom Group.

Composition of the Supervisory Board

In accordance with Article 11(1) of the Articles of Association in conjunction with section 95 sentences 1 to 4, section 96(1), section 101(1) of the Aktiengesetz (AktG – German Stock Corporation Act), the Supervisory Board of the company consists of three members who are elected by the Annual General Meeting without it being bound by any specific proposals. The current members of the Viscom AG Supervisory Board are Prof. Dr. Michèle Morner (Chairwoman), Volker Pape (Deputy Chairman) and Prof. Dr. Ludger Overmeyer. The Supervisory Board members were individually elected at the Annual General Meeting of the company on 28 May 2019. Their term of office is identical and ends at the conclusion of the Annual General Meeting that approves the actions of the Supervisory Board members for the 2023 financial year.

In conjunction with the resolution of the extraordinary general meeting on 24 November 2023 regarding the change of legal form from Viscom AG to Viscom SE, the above members were also appointed as members of the first Supervisory Board of Viscom SE.

Meetings of the Supervisory Board

In the 2023 financial year, the Supervisory Board held six ordinary meetings with the Executive Board in attendance – on 24 March, 5 May, 31 May, 4 August, 10 November and 8 December, plus a meeting for the efficiency review on 8 December 2023 without the Executive Board. The meetings were held in person. In addition, there were two unscheduled meetings on 4 February and 6 October that were held as video conferences. The constituent meeting of the first Supervisory Board of Viscom SE was held on 24 November 2023 after the extraordinary general meeting with the Executive Board in attendance.

Given its small size of just three members, the Supervisory Board has not formed any committees. At its meetings, the Supervisory Board was provided with prompt and comprehensive information on business policy, relevant aspects of corporate planning including financial, investment and human resources planning, business performance, the company's current revenue, earnings and liquidity position, budget planning, the economic situation of the company and the Group including risk factors and risk management, intragroup corporate compliance, strategic objectives and all significant organisational and personnel changes. The regular meetings were held in person in the 2023 financial year. Resolutions on urgent matters were also passed outside meetings, both in conference calls and in writing. At the beginning of the sessions, the Supervisory Board regularly consults on matters relating to the Supervisory Board without the presence of the Executive Board. The Supervisory Board was involved in all decisions of material importance to the company. The single-entity and consolidated financial statements, the management report and Group management report and the interim reports were discussed in detail with the Executive Board prior to their publication. In addition, the Supervisory Board was presented with transactions requiring its approval. These were approved following detailed examination and discussion with the Executive Board. Among other things, these included the annual adoption of the budget for the next financial year, comprising revenue, cost, earnings, investment, human resources and financial planning including cash flow statements for the company. The Executive Board submits monthly written reports to the Supervisory Board outlining the results of operations and the liquidity situation as well as the business situation and risk factors of the company and the Group. As part of this monthly reporting, the Executive Board provided the Supervisory Board with the key figures required to assess business developments, in each case including comparisons with the budget and the prior-year figures. Reporting by the Executive Board took place on request and in response to specific enquiries by the Supervisory Board as well as periodically according to the rules of procedure for the Executive Board issued by the Supervisory Board. Additionally, the Chairwoman of the Supervisory Board was regularly informed by the Executive Board about current business events and significant transactions.

Focal points of the Supervisory Board's discussions and examinations

The information provided to the Supervisory Board by the Executive Board focused on the revenue situation as well as its effects on the business operations of Viscom AG and the Group. Significant issues discussed at the meetings of the Supervisory Board in the 2023 financial year included the strategic direction of the company and its further development, the operating activities of the Group and the individual business areas. The Supervisory Board discussed the organisation, and in particular risk management and the economic, financial and strategic situation of the company and each of its business areas, as well as key questions of corporate policy and strategy, with the Executive Board. The Executive Board also provided the Supervisory Board with extensive information about the development of Exacom GmbH (battery unit) and the structural development of the customer care teams (other product areas) within Viscom AG. Furthermore, developments on the international markets and at the locations of the company's subsidiaries in the US, Asia and France, as well as the general global competitive structure and possible areas for diversification were discussed. Another key issue that was the subject of ongoing discussion between the Supervisory Board and the Executive Board was business development in light of supply chain issues and the associated delays in processing the substantial order backlog, and the relatively high fluctuation in Viscom AG's revenue performance as a result as well as its high level of cash. In this context, the Supervisory Board again approved an increase in the overdraft facilities with Viscom AG's relationship banks. Other issues that required ongoing coordination between the Supervisory Board and the Executive Board included succession planning for the Executive Board and the engagement of a new audit firm. The Supervisory Board received information on the ongoing status of sustainability reporting at the company and the efforts to orient general business management towards ESG (environmental, social, governance) criteria. In the 2023 financial year, the Supervisory Board also monitored and assisted in Viscom AG's transformation into a European company (societas europaea (SE)). The transformation was resolved by the extraordinary general meeting on 24 November 2023.

At the extraordinary meeting on 4 February 2023, in the context of Mr. Krippner's departure from the Executive Board (which was forthcoming at the time), the Supervisory Board discussed succession planning for the Executive Board and the engagement of an HR consultant. Based on its assessment of the proposals by the HR consultant, it was decided to keep the Executive Board as a three-person body as before, and thereby to improve the cost structure. New responsibilities were defined at the level below the Executive Board.

The meeting to review the accounts on 24 March 2023 focused on the adoption of the single-entity and consolidated financial statements for 2022, including the management reports, the Executive Board's proposal for the appropriation of net retained profits, the Corporate Governance Statement and Corporate Governance Report, the Executive Board report on the relationships between Viscom AG and its affiliated companies, and the adoption of the performance-related remuneration components for the 2022 financial year and the corresponding remuneration. With the auditor in attendance, the Executive Board gave a comprehensive report to the Supervisory Board on the basis of detailed documents. The auditors reported on the progression of their audit and the significant findings. The single-entity and consolidated financial statements for 2022 and the management reports were approved, meaning that the annual financial statements of Viscom AG have been adopted. The Supervisory Board endorsed the Executive Board's proposal for the appropriation of net retained profits. The Supervisory Board did not raise any objections to the audited Executive

Board report on Viscom AG's relations to affiliated companies. The Supervisory Board also resolved on the remuneration report for the 2022 financial year. Viscom AG's first sustainability report was examined in advance and then discussed and approved by the Supervisory Board. The agenda and proposed resolutions for the 2023 Annual General Meeting were also adopted.

At the meeting on 5 May 2023, the Supervisory Board intensively addressed the development of business operations in the first three months of the year in the context of the consolidated interim financial statements as at 31 March 2023. Individual risks were also discussed in greater detail based on risk early detection management. At this meeting, the Supervisory Board received a detailed report on ESG and set out the next steps with the Executive Board. The Supervisory Board also extensively addressed the Finanzmarktintegritätsstabilisierungsgesetz (FISG – German Act to Strengthen Financial Market Integrity). Following extensive discussion, the Supervisory Board of Viscom AG resolved to set a target for the share of women in the Executive Board of one woman, equivalent to around 33 % on a three-person Executive Board. This target must be achieved by 4 May 2028.

A detailed review of the 2023 Annual General Meeting took place at the meeting on 31 May 2023. Viscom AG's possible transformation into Viscom SE was also discussed at length with the Executive Board.

On 22 June 2023, the Supervisory Board then approved the decision in principle to prepare and carry out Viscom AG's transformation into Viscom SE.

The meeting on 4 August 2023 focused on the development of business in the first six months of the year in the context of the half-yearly financial report, the outlook for the remaining months of 2023 and the key measures. The Supervisory Board resolved the new Rules of Procedure for the Supervisory Board amended in accordance with the German Act to Strengthen Financial Market Integrity and raised the age limit for the Supervisory Board to 80.

The extraordinary meeting on 6 October 2023 resolved the agenda for the extraordinary general meeting on 24 November 2023 concerning Viscom AG's transformation into Viscom SE.

There was a further meeting of the Supervisory Board on 10 November 2023. This meeting also discussed the consolidated interim financial statements as at 30 September 2023. Potential individual risks were discussed in greater detail based on risk early detection management.

At the meeting on 8 December 2023, the Executive Board and Supervisory Board discussed in detail and adopted the annual planning, including financial, investment and human resources planning, for the 2024 financial year on the basis of extensive documentation. The Executive Board also provided the Supervisory Board with an overview of the current status of the compliance programme. Furthermore, Mr. Florian Martin, Head of Software, Digital Products at Viscom AG, gave a detailed report on the Software division at Viscom and informed the Supervisory Board of future projects and objectives in this key business area.

Furthermore, the Supervisory Board conducted its annual efficiency review – without the presence of the Executive Board – on 8 December 2023.

In particular, at its constituent meeting on 24 November 2023, the first Supervisory Board of the future Viscom SE, which has the same members as the Supervisory Board of Viscom AG, appointed the first Executive Board of Viscom SE.

All the Supervisory Board meetings and the efficiency review in the 2023 financial year were attended by all members of the Supervisory Board.

Remuneration of the Supervisory Board members

The remuneration of the individual Supervisory Board members for the 2023 financial year is reported in the company's remuneration report in accordance with section 162 AktG. The remuneration report will be made permanently available to the public on Viscom AG's website following the resolution by the Annual General Meeting on 29 May 2024 approving the report in accordance with section 120a(4) sentence 1 AktG.

Corporate Governance

Information on the aspects of the company's corporate governance relating to the Supervisory Board can be found in the Corporate Governance Statement in accordance with section 289f of the German Commercial Code (HGB), which is included in Viscom AG's annual report for the 2023 financial year. There were no indications of conflicts of interest affecting the Executive Board or Supervisory Board members requiring immediate declaration to the Supervisory Board and disclosure at the Annual General Meeting.

The company provides assistance to the members of the Supervisory Board when they are appointed and with continuing training and professional development activities. In the 2023 financial year, the individual Supervisory Board members undertook various professional development courses and also received specific advice and information on the area of ESG. Moreover, the Supervisory Board took advantage of the training measures provided by the Directors Academy, a multimedia portal for training Supervisory Board members, in several areas including the German Act to Strengthen Financial Market Integrity.

In the 2023 financial year, the Supervisory Board – without the Executive Board in attendance – assessed the efficiency of its activities in line with the requirements of the German Corporate Governance Code. This meeting was held in person on 8 December 2023. The meeting was essentially conducted on the basis of checklists. In addition to the long-term assessment of past resolutions, this mainly focused on three areas: the organisation of the Supervisory Board and meeting procedures, including the effectiveness of the content of the Supervisory Board's activities (including the frequency of meetings, the openness of results and debate, participation of members of the Supervisory Board, written records, extent of transactions requiring approval, appropriateness of monitoring, long-term review of decisions), the provision on information to the Supervisory Board (between the Executive Board and the Supervisory Board and within the Supervisory Board, including timely and comprehensive information, proactive provision on information, methods of presentation and clarity, deadlines and content of financial reporting) and personnel issues concerning the Supervisory Board and the Executive Board (in particular compliance with statutory requirements, the Code and the skills profile for appointments, conflicts of interest, succession planning, remuneration matters). The opinions on the individual aspects on the checklist were discussed by the Supervisory Board as a whole and their assessment was noted. The annual follow-up of open points of a to-do list resulting from Supervisory Board meetings was a key issue here. Long-term succession planning in the Executive Board and succession planning for unexpected developments were also discussed. No material aspects requiring improvement were identified.

Above and beyond this, the Executive Board and Supervisory Board submitted the annual declaration of compliance with the German Corporate Governance Code according to section 161 AktG on 23 February 2024, reporting any non-compliance with recommendations. The declaration of compliance has been made permanently available to the public on Viscom AG's website. The Executive Board, including on behalf of the Supervisory Board, reports on the company's corporate governance in the Corporate Governance Statement published by Viscom AG in accordance with section 289f HGB.

Accounting

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover office, was elected as the auditor for the single-entity and consolidated financial statements of Viscom AG as at 31 December 2023 by the Annual General Meeting of the company on 31 May 2023. The Supervisory Board then negotiated the audit assignment, including the focal points of the audit, and awarded the assignment. It was agreed that the auditors should promptly report all findings and occurrences of significance to the tasks of the Supervisory Board as they were identified by the auditors in the course of their audit. Furthermore, it was agreed that the auditors were to inform the Supervisory Board and/or include a comment in the audit report if, in conducting their audit, they became aware of any information indicating an inaccuracy in the declaration of compliance with the German Corporate Governance Code issued by the Executive Board and the Supervisory Board. The Supervisory Board, which also serves as the Audit Committee (see section 107(4) sentence 2 AktG), regularly assesses the quality of the audit. It explicitly considered the audit quality indicators and developed these in order to assess the audit. In addition to an ongoing review, the quality of the audit is also addressed separately in a meeting of the Supervisory Board before any upcoming change of auditor, following the first audit by a new auditor, as warranted and otherwise at appropriate intervals.

The 2023 annual financial statements of Viscom AG prepared by the Executive Board in accordance with HGB and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU as at 31 December 2023, the management report and Group management reports, together with the accounting records, were audited and issued with an unqualified audit opinion.

The particularly important audit matters were the accounting and valuation of development costs and the accounting and valuation of finished systems as well as assemblies and partially finished systems within inventories. Furthermore, the ESEF documents, the combined non-financial declaration of Viscom AG and the Group and the remuneration report in accordance with section 162 AktG were audited. In addition, the auditor inspected Viscom AG's existing risk early detection system in accordance with section 317(4) HGB and, as a result of this assessment, came to the conclusion that the Executive Board has established an appropriate information and monitoring system whose design and use is suitable to identify developments that could endanger the company's continued existence at an early stage.

The report on Viscom AG's relations with affiliated companies prepared by the Executive Board of Viscom AG in accordance with section 312 AktG was also examined by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The auditor issued the following audit opinion:

"Following our mandatory audit and examination, we confirm that

1. the factual information contained in the report is accurate
2. the payments made by the Company for the transactions listed in the report were not inappropriately high."

The Supervisory Board meeting to review the accounts took place on 22 March 2024. The documents relating to the single-entity and consolidated financial statements, the remuneration report for the 2023 financial year, the Executive Board's report on Viscom AG's relations to affiliated companies, the Executive Board's proposal for the appropriation of net retained profits, the combined non-financial declaration for Viscom AG and the Group, the long-form audit report on the financial statements and all other documents and meeting reports were provided to the members of the Supervisory Board in a timely manner prior to this meeting. This documentation was discussed in detail at the Supervisory Board's accounts review meeting. The auditor attended the meeting, reported on the audit and its results, and provided information on its findings concerning the internal control system and accounting-related risk management. In particular, the auditor also examined the content of the combined non-financial declaration for Viscom AG and the Group and reported on its audit accordingly. The auditor was on hand to answer questions, provide additional information and discuss the documents.

Following a detailed discussion of the audit and its results with the auditor, a thorough examination of the audit reports provided by the auditor and based on its own examination and discussion of the annual financial statements, the consolidated financial statements, the management report and Group management report, Viscom AG's dependent company report by the Executive Board and the combined non-financial declaration for Viscom AG and the Group, the Supervisory Board approved the results of the audit.

The Supervisory Board then determined that there were no objections based on the final results of its examination. Based on the final result of its own review, in particular there are no objections to the annual financial statements or the consolidated financial statements, the management report for the company or the Group, the Executive Board's proposal for the appropriation of net retained profits, the combined non-financial declaration for Viscom AG and the Group, the dependent company report including the closing statement or the audit reports of the auditor. At its accounts review meeting on 22 March 2024, the Supervisory Board approved the annual financial statements, the consolidated financial statements, the management report and the Group management report for the 2023 financial year. The annual financial statements are therefore adopted (section 172 sentence 1 AktG). Taking into account the results of operations and financial position, the Supervisory Board endorsed the Executive Board's proposal for the appropriation of net retained profits.

At its meeting on 22 March 2024, the Supervisory Board further examined and discussed the remuneration report for 2023 and adopted the remuneration report for the Supervisory Board. It also determined the performance parameters for the variable remuneration of the Executive Board for the 2023 financial year together with the corresponding remuneration.

The members of the Supervisory Board would like to thank the members of the Executive Board, the management of the subsidiaries as well as all employees of the Viscom Group for their strong personal commitment this financial year. Special thanks are also due to Mr. Peter Krippner, who stepped down from the Executive Board of Viscom AG as at 31 May 2023. The members of the Supervisory Board would like to thank the members of Viscom AG's Works Council, who have represented employees' interests while still taking the company's overall situation into account.

Hanover, 22 March 2024

For the Supervisory Board

Michèle Morner

Prof. Dr. Michèle Morner
Chairwoman of the Supervisory Board

Viscom's shares

Basic information on the shares

German Securities Code Number (WKN)	784686
ISIN	DE 000 7846867
Ticker symbol	V6C
Market segment	Regulated market (Prime Standard)
Type of shares	No-par value bearer shares
Share capital (€)	9,020,000
Share capital (units)	9,020,000
Number of voting shares	8,885,060

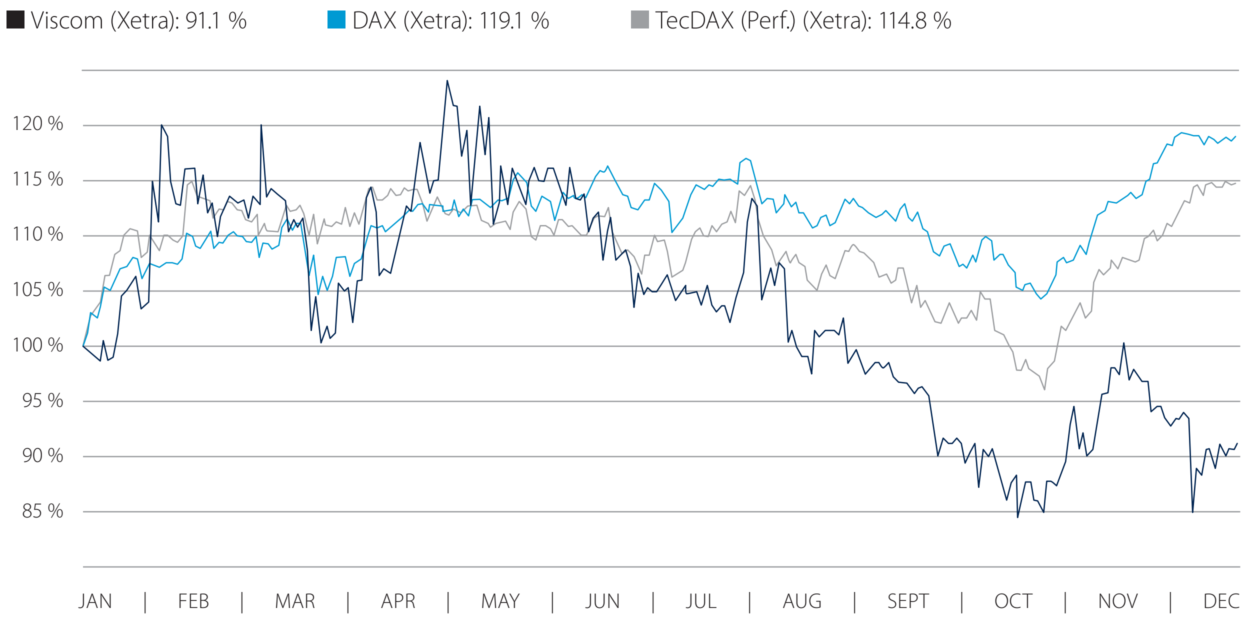
Opening price on 2 January 2023*	€ 8.80
Closing price on 29 December 2023*	€ 8.00
Percentage change	-8.9 %
High for the year on 26 April 2023*	€ 10.90
Low for the year on 20 October 2023*	€ 7.40
Market capitalisation (as at year-end)	€ 72.2 million

* All share price information is based on Xetra daily closing prices

Share price performance in the reporting period 1 January – 31 December 2023

Viscom AG's shares began the 2023 financial year at an opening price of € 8.80. At the start of the year, the European stock markets experienced a rapid price increase and thus a tremendous start to 2023. Persistently high inflation and central bank monetary policy were the decisive issues and led to a consolidation of market barometers over the course of the first quarter of 2023. Recurring interest rate worries, concerns over demand and the fear of a new banking crisis put investor confidence to the test. At the start of the second quarter of 2023, the upward trend on the stock markets continued despite the concerns over inflation and recession. In this stock market environment, Viscom's shares reached their high for the year to date on 26 April 2023, closing at € 10.90. The stock markets then moved a long stretch sideways in a tight trading range because of a lack of incentive to buy. Halfway through 2023, the positive sentiment on the stock markets was again unharmed by the repeatedly cited stress factors such as rising interest rates and a looming recession. After the dividend was distributed, Viscom's shares made a slight downward movement in June 2023. Stock market volatility picked up again at the start of the third quarter of 2023. After substantial gains in the first half of 2023, stock exchanges initially came down from their highs.

Share price performance
compared with the DAX and TecDAX in 2023



Weak economic data again prompted fears of a recession and weighed on sentiment, resulting in increased volatility on the financial markets and a significant drop in prices. In the third quarter of 2023, financial market focus shifted to interest rates on account of key meetings by the world's central banks. The rapid hike in the price of oil sparked a resurgence in fears about inflation and a recession and led to losses on stock markets. The stock markets continued their corrective phase at the start of the fourth quarter as well. General negative factors included weak economic data, persistently high market interest rates coupled with central banks' restrictive monetary policy and, not least, geopolitical conflict. The German economy continued to show recessive trends. Despite positive reporting by Viscom AG, its shares were unable to escape the general negative market environment, and reached their low for the year at € 7.40 on 20 October 2023. Risk propensity on the stock markets rose again towards the end of 2023. The end-of-year rally led to new record highs on indices. After an extremely weak 2022, indices at least posted significant gains again in 2023. Viscom's shares closed at € 8.00 on 29 December 2023, corresponding to market capitalisation of around € 72.2 million as at the end of the year.

Annual General Meeting 2023

The Annual General Meeting of Viscom AG was held in person again at the Old Town Hall in Hanover on 31 May 2023. 5,971,396 shares of the company's registered share capital of € 9,020,000, divided into 9,020,000 no-par value shares and accounting for 66.20 % of the registered share capital, were represented in the voting process. All agenda items were approved by the required majority of shareholders and shareholder representatives. Among other things, the Annual General Meeting approved the distribution of a dividend of € 0.30 per entitled share.

The next Annual General Meeting of Viscom AG will take place on 29 May 2024. Further information can be found in the Company/Investor Relations/Annual General Meeting section of the website at www.viscom.com.

Extraordinary General Meeting 2023

The Extraordinary General Meeting of Viscom AG on 24 November 2023 approved the transformation of Viscom AG into a European company (societas europaea (SE)) by a large majority. The incumbent members of the Supervisory Board, Prof. Dr. Michèle Morner (Chairwoman), Volker Pape (Deputy Chairman) and Prof. Dr. Ludger Overmeyer, were appointed as the members of the first Supervisory Board of Viscom SE. The Supervisory Board also appointed Dr. Martin Heuser, Mr. Carsten Salewski and Mr. Dirk Schwingel as the members of the Executive Board of the future Viscom SE. This ensures executive continuity.

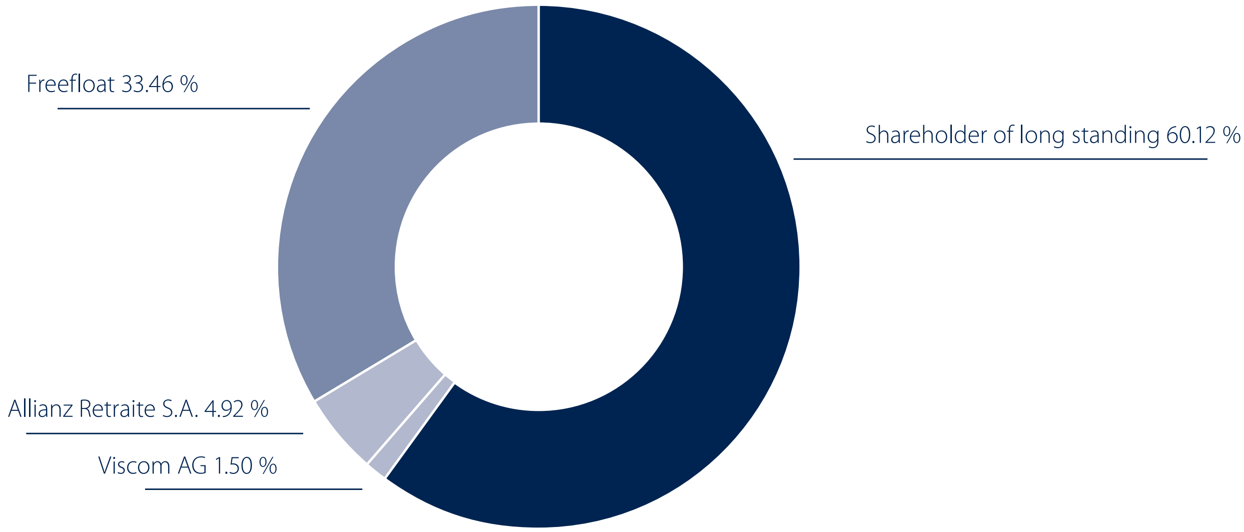
The resolution by the Annual General Meeting is a key prerequisite for the transformation into an SE. Before the transformation can be registered, the currently ongoing employee participation proceedings in accordance with the German Act on Employee Involvement in a European Company must be completed. The transformation can be registered to be entered in the commercial register as soon as the parties to the employee participation proceedings reach an agreement on future co-determination at Viscom SE, though no later than six months after the constituent meeting on 11 October 2023. The transformation does not become effective until it is then entered in the commercial register. The transformation does not affect the legal identity of the company or its stock market listing. The shareholders are therefore automatically involved in the future Viscom SE, as before in Viscom AG. The transformation will not cause any significant changes for them.

The Annual General Meeting on 24 November 2023 resolved to appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hanover, as the auditor of the annual and consolidated financial statements for the first (short) financial year of Viscom SE and as the auditor for any reviews of interim financial reports.

Shareholder structure

Viscom AG's shareholder structure is largely defined by the considerable investment held by its founders, Dr. Martin Heuser and Volker Pape. Dr. Heuser and Mr. Pape hold 60.12 % of the shares, either directly or through intermediary companies and foundations. Viscom AG itself holds 1.50 % of its own shares, which the company purchased under a share buyback programme in 2008/2009. 4.92 % of its shares are held by Allianz Retraite S.A. The 33.46 % of shares in free float are primarily held by investors in Germany and other European countries.

Shareholder structure



Investor Relations

The objective of our Investor Relations work is to enable all capital market participants to assess Viscom AG fairly. This is why we pursue a policy of continuous and transparent communication. In 2023, Viscom AG also appeared at Deutsche Börse's German Equity Forum in Frankfurt/Main.

Pareto Securities AS and EQUI.TS GmbH regularly cover and comment on Viscom's shares. The shares had two "Buy" recommendations as at 31 December 2023.

Extensive information on Viscom's shares can be found in the Investor Relations section of the company's website at www.viscom.com.

You can also contact the Investor Relations department at the following address:

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VISCOM
vision technology

2023

Consolidated financial statements in accordance with IFRS as at 31 December 2023 and Group management report for 2023 of Viscom AG

Contents

Group Management Report 2023 Basic information on the Group

Business model of the Group

Structure of the company and its investees

Viscom AG, Hanover (hereinafter: Viscom AG), is the parent company of the Viscom Group (hereinafter referred to as Viscom).

Viscom AG is entered in commercial register B of the Hanover Local Court under HRB 59616.

With subsidiaries in Asia, the Americas, Europe and Africa that are directly or indirectly wholly owned by Viscom AG, the Group has an efficient, market-oriented organisational structure. Viscom AG directly holds 85 % of the shares in Exacom GmbH. All the companies focus on their respective customer groups and their requirements. This enables them to act and respond quickly and flexibly. They also benefit from the advantages of belonging to a larger group, thus enabling the mutual sharing and utilisation of knowledge and experience. Production takes place exclusively in the Group's home base of Hanover. This means that Viscom enjoys the production advantages of one of the most highly developed industrial locations, allowing it to guarantee a very high quality level for its products.

In 2001, Viscom GmbH changed its legal form to that of a German stock corporation (Aktiengesellschaft) and became Viscom AG. The company's share capital is divided into 9,020,000 shares. 60.12 % of the shares are held by the company's founders Dr. Martin Heuser and Volker Pape, either directly or through intermediary companies and foundations. 4.92 % of its shares are held by Allianz Retraite S.A.

The Extraordinary General Meeting held on 20 August 2013 agreed to convert some of the committed capital reserves (€ 22,550 thousand) into free capital reserves (section 272(2) no. 4 of the Handelsgesetzbuch (HGB – German Commercial Code)) by way of an increase in the company's share capital from corporate funds without issuing new shares and a subsequent reduction in capital. This was in accordance with the proposals of the Executive Board and Supervisory Board published in the German Federal Gazette (Bundesanzeiger) on 10 July 2013.

Under item 7 of the agenda, the Annual General Meeting of the company on 8 June 2021 resolved to create new authorised capital (Authorised Capital 2021) with the option to disapply shareholders' pre-emption rights in certain cases. Authorised Capital 2021 was entered in the competent commercial register on 15 June 2021. It is limited to the end of 7 June 2026. Regarding this authorisation, the Executive Board and the Supervisory Board of Viscom AG, Hanover, hereby announce that the Executive Board and the Supervisory Board of Viscom AG adopted the following unanimous resolution on 8 December 2023:

"For the duration of the authorisation, i.e. until the end of 7 June 2026, the Executive Board and the Supervisory Board of Viscom AG issue the following irrevocable pledge that will be permanently accessible in the Investor Relations section of the company's website:

The total number of shares issued on the basis of the authorisations to disapply pre-emption rights in accordance with item 7 of the agenda of the Annual General Meeting of 8 June 2021 with pre-emption rights disapplied for capital increases in return for cash or non-cash contributions must not exceed 5 % of the share capital, either at the time that the authorisation becomes effective or when it is exercised.

This pledge also applies in the event that an extraordinary general meeting of the company resolves to transform

Viscom AG into a European company (societas europaea (SE)) whose articles of association permit its executive board, with the approval of the supervisory board, to disapply shareholders' pre-emption rights in capital increases in return for cash or non-cash contributions in conjunction with authorised capital on one or more occasions."

The extraordinary general meeting on 24 November 2023 approved Viscom AG's transformation into Viscom SE.

As at 31 December 2023, Viscom AG held committed capital reserves in accordance with section 272(2) no. 1 HGB amounting to € 14,894,150.08.

On 29 July 2008, the Executive Board, with the approval of the Annual General Meeting on 12 June 2008 and following consultation with the Supervisory Board, resolved to acquire up to 902,000 of the company's shares by 31 March 2009. The company had bought back 134,940 shares as at 31 March 2009. Viscom AG held around 1.50 % of its shares as treasury shares as at 31 December 2023.

The Executive Board of Viscom AG has three members as at 31 December 2023:

Carsten Salewski: Sales / Operations
Dr. Martin Heuser: Development / Production
Dirk Schwingel: Finance

At his own request, Mr. Peter Krippner stepped down from the Executive Board of Viscom AG as at 31 May 2023.

The Executive Board is monitored by the three members of the Supervisory Board:

Prof. Dr. Michèle Morner (Chairwoman)
Volker Pape (Deputy Chairman)
Prof. Dr. Ludger Overmeyer

Segments and key locations
Viscom develops, manufactures and sells high-quality inspection systems for use in industrial production. The company's business activities are broken down on the basis of work required for the project-specific adaptation of standard components and systems, and the technology the inspection systems use to identify potential production errors.

The company's business is segmented geographically by sales regions; it serves the European market from its headquarters in Hanover together with the Exacom GmbH, and a sales subsidiary in Paris, France, the sales market of the Americas from its sales subsidiary in Atlanta, USA, plus a service company in Mexico, and the Asian market from its sales subsidiary in Singapore, which in turn has its own sales subsidiaries in Shanghai, China, Huizhou, China, and Bangalore, India. The sales company in Tunis, Tunisia, a subsidiary of the French subsidiary that cultivates and serves the North African sales market, is allocated to the geographical segment Europe.

Furthermore, Viscom AG operates a company for the manufacture of metal frames that works exclusively for Viscom AG.

There were no changes in the Group's activities or structure in the reporting period.

Business processes
The inspection systems are developed and produced at Viscom AG's headquarters in Hanover. All central functions, such as business administration, development, production, service and sales management, are based here.

The company's product development activities focus on fundamental development work for future generations of inspection systems as well as project-specific development to adapt basic types of machinery to meet customer-specific requirements.

A large part of production is order-based. It draws on in-house pre-production of various assemblies. This enables greater production safety, especially in view of precarious supply chains.

Sales activities are performed by Viscom AG's sales employees and customer care teams, its Group companies and agents acting on the market as industry representatives for mechanical engineering firms.

Operational availability is one of the most important aspects when using an inspection system. This requires regular maintenance, repair and calibration. Central service and the customer care teams assist Viscom's customers in that job. Fast reaction times are ensured thanks to the global presence of Viscom's service employees.

Major business processes are managed and supported with the help of the business software proALPHA. The order processing module included in this system is used by all Viscom locations around the world.

Legal and economic factors

There were no fundamental changes to the legal and economic framework with a material effect on the Company in the 2023 financial year.

However, elevated prices for energy and raw materials in Germany and the increase in staff costs and the cost of capital had a negative impact on the results of Viscom's business in the past financial year.

Please refer to the economic report below for more details on the development of the economy as a whole.

Management system

The key performance indicators by which the Viscom Group is essentially managed are incoming orders, revenue, EBIT (operating profit or segment earnings) and the EBIT-Margin (EBIT/revenue).

The management of the Group is based on a reporting system that takes the form of reviews submitted monthly to management and the heads of the business areas. These monthly reports include the consolidated income statement and individual breakdowns for the various Group companies.

The reports also include a detailed presentation of the cost structure and key figures of Viscom AG and other companies of the Group. They provide information on revenue in the Group's systems installation regions, incoming orders, the order backlog, the number of employees, cash and cash equivalents, the utilisation of the overdraft facilities available, total receivables and receivables from subsidiaries, orders placed for the purchase of goods and inventories of goods and completed and partially completed systems.

In addition, they provide an overview of employee turnover, absence due to illness and revenue per capita, in addition to key indicators for project management, product development, production and logistics. The statements contained in the monthly reports are analysed in regular meetings between the Executive Board, all heads of business areas and the managing directors of the individual branches. Any need for action emerging results in decisions that are usually implemented in the short term.

Viscom AG was listed in the Prime Standard of the regulated market on the Frankfurt Stock Exchange as at 31 December 2023. The company publishes quarterly and half-yearly consolidated financial reports in accordance with IFRS.

Research and development

Viscom invests heavily in product development in order to maintain its position as a global technology leader. A distinction is made between system development, i.e. the hardware, sensor systems and mechanics of inspection systems, and software development, which ultimately provides customers with reliable automated inspection processes.

Within system development, further system types were added to the iS6059 family of optical inspection systems in 2023. The iS6059 system family can cover different system sizes and different application areas. The range of system sizes extends from compact systems to medium-sized conventional AOI systems to larger systems that also allow for dual-track inspection and for the inspection of very large circuit boards. This makes it possible to combine many previously different system types in one system family, resulting in greater flexibility in procurement and production planning.

A central point of these inspection systems is throughput. Customers' production lines are achieving higher and higher speeds, which means that inspection systems too have to both be faster and offer better performance. The iS6059 family is therefore optimised for exceptional stability so that the inspection module can move at high speeds and Viscom's inspection systems achieve an increase in throughput of around 30 % compared with predecessor models.

The iS6059 family now also has a bond wire inspection system for the inspection of electronic circuits where electric connections are made by bond wires. Inspections are needed to determine whether the connections are in order and whether the wires come anywhere too close together. For that purpose conventional 2D views with cameras are not enough, so instead the inspection module produces a 3D capture of the structures. In this way, the spatial distances between the structures can be recorded and classified.

Another innovation is an optical inspection system that can inspect an electronic assembly from above and below at the same time. The iS6059 PCB Double Sided has two independent sensor modules that can capture an assembly from above and below. The advantage for customers is that the assembly does not have to be turned over so that the other side can be inspected, as would usually be the case, because it can instead be inspected from above and below at the same time. Throughput is therefore high, and the inspection solution takes up less space.

A new version of a sensor module for inspection from below was launched in 2023. This module has improved features and allows higher inspection speeds compared with the predecessor version. It uses new, high-resolution sensor chips with more compact lenses. The module is capsuled to protect it from gravitational contamination.

For battery cell inspection, the two existing iX7059 series variants for inspecting round and pouch cells were supplemented by a particularly rapid 3D inspection variant. This 3D inspection performs battery computer tomography (CT). The system detects the structures in the battery and uses AI processes to identify any production errors. This is a high-throughput inspection.

Other key system developments are being prepared for 2024. For instance, the development of a high-speed version of the iX7059 X-ray inspection system is close to completion:

This development can reduce the change time between two products to be inspected in the range of significantly less than one second. For customers who produce assemblies in high volumes, this is an extremely important property that significantly improves a system's amortisation.

A new, high-precision detector manipulator for the manual iX8011 X-ray inspection system family is nearly ready for launch as well. This unit allows high flexibility in the inspection of large objects from various positions at selectable angles. At the same time, the system allows a 3D reconstruction using a number of individual images taken on a user-defined circular path.

Moving forward, work is continuing on the integration of a rotary table into an inspection system so that items can be X-rayed at a rapid clock speed. This system will require significantly less than one second to inspect each object.

In the field of battery inspection, a system is in development that not only inspects an item with CT but is also capable of analysing multiple items simultaneously. This accommodates the high clock speed needed in battery production.

Viscom has made major progress in ongoing software development in 2023. At Productronica in November 2023, the standard vVision software was presented for systems for manual X-ray inspection (MXI) and the inspection of bonding wires. Viscom's strategy is to have just one software platform that covers all the applications of PCB inspection, from X-ray to battery testing. Customers value this strategy because they can operate different systems in the same way. The interface is intuitive and can be used with just a touchscreen rather than a keyboard.

Viscom's inspection software is based on a high-performance universal software core used for all applications. This software core can be adapted to various sensor systems and supplemented with different inspection methods. The overall concept for the software also allows special adjustments for individual customers without any significant changes to the overall structure.

AI expertise at Viscom was systematically developed further in 2023. For a number of applications, the company managed to enable cross-customer use of pre-trained AI models. With increased use of AI, this saves a considerable amount of work for collecting image material and carrying out AI training. AI is increasingly being used on Viscom inspection systems and, in the future, will ensure that systems can also be used by persons with little to no prior knowledge of inspection methods. The AI will select the right inspection method for an item and correctly calibrate the parameters for this method.

vConnect, the platform for digital services at Viscom, was expanded further in 2023. One approach here is to use vConnect for statistical purposes, too. On the one hand the error rates keep falling while, on the other, the demands on the quality of inspection results keep increasing to allow operating staff to be deployed as effectively as possible.

The company continued its intensive collaboration with the Institute for Information Processing at Hanover University in 2023. These close ties to the world of research allow Viscom to offer internships and bachelor's and master's theses. The joint projects mainly focused on AI applications and 3D inspection methods.

Expenditure for research and development amounted to 6.8 % of revenue (previous year: 6.7 %). Development costs totalling € 3,916 thousand were capitalised in the past financial year (previous year: € 3,193 thousand), resulting in a capitalisation ratio of around 94 % for 2023 (previous year: around 84 %). Capitalised development costs were amortised in the amount of € 2,262 thousand (previous year: € 2,747 thousand).

As a result of further developing the quality management system, a steady improvement in quality was achieved. Viscom has been certified by Deutsche Gesellschaft zur Zertifizierung von Managementsystemen in accordance with DIN EN ISO 9001 continuously since 2005.

A key element in the digital age, and a part of good corporate governance, is compliance with the rules of data protection and the security of IT and data interchange systems. Viscom has been certified according to TISAX (Trusted Information Security Assessment Exchange) since 2023. TISAX is a general inspection and exchange system for information security in the automotive industry. Specifically, this is about the protection, integrity and availability of data in the manufacturing process and in vehicle operation. For our customers in the automotive industry, our TISAX certification is proof that Viscom satisfies relevant requirements in the field of information security.

Economic report

Macroeconomic and sector development

Macroeconomic development

The world economy performed slightly better than expected in 2023 with growth of 3.1 %. However, 2023 was one of the weakest years for growth in the past three decades – excepting years of recession. Global economic output therefore rose only very moderately in 2023. There were also considerable regional differences. In general, the economy of the emerging markets was somewhat more robust than in the advanced economies, though there were exceptions within this group as well. While the economy remained weak in Europe and Japan, there was a strong increase in output in the United States. Countries such as India and Indonesia likewise reported impressive growth rates, while economic momentum in China remained muted, not least on account of the tough situation on its property market and weak domestic consumption.

In view of falling incoming orders and restrictive financing conditions, a lasting turnaround in industry doldrums is not anticipated for now. The momentum in the service sector was waning and came close to the same weak level as in industry. Backlog effects in some areas of the service sector – tourism in particular – are running out following the lifting of pandemic restrictions. Moreover, the delayed effects of sharp price increases and high interest rates are starting to be felt in consumer services in particular. Meanwhile, the consequences of the energy price shock in Europa have largely been overcome. According to the International Monetary Fund (IMF), the soft state of global industrial production and world trade is due to the shift in consumer spending towards services following the end of the COVID pandemic, weaker demand owing to high inflation, tighter financing conditions and mounting protectionism.

Sector development

Revenue recognition at Viscom is focused on the manufacture of systems for the inspection of electronic assemblies. Viscom is therefore predominantly represented in the automotive supplier segment within the electronics industry, one of the largest branches of industry in the world. Technical developments in the electronics industry have been a key innovation driver for Viscom over the last few years. The volumes and quality requirements of increasingly complex and ever-smaller electronic assemblies are seeing constant growth. These assemblies can only be tested reliably using automated inspection systems. Hidden solder joints, miniaturised components and densely populated printed circuit boards must be inspected reliably and fast. High resolution, reliable fault detection and high throughput are extremely important here. Viscom inspection systems are used where the requirements for precision and speed are particularly high. The main customers for Viscom products are electronics manufacturers in the automotive sector, manufacturers of consumer end devices and industrial electronics, and service providers (EMS) that manufacture electronic assemblies to order for various sectors. Furthermore, Viscom systems are increasingly being used for the automated final optical or X-ray inspection of finished goods. This includes complete assemblies from the electromobility sector, high-end mobile consumer end devices and in recent years also significantly more lithium-ion batteries in various designs.

In recent years, Viscom has intensified its efforts to gain a foothold in non-automotive industries such as battery production, telecommunication, industrial electronics and semiconductor production. It is focusing on growth industries in the sectors electromobility and computers, communication and consumer (3C).

Engineering output contracted in key mechanical engineering countries in 2023. The German Mechanical Engineering Industry Association (VDMA) reports that incoming orders have already been drying up for many mechanical engineering firms for several quarters. Various surveys indicate that investment restraint will continue in the coming months as well. Despite investment requirements in various areas, there is still no stimulus as investor sentiment continues to be held in check by geopolitical risks and wars, inflation and higher borrowing costs. Economists at the VDMA are therefore forecasting a stagnation in global machinery revenue after adjustment for inflation in 2024 as well.

Target sectors, target markets and target customers

The inspection systems manufactured by Viscom are employed primarily within the electronics industry. Producers of electronic components are the main customer segment, accounting for 77 % of revenue (previous year: 65 %). Some of these companies are involved in production for end consumers. However, the majority of Viscom's customers are suppliers that manufacture products such as electronic assemblies for other companies. These supplier parts are integrated into end products, for example motor controllers into vehicles. The remaining 23 % of revenue (previous year: 35 %) relates to manufacturers from other industries, such as battery production and consumer electronics.

With its optical, X-ray and combined inspection systems, Viscom is particularly well represented in production operations with the very highest quality requirements. Accordingly, its main customers are companies who make product safety a top priority. The automotive electronics sector accounts for a particularly high volume of business in this respect.

With the increasing use of in-car electronics and the high reliability requirements for vehicle systems, the automotive industry is a major customer group for the inspection of electronic assemblies. These assemblies, which often are safety-related components (ABS, ESP, airbags, etc.) or control systems for autonomous driving, are typically inspected using systems such as those offered by Viscom.

As a result of rising technological demands, including in the consumer goods industry, pressure to improve quality is also far higher than in previous years. However, the emphasis is being placed more on process quality, as a stable process improves the delivery quality and, in particular, results in fewer rejects and hence higher levels of production efficiency. At the same time, electronics manufacturers from Asia in particular are increasingly seeking to position themselves as premium providers.

Technological developments and the accompanying technical and economic progress, combined with Viscom's international sales and service presence, have helped to expand the market position and achieve long-term customer retention. By continuously developing its products, improving its business processes and adapting its sales organisation to reflect changing conditions, Viscom is in a position to address the challenges of the future and thus maintain and expand its market position.

Close, long-term customer contacts form the basis for comprehensive and customised service. The results of this cooperation are incorporated into the development of new system solutions and the refinement of proven systems. This allows Viscom to use its innovative strength and customer proximity to develop new solutions and thus open up future markets.

Customer structure

Viscom generated around 49 % of its revenue with its seven largest customers (previous year: around 54 % with eight customers). A further 30 % of revenue was generated with 27 customers (previous year: 38). The remaining revenue was generated with a total of 422 different customers (previous year: 378).

Summary analysis of the company's net assets, financial position and results of operations and course of business

Actual development of key performance indicators in 2023 compared to forecasts and the previous year

Performance indicator		Forecast for 2023	Actual figure for 2023	Actual figure for 2022
Revenue	€ million	110 to 120	118.8	105.5
Incoming orders	€ million	110 to 120	113.2	111.1
EBIT	€ million	5.5 to 12.0	6.6	8.2
EBIT-Margin	%	5 to 10	5.6	7.8

Results of operations

Incoming orders / order backlog

Orders totalling € 113,248 thousand (previous year: € 111,065 thousand) were received in the 2023 financial year. This represented an increase of around 2.0 % on the same period of the previous year. The forecast for incoming orders in the 2023 financial year was therefore achieved. The slight year-on-year increase reflects the consistently good placement of Viscom's inspection systems and services on the markets.

The order backlog was € 28,952 thousand as at the end of 2023, a decline of around 16.0 % as against the previous year (€ 34,484 thousand).

Revenue development

The strong order backlog at the start of the year and the development in incoming orders over the 2023 financial year were reflected in revenue performance.

Revenue amounted to € 118,780 thousand in the year under review, representing a year-on-year increase of 12.6 % (previous year: € 105,518 thousand). Revenue of € 23,615 thousand was recognised in the first quarter of 2023. This was 13.5 % higher than in the same period of the previous year (€ 20,815 thousand). Revenue of € 25,824 thousand was recognised in the second quarter of 2023. This was 9.4 % higher than in Q1 2023 (€ 23,615 thousand) and 7.5 % higher than in the second quarter of the previous year (previous year: € 24,024 thousand). Viscom's total revenue in the first half of 2023 amounted to € 49,439 thousand, 10.3 % higher than the previous year's figure (€ 44,839 thousand). Revenue of € 30,768 thousand was recognised in the third quarter of 2023. This was 30.3 % higher than in first quarter of 2023 (€ 23,615 thousand) and 19.1 % higher than the figure for the second quarter of 2023 (€ 25,824 thousand). Viscom's revenue amounted to € 80,207 thousand in the first three quarters of 2023, 19.8 % higher than the previous year's figure (€ 66,958 thousand).

Revenue amounted to € 38,573 thousand in the final quarter of 2023, thereby matching the figure for the previous year (€ 38,560 thousand).

This was within the corridor forecast for the 2023 financial year.

Operating profit (EBIT)

Operating profit declined by € 1,575 thousand year-on-year to € 6,611 thousand (previous year: € 8,186 thousand). In particular, a key reason for the difference compared with the previous year was the increase in other operating expenses of € 3,110 thousand to € 17,845 thousand (previous year: € 14,735 thousand). This was caused by higher administrative and overhead costs (hardware and software maintenance, legal and consulting costs, housekeeping services, advertising, personnel and vehicle costs) as well as travel and distribution costs due to increased business and trade fair activities.

The change in total operating revenue (defined as revenue plus the change in finished goods and work in progress and other own work capitalised) rose by € 13,966 thousand and consisted of the increase in revenue of € 13,262 thousand, the increase in finished goods and work in progress lower by € 19 thousand and the increase in other own work capitalised of € 723 thousand. The cost of materials correspondingly increased by € 6,886 thousand to € 52,044 thousand (previous year: € 45,158 thousand). Overall, this resulted in a positive effect on earnings of € 7,080 thousand. The cost of materials included negative effects of € 205 thousand (previous year: € 5 thousand), while the change in finished goods and work in progress included positive effects of € 3 thousand (previous year: € 441 thousand) from impairment losses on inventories. Staff costs increased from € 39,900 thousand in the previous year to € 45,221 thousand. This was due to the rise in the number of employees over the course of the year and the increase in provisions for remaining holiday, overtime and bonuses/ management bonuses and salary increases. Earnings were also squeezed by the decline in other operating income of € 401 thousand and improved by the drop in depreciation and amortisation of € 177 thousand.

As a result of the effects described above, operating profit was in line with the forecast range of € 5.5 million to € 12.0 million at € 6,611 thousand.

EBIT-Margin

The effects in operating profit described above resulted in a lower EBIT-Margin for the 2023 financial year. The EBIT-Margin was at 5.6 % (previous year: 7.8 %) and therefore within the forecast range (5 % to 10 %).

Net profit for the period

Net profit for the period amounted to € 3,142 thousand (previous year: € 5,369 thousand). The effects in operating profit described above also affected net profit for the period. The tax rate was higher than in the previous year at 30.8 % (previous year: 27.6 %).

The pre-tax return on sales was 3.8 % (previous year: 7.0 %).

Earnings per share

Viscom acquired 134,940 treasury shares on the stock exchange for € 587 thousand in the period from 29 July 2008 to 31 March 2009. As a result of this share buyback, the number of dividend-bearing shares decreased from 9,020,000 to 8,885,060. The option to buy back shares was not exercised in 2023.

Based on 8,885,060 shares, earnings per share for the 2023 financial year amounted to € 0.34 (basic and diluted). Earnings per share amounted to € 0.60 in the previous year.

The difficult current market prospects and geopolitical uncertainty have prompted Viscom AG's management to be more cautious in its liquidity management. Cash and cash equivalents were already severely impacted by significantly higher interest expenses as a result of credit facility utilisation in the past year. As a result of this special situation, in coordination with the Supervisory Board, Viscom AG's Executive Board intends to propose the payment of a dividend of € 0.05 per share for the 2023 financial year at the Annual General Meeting on 29 May 2024. The proposal to pay a reduced dividend for the

2023 financial year and to carry forward the remaining amount to new account are intended to ensure the further stabilisation of Viscom AG's financial and liquidity position. This does not affect the Group's fundamental dividend policy of distributing 50 % of consolidated net profit.

Financial result

The financial result was below the previous year's level at € -2,072 thousand in 2023 (previous year: € -771 thousand). The financial expenses resulted in particular from interest expenses for utilised overdraft facilities, a long-term loan and lease liabilities.

Exchange rate effects

As it operates internationally, Viscom is exposed to exchange rate risks. Given the company's business volumes and the development of the euro/US dollar exchange rate, the current level of exchange rate risk was deemed acceptable without the need for hedging. Around 19 % of total revenue was subject to direct exchange rate effects (previous year: around 28 %). Currency translation differences had a negative effect on earnings of € 471 thousand in 2023 (previous year: positive effect of € 332 thousand).

Employees

Viscom had 600 employees (not including trainees) worldwide as at 31 December 2023, a year-on-year increase of 29 (previous year: 571). Recruitment mainly took place in Europe in the development, production and application functions and in Asia in service business.

As at 31.12.2023	Europe	Americas	Asia	Total
Total	**450**	**37**	**113**	**600**
Of which full-time	391	36	112	**539**
Of which part-time	59	1	1	**61**
plus: trainees	**25**	**0**	**0**	**25**

A total of 25 employees were in training as at the end of the year.

An average of 590 employees (not including trainees) worked for the Viscom Group in the 2023 financial year (previous year: 538). 231 (previous year: 208) of these are classified as commercial employees (Sales, Development and Administration), while 359 (previous year: 330) are classified as industrial employees (Production, Logistics, Projects and Service).

Regional developments

Europe

In the 2023 financial year, demand for Viscom inspection systems in the Europe region was especially strong among electronics manufacturers in the automotive sector and in battery production. Meanwhile, Viscom customers in the areas of consumer devices and industrial electronics were much more restrained compared with the previous year. In the first half of 2024, the Europe region anticipates reduced investment propensity among electronics suppliers, especially in the automotive sector. Owing to the current high financing costs and the uncertain general economic situation, it is assumed that some customers will postpone planned investment decisions for the time being. The capacity available is being optimised instead, which in turn also means opportunities for Viscom. Viscom anticipates that customer demand in the automotive sector will begin to increase again in the medium term, starting in the second half of 2024. With inflation receding and real wages on the rise, Viscom assumes growth in consumer purchasing power and rising demand for electronic products in Europe. The European strategy of a more independent positioning likewise means new opportunities for Viscom. Viscom customers will again produce more in Europe; the aerospace and defence sector offers further growth for Viscom as well.

Europe was by far the strongest regional market, accounting for around 62 % (previous year: 52 %) of the Viscom Group's revenue. The propensity to invest among Viscom's customers on its home market of Germany remained high in the past financial year. Germany therefore continued to be an important sales market for Viscom in 2023. Revenue in Germany amounted to € 33,682 thousand, up 13.1 % on the prior-year figure of € 29,793 thousand.

In the rest of Europe, Viscom increased its revenue by around 59 % year-on-year to € 40,032 thousand (previous year: € 25,130 thousand).

In Germany and the rest of Europe, segment revenue was up 34.2 % year-on-year at € 73,714 thousand (previous year: € 54,923 thousand). Segment earnings amounted to € 5,311 thousand (previous year: € 4,146 thousand). This increase was thanks to significantly higher revenue in the Europe region in particular.

Americas

Business activities in the Americas region saw keen interest in Viscom inspection systems in all sectors in the 2023 financial year. Electric vehicle and battery manufacturers remained highly active, as did other manufacturers of vehicle electronics and contract manufacturers. Many of the customer enquiries launched in 2023 are long-term projects that will continue to allow good capacity utilisation until the middle of 2024. The Americas region expects a consistently high level of activity in the automotive, electric vehicle and battery sectors in the 2024 financial year.

Revenue in the Americas region was around 15 % lower year-on-year at € 15,750 thousand in the 2023 financial year (previous year: € 18,620 thousand).

Segment earnings fell to € 721 thousand in the 2023 financial year (previous year: € 1,963 thousand). In addition to lower revenue, in particular lower intersegment sales as well, earnings were also squeezed by higher travel and distribution costs.

Asia

The market in Asia underwent a fundamental change in 2023, shifting away from the regional concentration on China towards more diversified supply chains in all areas. Investment in electronics production not only shifted within Asia, but also geographically closer to the target markets of Europe and the United States. The investment that remained in Asia was therefore significantly lower.

India was one of the countries to benefit from these changes. Viscom was able to share in this positive development thanks to early investment in a location of its own.

China is still a key market for Viscom products, though competitive pressure from national providers has increased significantly, also as they are often preferred by systemically relevant enterprises. Viscom has ramped up its organisation and personnel in Asia with a business development team to create stimulus for innovative products for development in Germany and to cultivate new markets beyond printed circuit board production. Looking ahead, these measures are expected to be reflected in initial successes in revenue and earnings in 2024. At the same time, however, it is expected that this could be offset by further market cooling in China. All activities are focused on acquiring new orders.

Revenue in the Asia region amounted to € 29,316 thousand in the 2023 financial year, a reduction of around 8 % on the previous year's level (€ 31,975 thousand). Segment earnings fell to € 1,311 thousand (previous year: € 2,608 thousand). In particular, segment earnings were reduced by higher staff costs and other operating expenses.

Products / Inspection systems

The inspection systems manufactured by Viscom are based on digital image processing technology, known within the sector as machine vision. Digitalised images are evaluated using special software tools and algorithms in order to measure, check and verify the objects being inspected.

For the purpose of quality control in an industrial environment, a good/bad decision is aimed for in many cases in order to classify the inspected objects accordingly. The analytical algorithms used must therefore allow for fault tolerances in the production process to be mapped in the algorithms' set-up parameters.

Artificial intelligence (AI) is increasingly being used as part of these processes. To this end, large quantities of image data are gathered in order to train AI models using machine learning methods. These AI models then replace parts of the actually procedural algorithms. The inspection systems then require less adjustment work, making them easier to operate.

Entire production processes can be monitored and controlled using this measurement and inspection technology. For control purposes, measurement of objects is becoming increasingly important as opposed to just a test (good/bad decision). If the objects are measured in terms of the fault criteria, then not only can a good/bad decision be made. Further analysis of the measurement data makes it also possible to draw conclusions as to the causes of faults and to improve the production quality.

The recorded data can be one-, two- or three-dimensional data structures obtained using optical area scan cameras, X-ray detectors, laser scanners or similar optical systems.

While in the area of optical technology the wide range of sensors are available only as part of Viscom's standard products, in the X-ray area in-house developments such as X-ray tubes and the related control electronics are also sold on the market as original equipment manufacturer (OEM) products.

The inspection systems manufactured by the company in 2023 were predominantly inspection systems from the S3088, X7056 and iX7059 product lines. Viscom has broad product expertise thanks to its continuous product development. The flexible system structure of the individual system types means they can be manufactured in many different variants. This represents a distinct advantage for customers.

In both optical inspection and X-ray inspection, 3D technology is becoming increasingly important. Three-dimensional capturing of inspected objects allows for more reliable inspection results due to the greater information content. The reliability of fault detection increases and the probability of pseudo-faults (false alarms) decreases. In optical inspection systems, 3D recording has now become standard and is integrated in the Viscom sensor module. Viscom's internally developed high-speed data transmission through to the analysing computer results in high throughput for 3D inspection, too.

The planar computed tomography method is used in 3D X-ray inspection. This makes it possible, for example, to assess non-visible, hidden solder joints in electronic assemblies very precisely by means of tomogram evaluation.

Cost-effective model variants such as the S3088 product line can frequently be offered as entry-level systems with the option of subsequent upgrading or retrofitting. This initial business is extremely important to Viscom as customer decisions in favour of a given system are generally long-term in nature, thereby ensuring follow-up sales.

Viscom is increasingly shifting to developing system families. A system family consists of individual components that are each available in different forms for the different application areas. This enables the iX7059, for example, to cover very different applications ranging from the inspection of "normal" electronic assemblies to the inspection of large and heavy power assemblies (e.g. inverters for electric vehicles) and the final inspection of high-end consumer electronics. The inspection of different battery cells can also be covered by the iX7059 in different configurations.

Revenue in the "Optical and X-ray series inspection systems" product group increased by around 5 % to € 81,648 thousand in the 2023 financial year (previous year: € 77,855 thousand). Revenue in the "Special optical and X-ray inspection systems" product group was around 68 % higher than the previous year's figure at € 19,121 thousand (previous year: € 11,413 thousand). The "Service" product group increased its revenue by around 11 % to € 18,011 thousand (previous year: € 16,250 thousand).

Financial position

Capital structure / liquidity

Viscom was able to generate the required liquidity from its own funds and from the available overdraft facilities in the 2023 financial year. As at 31 December 2023, overdrafts in the form of available credit facilities were utilised in the amount of € 30,571 thousand (previous year: € 22,288 thousand). Viscom is thus using its over-draft facilities to refinance outstanding liabilities in its operating business. Taking into account cash and cash equivalents of € 5,463 thousand (previous year: € 4,361 thousand), the company had negative net bank balances of € -25,108 thousand as at the end of the reporting period (previous year: € -17,927 thousand). In addition, there were long-term bank loans of € 1,276 thousand as at 31 December 2023 (previous year: € 1,643 thousand). The subsidiaries did not require any loans. At 47.8 %, the consolidated equity ratio was lower than the figure for the previous year as a result of higher total assets (previous year: 52.0 %).

Investments

Investment in property, plant and equipment and intangible assets amounted to € 6,926 thousand in total in 2023 (previous year: € 6,970 thousand). At € 3,916 thousand (previous year: € 3,193 thousand), most of the capital expenditure related to capitalised development costs, vehicles (€ 1,609 thousand; previous year: € 1,194 thousand), operating and office equipment (€ 910 thousand; previous year: € 652 thousand) and land and buildings (€ 215 thousand; previous year: € 1,076 thousand). € 276 thousand was accounted for by leasehold improvements, software, technical equipment and machinery, advance payments on intangible assets, advance payments and construction in progress. In the previous year, € 653 thousand was accounted for by leasehold improvements, software, technical equipment and machinery and advance payments on construction in progress, while goodwill accounted for € 202 thousand. These items included total right-of-use assets in accordance with IFRS 16 of € 1,760 thousand in the 2023 financial year (previous year: € 2,084 thousand).

The Europe segment accounted for € 6,753 thousand of capital expenditure (previous year: € 6,351 thousand), the Asia segment for € 153 thousand (previous year: € 584 thousand) and the Americas segment for € 20 thousand (previous year: € 35 thousand).

At € 4,759 thousand, capital expenditure in 2023 essentially related to the product-specific segment "Optical and X-ray series inspection systems" (previous year: € 5,143 thousand).

Cash and cash equivalents / cash flow

Cash funds, consisting of cash (€ 5,463 thousand; previous year: € 4,361 thousand) and short-term overdrafts (€ 30,571 thousand; previous year: € 22,288 thousand), amounted to € -25,108 thousand as at 31 December 2023, down significantly as against the previous year (€ -17,927 thousand).

The cash flow from:

- operating activities amounted to € 6,184 thousand (previous year: € -1,687 thousand). The increase is mainly on account of the correction of the net profit for the period due to depreciation and amortisation, interest expense, the increase in liabilities and the rise in inventories, receivables and other assets.

- investing activities amounted to € -5,138 thousand (previous year: € -5,022 thousand) and essentially resulted from the capitalisation of development costs and the acquisition of non-current property, plant and equipment and intangible assets.

- financing activities amounted to € -8,212 thousand (previous year: € -5,162 thousand), largely as a result of the dividend payment, the repayment of bank loans and lease liabilities as well as interest paid.

Trade receivables past due were up as against the previous year. There were no major defaults. Viscom was able to ensure the required liquidity at all times in the period under review.

Net assets

In particular, the significant increase in trade receivables and inventories led to an increase in total assets in the 2023 financial year. As at the end of the year, inventories were higher year-on-year as a result of the significant increase in completed systems. Intangible assets were also up, essentially as a result of capitalised development costs. Overall, this meant that total assets increased from € 115,998 thousand as at 31 December 2022 to € 126,012 thousand as at 31 December 2023.

Non-current assets

Within non-current assets, intangible assets essentially comprise capitalised development costs. Intangible assets increased from € 15,104 thousand in the previous year to € 16,771 thousand. Property, plant and equipment declined to € 13,665 thousand as a result of depreciation (previous year: € 15,071 thousand).

Receivables

Trade receivables increased significantly year-on-year to € 45,619 thousand (previous year: € 41,050 thousand) thanks to a strong revenue performance, in particular in the fourth quarter of 2023. Impairment losses on trade receivables amounted to € 216 thousand in total (previous year: € 946 thousand). A receivable at Viscom AG already written off in full in previous years was derecognised. Impairment losses were down at Viscom AG and the branches.

In total, receivables past due increased significantly year-on-year to € 12,515 thousand (previous year: € 9,536 thousand). Most receivables past due are short-term in nature, with roughly two thirds past due by up to 30 days. Around 4 % of total receivables (previous year: around 2 %) were past due by more than six months.

Default risk was addressed by recognising loss allowances as at the end of the year. Expressed as a percentage, impairment losses on all receivables decreased from 2.3 % in the previous year to 0.5 %.

Inventories

The carrying amount of inventories was € 39,728 thousand as at the end of the financial year (previous year: € 37,428 thousand). This net inventory figure included write-downs for completed systems ready for sale of € 6,984 thousand (previous year: € 7,083 thousand) and write-downs for raw materials and supplies, assemblies and partially completed systems of € 7,249 thousand (previous year: € 6,948 thousand). This meant that net inventories increased by € 2,300 thousand as against the previous year, while gross inventories were up by € 2,502 thousand. This build-up of inventories was due to the change in procurement policy necessitated by the global supply chain problems combined with the need to ensure short delivery times for customers.

Liabilities

Trade payables rose from € 3,256 thousand at the end of 2022 to € 3,854 thousand.

Contract liabilities amounted to € 2,708 thousand, up on the figure as at the end of the 2022 financial year (previous year: € 1,967 thousand), and included trade obligations from contracts with customers in accordance with IFRS 15.

Other current financial liabilities included short-term lease liabilities of € 3,023 thousand (previous year: € 2,843 thousand).

Other non-current financial liabilities included the non-current portion of borrowed bank loans at € 904 thousand (previous year: € 1,276 thousand) and long-term lease liabilities of € 8,239 thousand (previous year: € 9,882 thousand).

Equity

At € 60,253 thousand as at 31 December 2023, total equity was effectively unchanged as against the end of the 2022 financial year (€ 60,266 thousand). The change resulted from the distribution of the dividend for the 2022 financial year, the net profit for the period and exchange rate differences. The equity ratio was 47.8 %, down on the figure as at 31 December 2022 (52.0 %).

Summarised overall assessment of business performance

In light of the political and economic developments in the 2023 financial year, the Executive Board of Viscom AG rates the business performance and economic situation of the Viscom Group as highly challenging. In 2023 as well, Viscom AG's business was negatively affected by the shortages in various components and supply chain disruption. This led to delays in revenue recognition and to a build-up of inventories of parts, assemblies and finished goods. The revenue recognised in the final quarter caused a sharp increase in receivables. Higher purchase prices were only partially compensated and caused a corresponding reduction in earnings. The high cost of capital likewise had a negative effect on consolidated profit. Revenue and incoming orders rose as anticipated and were within the Executive Board's forecast range published in March 2023. Earnings were also within the forecast corridor. The Executive Board is dissatisfied with the 2023 financial year, which fell short of its expectations.

Key figures on the Group's net assets, financial position and results of operations

	2023 K€	2022 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions)	**-45,991**	**-35,798**
Tier 2 liquidity (tier 1 liquidity plus receivables and other assets less non-current liabilities)	**-6,890**	**-5,079**
Tier 3 liquidity (tier 2 liquidity plus inventories)	**32,838**	**32,349**
Current assets		
Cash and cash equivalents	5,463	4,361
Receivables and other assets	49,085	42,684
Inventories	39,728	37,428
	94,276	**84,473**
Liabilities and provisions		
Current liabilities and provisions	51,454	40,159
Non-current liabilities and provisions	9,984	11,965
	61,438	**52,124**
Cash flow		
Net profit for the period after taxes	3,142	5,369
+ Depreciation and amortisation expense	6,589	6,766
	9,731	**12,135**
Return on equity		
Net profit for the period / equity	5.2 %	8.9 %
Return on investment (ROI)		
Net profit for the period / total assets	2.5 %	4.6 %
Return on revenue		
EBT / revenue	3.8 %	7.0 %
Return on capital employed (ROCE)		
EBIT / (total assets - cash and cash equivalents - current liabilities and provisions)	9.6 %	11.5 %
Net debt		
Liabilities and provisions (-)	-61,438	-52,124
+ Cash and cash equivalents	5,463	4,361
+ Receivables and other assets	49,085	42,684
= Net debt	**-6,890**	**-5,079**
Working capital		
Current assets – current liabilities and provisions	42,822	44,314
Equity ratio		
Equity / total assets	47.8 %	52.0 %

Report on risks and opportunities

Expected opportunities

Electronics are increasingly penetrating every area of life. Electronic assemblies are growing smaller and smaller, yet at the same time are expected to take on a growing number of functions. This technological diversification requires top-class inspection solutions that ensure product quality while also guaranteeing the sustainable stability of increasingly complex processes. Customer requirements of Viscom inspection systems are therefore becoming increasingly specific. This dynamic market environment means that new opportunities are constantly arising for the Viscom Group. Systematically identifying and taking advantage of these opportunities is a key factor for Viscom's sustained growth.

Viscom regularly assesses market and competition analyses and aligns its product portfolio accordingly. Building on this, specific market opportunities are derived which the Executive Board incorporates into its annual business plan.

The following opportunities are described in greater detail owing to their probability of occurrence and are not yet reflected in the business plan and outlook for 2024.

Opportunities of economic development

The general economic conditions influence the company's business operations, its financial position and results of operations and its cash flow. If the global economy develops more positively than expected, Viscom's revenue and earnings could exceed the current outlook and mid-term targets.

Opportunities of research and development

Viscom's growth primarily depends on its ability to develop innovative solutions and hence constantly create added value for its customers. Viscom is also pressing ahead with improving the effectiveness of research and development, shortening innovation cycles through more streamlined development processes and cooperating more closely with customers. If these research and development activities achieve greater progress than currently expected, this could entail the launch of more and improved products or mean that products become available sooner than planned. This could have a positive impact on revenue and earnings and help Viscom to exceed its mid-term targets.

Risk management strategy, process and organisation

Viscom is exposed to various risks as a global group. For this reason, a comprehensive risk management system has been devised allowing potential risks to the Group to be detected and analysed early on to allow appropriate countermeasures. The risk management system comprises a number of control mechanisms and is an integral part of the company's decision-making process.

The guiding principle of risk management is that the relevant decision-makers should be made aware of the development of significant risks as promptly and comprehensibly as possible in order to facilitate a timely and appropriate response or pre-emptive action. To this end, regular meetings with the Executive Board and the heads of the business areas, the heads of individual branches and department heads are held, at which the current status of and approach to the recognised significant risk positions are clarified on the basis of corresponding analyses and reports. Additional information regarding the current status may be required; this is obtained from employees in the respective departments. Regular risk reporting takes place quarterly on a bottom-up basis and an ad hoc basis. Risk identification in the individual departments is based on a defined risk catalogue that comprises the risks described below. Risks arising outside the risk catalogue must also be included in the reports presented at the regular meetings of senior employees. There is a central risk management function at the level of Viscom AG. Risk management officers are appointed for each of the locations and departments. They report directly to the risk coordinator and the Executive Board.

Where possible, potential risks are assessed according to their probability of occurrence and the extent of the potential loss. The assessment of the identified risks is conducted on a net basis, i.e. the assessment of a risk reflects the measures already taken to minimise the likelihood of or the potential loss resulting from a risk. The negative deviation from the budget or current forecast is defined as the reference base for the uniform assessment of risks. For the current financial year, the assessment of risks is to be based in identifiable cases on a time horizon of two years. Certain reporting thresholds are defined for the inclusion of risks in risk reporting. Irrespective of this, any material nonfinancial risks identified are also to be included in risk reporting. The Executive Board is immediately notified by the risk managers of material changes to the risk situation in accordance with the applicable reporting thresholds. The ad hoc risk reports are delivered in regular internal meetings or immediately if necessary.

Internal control system

The risk management system is closely intertwined with the internal control system. The internal control system covers all principles, guidelines, procedures and measures aimed at implementing the company management's decisions

- to ensure the effectiveness and profitability of business activities (in particular through systematic monitoring and reporting in relation to the risks identified below);

- for proper and reliable accounting (see below for more detail on the accounting-related internal control and risk management system); and

- for compliance with the relevant legal provisions for the Viscom Group.

The measures taken by Viscom to ensure compliance with the relevant legal provisions are described in more detail in the corporate governance statement. In particular, the Executive Board has developed a compliance policy along with an annex that applies to all members of governing bodies and employees of the Viscom Group. This Corporate Compliance Policy includes regulations and procedures for the avoidance of corruption and cartel agreements, compliance with data security guidelines and for ensuring equal opportunities and adherence to product safety and occupational health regulations. A whistleblower system has been set up to allow violations to be reported securely. The compliance policy is maintained and updated by the Compliance Officer.

The risks described below form part of the risk reporting and are regularly analysed at management meetings as part of the monitoring, control and risk management system in accordance with section 91(2) and (3) AktG, with decisions being made as required.

Furthermore, there is regular discussion between the Executive Board and the Supervisory Board with regard to the individual risks in the Viscom Group as well as the internal control and risk management system as a whole, which is continuously reviewed in terms of its appropriateness and effectiveness and adjusted where necessary.

Explanation of relevant risks

The following risks are relevant for the Group and for the individual segments (net loss or potential financial impact greater than € 2.5 million):

Breach of contract

Large international corporations demand extensive economic compensation for cases of breach of contract. This compensation is usually covered by special non-disclosure agreements and contains individually agreed penalties. After internal review, the non-disclosure agreements are discussed, considered and decided upon by the Executive Board. Extensive organisation measures are defined and taken in order to avoid a breach. The probability of occurrence is classified as improbable.

There are also the following categories of similar individual risks, which are not significant in terms of their respective net loss or potential financial impact:

Country risk

Viscom defines country risk as the introduction of national trading constraints or tariffs and other barriers to trading.

Revenue is generated almost exclusively from customers in industrialised nations with a functioning legal system. Based on past experience, the enactment of trade restrictions on the goods sold by Viscom is not a matter of concern. There are currently no import restrictions on the inspection systems produced by Viscom. Country risk is permanently and comprehensively monitored. In the event of any developments suggesting a change in the risk situation, Viscom responds by taking appropriate measures at an early stage.

The sanctions arising from the escalating developments surrounding the war in Ukraine could have a negative impact on Viscom's business activities in various countries.

Sector risk

Roughly half of Viscom's customer base comes directly or indirectly from the automotive and industrial electronics sectors. Owing to the specialisation in printed circuit board inspection for automotive suppliers, there is a heightened risk in the event of a long-term decline in this market, which has become apparent in the recent past. Regardless of economic conditions in the automotive industry, however, the amount of electronics in vehicles is on the rise.

Viscom's business strategy is to reduce this sector risk through various development and sales activities involving areas of application in other industries, such as battery production.

Customer risk

Viscom defines customer risk as an excessive concentration on individual customers. Viscom generated around 49 % of its revenue with its seven largest customers in the 2023 financial year (previous year: around 54 % with eight customers) and 15 % (previous year: 18 %) with its largest customer.

Currency risk

Exchange rates with the euro were subject to substantial fluctuations in some cases.

The development of the US dollar is an important factor for Viscom. Sales in US dollars were effected in tranches during periods of positive development in order to minimise potential exchange rate losses. Foreign currency hedges, e.g. forward exchange transactions, were not used in 2023 but have been agreed as necessary in the past.

Given the company's business volumes and the development of the euro/US dollar exchange rate, the current level of exchange rate risk was deemed acceptable without the need for hedging. Around 19 % of total revenue in the 2023 financial year was subject to direct exchange rate effects (previous year: around 28 %).

Procurement risk

The procurement of components and services from third party suppliers is subject to the risk of changes in prices and delivery schedules. Corresponding purchasing negotiations have succeeded in ensuring that acquisition prices have largely remained stable. The company is only directly dependent on specific suppliers to a very limited extent.

Bottlenecks occurred in the procurement times for some parts and components with certain suppliers in the period under review because of the general order situation and the availability of components and primary materials, resulting in longer delivery times. Supply bottlenecks are being countered by way of a modified procurement strategy and higher inventories. To this end, the supplier base is being expanded. Furthermore, a key supplier of steel frames and lead compartments was acquired in 2022. The loss of suppliers as a result of the direct and indirect impact of substantially higher inflation rates combined with the shortage of primary materials cannot be ruled out.

Liquidity risk

There is sufficient scope for financing in the form of unutilised credit facilities and existing cash and cash equivalents. With its solid balance sheet structure, the Viscom Group is able to secure financing for the 2024 financial year from own funds and the potential use of loans. A long-term bank loan was taken up for investment purposes in the 2019 financial year and again in 2022 (€ 2,600 thousand in total). Viscom reserves the right to use further long-term debt financing if necessary.

Default risk

Default risk relating to specific customers cannot be ruled out. However, Viscom employs appropriate control processes to ensure that sales are only entered into with customers that have a proven credit standing at the time of sale.

Viscom does not act as a guarantor for the obligations of other parties.

The maximum default risk can be derived from the carrying amount of the respective financial assets as reported in the statement of financial position.

Trademark and patent risk

The Viscom brand is registered as a trademark in the key global industrial nations. Overlaps with other brands have only occurred very rarely.

To prevent having to reveal its expertise to third parties, only a few process patents have been registered to date – e.g. the patents for the MX products that have been applied for and partially registered. There are currently no legal disputes with regard to trademarks or patents.

Technological competitive risk

Some of Viscom's competitors are subsidiaries of multinational conglomerates with high investment potential. As a result of ongoing product innovations together with a degree of flexibility that is significantly higher compared to its competitors – for example in adapting systems to satisfy customer requirements – Viscom has been able to increase or at least maintain its market share in the past. Viscom will continue doing everything required in order to develop its competitive advantage.

Taxation risks

Viscom is increasingly exposed to taxation risks due to stricter interpretations and assessments by the tax authorities. Provisions are recognised as required based on the estimated claims of the financial authorities.

General risks from the export of goods

Viscom is increasingly exposed to risks due to stricter interpretations and assessments by countries and authorities. Provisions are recognised as required based on the estimated claims of the respective national authorities.

Sustainability risks

The impact of its business activities on environmental and social factors and the associated risks are very important to Viscom. If environmental pollution, inadequate occupational safety or human rights violations occur in its supply chains, this is not only contrary to Viscom's fundamental values, but may also entail reputational damage for Viscom. One particularly relevant issue for Viscom is conflict minerals, which are sometimes mined in crisis regions under conditions that give rise to social and environmental harm. Viscom takes effective measures to ensure that it purchases raw materials and minerals only from companies that share Viscom's understanding of human rights, ethics and environmental and social sustainability. Viscom expects its suppliers to comply with all the provisions on conflict minerals and to submit all the associated necessary declarations. It regularly reviews its business relationships in this regard.

General energy consumption and the associated carbon emissions also entail a non-financial risk to nature and the environment. Viscom therefore attaches particular importance to high levels of energy efficiency, which Viscom ensures by using efficient control and lighting technology and high-performance computers. This is accompanied by specific environmental protection measures such as using rainwater for part of our sanitary facilities and generating solar power to optimise the energy balance at our corporate headquarters in Hanover. Viscom's products themselves also make a positive contribution to its environmental performance. Viscom's inspection solutions recognise defects in electronics production as early as possible in order to minimise rejects and faulty end products, avoid electrical waste and reduce energy consumption.

Viscom obeys the statutory requirements for sustainability reporting. In this context, it is currently devising a coherent concept for the systematic integration of ESG factors, including their risks and opportunities, as well as the ecological and social effects into its business management, i.e. business strategy, business planning and the control and risk management system.

IT security against cyber risks

With regard to its data, its international market orientation and the IT systems used for processing, Viscom is potentially exposed to the risk of industrial espionage and/or other cyber risks. The measures taken to minimise these risks include authorization schemes for systems and data, decentralized and redundant design of IT infrastructure and backup strategies.

Control and risk management system in relation to the accounting process (report pursuant to section 289(4) and section 315(4) HGB)

As the parent company Viscom AG is a listed company as defined by section 264d HGB, key features of the internal control and risk management system including the early identification of risks in accordance with section 91(2) of the Aktiengesetz (AktG – German Stock Corporation Act German Stock Corporation Act) must be described in accordance with section 315(4) HGB, both with regard to the accounting processes of the consolidated companies and with regard to consolidated financial reporting.

The internal control and risk management system with respect to the accounting process and consolidated financial reporting is not defined by law. Viscom regards the internal control and risk management system as a comprehensive system and applies the definitions of an accounting-related internal control system (IDW PS 261(19) et seq.) and risk management system (IDW PS 340(4), as amended) issued by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer in Deutschland e.V.), Düsseldorf. An internal control system therefore comprises the principles, processes and measures introduced by company management to support the organisational realisation of management decisions.

In terms of the accounting process, Viscom considers the material features of the internal control and risk management system to be those features which it believes could significantly influence the financial reporting process and the overall view presented by the annual financial statements and management report.

The Executive Board bears overall responsibility for the internal control and risk management system for the consolidated financial reporting process. All companies included in the consolidated financial statements are part of a defined management and reporting structure.

Viscom AG's Executive Board considers the following elements of the internal control and risk management system at Viscom to be material with respect to the accounting process and consolidated financial reporting:

- Procedures to identify, assess and document all material company processes and sources of risk relevant to the accounting process. These include financial and accounting processes in addition to administrative and operational company processes that generate material information required to prepare the single-entity and consolidated financial statements, including the management report and Group management report.

- Controls integrated into processes (e.g. IT-supported controls and access restrictions, separation of functions, analytical controls).

- Monthly internal consolidated reporting with the analysis of significant developments. At a Group level, specific control measures to ensure the proper and reliable preparation of the consolidated financial statements include the analysis and, if necessary, correction of the single-entity financial statements presented by the Group companies, including the discussions on the financial statements with the auditors and the documents presented by the auditors. Incorrectly completed financial statements are corrected ahead of consolidation with the help of previously determined control mechanisms and plausibility checks.

- Measures to assure the proper IT-supported processing of facts and data relating to consolidated financial reporting.

- Manual process controls and a system of checks and balances are used to ensure that consolidated data are complete and correct.

Assessment of the overall risk situation

The individual risks and categories of insignificant similar risks described for the individual Group companies are discussed at the regular management meetings, where decisions are made regarding the appropriate measures to be taken as required to counteract the risks.

The probability of occurrence of an individual risk and of the categories of insignificant similar risks is assessed on the basis of the following criteria:

Measurement	Probability of occurrence
Probable	> 50 %
Possible	25 % to 50 %
Improbable	< 25 %

The risk level is defined on the basis of the potential financial impact (net loss) of individual risks or of categories of insignificant similar risks:

Risk level	Potential financial impact
Low	< € 0.5 million
Medium	€ 0.5 million to € 2.5 million
High	> € 2.5 million

Assessment of risk categories according to average values:

Risk category	Potential financial impact	Probability of occurrence
Country risk	Medium	Possible
Sector risk	Medium	Improbable
Customer risk	Medium	Possible
Foreign currency risk	Low	Possible
Procurement risk	Medium	Possible
Liquidity risk	Low	Improbable
Default risk	Medium	Possible
Trademark and patent risk	Low	Improbable
Technological competitive risk	High	Possible
Taxation risks	Low	Improbable
General risks from the export of goods	Low	Improbable
Sustainability risks	Low / non-financial	Improbable
IT security against cyber risks	Medium	Improbable

In light of their probability of occurrence, Viscom's management does not believe that the risks and risk categories described above pose a threat to the continued existence of the Group, either individually or cumulatively.

Business risks, and in particular default risks relating to the customers accounting for the greatest share of revenue, are not discernible at present. However, future revenue remains subject to risk insofar as it depends in particular on the ongoing development of the automotive industry.

In light of the Group's extremely strong market position, innovative technological strength and clearly structured early risk identification, Viscom's management expects to be able to continue successfully counteracting the issues raised and any resulting risks in the 2024 financial year.

There were no material litigation risks as at 31 December 2023.

Report on future developments in 2024

Economic conditions

The global economy is currently expanding at only a moderate pace. The prospects for the world economy in 2024 are dim on account of the unstable geopolitical situation, restrictive monetary policy and volatile energy prices. Global industry has softened significantly. Momentum has slowed considerably in the advanced and emerging economies alike, and the situation is still highly uneven. While countries such as India and Indonesia continue to report impressive growth rates, economic momentum in China remains muted, not least on account of the tough situation on its property market and weak domestic consumption. The United States have enjoyed strong growth in economic output to date as well, while the economy in Europe is likewise in decline. World trade is weak as well. Inflation has already receded significantly in most nations. The development in energy prices played a key part in this, but inflation has also since decreased in many areas. The consequences of the loss of purchasing power due to higher prices and the effects of sharp interest rate hikes will presumably keep private consumer spending and investment in check for some time to come, before the economy finds its footing again later in 2024. The RWI – Leibniz Institute for Economic Research assumes that the global economy will grow by provisionally 2.3 % in 2024. Inflation should gradually decline. Not least, the multitude of risks to which the ongoing development of the world economy is exposed includes the effects of geopolitical conflict. This is causing ongoing uncertainty and could have a more significant impact on energy prices and trade flows. Unexpected increases in energy prices could be a reason for the disinflation process taking more time and for monetary policy staying tighter for longer. This would weigh heavily on the economy and entail risks to financial stability and debt sustainability.

The world economy performed slightly better than expected in 2023 with growth of 3.1 %. However, 2023 was one of the weakest years for growth in the past three decades – excepting years of recession. The German Mechanical Engineering Industry Association (VDMA) assumes that the global economy will proceed at the same pace in 2024. However, growth in the developed nations will dip marginally to 1.5 %, as neither the US nor the Japanese economy can keep up this pace. The economy of the euro area will do better than in the previous year in 2024, with growth due to accelerate in 2025. In the emerging nations, as in the past two years, a growth rate of 4.1 % is estimated for 2024.

The development of the global economy and inflation also define the conditions for the German economy and thereby its risks. As a year of recession, 2024 reflects the weak global landscape as well, which in turn will weigh on German exports and thus capital expenditure in Germany. Positive effects are expected from the gradual recovery in private consumer spending because the loss of purchasing power will diminish in 2024. This should support private consumer spending and, in turn, the economy. Despite falling inflation and the associated rise in real wages, the Kiel Institute for the World Economy (IfW) has a pessimistic outlook for Germany but still assumes minor growth. Gross domestic product (GDP) will grow by just 0.9 % in 2024, according to the IfW.

Economists at the VDMA are forecasting a stagnation in global machinery revenue after adjustment for inflation in 2024. Growth is predicted for all four major production locations in Asia, with India again taking the lead in 2024. The baseline in the other three countries varies considerably. The minor growth in South Korea and Japan follows a relatively steep decline. Growth should continue in China, albeit at a different speed to before the COVID pandemic. Adjusted for inflation, machinery revenue will contract in the EU as a whole and in the US in 2024.

Business policy
The key points of Viscom's strategy are:

- extensive innovative strength
- technological leadership
- technology partnerships with key customers
- global presence
- sustainable and transparent business policy

Based on these strategic priorities, Viscom will continue to expand its presence in the regions with the highest sales in order to optimise direct customer support.

Markets
As important markets for Viscom and strong technology trend setters, automotive and industrial electronics, consumer electronics and battery production will continue to be extremely important to Viscom.

Viscom also intends to continue to participate in investment opportunities in the international market. In Europe, Viscom's largest sales market, the customer care teams are improving the expert customer service and offering optimum remote and on-site assistance. With a tailor-made product portfolio and corresponding on-site support and other services, the further expansion of the Viscom Group's strong position in the Americas and Asia is set to continue. Viscom's presence in the growth market of China and certain individual regions of Asia will be increased further.

The company's goal in Asia remains to raise the profile of the Viscom brand even further in this region and to make optimal use of opportunities in the Asian market.

Company segments
In addition to primary segment reporting by geographical structure (markets), Viscom also does segment reporting based on product areas.

These areas are optical and X-ray series inspection systems, special optical and X-ray inspection systems, and service. These product areas are looked after by the customer care teams. The teams cover specialist sales, project management, application and service as well as the hotline, in order to provide customers with expert and targeted guidance throughout the product life cycle.

The customer care teams assigned to the optical and X-ray series inspection systems product area are responsible for the sale of series systems and technical support for customers with series systems, which are the company's major revenue drivers.

The customer care teams assigned to the special optical and X-ray inspection systems product area essentially serve projects requiring customer-specific solutions or adaptations to series systems.

Products / services
Viscom develops, manufactures and sells optical and X-ray inspection systems for use in industrial electronics production.

Viscom will continue to focus on the new and ongoing development of standard inspection systems. The Group is guided by market requirements in this respect. Thanks to the steadily increasing installation base, follow-up business in the form of training, maintenance, replacement part sales and upgrade projects will continue to increase in terms of both volume and differentiation, thereby helping to expand the Service business area.

Production / production processes

Processes are being further standardised and streamlined as part of the continuous improvement of the company's workflows. The objective is to ensure efficient production and a high level of product quality accompanied by short delivery times.

Procurement

The established procurement structure has proven to be successful. Viscom will continue to count on reliable partners and optimise its procurement structures.

Results of operations

The development of incoming orders and revenue in 2024 will be largely dependent on the overall economic situation and ongoing supply shortages, which also affect Viscom's business. Furthermore, the sanctions arising from the ongoing war in Ukraine could negatively affect Viscom's business activities in various countries. The ongoing inflation and interest concerns and the rise in energy and raw material prices are leading to further negative effects, including on Viscom. Viscom is forecasting incoming orders and revenue of between € 100 million and € 110 million with an EBIT-Margin of between 3 % and 8 % in the 2024 financial year. This corresponds to EBIT of between € 3.0 and € 8.8 million.

Financial position

Liquidity for the 2024 financial year will be ensured by the company's own funds and unutilised credit facilities. Any further financing requirements or activities are dependent on the changing general conditions. State support or aid packages will be examined and utilised if necessary.

Investments and financing

The company plans to invest further in its core business moving ahead. It will focus on further developing its products, expanding its regional presence and strengthening its organisational structure. These investments should primarily be financed from own funds and borrowed funds. Other financing models are used where third-party funding is more economically viable. This currently applies in particular to operating premises and buildings.

Other cash flows and refinancing

Additional cash flows are likely to solely take the form of dividend distributions to shareholders. These generally depend on the earnings strength in the respective period.

Non-financial statement

Reporting information

General information

This section of the report relates to the 2023 financial year and, unless stated otherwise, to Viscom AG, the largest company of the Viscom Group in terms of revenue and number of employees. Additionally, Viscom's products are developed and manufactured exclusively at the Hanover site, which is Viscom AG's home base. When reading this non-financial statement, it is important to note in particular that the previous year's figures were not part of the audit and only the figures for the 2023 financial year were audited by the auditor. The previous year's figures were calculated using the same system as for the 2023 figures.

Use of a framework

The Company made a conscious decision not to use a single framework (e.g. Global Reporting Initiative (GRI) or German Sustainability Code) because this is not considered necessary given the fact that the definitions of materiality deviate from the definition pursuant to the German Commercial Code (HGB). These frameworks did, however, give us a guideline when preparing the report.

Presentation of business model and risks

Please refer to the detailed information in the 2023 Group Management Report section entitled "Basic information on the Group" for a description of the Viscom Group's business model. Viscom's materiality analysis did not identify any risks pursuant to section 289c(3) HGB relating to non-financial aspects.

Sustainability management

Responsibility

The Viscom Executive Board has overall responsibility for sustainability. Issues relating to sustainability that are not compliance or HR matters are the responsibility of the designated Integrated Management and Sustainability Officer, who reports directly to the Executive Board. Responsibility for compliance matters lies with the Company's Compliance Officer, who also reports directly to the Executive Board. HR matters are assigned directly to the CFO responsible.

Although Viscom does not just fulfil its responsibility within the Group alone. Viscom's products help customers to make their production processes more efficient and sustainable as well. Viscom's state-of-the-art inspection systems are used wherever the inspection of electronic assemblies and mobile devices is essential. This makes Viscom's high-precision inspection solutions an important component of quality control and process optimisation in industrial electronics production. Its high-end products identify nonconformance in customers' production as early as possible in order to minimise rejects and the number of faulty end products. This prevents electronic waste, protects resources and lowers energy consumption on its customers' production lines. Viscom's products are also designed for minimum space requirements in order to reduce packaging and weight during transportation. The Company takes care to preferably use environmentally friendly materials and environmentally compatible processing when developing and producing its inspection systems. It attaches particular importance to high levels of energy efficiency, which it ensures through the use of efficient control and lighting technology as well as high-performance computers.

The topic of sustainability is playing an increasingly pivotal role not just for Viscom and its customers, but also for its other stakeholders – especially its suppliers, employees, shareholders, financial institutions and the general public. Viscom first decided to publish a dedicated report on environmental, labour and social aspects, the diversity concept, and the ways in which it acts in accordance with internal policies and the law in the 2022 annual report, and so this report contains the relevant information for the 2023 financial year. The report also includes the consolidated non-financial report of Viscom AG pursuant to section 315b(3) HGB. Additionally, the report satisfies the requirements of Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter EU Taxonomy Regulation).

Viscom has been a member of the Blue Competence sustainability initiative of the German Mechanical Engineering Industry Association (VDMA) since 2014. Blue Competence partners undertake to uphold the twelve sustainability principles for mechanical and plant engineering as a means of expressing their commitment to sustainable activity in strategic, operational, cultural and communication contexts. Resource efficiency and cost efficiency have always been two sides of the same coin when it comes to mechanical engineering. By bringing together the participating companies, Blue Competence aims to demonstrate that acting sustainably is not only good but beneficial.

With all Viscom stakeholders increasingly focusing on sustainability, following extensive discussion in 2021 the Supervisory Board decided to expand the former remuneration system to include sustainability criteria. In addition to financial indicators, the performance criteria for the determination of variable remuneration for all Executive Board contracts will include sustainability criteria such as employee turnover and energy consumption. This decision was made by the Supervisory Board to place an even greater emphasis on sustainability. Further information can be found in the remuneration report for the 2023 financial year in accordance with section 162 of the German Stock Corporation Act (AktG), and the report can be found on the Company's website www.viscom.com/en under Company/Investor Relations/Corporate Governance/Compensation of the Executive Board and Supervisory Board.

The next section of the non-financial report will present the materiality analysis, which aims to provide greater detail around Viscom's understanding of sustainability. It will be followed by a description of the material topics identified. In the final section, the Company will present EU Taxonomy data for the first time.

Viscom's continued goals are to continuously enhance and expand its reporting and to define specific sustainability targets for the future.

Materiality analysis

In the 2023 financial year, the Company carried out its first materiality analysis on sustainability topics to hone in specifically on topics of relevance for Viscom and its stakeholders. The results have been transferred to the table below. It presents the sustainability-related topics of particular relevance for Viscom and its stakeholders. A double materiality analysis was performed to ascertain which sustainability-related topics are particularly relevant for Viscom. One of the two double materiality perspectives is the outside-in perspective, which analyses the impact that sustainability topics have on Viscom. The other perspective is the inside-out perspective, which examines the impact of Viscom's business activities on sustainability topics. The analysis was based on a longlist of sustainability-related topics, which was derived taking into account the GRI standards and the European Sustainability Reporting Standards (ESRS). In addition, Viscom's risk management process already examined a number of sustainability-related topics and the relevant topics were also included in the longlist.

Following a consultation with the Executive Board, employees, suppliers, customers, shareholders, financial institutions and the general public were all identified as principal stakeholders. A representative from within the Company was elected for each stakeholder group and surveyed on the relevance of the longlist topics on a representative basis. This process used a rating system that was converted into a score ranging from zero ("no relevance") to three ("high relevance") in order to identify topics of particularly high stakeholder relevance.

The inside-out analysis used the same scoring system of zero to three to assess the probability of occurrence of these topics as well as Viscom's possible influence and Viscom's impact on these topics.

The same scoring system was used in the outside-in analysis to assess their probability of occurrence and their impact on Viscom's assets, liabilities, financial position and financial performance, its reputation, its strategy and its governance.

The compiled shortlist not only provides greater detail on the impact of business activities on the aspects of environmental matters, employee matters, social matters, corruption and bribery and human rights specified in section 289c(2) HGB and on the diversity concept (section 289f(2) no. 6 HGB), but also identifies sustainability-related topics of material importance for the development and performance of Viscom's business and Viscom's position.

Materiality analysis – overview of the sustainability topics relevant for Viscom

	Sustainability-related topics pursuant to section 289 et seq. HGB	Overarching topic for Viscom	Material topics for Viscom identified within the scope of an inside-out and outside-in analysis
Environment	Environmental aspects	Environment and climate	Climate change mitigation Air pollution Energy consumption
			Materials
		Circular economy	Waste and resource use
Social	Labour and social aspects and diversity concept	Employees as an essential part of business success	Secure employment
			Health protection
			Training and skills development
			Exclusion of forced or child labour
		Diversity concept	Diversity
			Gender equality including equal pay for equal work
Governance	Corruption and bribery and human rights	Sustainability of the supply chain	Supplier management and procurement practices
			Exclusion of forced or child labour
			Avoidance of corruption and bribery
			Protection of whistleblowers
		Acting in accordance with policies and the law	Corporate culture that considers compliance to be vital
	Other topics	Value creation	Viscom's economic output
		Quality	Quality assurance and product safety
		Data security	Digitalisation and cyber security

Environmental aspects

ENVIRONMENT AND CLIMATE

Viscom is aware of its responsibility to protect the environment and the climate and would like to do its bit in this regard.

Concept

The management concept outlined below is still being developed, and so only the elements that have been defined so far will be presented. The current target wording will eventually be replaced by a more specific target definition.

The international standard ISO 14001 defines requirements for an environmental management system that enables an organisation to improve its environmental performance, fulfil statutory and other obligations and achieve environmental targets. Central elements are planning, execution, control and improvement with a view to the organisation's environmental targets and environmental guidelines. Viscom continues to pursue the medium-term objective of implementing an environmental management system on the basis of ISO 14001 with an even more pronounced focus on ambitious and measurable targets by 2025. This has entailed taking organisational steps to lay the groundwork for successful implementation. These steps include aiming at an integrated management system that leverages synergies to implement related management systems on a common basis, and the definition of the required roles and responsibilities.

One important aspect in connection with the environment is the quantity of CO2 emissions originating from Viscom's economic activities. As a first step, the Company is focusing on CO2 emissions that it can influence directly, i.e. Scope 1 and 2 emissions according to the Greenhouse Gas Protocol. Scope 1 encompasses all direct CO2 emissions caused by the Company, including as a result of fuel consumption, while Scope 2 encompasses indirect CO2 emissions in connection with energy purchased from a utility company and supplied via the grid. The relevant aspects for Viscom in this respect are gas and fuel requirements (Scope 1) and purchased electricity (Scope 2). No data on Scope 3 emissions has been collected to date. At present, Viscom's vehicle fleet mainly comprises petrol and diesel vehicles. Although some of the vehicles in the fleet are already hybrid or electric, the Company intends to gradually replace leasing returns with generally lower-consumption vehicles and additional hybrid and electric vehicles in order to reduce its Scope 1 emissions going forward.

A substantial proportion of the Company's Scope 2 emissions results from procuring electricity required for its operations. Although some of the Company's electricity requirements are covered by its own photovoltaic system at the Hanover site, purchased electricity is not yet procured from renewable sources. A significant expansion of the photovoltaic system to just over twice its current generation capacity was resolved in the 2022 financial year, and from mid-2024 onwards; this should put Viscom in a position to generate a large proportion of the electricity required for its operations on its own. In addition to this ongoing project, the Company is currently analysing the possibilities for switching to 100 % renewable electricity and the potential timeframe for doing so.

The term "conflict minerals" describes materials such as tin, tantalum, gold and tungsten and their derivatives whose mining in territories such as the Democratic Republic of Congo and neighbouring crisis regions can give rise to social and ecological harms. Viscom is aware of the harms typically involved in the mining of conflict minerals. It recognises its responsibility and expressly supports all legal steps preventing the illegal trade of conflict minerals. Viscom expects its suppliers to comply with all the provisions on "conflict minerals" and will invoke this in its general purchasing terms in the future.

Water consumption as an additional topic with no relation to materiality

Water consumption was classed as immaterial as no water is consumed in the production of inspection systems, and so the topic is of little relevance for most stakeholders. However, water consumption is an important issue when it comes to protecting the environment and the climate and is a topic of relevance for a small group of stakeholders. In order to help minimise the Company's impact on the water cycle, rainwater is used in some of its sanitation facilities and it takes care to ensure that water is generally used sparingly.

Results

In 2023, Viscom recorded Scope 1 and 2 CO_2 emissions totalling 1,281 t, which was on a par with the previous year (previous year: 1,281 t). Although by contrast, the Group's revenue and production volume increased substantially by 12.6 % in the 2023 financial year.

At Scope 1 level, 972 t (previous year: 984 t) or around 81 % of emissions related to petrol and diesel consumption for the Company's vehicle fleet, while the remainder of around 19 % related to natural gas consumption. Viscom uses natural gas almost exclusively for heating company buildings. A total of 932,208 kWh of natural gas was consumed in 2023 (previous year: 974,040 kWh), meaning that natural gas consumption was reduced by 4.3 % thanks to various savings measures.

Scope 2 emissions of 309 t (previous year: 297 t) resulted from the purchase of electricity. Total electricity consumption in 2023 amounted to 953,478 kWh (previous year: 923,220 kWh), of which 108,169 kWh (previous year: 110,604 kWh) or 11.3 % was covered by the proprietary photovoltaic system on the roofs of the headquarters in Hanover.

The effectiveness of measures intended to prevent the trade of conflict minerals cannot currently be verified by the recording of metrics.

Key performance indicators for environment and climate*		**2023**	2022**
CO_2 emissions, Scope 1	in t	972	984
CO_2 emissions, Scope 2***	in t	309	297
	Total in t	**1,281**	**1,281**
Electricity consumption	in kWh	953,478	923,220
Of which renewable electricity generated by in-house photovoltaic system	in %	11.3	12.0
Consumed renewable energy generated by in-house photovoltaic system	in kWh	108,169	110,604
Electricity generated by in-house photovoltaic system and fed into the electricity grid	in kWh	62,725	73,944
Capacity of in-house photovoltaic system	in kWp	180	180
Gas consumption	in kWh	932,208	974,040
Water consumption****	in m^3	1,860	2,062
Procurement volume (Viscom AG)	in K€	48,274	42,953
Of which in Germany	in %	80.5	80.6

* The figures in the table relate to the Hanover site (Viscom AG and Exacom GmbH).

** The previous year's figures were not included in the first-time audit of the non-financial statement by the auditor.

*** Contrary to the requirements of the Greenhouse Gas Protocol, there was no calculation of market-based emissions.

**** The water consumption figures for the 2022 and 2023 financial years are unaudited.

CIRCULAR ECONOMY

Waste is produced in the course of business activities at Viscom AG, particularly as a result of production processes. Such waste includes metal residues generated during production and plastic, card or paper packaging material. In addition, the system itself – as an output of the production process – must also be disposed of at the end of its life cycle.

Concept

The management concept outlined below is still being developed, and so only the elements that have been defined so far will be presented. The current qualitative ambitions will eventually be replaced by an explicit target definition.

Viscom AG's ambition is to continue to largely prevent, recycle or at least professionally dispose of all production waste generated, dependent on the size of the organisation, in order to minimise negative environmental impacts. Additionally, efforts will continue to be made to reduce the amount of paper waste, for example, generated in the administrative buildings by raising employee awareness. Another initiative involves the use of shuttle containers, which are reusable containers used for shipping parts that help to cut down the amount of packaging materials used.

Viscom systems can have a useful life of up to 25 years. After this period, all customers have the option of having an installed system disposed of by Viscom AG. Doing this, Viscom AG meets the requirements of the German Electrical Devices Act (ElektroG) and ensures that the systems and their components are broken down in line with the relevant provisions and professionally disposed of by a certified waste disposal company. The majority of the components, such as sheet metal and the body of the systems, can be recycled, allowing the materials to be returned to the resource cycle for other uses.

Results

Because the concept is still being developed and there are no targets that can quantitatively be measured, it is not yet possible to present any results for resource conservation and waste reduction.

Labour and social aspects and diversity concept

EMPLOYEES AS AN ESSENTIAL PART OF BUSINESS SUCCESS

Motivated and healthy employees with outstanding personal and professional qualities are essential to Viscom's long-term success. The prevailing labour shortage makes it even more important to retain good employees as well as encourage prospective new employees to join Viscom.

Concept

The sub-concept, containing the targets and ambitions partly supported by KPIs, as well as the initial package of measures for implementation, is outlined below. The Company is currently working on fleshing out the targets and measures.

One important factor for employees is safety/security. There are two aspects to this: protecting health and safety in the workplace and also ensuring job security itself; in other words, confidence in the Company's long-term positive development.

Viscom aims to prevent workplace accidents and health risks in the workplace and to further reduce the average amount of sick days taken. The obligations under the German statutory accident insurance scheme are met through measures such as offering occupational health care to employees and appointing a safety officer, who carries out annual occupational safety training sessions. Viscom also has an occupational health management system and offers its employees exercise classes, fitness cards, health days, and weekly fruit and vegetable boxes to help them look after their health.

The training and development of employees is becoming even more important in light of the growing labour shortage. Accordingly, Viscom intends to step up its activities in the area of training in future and offer employees a wide range of opportunities for developing their existing skills or learning new things. Needs-based training is provided to equip employees with the necessary skills to cope with changed requirements or work processes and new technologies, thereby investing in their continued employability over the long term. To this end, Viscom has introduced the learning management system (LMS) in the form of the Viscom Academy. Employees and customers have been able to use the Viscom Academy since August 2023. Participants receive an invitation to take part in training via the WEB application. The first e-learning modules have been created, and these are replacing in-person training sessions for these topics. Going forward, a blended learning concept offering a mix of live online training, e-learning and in-person training sessions will reduce the number of in-person-only events. Viscom is also continuously investing in the skills and internal and external training of its employees.

As well as benefiting its own employees, Viscom wishes to take early steps to recruit prospective future workers and retain them for the Company. The successful transfer of scientific findings into practical applications has been an important building block of Viscom's research and development work for several years now. Together with the University of Hanover, Viscom is promoting such a transfer process within the scope of research and development projects, in which scientific knowledge is applied in developing solutions to specific issues relevant to the market. By offering a number of internships and bachelor's and master's theses, the Company gives students an insight into the practical world of work and an opportunity to discover more about Viscom.

Job security is ensured through a corporate policy that takes a long-term view where possible. Flexible working-time models, remote work and a company child care centre help employees to achieve a healthy work-life balance.

Viscom has been running its own child care centre, Vikis, since 2009. The aim is to help Viscom employees to return to work quickly following their parental leave and hence improve their work-life balance. The centre is located very close to Viscom AG's headquarters and provides care for as many as 15 children up to three years of age. The team consists of four dedicated child care practitioners. A favourable staff-to-child ratio enables the team to address the needs of each child and encourage their development in a targeted way.

Results

The health management offerings and general employee satisfaction, along with other factors, have a positive effect on the average sick days (paid days of absence due to illness / target working days) taken per year, producing a figure of 3.9 % in 2023 (previous year: 3.6 %). This was well below the comparable figure of 7.2 % (previous year: 7.0 %) for the German mechanical engineering industry.

The average length of service for Viscom employees of 11 years reflects the effectiveness of the measures taken to help employees achieve a healthy work-life balance and shows that Viscom attaches considerable importance to secure employment. Employee turnover (leavers / average headcount) in 2023 is still rather low at 4.0 %, but has gone up compared with the previous year's figure of 2.0 %.

The Company invested a total of EUR 232 thousand in employee training in the past year (previous year: EUR 168 thousand). The investment is higher than the year before, even in relation to the increased number of employees. In addition to training its existing employees, in 2023 the Company continued to intensify its investment in prospective future employees in cooperation with universities by offering a number of internships and bachelor's and master's theses. The Company offered five internships, some of which were in connection with bachelor's and master's theses, carried out other internships for school children and employed three working students.

Key performance indicators for employees as an essential part of business success (Viscom AG)		2023	2022
Average absence rate p.a.	in %	3.9	3.6
Average length of service	in years	11.2	11.2
Employee turnover	in %	4.0	2.0
Expenditure on training	in K€	232	168

DIVERSITY CONCEPT

Concept

The following section will outline the diversity concept and the targets derived from it. The continued refinement of the overall concept for labour and social aspects and diversity may mean that additional targets and measures will be added in future.

With the expert guidance of the Chairwoman of the Supervisory Board, Prof. Morner, an overarching concept was established to further promote employees' management skills and opportunities for advancement. This concept is subject to ongoing development. It includes a diversity concept that is intended to strengthen the principle of equal opportunity. All employees should have equal opportunities for advancement at Viscom AG and within the Group as a whole. This is encouraged by set quotas, for example.

Viscom aspires to become even more attractive to female employees. As a first step towards achieving this, the Executive Board of Viscom AG passed a resolution on 30 June 2020 setting targets for the share of women in the two management levels below the Executive Board. The Executive Board set a target of a share of women of 25 % in both the top national management level and the management level below that. These targets are to be achieved by 30 June 2025.

In accordance with section 111(5) AktG, Viscom AG's Supervisory Board is required to set targets for the share of women on the Executive Board. Following extensive discussion, the Supervisory Board of Viscom AG resolved on 5 May 2023 to set a target for the share of women on the Executive Board of one woman, equivalent to around 33 % on a three-person Executive Board. This target must be achieved by 4 May 2028.

Results

At the end of the 2023 financial year, the Viscom Group had a total of 600 employees, 98 of whom were women (previous year: 89). This represents a ratio of around 16 % (previous year: 16 %). The Viscom Group currently has 25 apprentice positions in various commercial and technical professions (previous year: 20). Viscom AG, as the largest company of the Viscom Group, had 406 employees at the end of the 2023 financial year (previous year: 388), thereby accounting for 68 % of the Group's total workforce (previous year: 68 %).

In the interests of equal opportunity and the role model function this entails, the Executive Board and Supervisory Board welcome the fact that, in Prof. Dr. Michèle Morner, 33 % of the positions on the Supervisory Board are now held by women and the set target has been achieved. Efforts are being stepped up to meet the ratio of a 25 % share of women in the two management levels below the Executive Board by 30 June 2025.

Key performance indicators for diversity concept	2023	2022
Total employees, Viscom Group	600	571
Of which women	98	89
Trainees	25	20
Total employees, Viscom AG	406	388

SOCIAL ENGAGEMENT

As an internationally active company, Viscom takes its responsibility to society extremely seriously and believes that its commitment in this area represents an important factor in its long-term business success.

Concept

In cooperation with its shareholder, the Viscom Foundation established by the Company founders, Mr. Volker Pape and Dr. Martin Heuser, Viscom AG pursues scientific, cultural and regional non-profit aims. It seeks to promote scientific activities in industrial image processing and artificial intelligence. It also supports technical training initiatives, for example by awarding scholarships. Another material purpose of the foundation is to support social welfare institutions and associations in Lower Saxony and the state capital Hanover. Musical training, performances and concerts are also promoted. The foundation generates its income from dividends paid by Viscom AG, which are used to finance the purposes of the foundation.

Viscom is involved in a number of projects as a donor and sponsor. A strategic focal point is placed on initiatives relating to the Company's business activities and priority is given to projects and initiatives in the area of education and science.

Viscom offers apprenticeship opportunities to people in cooperation with SINA, Diakonisches Werk Hannover's programme for social integration. A church welfare institution for youth employment assistance, SINA provides unemployed young women who are making the transition from school to work, with individual support, social stabilisation and a wide range of qualification, employment and training opportunities in cooperation with companies.

Results

Viscom currently has one apprentice employed through the SINA programme.

Viscom AG is also a member of Wissensfabrik, which aims to better prepare Germany for the future and prepare the next generation for global competition by pooling the resources of over 130 companies and foundations set up by companies. Wissensfabrik is involved in educational projects around Germany and supports business start-ups and young entrepreneurs. In Hanover, Viscom works with the Kind Wissen Zukunft association (KiWiZ e. V.) to deliver Wissensfabrik's educational projects. One key element of the initiative involves specially designed construction kits that allow children at primary schools and kindergartens to have fun developing and realising technical projects with the assistance of teaching staff. By providing practical, hands-on projects like these free of charge, Viscom helps children and young people to gain their first experience of technical applications through play, giving them access to science, technology, engineering and mathematics (STEM) and helping them to develop a love for these subjects.

Corruption and bribery and human rights

SUSTAINABILITY OF THE SUPPLY CHAIN

The majority of parts are procured from Germany and specifically from the local Hanover area, and Viscom considers this to be an important aspect of sustainability when it comes to environmental impact and supply chain resilience alike.

Concept

The concept, containing the targets and ambitions partly supported by KPIs, and the initial package of measures for implementation, is outlined below. The Company is currently working on fleshing out the targets and measures.

A regional procurement policy in Germany ensures high-quality parts, safeguards jobs and conserves resources by ensuring short transportation routes. However, Viscom is not able to apply this policy for all specialist parts and applications, meaning that it is also reliant on international supply chains.

With its purchasing terms, the Company strives to ensure that all Viscom suppliers, including those outside Germany, operate in a resource-efficient manner. In addition to important parameters, such as general contractual conditions, quality requirements and payment terms, Viscom's general purchasing terms require the Company's suppliers to operate in a resource-efficient manner, meaning that sustainability aspects should be taken into account in their business activities. Going forward, Viscom will also include within its general purchasing terms a requirement for its suppliers to exclude forced or child labour. Viscom considers its general purchasing terms to be a core component of its relationships with all suppliers.

The Corporate Compliance Policy stipulates how to deal with business partners and government institutions, how to maintain secrecy, independence and objectivity and how to act in cases of conflict of interest. These principles include the avoidance of corruption and cartel agreements.

A whistleblower system enables all stakeholders to report potential legal infringements to Viscom AG. This allows the Compliance Officer and the Executive Board to work towards investigating the allegations, containing the damage or preventing any further damage.

Results

The procurement volume from Germany was 80.5 % in 2023 (previous year: 80.6 %).

No tip-offs regarding potential legal infringements within the supply chain were reported to Viscom via the whistleblower system in 2023.

ACTING IN ACCORDANCE WITH POLICIES AND THE LAW

Viscom considers law-abiding conduct by all market participants to be an important aspect of sustainability. Viscom therefore aspires for all its employees and management bodies to think and act in accordance with the law at all times. Compliance with company-specific policies as well as statutory provisions forms an integral part of working life for all Viscom employees. Innovation, reliability and fairness should be the drivers of business success.

Concept

Corporate governance is a key cornerstone of the Viscom Group and is defined as the legal and de facto regulatory framework for managing and monitoring a company. The German Corporate Governance Code sets out principles, recommendations and suggestions for the Executive Board and the Supervisory Board that are intended to help ensure that the Company is managed in the Company's best interests. The Executive Board and Supervisory Board of Viscom AG are committed to the principles of good corporate governance and refer to the disclosures in the Corporate Governance Statement pursuant to sections 289f and 315d HGB. This statement can be found on the Company's website www.viscom.com/en under Company/Investor Relations/Corporate Governance.

Viscom is committed to acting in accordance with the law and the applicable regulations and takes the resulting obligations extremely seriously. The corresponding principles are set out in the Corporate Compliance Policy, which includes compliance with data security guidelines, equal opportunity, and adherence to product safety and occupational health regulations. More detailed disclosures on corporate compliance can be found on the Company's website www.viscom.com/en under Company/Profile/Corporate Compliance. All managers are required to organise their area of responsibility in such a way as to ensure compliance with the Corporate Compliance Policy, company-specific regulations and statutory provisions. The principles are available to Group employees on the intranet, where they can be accessed at all times in German and English. Viscom also provides its employees with guidance on identifying legal infringements and possible breaches of applicable regulations at an early stage and preventing them from occurring. If any instances of deviation are identified by parties internal or external, these can be reported to the Company's Compliance Officer, whose contact details can also be found on the aforementioned website under Corporate Governance. If a report is made, there is a set process in place to investigate the matter.

Results

Because the concept is still being developed, there are no targets as of yet.

One compliance case was reported via the whistleblower system in 2023. The Compliance Officer and management team carried out a detailed investigation, assessed the results and took action. In future, the Company wants to ensure that its employees are even more aware of compliance issues such as corruption and bribery, insider training and occupational health and safety and that they are informed about potential legal risks in order to avoid breaches of compliance. This is to be achieved throughout the Group primarily using the learning management system (LMS).

Other topics

VALUE CREATION

Sustainability – understood both as thinking financially in the long term as well as in its environmental aspect – is an integral part of the Viscom Group's business activities.

Concept

Viscom's long-term economic output is regarded as a core element of its sustainability efforts, and this has been confirmed by the materiality analysis. Neither Viscom nor its stakeholders believe that aligning the Company and corporate decisions to the topic of sustainability alone is constructive. Viscom wishes to consider both elements – sustainability and economic output – together to ensure that it is always in a position to secure jobs for the future, make investments in sustainability issues and contribute to the prosperity of society. Viscom has set itself the aim of operating profitably, measured by a positive EBIT result. The concept and measures are outlined in the Group Management Report section entitled "Business model of the Group" under "Management system".

Results

In the 2023 financial year, Viscom achieved positive EBIT of EUR 6,611 thousand and met the target it had set itself for economic output. Please refer to the description in the Group Management Report section entitled "Results of operations" for more information.

QUALITY

Since 2005, Viscom's in-house quality management system has been comprehensively certified in accordance with DIN EN ISO 9001. This covers all aspects of value creation, from the development, production and sale of assembly groups, micro and X-ray inspection systems through to general industrial image processing.

Concept

The management concept on quality is still being developed at the moment, and there is no defined target as of yet.

Viscom is committed to ensuring the consistently high quality of its products and solutions, as this represents an important purchase criterion for customers. High-quality products and solutions also fulfil an important sustainability criterion thanks to their durability. Because customers set out specific quality parameters in their purchasing terms, Viscom believes there is a link between satisfying high quality requirements and compliance/governance in terms of compliance with regulations.

Results

Because the concept is still being developed and there are no targets that can quantitatively be measured, it is not yet possible to present any results.

DATA SECURITY

The secure handling of all forms of data is playing an increasingly pivotal role for companies.

Concept

Compliance with data protection regulations and also the security of IT systems and systems that exchange data are not only an important factor in the digital age but are also part and parcel of good corporate governance. Viscom wishes to make continuous improvements on this front.

Results

Viscom has been TISAX certified since 2023. TISAX is a trusted assessment and exchange mechanism for information security in the automotive industry. It focuses specifically on data protection, data integrity and data availability in the manufacturing process and in the operation of vehicles. The TISAX certification gives automotive industry customers assurance that Viscom satisfies relevant requirements in the area of information security.

EU Taxonomy

EU TAXONOMY DISCLOSURES

In its 2023 sustainability report, Viscom will be making disclosures as laid down in Delegated Regulation 2020/852 (Taxonomy Regulation) for the first time.

Viscom is not affected by any economic activity related to energy generation from fossil gas or nuclear energy. For this reason, the Company is not compiling a report using templates 2 to 5 pursuant to this Regulation. Template 1 is disclosed in this section under Report template 1. Nuclear and fossil gas related activities.

As part of the "Sustainable Finance" action plan, a central aim of EU Taxonomy is to channel financial flows into environmentally sustainable activities. In order to achieve this aim, EU Taxonomy intends to create a system for classifying and thereby forming a common understanding of environmentally sustainable activities, hereinafter referred to as economic activities or activities. When developing the Regulation, the European Commission focused on economic sectors and industries that are expected to have the greatest possible impact on meeting the six central environmental objectives. The identified economic activities were set alongside six central environmental objectives:

1) Climate change mitigation (CCM)
2) Climate change adaptation (CCA)
3) Water (WTR)
4) Pollution (PPC)
5) Circular economy (CE)
6) Biodiversity (BIO)

The European Commission's Delegated Act is providing more detail on which economic activities should potentially qualify as capable of being made environmentally sustainable (Taxonomy-eligible) and which should actually qualify as being conducted in an environmentally sustainable manner (Taxonomy-aligned). Economic activities that are not currently covered by EU Taxonomy cannot qualify as Taxonomy-eligible or Taxonomy-aligned.

Viscom has carried out an assessment on the relevant economic activities of the Group as defined by the Delegated Act and has assigned these either to the economic activities outlined in the regulations or to a NACE code. To avoid double counting, during the analysis of Viscom's economic activities every relevant financial transaction was assigned to a single economic activity. CapEx and OpEx are linked with activities that could (potentially) make a substantial contribution to climate change mitigation. For this purpose, the description of each activity was aligned with Viscom's economic activity. The amounts that were used to calculate Taxonomy-eligible and Taxonomy-aligned revenue, capital expenditure (CapEx) and operating expenditure (OpEx) are based on the figures from the consolidated financial statements.

The following section will provide information on Group-wide Taxonomy-eligible and Taxonomy-aligned revenue, CapEx and OpEx as defined by EU Taxonomy for the 2023 financial year.

REVENUE RATIO AS DEFINED IN EU TAXONOMY

This is the ratio of net revenue from Taxonomy-eligible or Taxonomy-aligned economic activities in a reporting year to total net revenue for this reporting year. The denominator of the revenue ratio is the total net revenue stated in the consolidated statement of comprehensive income for the 2023 financial year. The Company's economic activity – Viscom develops, manufactures and sells high-quality inspection systems for use in industrial production – is not described in the Delegated Regulations and, for this reason, the revenue of EUR 118,780 thousand is to be classified in full as Taxonomy non-eligible. This is why the revenue cannot qualify as Taxonomy-aligned either.

CapEx ratio as defined in EU Taxonomy

This is the ratio of additions to assets from Taxonomy-eligible and Taxonomy-aligned economic activities in a reporting year to total capital expenditure for this reporting year. The denominator of the CapEx ratio is the total capital expenditure for the 2023 reporting year stated in the schedule of assets in the "Disclosures on assets" (A6–A8) section of the notes to the consolidated financial statements.

The capital expenditure analysis identified the following economic activities, which contribute to one or more environmental objectives:

4.1. Electricity generation using solar photovoltaic technology: CCM, CCA
6.5. Transport by motorbikes, passenger cars and light commercial vehicles: CCM, CCA
7.7. Acquisition and ownership of buildings: CCM, CCA

The capital expenditure of EUR 10 thousand on a photovoltaic system that is currently under construction is assigned to the activity 4.1. Electricity generation using solar photovoltaic technology. The activity 4.1. can be attributed to the environmental objective CCM because the technical screening criteria for CCA are not met. The capitalised right-of-use assets in vehicles in accordance with IFRS 16 amounting to EUR 1,610 thousand are assigned to the activity 6.5. Transport by motorbikes, passenger cars and light commercial vehicles. A contribution is made to the environmental objective CCM as the technical screening criteria for CCA are not met. Activity 7.7. Acquisition and ownership of buildings includes capitalised right-of-use assets for property and buildings in accordance with IFRS 16. This activity does not comply with the technical screening criteria for CCA, which is why it is fully attributed to the environmental objective CCM.

EU Taxonomy divides CapEx and OpEx KPIs into three categories (a–c). Category a) covers capital expenditure and operating expenditure that is related to assets or processes associated with Taxonomy-aligned economic activities. Category b) covers capital expenditure and operating expenditure that is part of a CapEx plan to expand Taxonomy-aligned economic activities or enable economic activities to become Taxonomy-aligned. Category c) covers the non-revenue-related purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities to lead to greenhouse gas reductions or become low carbon. Viscom does not undertake any revenue-generating activities that correspond to one of the descriptions of the Taxonomy-eligible economic activities mentioned in the Climate Delegated Act. Additionally, capital expenditure and operating expenditure were both assessed to determine whether they could be assigned to one of the activities, a purchased product or an individual measure. For this reason, the CapEx KPIs relate to individual measures in category c).

Capital expenditure on assets (specifically development costs, vehicles, operating and office equipment, property and buildings, right-of-use assets in accordance with IFRS 16, leasehold improvements, advance payments and construction in progress, software, advance payments for intangible assets, and technical equipment and machinery) for the past financial year was assessed for Taxonomy eligibility and Taxonomy alignment.

Where capital expenditure qualified as Taxonomy-eligible, the second step entailed assessing its Taxonomy alignment. The outcome was that a total of EUR 6,924 thousand or 26 % of Viscom's CapEx is Taxonomy-eligible. Upon further assessment, none of the expenditure was found to be Taxonomy-aligned because the technical screening criteria were not met.

OPEX RATIO AS DEFINED IN EU TAXONOMY

Operating expenditure as defined in EU Taxonomy covers any direct expenditures that are necessary to ensure the continued and effective use of assets (e.g. research and development, servicing, building renovation measures, short-term lease, maintenance and repair).

The operating expenditure analysis identified the following economic activities, which contribute to one or more environmental objectives:

6.5. Transport by motorbikes, passenger cars and light commercial vehicles: CCM, CCA
7.2. Renovation of existing buildings: CCM, CCA / 3.2 Renovation of existing buildings: CE
7.7. Acquisition and ownership of buildings: CCM, CCA

Operating expenditure of EUR 144 thousand for vehicle repairs is assigned to the activity 6.5. Transport by motorbikes, passenger cars and light commercial vehicles. As is the case for capital expenditure, this activity does not comply with the technical screening criteria for CCA and so it is attributed to CCM only. Activity 7.2. Renovation of existing buildings / 3.2 Renovation of existing buildings includes operating expenditure of EUR 64 thousand for building maintenance and servicing. The activity is fully attributed to the environmental objective CCM as the technical screening criteria for CCA and CE are not met. Operating expenditure of EUR 4 thousand for an apartment lease is assigned to 7.7. Acquisition and ownership of buildings and fully attributed to CCM. The technical screening criteria for CCA are not met.

The OpEx KPIs in category a, b, c were classified and assigned in exactly the same way as the CapEx KPIs. The OpEx KPIs relate to individual measures in category c.

The first step also entailed assessing the total operating expenditure of EUR 2,472 thousand for Taxonomy eligibility. The outcome was that EUR 211 thousand or 9 % of Viscom's operating expenditure is Taxonomy-eligible. A further assessment of the Taxonomy-eligible proportion of OpEx to determine compliance with the technical screening criteria revealed that 0 % of the OpEx is Taxonomy-aligned.

Templates in accordance with the EU Taxonomy Regulation

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Economic Activities	Code	Turnover	Proportion of Turnover, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2022	Category enabling activity	Category transitional activity
		Currency	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which enabling		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which transitional		0	0 %	0 %													0 %		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		118.780	100 %																
Total (A + B)		118.780	100 %																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL – Taxonomy-eligible activity for the relevant objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Economic Activities	Code	CapEx	Proportion of CapEx, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2022	Category enabling activity	Category transitional activity
		Currency	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which enabling		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which transitional		0	0 %	0 %													0 %		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using solar photovoltaic technology	CCM 4.1 CCA 4.1	10	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0 %		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 CCA 6.5	1.610	23 %	EL	EL	N/EL	N/EL	N/EL	N/EL								21 %		
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	214	3 %	EL	EL	N/EL	N/EL	N/EL	N/EL								8 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.834	26 %	26 %	0 %	0 %	0 %	0 %	0 %								29 %		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		1.834	26 %	26 %	0 %	0 %	0 %	0 %	0 %								29 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		5.092	74 %																
Total (A + B)		6.926	100 %																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL – Taxonomy-eligible activity for the relevant objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Economic Activities	Code	OpEx	Proportion of OpEx, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2022	Category enabling activity	Category transitional activity
		Currency	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which enabling		0	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %		
Of which transitional		0	0 %	0 %													0 %		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** CCA 6.5	144	6 %	EL	EL	N/EL	N/EL	N/EL	N/EL								4 %		
Renovation of existing buildings	**CCM 7.2** CCA 7.2 CE 3.2	64	3 %	EL	EL	N/EL	EL	N/EL	N/EL								3 %		
Acquisition and ownership of buildings	**CCM 7.7** CCA 7.7	4	0 %	EL	EL	N/EL	N/EL	N/EL	N/EL								0 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		211	9 %	9 %	0 %	0 %	0 %	0 %	0 %								7 %		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		211	9 %	9 %	0 %	0 %	0 %	0 %	0 %								7 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		2.262	91 %																
Total (A + B)		2.473	100 %																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL – Taxonomy-eligible activity for the relevant objective

N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Report template 1. Nuclear and fossil gas-related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Corporate Governance Statement

Corporate governance statement in accordance with sections 289f, 315d HGB

The Executive Board and Supervisory Board of Viscom AG are committed to the principles of sound corporate governance. These principles are a crucial element of the modern capital market and are intended to strengthen the trust of investors and the public in the management and oversight of listed German companies. The principles of good corporate governance and control, i. e. aimed not solely at value added but also at responsibility and transparency, determine the actions of Viscom AG's management and supervisory bodies.

In accordance with section 289f HGB, Viscom AG's Executive Board, also on behalf of the Supervisory Board, reports on the company's corporate governance in this section.

Declaration in accordance with section 161 of the German Stock Corporation Act

The Executive Board and Supervisory Board of Viscom AG submitted the annual compliance statement in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on 23 February 2024. It has been published and is permanently accessible in the "Company/Investor Relations/Corporate Governance" section of Viscom AG's website at www.viscom.com.

Wording of the 2024 compliance statement

Corporate governance is defined as the legal and de facto regulatory framework for managing and monitoring a company. The purpose of the German Corporate Governance Code (the Code) is to make the German corporate governance system clear and transparent. The Code sets out principles, recommendations and suggestions regarding the management and supervision of listed German companies that are recognised internationally and nationally as standards for sound and responsible company management. It promotes the trust of investors, customers, staff and the public in the management and oversight of listed German companies. Section 161 AktG requires listed companies to declare once a year whether the recommendations of the Government Commission on the German Corporate Governance Code as published by the Federal Ministry of Justice have been complied with or which recommendations have not been or will not be followed ("comply or explain").

The following compliance statement for the past reporting period and the future refers to the recommendations by the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022 as published by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) on 27 June 2022.

In accordance with section 161 AktG, the Executive Board and Supervisory Board of Viscom AG declare that the recommendations of the Government Commission on the German Corporate Governance Code (version dated 28 April 2022) have been and are complied with. The following recommendations have not been and will not be applied:

1. The risks and opportunities associated with social and environmental factors have not yet been systematically identified and assessed. Also, appropriate consideration had not yet been given to ecological and social objectives in corporate strategy and planning or in the control and risk management system (past deviation from A.1, A.3 of the Code).
The Executive Board and the Supervisory Board welcome the growing regulatory significance of sustainability criteria and already take individual ESG factors into account in the management of the company. ESG factors are also taken into account in the current remuneration system for Executive Board members. However, there is still no comprehensive and systematic integration of social and environmental factors into corporate management, meaning that recommendations A.1 and A.3 of the Code have not yet been followed. The Executive Board and Supervisory Board comply with the statutory

requirements for sustainability reporting and, in this context, are currently developing a coherent concept for the systematic integration of ESG factors, including their opportunities and risks as well as environmental and social impacts, into corporate management, i. e. corporate strategy, corporate planning and the control and risk management system. Compliance with the recommendations of the Code is intended in the medium term.

2. There is no age limit for members of the Executive Board. Accordingly, no age limit has been defined in the corporate governance statement (deviation from B.5 of the Code).

Any exclusion based solely on age does not appear expedient to the Executive Board and Supervisory Board, since the optimum composition of the Executive Board could thereby be prevented for merely formal reasons. The company is also committed to ensuring access to the expertise of experienced members of the Executive Board. An age limit in the Articles of Association or the Rules of Procedure therefore has been and is deemed unnecessary. Accordingly, an age limit has not been defined in the corporate governance statement.

3. The Supervisory Board has not formed any committees, and in particular has not formed a nominations committee (deviation from D.3 sentence 5, D.4 of the Code); the Supervisory Board as a whole serves as the Audit Committee.

Given the circumstances specific to the company and the low number of its members, the Supervisory Board does not form any committees, in particular it does not form a nominations committee (deviation from D.4 of the Code).

The Supervisory Board consists of just three members. In the opinion of the Supervisory Board, the formation of committees is not expedient under the circumstances specific to the company and – unlike in larger governing bodies – does not increase efficiency. All matters are addressed by all members of the Supervisory Board, meaning that the formation of additional committees is not considered necessary. Given that the Supervisory Board of Viscom AG is not subject to co-determination, a nominating committee comprising exclusively shareholder representatives would be obsolete.

In accordance with the statutory regulation in section 107(4) sentence 2 AktG, the Supervisory Board as a whole, which consists of just three members, is also the Audit Committee, without the necessity of such a committee being established separately. The following recommendations, when having reference to committees, the audit committee or their members, therefore relate to the Supervisory Board as a whole and its members: C.10 of the Code (independence of the Chair of the audit committee), D.2 sentence 2 of the Code (list of committee members in the corporate governance statement), D.3 of the Code (requirements for the members of the audit committee and related disclosures in the corporate governance statement), D.7 of the Code (participation in committee meetings), D.10 (coordination between the audit committee and the auditor), D.12 of the Code (review of committees' effectiveness), G.17 of the Code (taking committee chairs and members into account regarding remuneration).

As the Supervisory Board as a whole is also the Audit Committee (section 107(4) sentence 2 AktG), Prof. Dr. Michèle Morner is the Chairwoman of this Audit Committee as well (deviation from D.3 S. 5 of the Code).

The Supervisory Board believes that it can effectively perform the duties of the Audit Committee thanks to its size, as it comprises three members chaired by the independent member Prof. Dr. Michèle Morner who has specialised knowledge and experience in applying accounting policies and internal control processes.

4. The Executive Board does not have a chairperson or spokesperson.

The Executive Board of Viscom AG does not have a chairperson or spokesperson. Where recommendations are addressed to the chairperson or spokesperson (D.5, E.2 of the Code), these are understood to refer to the Executive Board as a whole.

Given the size of the Executive Board, the Executive Board and the Supervisory Board believe that a chairperson is not required on a board with three members. In addition, stock corporation law is based on a principle of consensus, i.e. on a collegial rather than a hierarchical Executive Board. Irrespective of the formal majority requirements, a principle of practical consensus has prevailed within the Executive Board (and previously within management) since the company was founded. All significant decisions are made together by the full Executive Board at all times.

5. Deviation from the concept of target total remuneration that is different from the maximum remuneration with the definition of annual targets and share-based remuneration (deviation from G.1 bullet points 1 & 3, G.2, G.7, G.10 of the Code).

The members of the Executive Board are remunerated according to a clear, transparent and appropriate remuneration system, whereby the annual total remuneration including additional benefits for each member of the Executive Board has been limited (maximum remuneration) to € 650,000 since 1 June 2023 (previously: € 450,000). The total variable remuneration components (Bonus I and Bonus II) have also been capped at 100 % of fixed annual gross remuneration of currently € 260,000 (previously: € 208,000) since 1 June 2023 (relative cap). The performance criteria for the determination of variable remuneration (consolidated EBIT; long-term consolidated EBIT; employee turnover; energy consumption) are specifically defined in figures for the entire duration of employment in the remuneration system and the Executive Board contracts to be concluded on this basis.

In this context, the Supervisory Board does not define any separate “target total remuneration” that depends on the achievement of annually defined performance criteria (deviation from G.1 bullet point 1, G.7 of the Code). Accordingly, the relative shares of the remuneration components in the remuneration system are also defined in relation to each other or to the total remuneration on achievement of the relative cap and not in relation to target total remuneration (cf. G.1 bullet point 3 of the Code). Likewise, the Supervisory Board does not define “target total remuneration” on the basis of the remuneration system, but rather the fixed remuneration and the resulting cap in total remuneration due to the relative cap on variable remuneration. This is appropriate to the member of the Executive Board’s own tasks and performance as well as to the enterprise’s overall situation and performance and does not exceed the usual level of remuneration without specific reasons (cf. G.2 of the Code).

Remuneration is also not granted in shares or in share-based form only accessible to the member of the Executive Board after a period of four years (deviation from G.10 of the Code). The remuneration system of the Executive Board creates the right incentives to promote corporate strategy and to sustainably boost Viscom AG’s medium and long-term financial success, in particular by taking internal performance indicators into account. Thanks to its majority shareholder, Viscom AG also has relatively few shares in free float. Based on these general conditions, the Supervisory Board does not consider an overwhelming focus on share price performance a suitable incentive mechanism for the Executive Board.

In the opinion of the Supervisory Board, the remuneration system has the advantages of clarity, simplicity and continuity over the model proposed by the Code. The remuneration model systematically precludes short-term disincentives and conflicts of interest due to the restrictive maximum remuneration, the relative cap and pre-defined numerical performance criteria that are specifically determined in the remuneration system, i. e. presented to the Annual General Meeting. At the same time, the simple design of the remuneration system avoids a hidden upward spiral.

6. Long-term targets do not exceed short-term targets (deviation from G.6 of the Code). Overall, the Supervisory Board is of the opinion that the variable remuneration components provide both a long-term and positive forward-looking incentive effect.

The variable remuneration comprises firstly a remuneration component calculated according to the year’s consolidated EBIT (Bonus I) and secondly long-term variable remuneration based on a three-year period (Bonus II), which individually and together are limited to the amount of the fixed remuneration. 60 % of Bonus II is calculated on the basis of average consolidated EBIT for the last three years in conjunction with the achievement of a defined minimum average EBIT over the assessment period and positive EBIT in the past financial year. The (lowest possible) employee turnover in the three-year assessment period and the (lowest possible) energy consumption of Viscom AG each contribute 20 % of Bonus II. In abstract terms, Bonus I and Bonus II are limited to the same amount, so neither can exceed the other (deviation from G.6 of the Code).

The Executive Board and the Supervisory Board are nevertheless of the opinion that, even with this variable remuneration structure, the Executive Board must always keep the long-term success of its activities in mind. Initially, the restrictive limit of the amount of variable remuneration prevents short-term disincentives and in particular precludes disproportionate remuneration for extraordinary (non-recurring) events. Even in the event of good business performance, the Executive Board is generally reliant on the long-term remuneration component in order to consistently achieve the total possible variable remuneration. The Executive Board can only expect to receive Bonus II as at the end of the respective three-year period if average EBIT develops positively during this period. The aim of sustainable long-term EBIT at the same time as low employee turnover and low energy consumption rewards strategic targets with a long-term and forward-looking positive effect on the development of the company.

Overall, therefore, the remuneration structure has a positive forward-looking incentive effect that is oriented towards the company's sustainable and long-term development.

7. The contracts with the members of the Executive Board of Viscom AG do not provide for payment caps on severance compensation in the event of early termination of the Executive Board mandate (cf. G.13 sentence 1 of the Code).
The Executive Board contracts do not contain any provisions for a severance cap in the event of early termination of the Executive Board mandate of a maximum of two years' remuneration. Legal enforcement of a cap on severance pay for the member of the Executive Board would often not be possible in the relevant cases. If there is neither cause for dismissal in accordance with section 84(3) sentence 1 AktG nor cause for extraordinary termination of the employment contract in accordance with section 626 of the Bürgerliches Gesetzbuch (BGB – German Civil Code), the contract with the Executive Board member concerned can only be terminated subject to mutual agreement. In such cases, Executive Board members have no obligation to agree to caps on severance pay within the meaning of the recommendations of the Code. In the event of early termination of a member of the Executive Board for cause for which the Executive Board member is responsible, severance payments must not be made anyway. Despite this, the Supervisory Board will support a cap on any severance payment owed as referred to by the Code in the event of any members of the Executive Board resigning prematurely.

Working methods of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board of Viscom AG work together consistently and with confidence, in keeping with sound and responsible corporate governance. They coordinate regularly and promptly in the areas recommended by the Corporate Governance Code, but also on issues beyond these areas.

Executive Board

Viscom AG is a company incorporated under German law, which is also the basis of the German Corporate Governance Code. The two-tier system of management comprising the Executive Board and the Supervisory Board as corporate bodies which hold separate powers is a basic tenet of German stock corporation law.

The Executive Board of Viscom AG currently comprises three members: Carsten Salewski (Sales / Operations), Dr. Martin Heuser (Development / Production) and Dirk Schwingel (Finance). Mr. Peter Krippner was also a member of the Executive Board until 31 May 2023, when his contract ended as planned and, at his request, was not renewed. The Executive Board is solely responsible for managing the company in compliance with the law, Articles of Association, Rules of Procedure, resolutions of the Supervisory Board and employment contracts. The primary tasks of the Executive Board are determining the strategic alignment, managing the company and the Group, and planning, establishing and monitoring a risk management system and a compliance system. Furthermore, the Executive Board should consider diversity in the process of filling management positions in the company. By way of resolution dated 30 June 2020, the Executive Board of Viscom AG has set targets for the share of women in the two management levels below the Executive Board in accordance with section 76(4) AktG. The Executive Board set a target of a share of women of 25 % in both the top national management level and the management level below that. The targets are to be achieved by 30 June 2025.

All members of the Executive Board are involved in the day-to-day management of the company and bear responsibility for operations. The Supervisory Board has resolved Rules of Procedure for the Executive Board regulating its responsibilities, work and its mode of cooperation with the Supervisory Board. According to these, members of the Executive Board wield executive powers in the areas of responsibility assigned to them in the allocation of duties. Insofar as measures or transactions of one area of responsibility overlap with those of one or more other areas, all involved members of the Executive Board must coordinate their actions. If there are any continuing differences of opinion, the Executive Board as a whole must reach a joint decision. These assignments notwithstanding, each member of the Executive Board remains responsible for all management issues (principle of overall responsibility). The entire Executive Board exclusively decides on any matters or transactions which are of extraordinary importance or carry an extraordinary economic risk.

The Executive Board passes its resolutions either at meetings or, in the absence of objections from Executive Board members, outside of meetings using modern means of communication. Two members of the Executive Board constitute a quorum. All resolutions of the Executive Board require a simple majority of the votes cast. Meetings of the Executive Board should take place at regular intervals, weekly if possible. They must take place when required to ensure the well-being of the company. The Executive Board member designated accordingly by the Supervisory Board (Mr. Dirk Schwingel) is responsible for determining meeting dates, convening meetings, setting the agenda, chairing the meetings and ensuring the minutes are taken.

The Executive Board is also required to regularly inform the Supervisory Board of the company of all matters concerning the company and companies affiliated with the company, that are reasonably of interest to the Supervisory Board, especially of all matters covered by section 90 AktG. These reporting duties apply to the full Executive Board. As a rule, Executive Board reports must be presented in written form except when urgency allows or necessitates a verbal report. Furthermore, the Executive Board members must regularly report jointly to the Chairwoman of the Supervisory Board on strategy, business planning and progress, the situation of the company, including its affiliated companies, the risk situation and risk management and compliance, in written or verbal form. The management of the Group is based on a reporting system that takes the form of monthly reports submitted to the members of the Supervisory Board. These monthly reports include the consolidated income statement and individual breakdowns for the various Group companies. The reports also include a detailed presentation of the cost structure at Viscom AG and its Group companies, revenue in its system installation regions, incoming orders, order backlog, the number of employees, cash and cash equivalents, the use of overdraft facilities, total receivables and receivables from subsidiaries, orders placed for the purchase of goods and the inventories of goods as well as partially completed and completed systems.

The Executive Board also gives occasion-related reports on significant issues pertaining to the current situation of the company and directly and indirectly associated companies and events that go beyond normal business operations of the company and affiliated companies and are of special importance for the company. Any information relevant to decision making will be made available to the members of the Supervisory Board in a timely manner prior to the meeting.

Members of the Executive Board are subject to comprehensive restraint on competition during their Board membership. They are bound by the interests of the company. Consequently, no member of the Executive Board may allow personal interests to affect his decisions or take advantage for his own benefit of business opportunities to which the company is entitled. Any possible conflicts of interest must be disclosed promptly to the Supervisory Board, and the other members of the Executive Board must be informed. All transactions between the company and the Executive Board members or closely related persons or companies must comply with industry standards. Significant transactions with a member of the Executive Board or related parties require the consent of the Supervisory Board.

In addition, members of the Executive Board require the consent of the Supervisory Board to assume other professional roles, particularly the assumption of mandates in other external companies.

Both the Executive Board and the Supervisory Board are bound by the interests of Viscom AG. There were no conflicts of interest to be reported to the Supervisory Board in the past financial year. No Executive Board member is a member of any Supervisory Boards at listed stock corporations outside the Group.

Viscom AG has obtained liability insurance (D&O insurance) with a commensurate deductible for all members of the Executive Board.

Mandates of the Executive Board

The members of the Executive Board do not hold any other seats in other supervisory boards required by law or comparable domestic and foreign governing bodies of commercial enterprises.

Supervisory Board

The Supervisory Board of Viscom AG consists of three members who are elected at the Annual General Meeting, without it being bound by any proposals for suitable candidates and with identical terms of office, in compliance with Article 11(1) of the Articles of Association in conjunction with sections 95, 96(1) and 101(1) AktG. The company is not subject to co-determination.

The current members of the Viscom AG Supervisory Board are Prof. Dr. Michèle Morner (Chairwoman; first appointed: 30 May 2018), Volker Pape (Deputy Chairman; first appointed: 30 May 2018) and Prof. Dr. Ludger Overmeyer (first appointed: 27 May 2014).

They were individually elected at the Annual General Meeting on 28 May 2019 in accordance with the recommendations of the German Corporate Governance Code. None of the Supervisory Board members were over 70 years of age at the time of the election. The regular term of office for the Supervisory Board is five years. The current term ends with the regular Annual General Meeting that will approve the actions of the members of the Supervisory Board for the 2023 financial year of the company.

The proposals for suitable candidates consider the skills, expertise and experience necessary for the duties of the Supervisory Board. In addition to the company's specific situation, they consider its international activities, potential conflicts of interest, the number of independent Supervisory Board members considered adequate by the Supervisory Board, the age limits for Supervisory Board members, and diversity. Taking the above criteria into account, the Supervisory Board has determined specific objectives regarding its composition and has prepared a skills profile in accordance with recommendation C.1. of the Code, including a diversity concept, for the entire Supervisory Board. It will seek to ensure compliance with this profile for the entire Supervisory Board when making future proposals for the election of shareholder representatives to the Supervisory Board.

The company's international activities should be taken into account in this skills profile. Thus, the goal was set that at least one member of the Supervisory Board should have particular international experience, such as several years of professional experience in the management or executive bodies of other international companies. Furthermore, potential conflicts of interest should be avoided even in the nominations made by the Supervisory Board to the Annual General Meeting. To ensure a mixed age and personality structure, members of the Supervisory Board should not have reached the age of 80 at the time of their election (standard age limit). Regardless of the size of the Supervisory Board, no more than two members of the Supervisory Board should be former members of the Executive Board or representatives of the majority shareholder. More than half of the members of the Supervisory Board should be independent from the Executive Board and the company. As part of the skills profile, at least one member of the Supervisory Board should possess expertise in the field of financial reporting and at least one other member of the Supervisory Board should possess expertise in the field of auditing. Furthermore, in light of Viscom AG's high-tech orientation, the Supervisory Board should have at least one member who is a technical expert with knowledge and experience in the fields of electrical engineering or information technology in particular. Members of the Supervisory Board should not hold more than five Supervisory Board positions at external listed companies or similar functions. Chairing a Supervisory Board counts as two positions. If a member of the Supervisory Board sits on the Executive Board of a listed company, he/she may not hold more than two such positions and must not be the Chair of a Supervisory Board in an external listed company. As a whole, the supervisory body should cover as broad a range of experience and expertise relevant to the company as possible. Attention should be paid to diversity when filling vacancies that arise on the Supervisory Board. This is described in more detail in the diversity concept. In accordance with section 111(5) AktG, Viscom AG's Supervisory Board is also required to set targets for the share of women on the Supervisory Board. The Supervisory Board of Viscom AG currently complies in full with the above specific objectives regarding its composition and the defined profile of skills and expertise for the Supervisory Board as a whole, including the diversity concept. As an independent member of the Supervisory Board and on the basis of her education and previous professional activity, Prof. Dr. Michèle Morner has special expertise in the field of auditing and accounting as defined by section 100(5) AktG. As the founder and former managing director of Ynnor Systems GmbH and a former member of the Audit Committee of KUKA AG, she also has outstanding expertise on matters of corporate planning as well as internal control and risk management systems. Moreover, corporate governance and management concepts were her main area of research. Prof. Dr. Ludger Overmeyer is a proven expert in the fields of electrical engineering and information technology. He has years of industry experience in the field of systems technology for electronics manufacturing in leading positions. Prof. Dr. Ludger Overmeyer also has more than 20 years of experience in the management of a large number of national and international research projects in the fields of systems technology, electronics manufacturing and laser technology. In management and as a member of the executive board of major institutions as well as the member of the supervisory board of a listed engineering company, he possesses extensive experience in managing and running businesses. Mr. Volker Pape is likewise a proven expert in the fields of electrical engineering and information technology. He has years of industry experience in the field of industrial image processing in electronics manufacturing. As the founder and a former member of the Executive Board of Viscom AG, Mr. Volker Pape has both a technical background and experience of many years managing the company, and enhances the Supervisory Board's insight into its operational process. As a former member of the Executive Board of Viscom AG, Mr. Volker Pape is directly familiar with the Group's management of its various international branches and subsidiaries. Thanks to his years of work as a member of the executive board of a listed company and his many years as a member of the three-person Supervisory Board of Viscom AG, which also forms the Audit Committee entrusted with accounting and audit oversight, he has expertise in the field of auditing and accounting as well.

Qualification matrix of the Supervisory Board in accordance with C1 of the Code	Prof. Dr. Michèle Morner	Volker Pape	Prof. Dr. Ludger Overmeyer
First appointed	2018	2018	2014
Year of birth	1967	1955	1964
Particular international experience	✓	✓	✓
Expertise in the field of accounting, including control and risk management systems	✓	✓	
Expertise in the field of auditing	✓	✓	
Specialised knowledge and experience in the fields of electrical engineering and information technology		✓	✓
Expertise in the field of sustainability matters	✓		
Independence in the assessment of the Supervisory Board as referred to by the Code	✓		✓
Specialised knowledge of corporate governance and management concepts	✓		

All members of the Supervisory Board have particular international experience (for more information see disclosures in connection with the diversity concept).

The Supervisory Board resolved by circulation procedure dated 30 June 2020 to set a target of one third for the share of women on the Supervisory Board. The target – which has already been achieved following the appointment of Prof. Dr. Michèle Morner as Chairwoman – is to be maintained until 30 June 2024. Volker Pape is a former member of the Executive Board of Viscom AG and has been a member of the Supervisory Board since 28 May 2019. He was nominated in accordance with section 100(2) sentence 1 no. 4 AktG at the proposal of shareholder HPC Vermögensverwaltung GmbH, Hanover, which holds more than 25 % of the voting rights in the company. The Supervisory Board endorsed this nomination. As no other former members of the Executive Board sit on the Supervisory Board of Viscom AG, Mr. Volker Pape's election is consistent with Recommendation C.11 of the Code, which states that the Supervisory Board should not consist of more than two former members of the Executive Board.

By way of resolution dated 8 May 2013, the number of independent Supervisory Board members considered adequate by the Supervisory Board was defined in the Rules of Procedure of the Supervisory Board of Viscom AG as at least two, i. e. the majority of Supervisory Board members. In the opinion of the Supervisory Board, the current Supervisory Board members Prof. Dr. Michèle Morner and Prof. Dr. Ludger Overmeyer are both independent in accordance with the criteria set out in C.7 of the Code. Other than being members of the Supervisory Board, they have no business or personal relationship with the company, its Executive Board or the controlling shareholder that could substantiate a material or even temporary conflict of interest. None of the members of the Supervisory Board exercise board or advisory functions at any of the company's material competitors, nor do they have personal relationships with such companies.

The Supervisory Board monitors and advises the Executive Board on management of transactions. It is involved in strategy and planning, as well as all matters of business development, the risk situation, risk management, compliance and other issues of fundamental importance to the company. All members of the Supervisory Board and in particular the Chairwoman of the

Supervisory Board are also in contact with the Executive Board regarding these issues between meetings. The Supervisory Board has resolved Rules of Procedure for the Executive Board, in accordance with the company's Articles of Association. The standing rules include the provision that specifies the types of major transactions of the Executive Board that require the Supervisory Board's approval. The Supervisory Board's further responsibilities include appointing Executive Board members, determining the remuneration system for the Executive Board and its individual members, and examining the company's single-entity and consolidated financial statements.

New members appointed to the Executive Board are to be appointed for no more than three years. The Supervisory Board also considers diversity in the composition of the Executive Board. In accordance with section 111(5) AktG, Viscom AG's Supervisory Board is required to set targets for the share of women on the Executive Board. Following extensive discussion, the Supervisory Board of Viscom AG resolved on 5 May 2023 to set a target for the share of women in the Executive Board of one woman, equivalent to around 33 % on a three-person Executive Board. This target must be achieved by 4 May 2028.

The Executive Board and the Supervisory Board work in close collaboration to identify top executives and thus ensure long-term succession planning. Headed by the Chairwoman of the Supervisory Board, Prof. Dr. Michèle Morner and her significant expertise in HR development and management, a programme was launched in coordination with the Executive Board as a whole to improve professionalism regarding the development and succession of managers in the overall company. Management principles and skills were defined and, on the basis of a potential analysis, a customised, systematic management development programme was established. All members of the Executive Board play a key role in identifying and promoting personnel with leadership potential in their business area.

Work within the Supervisory Board is coordinated by the Chairwoman of the Supervisory Board or, in her absence, by the Deputy Chairman. The Chairwoman of the Supervisory Board also chairs the Supervisory Board meetings and upholds the Board's interests when representing it. Furthermore, she is authorised to issue the declarations of intent on behalf of the Supervisory Board that are necessary to implement Supervisory Board resolutions. In urgent cases, this also includes the provisional approval of company transactions that, in accordance with the Rules of Procedure for the Executive Board, require the Supervisory Board's approval. Individual tasks and rules of procedure are stipulated in the Rules of Procedure of the Supervisory Board which have been resolved by the Supervisory Board in accordance with the Articles of Association. This includes rules regarding the authority of the Chairwoman of the Supervisory Board and her deputy, in addition to rules pertaining to conflicts of interest and efficiency reviews. According to these, the Chairwoman of the Supervisory Board is required to maintain regular contact with the Executive Board and to discuss strategy, business development and the company's risk management with it. If she becomes aware of significant events of material importance for the assessment of the company's situation and development or for its management, she is required to inform the Supervisory Board and to convene an extraordinary Supervisory Board meeting if necessary.

In the 2023 financial year, the Supervisory Board held six regular meetings, two extraordinary meetings, and one meeting for an efficiency review without the Executive Board in attendance. This took place on 8 December 2023. The efficiency review was essentially conducted on the basis of checklists. In addition to the long-term assessment of past resolutions, this mainly focused on three areas: the organisation of the Supervisory Board and its meeting procedures, including the appropriateness of the content of the Supervisory Board's activities (including the frequency of meetings, the openness of results and debate, participation of members of the Supervisory Board, written records, extent of transactions requiring approval, appropriateness of monitoring, long-term review of decisions), the provision on information to the Supervisory Board (between the Executive Board and the Supervisory Board and within the Supervisory Board, including timely and comprehensive information, proactive provision on information, methods of presentation and clarity, deadlines and content of financial reporting) and personnel issues concerning the Supervisory Board and the Executive Board (in particular compliance with statutory requirements, the Code and the skills profile for appointments, conflicts of interest, succession planning, remuneration matters). The opinions on the individual aspects on the checklist were discussed by the Supervisory Board as a whole and their assessment was noted.

The Chairwoman of the Supervisory Board or, in her absence, the Deputy Chairman, convenes the meetings in writing with notice of 14 days. In urgent cases, the Chairwoman of the Supervisory Board can shorten the notice period appropriately and convene the meeting verbally, by telephone, in writing, by fax or e-mail. The agenda and proposals for resolutions must be included with the invitations.

In accordance with the Rules of Procedure of the Supervisory Board, all meetings should be held in person. However, meetings can also be held as video conferences or conference calls, or individual Supervisory Board members can take part in the meeting by phone or video connection. It is also possible to adopt resolutions using votes cast in writing, by telephone or using electronic forms of communication as long as this is ordered by the Chairwoman and no objections are raised by other members of the Supervisory Board within a reasonable period set by the Chairwoman of the Supervisory Board. The Chairwoman of the Supervisory Board must keep a record of and sign all resolutions made in a written or other form.

All resolutions of the Supervisory Board require a simple majority unless stated otherwise by law or the Articles of Association. The Chairwoman of the Supervisory Board or, in her absence, the Deputy Chairman, casts the deciding vote in the case of a tie.

Barring different arrangements made by the Supervisory Board for individual cases, all members of the Executive Board attend the quarterly meetings of the Supervisory Board. This notwithstanding, the Supervisory Board regularly meets at the beginning of the meetings without the Executive Board. If the auditor is consulted as an expert, the Executive Board does not take part in this meeting or this part of the meeting as per the statutory regulation, unless the Supervisory Board or the committee considers its participation to be necessary. The Executive Board's written reports for the Supervisory Board are handed out to the members of the Supervisory Board, unless determined otherwise by the Supervisory Board in a given case.

The members of the Supervisory Board are independent from management and maintain no business links with the company that could influence the independence of their opinion. Since 1 July 2018, the member of the Supervisory Board Mr. Volker Pape and the company have had a long-term consulting agreement that goes beyond the scope of consulting and monitoring duties performed by Mr. Volker Pape as a member of the Supervisory Board of the company, hence this agreement is remunerated separately. The aim of the consulting agreement is to continue to utilise the contractor's experience and knowledge after his many years of successful work for the company as a way of ensuring continuity, supporting old and new members of the Executive Board and retaining the contractor as a consultant in the long term. The consulting agreement was entered into on standard market conditions.

In its report to the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest that may have arisen during that financial year. There were no conflicts of interest to be reported to the Supervisory Board in the past financial year.

The company has obtained D&O insurance with no deductible for its Supervisory Board members.

Detailed information on the work of the Supervisory Board in the 2023 financial year is included in the "Report of the Supervisory Board" to the Annual General Meeting.

Mandates of the Supervisory Board members

The Chairwoman of the Supervisory Board of Viscom AG, Prof. Dr. Michèle Morner, was a member of the Supervisory Board of KUKA AG from February 2017 until June 2018 and was a member of the Nominations Committee of the Financial Reporting Enforcement Panel (FREP) from April 2015 to December 2021. Prof. Dr. Ludger Overmeyer has been a member of the Supervisory Board of LPKF Laser & Electronics SE since June 2019. Volker Pape does not hold any other seats in other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises.

Structure and working methods of Executive Board and Supervisory Board committees

The company's Articles of Association allow the Supervisory Board to form committees from among its members. The Supervisory Board does not see committee formation as advisable under the circumstances of the company. The purpose of forming a committee, i.e. increasing the efficiency of the decision-making process, would not be achieved with a Supervisory Board of just three members. All matters are addressed by all members of the Supervisory Board, meaning that the formation of additional committees is not considered necessary. No Executive Board committees with the purpose of increasing efficiency were formed because of the small size of the Executive Board.

Shareholdings of Board members

The members of the Executive Board presently hold the following numbers of shares in the company:

- Dr. Martin Heuser:
  288,049 shares held directly; through the Heuser family foundation and, in turn, HSF GmbH, Dr. Heuser also holds 50 % in HPC GmbH & Co. KG, which is the parent company of HPC Vermögensverwaltung GmbH, which in turn holds 4,869,085 shares in Viscom AG.

- Dirk Schwingel:
  12,000 shares held directly.

- Carsten Salewski:
  7,142 shares held directly.

The members of the Supervisory Board presently hold the following amounts of shares in the company:

- Volker Pape:
  265,650 shares held directly; through the Heuser family foundation and, in turn, PPF GmbH, Mr. Pape also holds 50 % in HPC GmbH & Co. KG, which is the parent company of HPC Vermögensverwaltung GmbH, which in turn holds 4,869,085 shares in Viscom AG.

- Prof. Dr. Ludger Overmeyer:
  5,000 shares held directly.

Diversity concept for the composition of the Executive Board and the Supervisory Board

As the composition of the Executive Board and Supervisory Board is based on diversity concepts as regards aspects such as age, gender, educational and professional background, international experience and other socio-economic issues and expertise, these must be described in the corporate governance declaration, as should the objectives of these diversity concepts, the way in which they are implemented and the results achieved in the financial year.

Please first refer to the above comments on the specific objectives for the composition of the Supervisory Board, the setting of a standard age limit for the Supervisory Board, and the decisions on targets for the share of women. The objectives of the diversity concept for both the Executive Board and the Supervisory Board are as follows:

- **Educational and professional background – Technological expertise and commercial experience:** The members of the Executive Board and the Supervisory Board should have different educational and professional backgrounds. As a highly specialised technology company, it is crucial for Viscom AG that its Supervisory Board and Executive Board are qualified and experienced in the technical field. At the same time, given the size of the company, business administration and corporate organisation qualifications are of significance. These two areas of expertise should be represented by at least one member on each of the boards.

On the Executive Board, these requirements are currently reflected by the fact that two out of three members of the Executive Board are graduate engineers and have years of professional experience in the technical field. The third member of the Executive Board supplements the requirement profile described above as a business graduate with years of professional experience as a commercial manager.

This diversity of expertise can also be found in the Supervisory Board. Prof. Dr. Ludger Overmeyer contributes outstanding technical expertise, which is supplemented by Prof. Dr. Michèle Morner's capabilities in the areas of business administration, corporate governance, HR and corporate organisation. As a former member of the Executive Board of Viscom AG, Mr. Volker Pape has both a technical background and experience of many years managing the company, and enhances the Supervisory Board's insight into its operational process.

- **Internationalism:** The composition of the Executive Board and the Supervisory Board should reflect a range of international experience. As an international corporation, experience of intercultural communication and internationally diverse business practices are a crucial advantage to Viscom AG. The company therefore promotes and welcome the international experience of its employees and managers, gathered both inside and outside the Group. International expertise, possibly acquired by heading a corporation with international ties, should be represented in both the Executive Board and the Supervisory Board.

In the interests of this objective, on the Executive Board, the company particularly welcomes Mr. Carsten Salewski's many years of experience managing the international business of the US subsidiary in Atlanta and the associated branches in California and Mexico, where he still maintains extensive international contacts today as the Chairman of the IPC SMEMA Council and a member of the Board of the German-American Chamber of Commerce in Atlanta. On the Supervisory Board, the necessary international experience is embodied by Prof. Dr. Michèle Morner, as a former member of the Executive Committee of EURAM in Brussels, and Prof. Dr. Ludger Overmeyer, with his many years of experience in a position of responsibility at the international company Mühlbauer AG. In turn, as a former member of the Executive Board of Viscom AG, Mr. Volker Pape is directly familiar with the Group's management of its various international branches and subsidiaries.

- **Opportunities for advancement and development through external expertise:** Viscom firmly believes that it is a benefit to the motivation and rights of its employees, and to diversity in management levels, when employees within the Group have clear opportunities for advancement to all management levels. They are therefore actively promoted to the level of the Executive Board. At the same time, the company wishes to maintain a focus on the various developments in society as a whole, and to be open to external stimulus. Viscom AG sees its Supervisory Board especially as the body that can most suitably contribute this external expertise.

By appointing Mr. Carsten Salewski to Viscom AG's Executive Board, the Supervisory Board is highlighting its goal of promoting long-serving employees to the head of the Group. Also, by appointing Prof. Dr. Michèle Morner to the Supervisory Board, a professional who has taught in the fields of corporate governance, business ethics and social change, the company is successfully pursuing the goal of incorporating external expertise as regards general business and social concerns. Led by Prof. Morner, a concept was established to further promote employees' management skills and opportunities for advancement. This concept is subject to ongoing further development.

- Equal opportunities: The diversity concept also includes the principle of equal opportunities. People should have the same opportunities for advancement at Viscom AG and the Group as a whole regardless of their gender identity. As described above, this is partially encouraged by set quotas for the share of women in certain positions. In the interests of equal opportunities and their role model function thus entailed, the Executive Board and Supervisory Board welcome the fact that, in Prof. Dr. Michèle Morner, around 33 % of the seats on the Supervisory Board are held by women.

Shareholders and Annual General Meeting

Shareholders of Viscom AG exercise their co-determination and control rights at the Annual General Meeting that is held at least once a year. The Annual General Meeting decides on all legally regulated issues with a binding effect for all shareholders and for the company. Each share grants one vote (one share, one vote) in the decision-making process.

The Annual General Meeting elects the Supervisory Board members and decides on approving the actions of the Executive Board and Supervisory Board. It regularly decides on the appropriation of retained earnings, the selection of the auditor, capital and structural measures, the approval of company contracts and any changes to the company's Articles of Association. The Annual General Meeting also decides on the approval of the remuneration system for members of the Executive Board as proposed by the Supervisory Board every time a material change is made to this remuneration system and at least every four years. It also passes a resolution on Supervisory Board remuneration at least every four years. It proposes resolutions on the approval of the remuneration report for the preceding financial year annually.

At the Annual General Meeting, the Executive Board and Supervisory Board render account of the past financial year. The German Stock Corporation Act allows for an extraordinary general meeting to be convened in special cases.

The invitation to the Annual General Meeting and all information and reports necessary for passing resolutions are made accessible to the public on the website of Viscom AG in German, as stipulated by the laws governing stock companies. The information on shareholders' rights at the Annual General Meeting, including the exercise of voting rights, is presented there.

Remuneration system, remuneration resolution, remuneration report (reference to website)

The remuneration report on the past financial year and the audit opinion in accordance with section 162 AktG, the remuneration system in place in accordance with section 87a(1) and (2) sentence 1 AktG and the most recent remuneration resolution in accordance with section 113(3) AktG have been published on the company's website in the "Company/Investor Relations/ Corporate Governance" section under "Compensation of the Executive Board and Supervisory Board".

Risk management

A responsible approach to business risk is one of the principles of good corporate governance. The Executive Board of Viscom AG and the management of the Viscom Group can use comprehensive Group and company reporting and control systems which facilitate the detection, assessment and controlling of risks. These systems are continuously enhanced in order to adapt them to changing conditions and are additionally monitored by auditors. The Executive Board regularly informs the Supervisory Board of existing risks and their development.

Details of the internal control and risk management system of the Viscom Group can be found in the risk report. The risk report also contains the report on the accounting-related internal control and risk management system in compliance with the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernisation Act). In consultation with the Compliance Officer and the other department heads, the individual risk reportings as a basis and in coordination with the Supervisory Board, the Executive Board continually reviews the effectiveness and the appropriateness of the control and risk management system, as well as its main characteristics as described in the risk report. The accounting-related internal control and risk management system is also supplemented by the work of the auditor. In addressing the internal control and risk management system as well as the reporting by the department heads, the Executive Board has not become aware of any circumstances that weigh against the appropriateness and effectiveness of these systems as referred to by A.5 of the Code.

Transparency

Open and transparent handling of information for the relevant target groups of Viscom AG is a high priority within the company. The company has appointed a Corporate Governance Officer to monitor compliance with the German Corporate Governance Code.

Viscom AG regularly reports to shareholders, financial analysts, shareholder associations, the media and interested parties on the situation of the company and significant changes in business. All significant new information that is released to financial analysts and institutional investors by Viscom AG is always simultaneously made available to all shareholders and interested members of the public. Viscom uses the Internet and other means of communication to ensure that information is provided promptly.

An overview of all significant information released throughout the financial year is published on Viscom AG's website at www.viscom.com:

• **Ad-Hoc-Notices.** Ad-Hoc-Notices in accordance with Article 17 of the Market Abuse Regulation (MAR) are issued without delay when facts arise outside Viscom AG's regular reporting that may significantly influence the share price. Viscom AG's Ad-Hoc-Notices are available to shareholders in the "Company/Investor Relations/News/Publications/Ad-Hoc-Notices" section of the Viscom AG website at www.viscom.com/en.

• **Notices concerning voting rights.** In accordance with section 33 et seq. of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), when Viscom AG becomes aware that an entity acquires, exceeds or falls below 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 %, or 75 % of the voting rights in the company as a result of a purchase, disposal or in any other way, this fact will also be promptly disclosed by notification system accessible throughout Europe and under "Unternehmen/Investor Relations/Finanznachrichten/Ad-Hoc-Mitteilungen" on the German company's website at www.viscom.com. The notifications received by the company have been reproduced in the notes to the annual financial statements.

• **Directors' dealings.** Executive Board and Supervisory Board members of Viscom AG and certain executives who have regular access to insider information and are authorised to make significant company decisions (including related parties as defined by the Market Abuse Regulation (MAR)), are required to disclose their securities transactions, in accordance with Article 19 MAR. These types of transactions are published as soon as the company is informed through a pan-European information system and in the "Company/Investor Relations/News/Publications/Directors' Dealings" section of the Viscom AG website at www.viscom.com/en.

The company was informed of the following acquisition or sales transactions for shares of Viscom AG or for financial instruments based on these by members of governing bodies (directors' dealings) by Mr. Dirk Schwingel and Dr. Martin Heuser in the 2023 financial year:

• **Financial calendar.** With the financial calendar published in the financial reports and permanently available on Viscom AG's website, the company informs its shareholders and the capital

Directors' dealings 2023	Date	Nature of transaction	Aggregate price in €	Aggregate total volume in €
Dr. Martin Heuser	29 August 2023	Purchase	8.7000	17,400.00
Dr. Martin Heuser	17 August 2023	Purchase	8.5500	17,100.00
Dr. Martin Heuser	16 August 2023	Purchase	8.6000	8,600.00
Dr. Martin Heuser	16 August 2023	Purchase	8.7500	3,062.50
Dr. Martin Heuser	11 August 2023	Purchase	9.0500	51,937.95
Dr. Martin Heuser	11 August 2023	Purchase	9.0000	6,120.00
Dirk Schwingel	11 May 2023	Purchase	9.6995	9,699.55

market in a timely manner of the dates of significant publications such as the annual financial report, half-year financial report and quarterly financial reports, the Annual General Meeting, financial press conference and analyst conferences. The company's financial calendar is available to shareholders in the "Company/Investor Relations/Financial Calendar" section of its website at www.viscom.com/en.

Accounting and annual audit

Viscom AG prepares its consolidated financial statements in line with International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of Viscom AG are prepared in accordance with the German Commercial Code. The Executive Board prepares the consolidated financial statements, which are audited by the auditor and audited and approved by the Supervisory Board. Shareholders and interested parties are informed of the general situation of the company by the annual and interim reports and quarterly reports. All reports are accessible to all interested parties simultaneously on the Viscom AG website.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover, was elected by the 2023 Annual General Meeting as auditor and audited the consolidated financial statements and the annual financial statements of Viscom AG. The audit took place in accordance with German auditing regulations and the standards for the audit of financial statements put forward by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer). Early risk detections system and reporting obligations in compliance with corporate governance as stated in section 161 AktG were also audited.

It was agreed with the auditor that the Chairwoman of the Supervisory Board would be promptly informed of any grounds for disqualification or conflicts of interest that arise during the audit, if these are not resolved immediately.

The auditors must also report all findings and occurrences significant to the tasks of the Supervisory Board without delay as they occur during the audit. The auditors must also inform the Supervisory Board and report in the audit report if facts arise in the course of the audit that do not conform with the compliance statement as submitted by the Executive Board and the Supervisory Board in accordance with section 161 AktG.

Information on relevant corporate governance practices

Compliance with the law is Viscom's duty as a company, and it is in every company's own interest to reduce risks. Viscom sees it as its responsibility to comply with all laws and internal regulations – voluntary obligations and ethical principles also form an integral part of its corporate culture.

In order to actively meet local and international responsibilities, the Executive Board has developed, approved and introduced a compliance policy and corresponding annex that goes beyond the statutory rules of conduct and that applies to all members of governing bodies and employees of the Viscom Group. This "Corporate Compliance Policy" stipulates how to deal with business partners and government institutions, how to maintain secrecy, independence and objectivity and how to act in cases of conflict of interest. These principles include the avoidance of corruption and cartel agreements, compliance with data security guidelines, equal opportunities and adherence to product safety and occupational health regulations. They are available to Group employees on the intranet at all times, where they can be accessed in German and English. A whistle-blower system allows employees to securely report certain serious legal infringements to Viscom AG. This allows the Compliance Officer and the Executive Board to work towards containing damage and preventing further damage.

The Compliance Officer is responsible for maintaining and updating this policy.

Compliance is an integral part of Viscom's business processes and has formed the basis for a comprehensive and long-term management process, which is an ongoing and central task for the company. The issue of compliance must evolve constantly in order to react to the opportunities for improvement and the changing demands of global business. It is subject to ongoing change and improvement, making it a living process within the company that will never be completed. More information about the compliance policy is available in the "Company/ Corporate Compliance" section of the company's website at www.viscom.com/en.

Report on additional disclosure requirements for listed companies

The disclosures in accordance with sections 289a(1) and 315a(1) HGB are shown below and are also explained pursuant to section 176(1) sentence 1 AktG.

Viscom AG completed its IPO (initial public offering) in May 2006 and was listed in the Prime Standard of the regulated market on the Frankfurt Stock Exchange until September 2009. From September 2009, Viscom AG was listed in the General Standard of the regulated market. Viscom AG switched back to the Prime Standard as at 22 January 2015 and was listed in the Prime Standard of the regulated market on the Frankfurt Stock Exchange on 31 December 2023.

The company's issued capital amounts to € 9,020 thousand, divided into 9,020,000 no-par value bearer shares each with a notional interest in the share capital of € 1.00.

1. Composition of issued capital

Each share entitles the bearer to one vote at the Annual General Meeting. There is only one class of shares. None of the issued shares are furnished with special rights. In the event of a capital increase implemented in the course of a financial year, in accordance with the Articles of Association, the profit participation rights of new shares can be defined differently to the stipulations of section 60(2) sentence 3 AktG from the start of the financial year onwards.

2. Restrictions relating to voting rights or the transfer of shares

Viscom AG holds 134,940 treasury shares. These do not entitle Viscom AG to any rights, in particular voting rights, in accordance with section 71b AktG.

The member of the Executive Board Dr. Martin Heuser directly holds 288,049 shares in Viscom AG. In accordance with section 136(1) sentence 1 AktG, these 288,049 shares are subject to a voting ban in the case of resolutions on whether to approve the actions of Dr. Martin Heuser, whether to release him from a liability or whether the company is to assert a claim against him. For shares from which Dr. Martin Heuser thus cannot exercise the voting right, the voting right also cannot be exercised by another party.

The above restriction on voting rights applies accordingly to: (i) the 12,000 shares in Viscom AG held by the Executive Board member Dirk Schwingel; (ii) the 7,142 shares in Viscom AG held by the Executive Board member Carsten Salewski; (iii) the 265,650 shares in Viscom AG held directly by the Supervisory Board member Volker Pape; and (iv) the 5,000 shares in Viscom AG held by the Supervisory Board member Prof. Dr. Ludger Overmeyer.

To the best of the Executive Board's knowledge, there are no contractual restrictions on voting rights, particularly such restrictions arising from agreements between shareholders.

3. Direct or indirect interests in the capital exceeding 10 % of voting rights

HPC Vermögensverwaltung GmbH, Hanover, held 53.98 % of the voting rights (corresponding to 4,869,085 votes) in Viscom AG as at 31 December 2023. By way of a voluntary Group notification due to restructuring at the level of subsidiaries with a threshold reached, Dr. Martin Heuser and Mr. Volker Pape each provided notification in accordance with sections 33 and 34 WpHG that the interest held by HPC Vermögensverwaltung GmbH was attributable to them through other intermediary family companies and foundations that were each reported individually. Furthermore, Dr. Martin Heuser directly held 288,049 votes (corresponding to 3.19 % of the voting rights) in Viscom AG and Mr. Volker Pape directly held 265,650 votes (corresponding to 2.95 % of the voting rights) in Viscom AG as at 31 December 2023.

Ms. Nadja Heuser, Mr. Michael Heuser, Mr. Merlin Krügel, Ms. Petra Pape and Ms. Anne Pape also provided notification in accordance with sections 33 and 34 WpHG that the interest held by HPC Vermögensverwaltung GmbH was attributable to them due to acting in concert. Details can be found in the voting rights notifications, which are shown in the notes to the consolidated financial statements.

4. Holders of shares with special rights granting powers of control

There are no shares with special rights.

5. Type of voting rights control if employees hold interests in the capital and do not exercise their control rights directly

Viscom AG does not have any employee participation programmes in the form of shares.

6. Statutory regulations and provisions of the Articles of Association on the appointment and dismissal of members of the Executive Board and on amendments to the Articles of Association

In accordance with section 84 AktG, the Supervisory Board is responsible for determining the number of Executive Board members, appointing and potentially dismissing the ordinary or alternative members of the Executive Board and concluding the corresponding employment contracts. The Supervisory Board appoints the Executive Board members for a maximum of five years. Members can be reappointed or their term of office extended for a maximum of five years in each case.

In accordance with section 119(1) no. 5 and section 179(1) and (2) AktG, amendments to the Articles of Association are adopted by the Annual General Meeting by way of resolution. According to the Articles of Association, a simple majority of the votes cast and additionally a simple majority of the share capital represented in the resolution is sufficient unless a larger majority is required by law. The Supervisory Board is authorised to make amendments to the Articles of Association relating solely to their wording. This also applies to amendments to the Articles of Association as a result of changes in the company's share capital.

7. Powers of the Executive Board, in particular regarding the possibility to issue or buy back shares

AUTHORISED CAPITAL 2021

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions in the period until 7 June 2026 by a total of up to € 4,500,000 by issuing up to 4,500,000 new no-par value bearer common shares (no-par value shares) against cash or non-cash contributions (Authorised Capital 2021). Shareholders must be granted pre-emption rights. The new shares can also be bought by one or more banks subject to the obligation that they are offered to shareholders for subscription. However, the Executive Board is authorised, with the approval of the Supervisory Board, to disapply shareholders' pre-emption rights on one or more occasions:

(i) for capital increases against cash contributions up to the lower of a total nominal amount of € 902,000 or 10 % of the share capital at the time this authorisation to disapply pre-emption rights is exercised for the first time (in each case taking into account other authorisations to disapply pre-emption rights that may have been exercised in accordance with section 186(3) sentence 4 AktG or with the corresponding changes and taking into account the exercise of the authorisation to disapply pre-emption rights in accordance with (ii) below), provided the issue price of the new shares is not significantly less than the stock market price of the company's existing listed shares of the same type at the time the issue price is finalised;

(ii) if the new shares are issued against non-cash contributions up to a total nominal amount of € 902,000.00, taking into account the exercise of the authorisation to disapply pre-emption rights in accordance with (i) above, in particular in connection with the acquisition of companies, parts of companies and equity investments in companies;

(iii) to the extent required to exclude possible fractional amounts from the pre-emption rights.

Other authorisations to disapply pre-emption rights that may have been exercised will not be taken into account to the extent that authorisations whose exercise resulted in this being the case are newly issued by the Annual General Meeting.

The Executive Board is authorised, with the approval of the Supervisory Board, to determine the further conditions of the implementation of capital increases, and in particular the content of the rights attached to the shares and the conditions of the share issue.

The Supervisory Board is authorised to amend Article 6 of the Articles of Association following the full or partial implementation of the capital increase or after the end of the authorisation period.

Regarding the authorised capital described above, the Executive Board and the Supervisory Board issued the following pledge for the duration of the authorisation on 8 December 2023:

The total number of shares issued on the basis of the authorisations to disapply pre-emption rights in accordance with item 7 of the agenda of the Annual General Meeting of 8 June 2021 with pre-emption rights disapplied for capital increases in return for cash or non-cash contributions must not exceed 5 % of the share capital, either at the time that the authorisation becomes effective or when it is exercised.

AUTHORISATION TO ACQUIRE TREASURY SHARES

Viscom AG, represented by the Executive Board, is authorised until 4 August 2025 – with the approval of the Supervisory Board – to acquire treasury shares of up to 10 % of the share capital on the date of the resolution or, if this figure is lower, of the share capital existing on the date the authorisation is exercised. Together with other treasury shares held by the company or attributable to the company in accordance with sections 71a et seq. AktG, the shares acquired on the basis of this authorisation must not exceed 10 % of the company's share capital at any time. Acquisition for the purposes of trading treasury shares is not permitted.

The Executive Board is authorised to use shares in the company that are or have been acquired on the basis of this or a previous authorisation for all legally permitted purposes, including the following in particular:

aa) The treasury shares acquired can also be sold by means other than on the stock exchange or by way of an offer to all shareholders if the shares are sold for cash at a price that is not significantly less than the stock market price of the company's shares of the same type at the time of the sale. The applicable stock market price for the purposes of the above regulation is the mean closing price for the company's shares of the same type in XETRA trading (or a comparable successor system) on the last five trading days on the Frankfurt Stock Exchange before entering into the obligation to sell the shares. Shareholders' pre-emption rights are disapplied. However, this authorisation applies only subject to the condition that the shares sold with pre-emption rights disapplied in accordance with section 186(3) sentence 4 AktG do not exceed 10 % of the share capitals either at the time when it takes effect or at the time when this authorisation is exercised. Shares issued from authorised capital in accordance with section 186(3) sentence 4 AktG during the term of this authorisation with pre-emption rights disapplied are to be counted towards this limit of 10 % of the share capital. In addition, shares that are issued or are to be issued to service convertible and/or warrant bonds (or profit participation rights or participating bonds with a conversion right, option or conversion obligation or tender right of the Company) that have been issued during the term of this authorisation based on an authorisation to issue convertible and/or warrant bonds (or profit participation rights or participating bonds with a conversion right, option or conversion obligation or tender right of the Company), applying section 186(3) sentence 4 AktG accordingly and with pre-emption rights disapplied, are also to be counted towards this limit of 10 % of the share capital. Such shares are no longer counted towards the limit if authorisations to issue new shares from authorised capital in accordance with section 186(3) sentence 4 AktG or to issue convertible and/or warrant bonds (or profit participation rights or participating bonds with a conversion right, option or conversion obligation or tender right of the Company), applying section 186(3) sentence 4 AktG accordingly, are newly issued by the Annual General Meeting after the authorisations that led to the shares being counted are exercised.

bb) The treasury shares acquired can also be sold by means other than on the stock exchange or by way of an offer to all shareholders if this is in return for a contribution in kind by a third party, in particular in the context of the acquisition of companies, parts of companies or interests in companies by the company itself or by companies that are dependent on or in which it holds a majority interest, and takes place in the context of business combinations or to fulfil conversion rights or obligations of holders or creditors arising from convertible/warrant bonds (or profit participation rights or participating bonds with a conversion right, option or conversion obligation or tender right of the company) issued by the company or by Group companies of the company. Shareholders' pre-emption rights are disapplied in each case.

cc) The treasury shares acquired can be fully or partially withdrawn without requiring a further resolution by the Annual General Meeting. They may also be withdrawn using the simplified method without a capital reduction by adjusting the pro-rata notional interest of the other no-par value shares in the Company's share capital. The withdrawal may be limited to part of the acquired shares. If the withdrawal takes place using the simplified method, the Executive Board is authorised to adjust the number of no-par value shares in the Articles of Association.

dd) Furthermore, in the event of a sale of acquired treasury shares in conjunction with an offer made to all shareholders, the Executive Board can also disapply shareholders' pre-emption rights for fractional amounts with the approval of the Supervisory Board.

Further details can be found in the resolution adopted under agenda item 6 of the Annual General Meeting of Viscom AG on 4 August 2020, which corresponds to the proposed resolution announced in the notice convening the Annual General Meeting that was published in the German Federal Gazette (Bundesanzeiger) on 23 June 2020.

8. Significant agreements of the company subject to the condition of a change of control

There are no significant agreements of the company subject to the condition of a change of control resulting from a takeover bid.

9. Compensation agreements with Executive Board members or employees in the event of a takeover bid

Neither the employment contracts with the Executive Board members nor those with the employees of the Company provide for compensation agreements in the event of a takeover bid.

Closing statement in the dependent company report

Viscom AG was dependent on HPC Vermögensverwaltung GmbH in the 2023 financial year. As there was no control agreement between the latter company and Viscom AG in this period, the Executive Board of Viscom AG prepared a report of the Executive Board on relationships with affiliated companies in accordance with section 312(1) AktG including the following confirmation:

"Our company received fair compensation for each of the transactions listed in the report on relationships with affiliated companies. In the period from 1 January to 31 December 2023, no actions were taken or omitted at the instigation or in the interest of the controlling company or a company affiliated with it."

Hanover, 15 March 2024

The Executive Board

Carsten Salewski	Dr. Martin Heuser	Dirk Schwingel

IFRS Consolidated Financial Statements 2023

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income Item		**01.01.-31.12.2023** K€	01.01.-31.12.2022 K€
G1	Revenue	118,780	105,518
G2	Other operating income	2,004	2,405
		120,784	**107,923**
G3	Changes in finished goods and work in progress	3,610	3,629
G4	Other own work capitalized	3,916	3,193
G5	Cost of materials	-52,044	-45,158
G6	Staff costs	-45,221	-39,900
G7	Depreciation and amortization	-6,589	-6,766
G8	Other operating expenses	-17,845	-14,735
		-114,173	**-99,737**
	Operating profit	**6,611**	**8,186**
G9	Financial income	4	4
G9	Financial expenses	-2,076	-775
	Financial result	**-2,072**	**-771**
G10	Income taxes	-1,397	-2,046
	Net profit for the period	**3,142**	**5,369**
	Net profit for the period attributable to Viscom AG shareholders	*3,038*	*5,376*
	Non-controlling interest in net profit for the period	*104*	*-7*
G11	**Earnings per share (diluted and basic) in €**	**0.34**	**0.60**
	Other comprehensive income		
	Currency translation differences	-489	62
	Items that can be reclassified to profit or loss	**-489**	**62**
	Other comprehensive income after taxes	**-489**	**62**
	Total comprehensive income	**2,653**	**5,431**
	Total comprehensive income attributable to Viscom AG shareholders	*2,549*	*5,438*
	Non-controlling interest in total comprehensive income	*104*	*-7*

Consolidated statement of financial position: assets

Assets

Assets Item		31.12.2023 K€	31.12.2022 K€
	Current assets		
A1	Cash and cash equivalents	5,463	4,361
A2	Trade receivables	45,619	41,050
A3	Income tax assets	433	42
A4	Inventories	39,728	37,428
A5	Other financial receivables	101	103
A5	Other assets	2,932	1,489
	Total current assets	**94,276**	**84,473**
	Non-current assets		
A6	Goodwill	202	202
A7	Property, plant and equipment	13,665	15,071
A8	Intangible assets	16,771	15,104
A9	Financial assets	7	7
A9	Loans originated by the company	17	25
A10	Deferred tax assets	1,074	1,116
	Total non-current assets	**31,736**	**31,525**
	Total assets	**126,012**	**115,998**

Consolidated statement of financial position: equity and liabilities

Equity and liabilities

Equity and liabilities Item		31.12.2023 K€	31.12.2022 K€
	Current liabilities		
P1	Trade payables	3,854	3,256
P2	Contract liabilities	2,708	1,967
P3	Current loans	30,943	22,655
P4	Provisions	1,303	1,099
P5	Income tax liabilities	466	817
P6	Other current financial liabilities	5,328	4,168
P6	Other current liabilities	6,852	6,197
	Total current liabilities	**51,454**	**40,159**
	Non-current liabilities		
P4	Non-current provisions	841	807
P7	Other non-current financial liabilities	9,143	11,158
P8	Deferred tax liabilities	4,321	3,608
	Total non-current liabilities	**14,305**	**15,573**
	Equity		
P9	Issued capital	9,020	9,020
P10	Capital reserves	21,321	21,321
P11	Retained earnings	29,212	28,840
P12	Exchange rate differences	566	1,055
	Equity attributable to Viscom AG shareholders	**60,119**	**60,236**
P13	Non-controlling interests	134	30
	Total equity	**60,253**	**60,266**
	Total equity and liabilities	**126,012**	**115,998**

Consolidated statement of cash flows

Consolidated statement of cash flows Item		01.01. -31.12.2023 K€	01.01. - 31.12.2022 K€
	Cash flow from operating activities		
	Net profit for the period after interest and taxes	3,142	5,369
G10	Adjustment of net profit for income tax expense (+)	1,397	2,046
G9	Adjustment of net profit for interest expense (+)	2,076	775
G9	Adjustment of net profit for interest income (-)	-4	-4
G7	Adjustment of net profit for depreciation and amortisation expense (+)	6,589	6,766
P4	Increase (+) / decrease (-) in provisions	238	143
A6 to A8	Gains (-) / losses (+) on the disposal of non-current assets	16	-23
A2 to A5, A9	Increase (-) / decrease (+) in inventories, receivables and other assets	-8,322	-17,102
P1 to P3, P5 to P7	Increase (+) / decrease (-) in liabilities	1,679	830
G10	Income taxes paid (-)	-627	-487
	Net cash used in/from operating activities	**6,184**	**-1,687**
	Cash flow from investing activities		
A6 to A8	Receipts (+) from the disposal of non-current assets	15	50
A6 to A8	Acquisition (-) of property, plant and equipment and intangible assets	-1,249	-1,726
A7	Capitalisation of development costs (-)	-3,916	-3,193
A9	Disbursements of loans granted (-)	-1	0
A9	Receipts from the repayment of loans granted (+)	9	3
G9	Interest received (+)	4	3
G9	Payments for the acquisition of subsidiaries less cash and cash equivalents acquired (-)	0	-159
	Net cash used in investing activities	**-5,138**	**-5,022**
	Cash flow from financing activities		
P10	Proceeds from equity injections by other shareholders	0	37
P9-12	Dividend payment (-)	-2,666	-1,777
G9	Interest paid (-)	-2,059	-747
P7	Repayment of lease liabilities (+)	-3,120	-2,962
P7	Borrowing of non-current financial liabilities (+)	0	600
P7*	Repayment of miscellaneous financial liabilities (-)	-367	-313
	Net cash and cash equivalents from financing activities	**-8,212**	**-5,162**
	Changes in cash and cash equivalents due to changes in exchange rates	-15	40
	Cash and cash equivalents		
	Change in cash and cash equivalents	-7,166	-11,871
A1, P3	Cash and cash equivalents as at 1 January	-17,927	-6,096
A1, P3*	**Cash and cash equivalents as at 31 December**	**-25,108**	**-17,927**

* Please also refer to the section on the statement of cash flows in the notes.

Statement of changes in equity

Equity	Issued capital K€	Capital reserves K€	Exchange rate differences K€	Retained earnings K€	Equity attributable to Viscom AG shareholders K€	Non-controlling interests K€	Total K€
Equity as at 1 January 2022	**9,020**	**21,321**	**993**	**25,241**	**56,575**	**0**	**56,575**
Net profit for the period	0	0	0	5,376	5,376	-7	5,369
Other comprehensive income	0	0	62	0	62	0	62
Total comprehensive income	**0**	**0**	**62**	**5,376**	**5,438**	**-7**	**5,431**
Dividends	0	0	0	-1,777	-1,777	0	-1,777
Formation of a subsidiary	0	0	0	0	0	37	37
Equity as at 31 December 2022	**9,020**	**21,321**	**1,055**	**28,840**	**60,236**	**30**	**60,266**
Equity as at 1 January 2023	**9,020**	**21,321**	**1,055**	**28,840**	**60,236**	**30**	**60,266**
Net profit for the period	0	0	0	3,038	3,038	104	3,142
Other comprehensive income	0	0	-489	0	-489	0	-489
Total comprehensive income	**0**	**0**	**-489**	**3,038**	**2,549**	**104**	**2,653**
Dividends	0	0	0	-2,666	-2,666	0	-2,666
Equity as at 31 December 2023	**9,020**	**21,321**	**566**	**29,212**	**60,119**	**134**	**60,253**

Notes to the Consolidated Financial Statements

General disclosures on the company and the consolidated financial statements

Fundamental accounting principles

Viscom AG is domiciled in Hanover, Germany, and is entered in the local commercial register of the Hanover Local Court under HRB 59616. The company's business address is Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany.

These consolidated financial statements were approved by the Executive Board for presentation to the Supervisory Board on 15 March 2024 and will be published on 26 March 2024.

The consolidated financial statements and the 2022 Group management report were submitted to and published in the German Federal Gazette (Bundesanzeiger).

The Company's business activities encompass the development, manufacture and sale of inspection systems for industrial production. Inspection is performed by the computer-based optical and X-ray comparison of the inspected objects with the specifications defined in the inspection system.

Declaration of compliance

These financial statements for the 2023 financial year were prepared on the basis of the uniform application of and compliance with all the applicable International Financial Reporting Standards (IFRS) and the interpretations issued by the IFRS IC, as adopted by the European Union as at 31 December 2023. In addition, the applicable provisions of commercial law under section 315e(1) HGB were taken into account.

Changes or additions to IFRS and changes to reporting, recognition or measurement as a result

Compared with the consolidated financial statements dated 31 December 2022, the following standards and interpretations have changed or become effective for the first time as a result of their endorsement in EU law or the regulations reaching their effective date:

Amendments to IFRS 17 Insurance Contracts

The amendments were endorsed in EU law on their announcement in the EU official gazette on 23 November 2021 and are effective for reporting periods starting on or after 1 January 2023. IFRS 17 Insurance Contracts supersedes IFRS 4 Insurance Contracts. The amendments have no effect on the Viscom Group's financial statements.

Amendment to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative information

The amendments were endorsed in EU law on their announcement in the EU official gazette on 9 September 2022 and are effective for reporting periods starting on or after 1 January 2023. The amendments concern the restatement of comparative information on initial application of IFRS 17 and IFRS 9. The amendments have no effect on the Viscom Group's financial statements.

Amendments to IAS 1 and Practice Statement 2: Disclosure of Accounting Policies

The amendments were endorsed in EU law on their announcement in the EU official gazette on 3 March 2022 and are effective for reporting periods starting on or after 1 January 2023.

The amendments clarify that only material accounting policies rather than significant accounting policies are to be disclosed in future. The amendments have no effect on the Viscom Group's financial statements.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments were endorsed in EU law on their announcement in the EU official gazette on 3 March 2022 and are effective for reporting periods starting on or after 1 January 2023. The amendments clarify the differences between accounting policies and accounting estimates. The amendments have no effect on the Viscom Group's financial statements.

Amendments to IAS 12: Deferred Taxes

The amendments were endorsed in EU law on their announcement in the EU official gazette on 12 August 2022 and are effective for reporting periods starting on or after 1 January 2023. The amendments concern deferred tax related to assets and liabilities arising from a single transaction. The amendments have no effect on the Viscom Group's financial statements.

The following standards and interpretations are not yet applied:

The Viscom Group does not expect the application of the Standards / Interpretations published at the end of the reporting period but not yet effective to have a material impact on the net assets, financial position and results of operations of the Group in future periods.

Principles underlying the preparation of the consolidated financial statements

The financial year is the calendar year. The IFRS consolidated financial statements are prepared in euro. Figures are presented in thousands of euro (€ thousand). The consolidated financial statements are prepared on the basis of amortised historical cost.

The consolidated statement of comprehensive income was prepared in accordance with the nature of expense method.

Certain items in the statement of comprehensive income and the statement of financial position have been combined for clarity of presentation; explanatory disclosures are contained in the notes to the consolidated financial statements. In accordance with IAS 1, assets and liabilities reported on the face of the statement of financial position are classified as either current or non-current. Current assets or liabilities are those designated for disposal/redemption within the next year.

Standards / Interpretation			Effective for reporting periods from	Endorsement by European Commission
Standards				
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	Clarification that the classification as current or non-current should be based on rights that are in existence at the end of the reporting period. Classification is unaffected by the management's intention with regard to rights. Non-current liabilities with covenants.	1 January 2024	Yes
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	Addition of a regulation on the subsequent measurement of a lease liability in a sale and leaseback.	1 January 2024	Yes
Amendments to IAS 7 and IFRS 7	Reverse factoring transactions	Additional mandatory disclosures on reverse factoring agreements.	1 January 2024	No
Amendments to IAS 21	No exchangeability	Adds rules to be applied when exchangeability between two currencies does not exist.	1 January 2025	No

Consolidation principles

The IFRS consolidated financial statements are based on the single-entity financial statements of Viscom AG and the single-entity financial statements of the subsidiaries as at 31 December 2023. The financial statements of the companies included in the consolidated financial statements are prepared on the basis of uniform accounting principles. Adjustments were made for differences in accounting standards as necessary.

All intercompany profits and losses, income and expenses and receivables and liabilities between the companies are eliminated. Deferred taxes are recognised for consolidation measures affecting profit or loss.

Business combinations are recognised in accordance with the purchase method. Under this method, the identifiable assets (including intangible assets not previously recognised) and liabilities (including contingent liabilities but not including future restructuring) of the acquired operations are recognised at fair value. The difference between the excess of cost, the amount of non-controlling interests in the acquired company and the fair value of all previously held shares at the acquisition date and the share of the Group in the net assets measured at fair value is recognised as goodwill. If the consideration transferred is lower than the net assets of the acquired subsidiary as measured at fair value, the difference is recognised directly in profit or loss. Acquisition-related costs are generally expensed immediately.

Basis of consolidation

In addition to the parent company Viscom AG, Hanover, the following subsidiaries were included in the IFRS consolidated financial statements:

Name	Registered office	Equity interest	Date of initial control
Viscom France S.A.R.L.	Cergy Pontoise Cedex, France	100 %	2001
Viscom Machine Vision Pte Ltd.	Singapore, Singapore	100 %	2001
Viscom Inc.	Atlanta, USA	100 %	2001
Viscom Machine Vision Trading Co. Ltd.	Shanghai, China	100 %	2007
Viscom Tunisie S.A.R.L.	Tunis, Tunisia	100 %	2010
VICN Automated Inspection Technology (Huizhou) Co., Ltd	Huizhou, China	100 %	2021
VISCOM MACHINE VISION (INDIA) PRIVATE LIMITED	Bangalore, India	100 %	2021
VISCOM VXS S. DE R.L. DE C.V.	Zapopan/Guadalajara, Mexico	100 %	2022
Viscom Metallgestaltung GmbH	Langenhagen/Hanover, Germany	100 %	2022
Exacom GmbH	Hanover, Germany	85 %	2022

The consolidated financial statements include the subsidiaries in which Viscom AG directly or indirectly holds the majority of voting rights and over which it therefore exercises control. Subsidiaries are included in the consolidated financial statements when control is established and are deconsolidated when the conditions for control are no longer met.

Changes to accounting and policies

The same accounting policies were applied as in the previous year.

Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires certain assumptions and estimates affecting the amount and reporting of the assets, liabilities, income, expenses and contingent liabilities recognised. Due to the bottlenecks in procurement chains, there is still increased estimation uncertainty, in particular with regard to intangible assets, right-of-use assets and inventories. Even accounting for less likely negative scenarios, there is no impairment on intangible assets or property, plant and equipment.

Intangible assets

Internally generated intangible assets are capitalised if it is sufficiently certain that the respective development activity will result in future economic benefits that will cover the total development costs as a minimum. This requires an estimate of the future economic benefits and the outstanding development costs.

Leases

In addition to the fixed term of a lease, renewal, termination or purchase options are also taken into account in determining the useful life of a lease in accordance with IFRS 16. Estimates are required to assess the probability of options being exercised. Estimates are also required to determine the discount rate.

Trade receivables

The default risk for trade receivables is estimated using the available information, in particular with regard to arrears. In accordance with IFRS 9, impairment is recognised for expected credit losses.

Inventories

Inventories are subject to assumptions regarding the depreciation parameters, e.g. inventory coverage and the percentage of completion.

Provisions

For provisions, and in particular provisions for warranties, deviations in the actual warranty expenses incurred at a later date are possible as the provisions are recognised on the basis of empirical data. The warranty expense is quantified for each system installed and used as a basis for systems that are still under warranty at the end of the respective year.

Tax items

The companies of the Viscom Group are increasingly exposed to taxation risks due to stricter interpretations and assessments by the tax authorities and changes in tax legislation and case law. Provisions are recognised as required based on the estimated claims of the financial authorities. In particular, the timing of the expenses to be considered for tax purposes is subject to regular estimates and assumptions. The pricing of contracts for cross border intragroup goods and services is subject to uncertainty as, in many cases, market prices cannot be observed or the market prices of similar goods and services are of limited comparability. Deviating developments in the assumptions made for estimates can result in changes in estimates.

Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there are indications that non-financial assets are impaired. Goodwill, other intangible assets with an indefinite useful life and internally generated intangible assets in development are reviewed at least once a year and if there are indications of impairment. Other non-financial assets are tested for impairment if there are indications that the carrying amount exceeds the recoverable amount.

To calculate the fair value less disposal costs, the management estimates the expected future cash flows from the cash-generating unit and selects a discount rate to calculate the present value of these cash flows. In accordance with IAS 36, a cash generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent of those of other units.

Summary of significant accounting policies

Intangible assetse

Intangible assets are measured at cost on initial recognition. They are reported if it is probable that the future economic benefits attributable to the asset will flow to the company and the acquisition or production costs of the asset can be measured reliably. The cost of intangible assets acquired as part of a business combination is their fair value as at the acquisition date. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with a limited useful life are amortised on a straight-line basis over their estimated useful life. Amortisation periods and methods are reviewed on an annual basis at the end of each financial year. The amortisation of intangible assets is reported under depreciation and amortisation in the consolidated statement of comprehensive income. There are no intangible assets with an indefinite useful life.

Gains and losses on the disposal of intangible assets are calculated as the difference between the proceeds of disposal and the carrying amount of the intangible assets. They are recognised in "Other operating income" or "Other operating expenses" in the consolidated statement of comprehensive income.

Goodwill from business combinations is initially measured at cost. It is determined as the excess of cost, the value of the non-controlling shares in the acquired company and the fair value of any previously held equity on the acquisition date over the Group's share of the net assets measured at fair value. If the consideration transferred is lower than the net assets of the acquired subsidiary as measured at fair value, the difference is recognised directly in profit or loss.

After initial recognition, goodwill is subjected to annual impairment testing and measured at cost less any accumulated impairment losses. Impairment on goodwill cannot be reversed.

In accordance with IAS 38, research costs cannot be capitalised, while development costs can only be capitalised when certain precisely defined conditions are met. Development costs must always be capitalised when it is sufficiently certain that the respective development activity will result in future economic benefits that will cover the planned costs and the corresponding development costs. In addition, various criteria relating to the development project and the product or process being developed must all be met. In particular, the company must intend to complete, use or sell the development project and possess the technical, financial and other resources required to do so. Furthermore, the company must be in a position to use or dispose of the intangible asset and derive an economic advantage from the same. Viscom capitalises development costs when these criteria are cumulatively met and the development costs can be measured reliably. These are qualifying assets, as they take a substantial period of time (generally more than 12 months) to get ready for their intended use or sale. Any borrowing costs incurred are a component of cost for qualifying assets.

Other development costs that do not meet these criteria are expensed as incurred. Development costs expensed in previous periods are not capitalised in subsequent reporting periods. Capitalised development costs are reported as intangible assets and amortised on a straight-line basis over their useful life, not exceeding 15 years, from the date on which they become usable. Capitalised development costs that are not yet ready for use are subject to annual impairment testing for the respective cash-generating unit.

As at 31 December 2023, Viscom had two submitted patents, which were registered in Europe and the US.

<u>Property, plant and equipment</u>
Property, plant and equipment are reported at cost less cumulative depreciation and impairment losses.

The original cost of an item of property, plant and equipment is composed of the purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of preparing the respective asset for use as intended by the company's management and transporting it to its intended location.

The cost of manufacture of an item of property, plant and equipment is composed of the cost of the goods and services used in manufacturing the respective asset. This includes direct costs and appropriate amounts of the fixed and variable overheads.

Subsequent costs relating to an item of property, plant and equipment that has already been recognised are added to the carrying amount of the respective asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company and the costs can be reliably determined. All other subsequent expenditure is expensed in the period in which it is incurred. Expenses for repairs and maintenance not relating to significant replacement investments are recognised as expenses in the consolidated statement of comprehensive income in the financial year in which they are incurred.

The useful lives, depreciation methods and net carrying amounts are reviewed in each period. This is necessary to ensure that the depreciation methods and periods correspond to the expected economic benefits from the respective items of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the proceeds of disposal and the carrying amount of the property, plant and equipment. They are recognised in "Other operating income" or "Other operating expenses" in the consolidated statement of comprehensive income.

Assets under development are allocated to property, plant and equipment and reported at cost. They are depreciated from the date on which they are brought to their working condition.

<u>Impairment of property, plant and equipment and intangible assets</u>
Property, plant and equipment and intangible assets with a definite useful life are tested for impairment whenever changes or events take place that indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised when the carrying amount of an item of property, plant and equipment or an intangible asset carried at cost exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

An asset's fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's-length transaction less the costs of disposal. Its value in use is the present value of the estimated future cash flows that are expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The recoverable amount is calculated for each individual asset or, where this is not possible, for the cash-generating unit to which the respective asset belongs.

If there is an indication that impairment no longer exists or has decreased, the respective impairment loss is tested and measured and any amount reversed to no more than the historical cost as a result is recognised in profit or loss.

Intangible assets with an indefinite useful life and any intangible assets that are not yet ready for use are subject to annual impairment testing for the respective cash-generating unit.

Leases

Lessee

Lease liabilities and right-of-use assets are recognised for all leases and are reported under property, plant and equipment. In accordance with the option provided by IFRS 16.5, short term leases with a term of not more than twelve months (and without a purchase option) and leases for low-value assets are recognised directly as an expense in accordance with IFRS 16.6.

The lease liabilities include the following lease payments:

- fixed lease payments and certain variable lease payments, less any expected lease incentives
- expected payments resulting from residual value guarantees
- exercise prices for purchase options if it is reasonably certain that they will be exercised

Lease expenses are discounted using the interest rate implicit in the lease. This rate cannot be readily determined for most of the Group's leases. The incremental borrowing rate is used for discounting as an alternative. The incremental borrowing rate is the interest rate that the lessee would have to pay to borrow over a similar term for a comparable asset in a similar economic environment.

Right-of-use assets are stated at cost, which consists of:

- the amount of the initial measurement of the lease liability
- prepayments and initial direct costs, less any lease incentives received
- estimated costs for restoration obligations at a later date

Lease and non-lease components do not have to be separated. Options to extend or terminate leases are taken into account in their measurement if it is reasonably certain that they will be exercised.

They are subsequently measured at amortised cost. Right-of-use assets are depreciated on a straight-line basis over the shorter of the term of the lease taking into account purchase, renewal or termination options likely to be exercised in future and its economic life. See A6-A8 for further information.

The lease liabilities are adjusted applying the effective interest method taking lease payments into account.

Financial investments and other financial assets and liabilities

Financial instruments (financial assets and financial liabilities) within the meaning of IAS 32 and IFRS 9 are divided into the following categories:

- Measurement at amortised cost (AC)
- Measurement at fair value through other comprehensive income (FVtOCI))
- Measurement at fair value through profit or loss (FVtPL)

The classification of a financial asset depends on two criteria:

- Business model test: classification is contingent on the nature of the business model in which the financial instrument is held.
- Cash flow characteristics test: classification is determined by the characteristics of the contractual cash flows.

The management determines the classification of financial assets on initial recognition.

These financial assets and liabilities are measured at fair value as at the trade date on initial recognition, with the exception of trade receivables without a significant financing component, which are measured at their transaction price. After initial recognition, different measurement methods apply to the various categories of financial assets and liabilities. These are described in the accounting policies for the respective statement of financial position items. Foreign currency items are translated at the middle rate prevailing at the end of the reporting period. Gains and losses due to changes in the fair value of financial instruments are reported in profit or loss.

Financial liabilities are derecognised when the corresponding contractual obligations are met or cancelled or they expire.

Inventories

In accordance with IAS 2, inventories are assets that are held for sale in the ordinary course of business (completed systems), that are in the process of production for such sale (assemblies and partially completed systems), or that are held for consumption in the production process or in the rendering of services (raw materials and supplies). To a small extent, systems that are already with customers for purchase on a trial basis are reported under completed systems. The production costs of finished and unfinished products include costs for product design, raw materials, auxiliary materials and supplies, direct staff costs and other direct costs and overheads directly attributable to production (based on average production capacities).

Inventories are measured at the lower of their acquisition or production cost as calculated using the weighted average method and their fair value less cost to sell.

An asset's fair value less costs to sell is the estimated proceeds recoverable in the ordinary course of business less the estimated costs up to completion and estimated selling expenses.

For completed systems, an individual assessment of the recoverability of each system is performed.

Trade receivables

Other receivables and assets

Trade receivables are initially carried at cost, which is equal to the fair value of the consideration paid, and in subsequent periods at amortised cost using the effective interest method less any allowances for uncollectability. Foreign currency items are translated at the middle rate prevailing at the end of the reporting period.

Viscom applies the simplified approach for expected credit losses according to IFRS 9, which allows the recognition of full lifetime expected losses for all trade receivables. To measure the expected credit losses, the trade receivables were grouped according to shared credit risk characteristics and days past due. The expected credit losses also include forward-looking information. Impairment losses classified as non-material are recognised under other operating expenses, while reversals of impairment losses are recognised under other operating income. Financial assets are derecognised when the rights to receive cash flows from the financial assets no longer exist or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Estimates of uncollectible amounts are performed when it is no longer likely that the respective invoice will be settled in full. Uncollectible amounts therefore result in bad debts, which are written down accordingly. These write-downs are recognised in separate accounts.

Equity

The issued capital is carried at its nominal amount. Reserves are recognised in accordance with the provisions of the law and the Articles of Association, and are carried at their nominal amount.

Provisions

Provisions are recognised when the company has a present obligation to a third party as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

If a risk for which a provision has been recognised is expected to be covered by reimbursements (e.g. under insurance contracts), the reimbursement should be recognised as a separate asset to the extent that it is sufficiently probable that it will be received. The expense relating to the provision is reported in the statement of comprehensive income net of the amount recognised for the reimbursement.

Significant provisions are recognised for warranty expenses. The warranty expense is quantified for each system installed and used as a benchmark for systems that are still under warranty at the end of the respective year. Non-current provisions are carried at their discounted amount.

In measuring anniversary obligations, assuming an average remaining term of 8.3 years, an interest rate of 3.23 % (previous year: 3.76 %) p.a. and an average turnover rate of 2.0 % (previous year: 2.0 %) p.a. were used. The valuation was based on the present value of the pro rata vested benefits according to the PUC (projected unit credit) method using the Heubeck 2018 G mortality tables by Klaus Heubeck.

Taxes

In accordance with IAS 12, deferred taxes are calculated using the asset and liability method for temporary differences between the tax base of an asset or liability and its carrying amount in the IFRS and tax accounts of the individual companies, temporary differences resulting from consolidation processes and utilisable loss carryforwards. This is based on the tax rates that are expected to apply in the respective countries at the realisation date. These are based on the statutory regulations effective or adopted at the end of the reporting period. A tax rate of 32.6 % was applied to calculate deferred and current taxes in Germany (previous year: 32.6 %). The income tax rates of the foreign subsidiaries vary between 17 % (previous year: 17 %) and 30% (previous year: 30 %).

Deferred taxes are recognised through profit or loss unless they relate to items taken directly to equity or other comprehensive income. In this case, deferred taxes are also recognised in equity or in other comprehensive income in the statement of comprehensive income.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period. Deferred taxes are only recognised to the extent they are expected to be realised based on future profits.

Deferred tax assets and deferred tax liabilities are offset if the Group has an enforceable right to offset current tax assets and current tax liabilities and if they relate to the income taxes of the same taxable entity, imposed by the same taxation authority. Corresponding offsetting took place at the individual company level in these consolidated financial statements.

Revenue, expenses and assets are reported net of value-added tax unless the respective tax is non-deductible. Receivables and liabilities are reported including value-added tax. The net value added tax payable or receivable is reported in the statement of financial position as a receivable or a liability.

Revenue

Revenue is generally recognised at the time when control is transferred to the purchaser.

Revenue from services is recognised over the performance period depending on the percentage of completion of the respective transaction at the end of the reporting period.

In the context of purchase on a trial basis, customers are provided with systems on an interim basis for a fee with the aim of a sale. The service is performed over this period. Viscom has no contracts with customers where there is more than a year between delivery or performance by Viscom and payment by the customer. The transaction prices are therefore not adjusted for the time value of money.

Warranties of typically 24 months – in individual cases up to 36 months – for system deliveries are classified as assurance type warranties. A transaction price is therefore not allocated to the warranty. Future expected warranty expenses from system deliveries are recognised as provisions (see Provisions).

Contract liabilities

The portion of the transaction price for a system delivery that is attributable to outstanding subsequent work is recognised over the period of the subsequent work and recognised as a contract liability in the event of early invoicing. The subsequent work, which represents a distinct performance obligation, covers further optional services in addition to the system delivery. Allocation takes place on the basis of the relative stand-alone selling prices derived from directly observable market prices. Furthermore, there are obligations from revenue for outstanding services over time from contracts with customers.

Borrowing costs

Borrowing costs are not capitalised, but instead are expensed in the period in which they are incurred – except in the case of qualifying assets in accordance with IAS 23.

Interest

Interest is recognised in interest income on the basis of the effective interest rate for the respective assets and liabilities. The development costs capitalised in the 2023 financial year include borrowing costs of € 457 thousand (previous year: € 172 thousand) using an interest rate of 5.22 %.

Dividends

Dividends are recognised when the shareholder has obtained the right to receive payment.

Currency translation

Transactions in foreign currencies and the annual financial statements of foreign Group companies whose functional currency is not the euro are translated into euro in accordance with the functional currency concept (IAS 21).

The assets and liabilities of foreign Group companies are translated at the closing date exchange rate, while their income and expenses are translated at the average exchange rate. The shareholders' equity of the subsidiaries is translated at historic rates. Differences between these exchange rates and the exchange rates at the closing date are reported in shareholders' equity as a separate item under "Currency translation differences".

When a foreign Group company is sold, exchange differences previously recognised directly in equity are reclassified to profit or loss as part of the gain or loss on disposal. Foreign-currency transactions are translated into the functional currency at the exchange rate at the time of the transaction. Foreign-currency gains and losses from the settlement of transactions and from the translation of monetary assets and liabilities at the closing rate are recognised through profit or loss in the statement of comprehensive income. Translation differences from foreign-currency transactions are reported in profit or loss under "Other operating income" or "Other operating expenses" respectively. If these result from investments in foreign companies, they are reported in equity.

Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rate at the time when the fair value was determined. Translation differences are recognised in profit or loss. Except in the case of equity instruments, the differences are recognised in other comprehensive income.

The significant exchange rates in the financial year were as follows:

Translation exchange rates in 2023

	Closing rate	Average rate
1 EUR = x CNY	7.8509	7.6600
1 EUR = x INR	91.9045	89.3001
1 EUR = x MXN	18.7231	19.1830
1 EUR = x TND	3.3798	3.3461
1 EUR = x USD	1.1050	1.0813

Translation exchange rates in 2022

	Closing rate	Average rate
1 EUR = x CNY	7.3582	7.0788
1 EUR = x INR	88.1710	82.6864
1 EUR = x MXN	20.8560	21.1869
1 EUR = x TND	3.3109	3.2338
1 EUR = x USD	1.0666	1.0530

Notes to the consolidated statement of comprehensive income

(G1) Revenue

The Group's revenue can be broken down as follows:

Revenue	2023 K€	2022 K€
Construction and delivery of machinery	94,409	83,389
Services / replacement parts	24,371	22,129
Total	**118,780**	**105,518**

The categories "Construction and delivery of machinery" and "Services/replacement parts" are revenue from contracts with customers in accordance with IFRS 15. Outstanding performance obligations all have a term of less than one year.

(G2) Other operating income

Other operating income is composed of the following items:

Other operating income	2023 K€	2022 K€
Income from exchange rate differences	717	1,533
Income from the reversal of other liabilities	408	295
Income from the reversal of other provisions for warranties	322	243
Childcare subsidies	169	122
Income from the reversal of impairment on receivables	80	24
Insurance recoveries	2	13
Income from sales of assets	0	25
Miscellaneous other operating income	306	150
Total	**2,004**	**2,405**

The net amount of impairment losses and reversals of impairment losses on receivables comes to € 43 thousand (previous year: € -99 thousand). The childcare subsidies relate to city and state subsidies for the operation of the nursery at Viscom AG. There are no conditions or other contingencies in connection with these subsidies. The associated expenses are recognised without offsetting under other operating expenses.

(G3) Changes in finished goods and work in progress

Changes in finished goods and work in progress included inventory-based manufacturing costs for completed and partially completed machinery and their subassemblies. The net value of such machinery and assemblies was € 29,061 thousand (previous year: € 25,451 thousand), comprising a cost of € 38,584 thousand (previous year: € 34,977 thousand) and a corresponding impairment loss of € 9,523 thousand (previous year: € 9,526 thousand).

(G4) Other own work capitalised

Own work for new developments was capitalised in the amount of € 3,916 thousand in the 2023 financial year (previous year: € 3,193 thousand). The developments mainly related to software and new inspection systems.

(G5) Cost of materials

The cost of materials can be broken down into the cost of purchased materials and purchased services:

Cost of materials	2023 K€	2022 K€
Materials including incidental costs of acquisition	47,690	41,598
Purchased services	4,354	3,560
Total	**52,044**	**45,158**

The increase in the cost of materials was due to the higher level of revenue and the positive change in inventories.

(G6) Staff costs

Staff costs comprised salaries and employer social security contributions.

Staff costs	2023 K€	2022 K€
Wages and salaries, incl. bonuses and management bonuses	37,724	33,587
Social security contributions	7,497	6,313
Total	**45,221**	**39,900**
Number of employees (average for the year)	590	538
Number of trainees (average for the year)	22	17
Total	**612**	**555**

Staff costs rose as a result of the increase in employees, the increase in provisions for remaining holiday, overtime and bonuses/management bonuses and salary increases.

In the period under review, payments were made to defined contribution pension plans in the amount of € 2,182 thousand (previous year: € 2,013 thousand).

(G7) Depreciation and amortisation

Information on depreciation and amortisation expense can be found in notes A6 to A8 of the statement of financial position assets.

(G8) Other operating expenses

Other operating expenses can be broken down as follows:

Other operating expenses	2023 K€	2022 K€
General and administrative costs	9,040	7,359
Selling expenses	2,980	1,995
Travel expenses	2,578	2,108
Expenses from exchange rate differences	1,188	1,201
Outgoing shipments	1,150	1,206
Warranties	530	491
Rentals	259	252
Temporary workers	83	0
Impairment on receivables and losses on receivables	37	123
Total	**17,845**	**14,735**

The increase in other operating expenses related in particular to higher administrative and overhead costs (hardware and software maintenance, legal and consulting costs, housekeeping services, advertising, personnel and vehicle costs) as well as travel and distribution costs due to increased business and trade fair activities. The rent expenses resulted from short-term leases, leases for low-value assets, leases without an identified asset in accordance with IFRS 16 and ancillary rental costs.

Expenditure for research and development amounted to 6.8 % of revenue (previous year: 6.7 %) or € 8,125 thousand (previous year: € 7,074 thousand).

(G9) Net finance costs

Financial income amounted to € 4 thousand, thereby matching the previous year's figure (previous year: € 4 thousand). Financial expenses of € 2,076 thousand in 2023 (previous year: € 775 thousand), including € 17 thousand (previous year: € 4 thousand) from interest on provisions and € 244 thousand (previous year: € 228 thousand) from interest on lease liabilities, resulted in net finance costs of € -2,072 thousand (previous year: € -771 thousand).

(G10) Income taxes

Income taxes for the financial years ending 31 December 2023 and 2022 contained the following income and expense items:

Income taxes	2023 K€	2022 K€
Current income taxes for the past financial year	671	1,305
Current income taxes for previous years	16	-103
Deferred income taxes from the accrual and reversal of temporary differences and tax loss carryforwards	710	844
Income tax expense / income reported in the consolidated statement of comprehensive income	**1,397**	**2,046**

Current income taxes for the 2023 financial year related to Viscom AG, a German subsidiary and the foreign subsidiaries. Current income taxes for previous years in the amount of € 16 thousand related to Viscom AG and foreign subsidiaries and essentially resulted from amended assessments for previous years.

The deferred tax expense essentially resulted from changes in temporary differences between the IFRS and tax accounts at the level of the German, American and Asian companies as well as Viscom AG's loss carryforward from 2020. Furthermore, a deferred tax liability resulted from development costs which were only capitalised in the IFRS financial statements. The distribution of dividends to shareholders did not affect income taxes at the level of Viscom AG.

The reconciliation from the expected to the reported income tax expense was based on the tax rate of the parent company as follows:

Reconciliation of income tax expense	2023 K€	2022 K€
Consolidated net profit before taxes	4,539	7,415
Anticipated tax income (-) / expense (+) based on 32.62 % (previous year: 32.62 %)	1,481	2,419
Non-deductible operating expenses	168	580
Tax-free income	-73	-365
Prior-period taxes	-16	-103
Difference from Group tax rate	-208	-528
Other	45	43
Current tax expense	**1,397**	**2,046**

Deferred tax assets	Consolidated statement of financial position: equity and liabilities 2023 K€	2022 K€
Lease liabilities	3,449	3,860
Tax loss carryforwards	941	1,186
Inventories	686	832
Other liabilities	192	108
Measurement of provisions	42	33
Contract liabilities	102	106
Measurement of trade receivables	31	46
Other financial liabilities	7	35
Gross amount	**5,450**	**6,206**
Offsetting	-4,376	-5,090
Net amount	**1,074**	**1,116**

€ 437 thousand (previous year: € 434 thousand) of the deferred tax assets will be realised in more than twelve months.

Deferred tax liabilities	Consolidated statement of financial position: equity and liabilities 2023 K€	2022 K€
Intangible assets	5,425	4,886
Right-of-use assets in accordance with IFRS 16	3,161	3,683
Measurement of property, plant and equipment	111	129
Gross amount	**8,697**	**8,698**
Offsetting	-4,376	-5,090
Net amount	**4,321**	**3,608**

€ 4,101 thousand (previous year: € 3,254 thousand) of the deferred tax assets will be realised in more than twelve months.

Deferred tax assets and liabilities were offset on a company-by company basis. For deferred tax assets at the level of the respective individual company, the recoverability of the deferred tax assets was estimated as sufficiently probable based on company planning. As at 31 December 2023, Viscom AG, Hanover, had trade tax loss carryforwards of € 3,000 thousand (previous year: € 4,077 thousand) and corporation tax loss carryforwards of € 2,762 thousand (previous year: € 3,168 thousand), both of which can be used indefinitely. Deferred tax assets were recognised in full for this.

Retained earnings amounted to € 10,813 thousand (previous year: € 9,777 thousand). No deferred tax liabilities are recognised on these retained earnings, as there are currently no plans to distribute these profits to the parent company or to sell the subsidiaries. If deferred taxes were recognised for these timing differences, their measurement would have to take only 5 % of the potential dividends plus possible foreign withholding tax into account due in accordance with the statutory regulation in section 8b of the Körperschaftsteuergesetz (KStG – German Corporation Tax Act).

(G11) Earnings per share

Based on an average for the year of 8,885,060 shares, earnings per share for the 2023 financial year amounted to € 0.34 (basic and diluted). In the previous year, earnings per share amounted to € 0.60 (basic and diluted) as calculated on the basis of 8,885,060 shares. The earnings on which the calculation is based (basic and diluted) amounted to € 3,142 thousand (previous year: € 5,369 thousand).

Notes to the statement of financial position (assets)

(A1) Cash

Cash and cash equivalents consisted of cash in hand and bank balances totalling € 5,463 thousand (previous year: € 4,361 thousand).

(A2) Trade receivables

Trade receivables are generally due within 30 to 90 days.

Trade receivables were not exposed to interest rate risk as they are all short-term in nature. The carrying amounts of other receivables and assets constituted a reasonable approximation of their fair value.

Trade receivables from and trade payables to a customer or supplier of Viscom AG are only offset if Viscom can legally enforce the offsetting of the amounts at that point in time and intends to actually offset the amounts. Trade receivables were not offset against trade payables. No other legally enforceable offsetting agreements were in place.

Doubtful receivables written off in full on account of being 100 % unrecoverable amounted to € 1 thousand (previous year: € 703 thousand). Cumulative impairment losses on receivables amounted to € 216 thousand (previous year: € 946 thousand) and related to revenue from contracts with customers as defined by IFRS 15. Some customers were late in meeting their payment obligations in 2023.

The Group applies the simplified approach for expected credit losses in accordance with IFRS 9, which allows the recognition of full lifetime expected losses for all trade receivables. To measure the expected credit losses, the trade receivables were grouped according to shared credit risk characteristics and days past due. Impairment was calculated as follows:

31.12.2023			Past due by the following numbers of days				
in K€	Gross amount	Not past due	< 31 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Expected rate of default		0.1 %	0.1 %	0.2 %	0.9 %	18.7 %	3.6 %
Gross amount	45,835	33,320	5,145	2,696	2,581	475	1,618
Impairment	216	33	6	6	23	89	59

31.12.2022			Past due by the following numbers of days				
in K€	Gross amount	Not past due	< 31 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Expected rate of default		0.3 %	0.5 %	0.4 %	1.6 %	1.0 %	52.9 %
Gross amount	41,996	31,773	4,549	2,066	1,035	1,101	1,472
Impairment	946	108	24	8	17	11	778

The expected credit losses shown also include forward-looking information.

Impairment losses on receivables developed as follows:

	2023 K€	2022 K€
As at 1 January	**946**	**847**
Addition to impairment losses on receivables	37	123
Derecognition of impairment losses on receivables	687	0
Reversal of impairment losses no longer required	80	24
As at 31 December	**216**	**946**

Under IFRS 9, impairment is recognised based on the expected loss model, i.e. losses must be recognised when they are expected on the basis of the credit risk. For this purpose, all financial instruments must be assigned to one of three stages according to which the loss to be recognised is calculated.

Special regulations apply to trade receivables and lease receivables. For these assets, there is the option of a simplified impairment model that Viscom applies to its trade receivables. Under this model, the total loss expected over the remaining term is recognised when assets are added, i.e. the assets are automatically assigned to stage 2.

(A3) Income tax assets

As at 31 December 2023, income tax assets consisted of tax refund claims of € 433 thousand (previous year: € 42 thousand), which essentially resulted from excess prepayments for the 2023 and 2022 assessment periods.

(A4) Inventories

The completed systems reported in inventories were inspection systems ready for sale. All systems are subject to impairment testing every year, with impairment losses recognised as necessary. Assemblies and partially completed systems include pre-produced modules and systems currently under construction (work in progress). In 2023, all inventories, in particular those of completed and partially completed systems, were measured using the same policies as in 2022.

Inventories	2023 K€	2022 K€
Completed systems	16,153	11,947
Assemblies and partially completed systems	12,908	13,504
Raw materials and supplies	10,667	11,977
Total	**39,728**	**37,428**

As at the end of 2023, the cumulative write-downs to net realisable value amounted to € 4,710 thousand for raw materials and supplies (previous year: € 4,505 thousand), € 2,539 thousand for assemblies and partially completed systems (previous year: € 2,443 thousand) and € 6,984 thousand for completed systems (previous year: € 7,083 thousand).

(A5) Other financial receivables and other assets

Other receivables included value-added tax assets of € 358 thousand (previous year: € 37 thousand). All other financial receivables of € 101 thousand (previous year: € 103 thousand) are to be classified in Level 1 (12-month ECL) and credit risk did not increase significantly compared with the previous year. No impairment losses were recognised.

Other financial receivables and other assets	2023 K€	2022 K€
Security deposits for leases / duties	101	103
Subtotal of other financial receivables	**101**	**103**
Advance payments	1,486	352
Miscellaneous assets	584	370
Receivables from public authorities / public sector	79	18
Creditors with debit balances	11	44
Other receivables	772	705
Subtotal of other assets	**2,932**	**1,489**
Total	**3,033**	**1,592**

(A6-A8) Property, plant and equipment / intangible assets

in K€	Goodwill	Intangible assets: Patents and similar rights and assets	Software	Development costs in development	Development costs	Total intangible assets
Gross carrying amounts						
Cost as at 01.01.2023	217	2,288	1,654	8,561	21,077	33,580
Exchange rate differences	0	0	0	0	0	0
Additions	0	0	91	3,916	0	4,007
Acquisition of subsidiaries	0	0	0	0	0	0
Reclassifications	0	0	0	-2,169	2,169	0
Disposals	0	0	0	0	2,983	2,983
Cost as at 31.12.2023	217	2,288	1,745	10,308	20,263	34,604
Impairment losses						
Accumulated depreciation / amortisation as at 01.01.2023	15	2,288	1,524	0	14,664	18,476
Exchange rate differences	0	0	0	0	0	0
Depreciation / amortisation for the current year	0	0	78	0	2,262	2,340
Depreciation / amortisation of disposals	0	0	0	0	2,983	2,983
Accumulated depreciation / amortisation as at 31.12.2023	15	2,288	1,602	0	13,943	17,833
Carrying amounts 31.12.2023	202	0	143	10,308	6,320	16,771

in K€	Property, plant and equipment (including right-of-use assets): Land and buildings	Leasehold improvements	Technical equipment and machinery	Operating and office equipment	Vehicles	Construction in progress	Total property, plant and equipment	Total property, plant and equipment and intangible assets
Gross carrying amounts								
As at 01.01.2023	19,785	2,207	1,089	4,561	3,339	27	31,008	64,805
Exchange rate differences	-71	-9	-1	-21	-11	0	-113	-113
Additions	215	17	31	910	1,609	137	2,919	6,926
Acquisition of subsidiaries	0	0	0	0	0	0	0	0
Reclassifications	-6	56	37	0	0	-93	-6	-6
Disposals	250	0	53	130	1,174	10	1,617	4,600
Cost as at 31.12.2023	19,673	2,271	1,103	5,320	3,763	61	32,191	67,012
Impairment losses								
Accumulated depreciation / amortisation as at 01.01.2023	8,463	1,328	673	3,630	1,843	0	15,937	34,428
Exchange rate differences	-35	-7	1	-17	-5	0	-63	-63
Depreciation / amortisation for the current year	2,549	131	111	550	908	0	4,249	6,589
Reclassifications	0	0	0	0	0	0	0	0
Depreciation / amortisation of disposals	253	0	50	129	1,165	0	1,597	4,580
Accumulated depreciation / amortisation as at 31.12.2023	10,724	1,452	735	4,034	1,581	0	18,526	36,374
Carrying amounts 31.12.2023	8,949	819	368	1,286	2,182	61	13,665	30,638

in K€	Goodwill	Patents and similar rights and assets	Software	Development costs	Total intangible assets
		Intangible assets			
Gross carrying amounts					
Cost as at 01.01.2022	**15**	**2,288**	**2,032**	**26,445**	**30,765**
Exchange rate differences	0	0	0	0	0
Additions	0	0	55	3,193	3,248
Acquisition of subsidiaries	202	0	0	0	0
Reclassifications	0	0	0	0	0
Disposals	0	0	433	0	433
Cost as at 31.12.2022	**217**	**2,288**	**1,654**	**29,638**	**33,580**
Impairment losses					
Accumulated depreciation / amortisation as at 01.01.2022	**15**	**2,288**	**1,872**	**11,917**	**16,077**
Exchange rate differences	0	0	0	0	0
Depreciation / amortisation for the current year	0	0	85	2,747	2,832
Depreciation / amortisation of disposals	0	0	433	0	433
Accumulated depreciation / amortisation as at 31.12.2022	**15**	**2,288**	**1,524**	**14,664**	**18,476**
Carrying amounts 31.12.2022	**202**	**0**	**130**	**14,974**	**15,104**

in K€	Land and buildings	Leasehold improvements	Technical equipment and machinery	Operating and office equipment	Vehicles	Construction in progress	Total property, plant and equipment	Total property, plant and equipment and intangible assets
	Property, plant and equipment (including right-of-use assets)							
Gross carrying amounts								
As at 01.01.2022	**18,782**	**1,969**	**658**	**4,638**	**2,757**	**93**	**28,897**	**59,677**
Exchange rate differences	40	8	0	15	10	-1	72	72
Additions	439	103	46	571	1,194	64	2,417	5,665
Acquisition of subsidiaries	637	0	385	82	0	0	1,104	1,306
Reclassifications	0	129	0	0	0	-129	0	0
Disposals	113	2	0	744	622	0	1,481	1,914
Cost as at 31.12.2022	**19,785**	**2,207**	**1,089**	**4,561**	**3,339**	**27**	**31,008**	**64,805**
Impairment losses								
Accumulated depreciation / amortisation as at 01.01.2022	**6,052**	**1,230**	**570**	**3,895**	**1,672**	**0**	**13,419**	**29,511**
Exchange rate differences	4	8	0	12	8	0	32	32
Depreciation/amortisation for the current year	2,518	92	103	439	782	0	3,934	6,766
Reclassifications	0	0	0	0	0	0	0	0
Depreciation / amortisation of disposals	111	2	0	716	619	0	1,448	1,881
Accumulated depreciation / amortisation as at 31.12.2022	**8,463**	**1,328**	**673**	**3,630**	**1,843**	**0**	**15,937**	**34,428**
Carrying amounts 31.12.2022	**11,322**	**879**	**416**	**931**	**1,496**	**27**	**15,071**	**30,377**

Development costs of € 8,561 thousand were not yet ready for use in 2022.

Leases – right-of-use assets

The values of right-of-use assets, which are recognised under property, plant and equipment in the statement of financial position, are shown separately in the following table:

	Right-of-use assets				
in K€	Land and buildings	Leasehold improvements	Operating and office equipment	Vehicles	Total
Gross carrying amounts					
Cost as at 01.01.2023	**19,180**	**0**	**88**	**2,917**	**22,185**
Exchange rate differences	-71	0	0	-2	-73
Additions	215	0	0	1,546	1,761
Acquisition of subsidiaries	0	0	0	0	0
Reclassifications	-6	55	0	0	49
Disposals	250	0	19	1,172	1,441
Cost as at 31.12.2023	**19,068**	**55**	**69**	**3,289**	**22,481**
Impairment losses					
Accumulated depreciation / amortisation as at 01.01.2023	**8,395**	**0**	**60**	**1,683**	**10,138**
Exchange rate differences	-35	-1	0	-1	-37
Depreciation / amortisation for the current year	2,532	23	18	847	3,420
Reclassifications	0	0	0	0	0
Depreciation / amortisation of disposals	253	0	19	1,165	1,437
Accumulated depreciation / amortisation as at 31.12.2023	**10,639**	**22**	**59**	**1,364**	**12,084**
Carrying amounts 31.12.2023	**8,429**	**33**	**10**	**1,925**	**10,397**

in K€	Right-of-use assets Land and buildings	Operating and office equipment	Vehicles	Total
Gross carrying amounts				
Cost as at 01.01.2022	18,177	88	2,485	20,750
Exchange rate differences	41	0	3	44
Additions	438	0	1,009	1,447
Acquisition of subsidiaries	637	0	0	637
Reclassifications	0	0	0	0
Disposals	113	0	580	693
Cost as at 31.12.2022	19,180	88	2,917	22,185
Impairment losses				
Accumulated depreciation / amortisation as at 01.01.2022	6,001	43	1,521	7,565
Exchange rate differences	4	0	1	5
Depreciation / amortisation for the current year	2,501	17	740	3,258
Reclassifications	0	0	0	0
Depreciation / amortisation of disposals	111	0	579	690
Accumulated depreciation / amortisation as at 31.12.2022	8,395	60	1,683	10,138
Carrying amounts 31.12.2022	10,785	28	1,234	12,047

The land and buildings leased by the Group include offices, warehouses and production space, predominantly on long-term leases. In terms of vehicles, it leases cars on terms of between three and five years. Total lease payments of € 3,352 thousand (previous year: € 3,440 thousand) were made in the 2023 financial year.

The following table shows the maturities of lease liabilities as at 31 December 2023:

in K€	Total amount	of which with a remaining term		
		of 1 year	of 1-5 years	of more than 5 years
Lease liabilities	11,262	3,023	6,888	1,351

The following table shows the maturities of lease liabilities as at 31 December 2022:

in K€	Total amount	of which with a remaining term		
		of 1 year	of 1-5 years	of more than 5 years
Lease liabilities	12,725	2,843	7,607	2,275

Depreciation and amortization

Depreciation and amortisation are calculated on a straight-line basis over the following estimated useful lives:

	Years
Buildings including leasehold improvements	2 to 19
Technical equipment and machinery	2 to 13
Operating and office equipment	8 to 20
Vehicles	5 to 8
Software	1 to 6
Patents	12
Expertise / customer base	3 to 5
Development projects	4 to 15

Right-of-use assets may be depreciated over the contract term if this is shorter.

Intangible assets and property, plant and equipment included assets already written off in full but that are still in use at their historical cost of € 5,354 thousand (previous year: € 4,781 thousand).

Development costs of € 3,916 thousand were capitalised in the period under review (previous year: € 3,193 thousand).

(A9) Financial assets / Loans and security for rent issued by the Company

Security for rent relating to subsidiaries in the amount of € 7 thousand (previous year: € 7 thousand) was reported in financial investments. This item also contained unrestricted loans to third parties, a loan to the buyer of a property from 2018 and security for rented properties.

The loans were reported at their total amortised cost of € 17 thousand (previous year: € 25 thousand). The interest rate for employee loans of € 4 thousand (previous year: € 6 thousand) was between 2 % and 3 %; the interest rate for the loans to third parties of € 15 thousand (previous year: € 16 thousand) was between 2 % and 3.5 %. The fixed interest rate means that there is a certain degree of interest rate risk. However, this risk is classified as immaterial and is not hedged.

(A10) Deferred tax assets

A breakdown of this item is provided as part of the explanatory notes on the tax items under G10 of the consolidated statement of comprehensive income.

Notes to the shareholders' equity and liabilities

(P1) Trade payables

Trade payables are initially carried at cost, which is equal to their fair value. They are subsequently measured at amortised cost using the effective interest method. Invoices were typically settled once per week and within the agreed payment period. Early settlement discounts are applied where possible. All the company's trade payables are short-term in nature.

(P2) Contract liabilities

Contract liabilities include trade payables from contracts with customers in accordance with IFRS 15 and, as at 31 December 2023, include obligations for repairs (€ 1,136 thousand; previous year: € 975 thousand), advance payments received (€ 1,465 thousand; previous year: € 925 thousand) and future performance obligations recognised over time (€ 108 thousand; previous year: € 66 thousand). The obligations will be settled within a year. The contract liabilities of € 1,967 thousand as at 31 December 2022 were fully recognised as revenue in 2023. The advance payments are from customers and are measured at amortised cost.

(P3) Current loans

As at 31 December 2023, short-term loans include liabilities to banks from overdrafts (€ 30,571 thousand; previous year: € 22,288 thousand) and the short-term portion of bank loans (€ 372 thousand; previous year: € 367 thousand).

(P4) Provisions

Current provisions primarily relate to provisions for expected warranty expenses. Warranty provisions are recognised on the basis of a calculation of the remaining months of the warranty term for the projects and the average service cost per month during the warranty term. This item also contains provisions for the delivery of replacement parts within the warranty period.

The utilisation of current provisions is anticipated within the next twelve months.

Non-current provisions include anniversary provisions of € 511 thousand (previous year: € 477 thousand) and the non-current portion of warranty provisions in the amount of € 330 thousand (previous year: € 330 thousand). The warranty provisions are expected to be claimed within twelve to 36 months, while the anniversary provisions are expected to be claimed within one to 40 years.

Breakdown of other provisions in K€	01.01.2023	Utilisation	Reversal	Additions	31.12.2023
Current provisions					
Warranties	1,099	-998	-101	1,303	1,303
Total current provisions	**1,099**	**-998**	**-101**	**1,303**	**1,303**
Non-current provisions					
Warranties	330	-12	-221	233	330
Anniversaries	477	-36	0	70	511
Total non-current provisions	**807**	**-48**	**-221**	**303**	**841**
Total	**1,906**	**-1,046**	**-322**	**1,606**	**2,144**

(P5) Income tax liabilities

Current income tax liabilities comprise Viscom AG's corporation tax (€ 48 thousand; previous year: € 48 thousand) and trade tax liabilities (€ 88 thousand; previous year: € 41 thousand), Viscom Metallgestaltung GmbH's corporation tax (€ 60 thousand; previous year: € 164 thousand) and trade tax liabilities (€ 60 thousand; previous year: € 163 thousand), Exacom GmbH's corporation tax (€ 76 thousand; previous year: € 0 thousand) and trade tax liabilities (€ 81 thousand; previous year: € 0 thousand) and tax obligations of the company in France (€ 53 thousand; previous year: € 0 thousand).

(P6) Other current and financial liabilities

Other current and financial liabilities are composed of the following items:

Other current and financial liabilities	2023 K€	2022 K€
Lease liabilities	3,023	2,843
Outstanding purchase invoices	1,397	497
Commission payments to agents	908	828
Subtotal of other financial liabilities	**5,328**	**4,168**
Management bonuses, incentives, one-time payments	2,523	2,502
Holiday, overtime	1,898	1,738
Social security	660	415
Taxes	634	622
Supervisory Board	99	99
Debtors with credit balances	59	80
Other	979	741
Subtotal of other current liabilities	**6,852**	**6,197**
Total	**12,180**	**10,365**

Other financial liabilities include current liabilities in the form of, for example, commission payments for agents and outstanding invoices, i.e. for goods that were delivered and recognised but for which the accompanying invoice had not been issued as at the end of the year.

The item "Other current liabilities" included liabilities from bonuses not yet paid to employees, outstanding taxes, social security and holiday or overtime.

(P7) Other non-current financial liabilities

Other non-current financial liabilities are composed of the following items:

Other current and financial liabilities	2023 K€	2022 K€
Non-current lease liabilities	8,239	9,882
Non-current loans	904	1,276
Total	**9,143**	**11,158**

(P8) Deferred tax liabilities

A breakdown of this item is provided as part of the explanatory notes on the tax items under G10 of the consolidated statement of comprehensive income.

(P9 to P13) Equity

The reported share capital of the parent company Viscom AG in the amount of € 9,020,000 (previous year: € 9,020,000), divided into 9,020,000 shares, is fully paid up. The 9,020,000 shares are no-par value bearer shares each with a notional interest in the share capital of € 1.00. In the course of 2006, the share capital, which was divided into 67,200 shares on 1 January 2006, was increased by 6,652,800 shares (€ 6,653 thousand) by way of a capital increase from retained earnings and by a further 2,300,000 shares (€ 2,300 thousand) through the issue of new shares in conjunction with the company's IPO. Capital reserves consist of the premium from BdW (Beteiligungsgesellschaft für die deutsche Wirtschaft), which held an interest in Viscom AG until 1 January 2005, the Viscom employees holding an interest in the Company and the premium from the issue of new shares in the amount of € 38,591 thousand. The options for the utilisation of capital reserves are consistent with the regulations of the Aktiengesetz (AktG – German Stock Corporation Act). A stock option plan for employees has not been established.

As communicated in the corresponding ad hoc disclosure on 29 July 2008, Viscom AG initiated a buy-back of its treasury shares on the stock exchange on that date. Viscom AG bought back 134,940 of its own shares for € 587 thousand including incidental costs of acquisition in the period from 29 July 2008 to 31 March 2009. This corresponds to around 1.5 % of the share capital. The purchase of own shares is recognised directly in equity and reduces equity. The amount was deducted from capital reserves as a lump sum. The shares were acquired at an average price of € 4.33 per share. The buy-back serves as a potential acquisition currency. In accordance with section 71b AktG, shares held directly or indirectly by Viscom AG are not entitled to dividends.

No further shares were acquired in this context in the 2023 financial year. The number of dividend-bearing shares remained the same at 8,885,060 on 31 December 2023.

In the 2023 financial year, a dividend of € 0.30 per dividend-bearing share was distributed for the 2022 financial year. Diluted and basic earnings per share are calculated by dividing the consolidated net profit for the period by the number of entitled shares.

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions in the period until 7 June 2026 by a total of up to € 4,500,000 by issuing up to 4,500,000 new no-par value bearer common shares (no-par value shares) against cash or non-cash contributions (Authorised Capital of the 2021 Annual General Meeting).

Viscom AG together with minority shareholders formed Exacom GmbH, Hanover, in June 2022. 15 % of the shares and voting rights in the company are attributable to minority shareholders. Viscom AG has a purchase option for the minority shareholders' shares that can be exercised under certain conditions.

Segment information

Information on the Group's geographical segments by sales market

	Europe		Americas		Asia		Consolidation		Total	
in K€	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
External sales	73,714	54,923	15,750	18,620	29,316	31,975	0	0	118,780	105,518
Intersegment sales	43,889	33,855	218	698	3,740	3,824	-47,847	-38,377	0	0
Total sales	117,603	88,778	15,968	19,318	33,056	35,799	-47,847	-38,377	118,780	105,518
Segment earnings	5,311	4,146	721	1,963	1,311	2,608	-732	-531	6,611	8,186
plus financial result									-2,072	-771
less income taxes									-1,397	-2,046
Consolidated net profit									**3,142**	**5,369**
Segment assets	104,059	91,439	10,713	10,086	14,221	17,068	-4,488	-3,753	124,505	114,840
plus deferred taxes and tax assets									1,507	1,158
Total assets									**126,012**	**115,998**
Segment liabilities	68,586	54,553	6,576	6,085	6,497	11,741	-20,687	-21,072	60,972	51,307
plus deferred taxes and provisions for taxes									4,787	4,425
Total liabilities									**65,759**	**55,732**
Investments	6,753	6,351	20	35	153	584	0	0	6,926	6,970
Amortisations	6,024	6,265	221	181	344	320	0	0	6,589	6,766

The geographical segments form the basis for the internal reporting used by Group management, as the risks and rates of return of the Group are mainly influenced by differences between sales regions. The segments the management considered separately of Viscom France, which operates in France in particular, and Viscom AG including Exacom and Viscom Metallgestaltung, which operates in Germany and various other European countries, satisfy the aggregation criteria of IFRS 8.12 and are aggregated to form the Europe segment. The management assesses the results of the segments and manages them using EBIT as its central performance indicator. Services are generally settled between the Europe segment and the other segments based on transfer prices.

The operating segments provide supplementary internal information for management. The geographical segments are determined on the basis of the domicile of the respective customer. The reportable segments mainly generate their revenue by producing and selling the product groups stated in the table below. Viscom generated around 49 % of its revenue with its seven largest customers (previous year: around 54 % with eight customers). External sales amounted to € 33,682 thousand (previous year: € 29,793 thousand) in Germany and to € 85,098 thousand (previous year: € 75,725 thousand) in all other countries.

Total non-current assets with the exception of financial instruments and deferred tax assets (there were no assets related to pensions or claims under insurance contracts) in Germany were € 28,120 thousand (previous year: € 27,481 thousand). These assets amounted to € 2,333 thousand in total in the other countries (previous year: € 2,719 thousand).

The 10 % revenue limit stated in IFRS 8.34 was exceeded with one customer in 2023 (€ 18,281 thousand; previous year: € 18,627 thousand). The revenue was generated across all segments.

The "Optical and X-ray series inspection systems" product group includes all standard AOI and AXI systems that are identical up to a certain percentage of completion irrespective of the content of the respective customer order. By contrast, "Special optical and X-ray inspection systems" are usually developed specifically for one customer or customer group, or constitute special inspection systems that can be used within the production line but also as standalone systems, and X-ray tubes sold to OEMs. "Service" offers a comprehensive and global range of services with individual support packages.

Information on product groups

	Optical and X-ray series inspection systems		Special optical and X-ray inspection systems		Service		Total	
in K€	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
External sales	81,648	77,855	19,121	11,413	18,011	16,250	118,780	105,518
Assets	85,583	84,729	20,043	12,420	18,879	17,684	124,505	114,833
Investments	4,761	5,143	1,115	754	1,050	1,073	6,926	6,970

Segment statement of cash flows

in K€	Europe 2023	Americas 2023	Asia 2023	Consoli-dation 2023	Total 2023
Cash flow from operating activities					
Net profit for the period after interest and taxes	4,180	519	1,084	-2,641	3,142
Adjustment of net profit for income tax expense (+) / income (-)	1,206	34	216	-59	1,397
Adjustment of net profit for interest expense (+)	2,044	18	14	0	2,076
Adjustment of net profit for interest income (-)	-1,050	0	-4	1,050	-4
Adjustment of net profit for depreciation and amortisation expense (+)	6,024	221	344	0	6,589
Increase (+) / decrease (-) in provisions	356	5	0	-123	238
Gains (-) / losses (+) on the disposal of non-current assets	11	0	5	0	16
Increase (-) / decrease (+) in inventories, receivables and other assets	-13,079	-915	5,451	221	-8,322
Increase (+) / decrease (-) in liabilities	4,704	230	-4,807	1,552	1,679
Income taxes repaid (+) / paid (-)	-222	0	-405	0	-627
Net cash used in/from operating activities	**4,174**	**112**	**1,898**	**0**	**6,184**
Cash flow from investing activities					
Proceeds (+) from the disposal of non-current assets	0	7	8	0	15
Acquisition (-) of property, plant and equipment and intangible assets	-785	-66	-398	0	-1,249
Capitalisation of development costs (-)	-3,916	0	0	0	-3,916
Dividends received (+)	2,119	0	0	-2,119	0
Disbursements of loans granted (-)	-1	0	0	0	-1
Receipts from repayment of loans granted (+)	9	0	0	0	9
Interest received (+)	0	0	4	0	4
Net cash used in investing activities	**-2,574**	**-59**	**-386**	**-2,119**	**-5,138**
Cash flow from financing activities					
Dividend payment (-)	-4,035	0	-750	2,119	-2,666
Repayment of lease liabilities (+)	-2,773	-147	-200	0	-3,120
Repayment of other financial liabilities (-)	-367	0	0	0	-367
Interest paid (-)	-2,027	-18	-14	0	-2,059
Net cash and cash equivalents from financing activities	**-9,202**	**-165**	**-964**	**2,119**	**-8,212**
Changes in cash and cash equivalents due to changes in exchange rates	0	-7	-8	0	-15
Cash and cash equivalents					
Change in cash and cash equivalents	-7,602	-112	548	0	-7,166
Cash and cash equivalents as at 1 January	-21,120	891	2,302	0	-17,927
Cash and cash equivalents as at 31 December	**-28,722**	**772**	**2,842**	**0**	**-25,108**

Other disclosures

Disclosures concerning financial instruments and financial risk management

Presentation of the categories of financial instruments and the corresponding net profit in accordance with IFRS 7

Agreements which mutually lead to the accrual of a financial asset for a company and the accrual of a financial liability or an equity instrument for a counterparty are classified as financial instruments.

In this context, financial assets include cash funds, contractually committed rights to receive cash or other financial assets such as trade receivables, originated loans and equity instruments held in other companies. Financial liabilities include contractual obligations, liquid assets or other financial assets to be released to other companies. This encompasses obtained loans, trade payables and derivatives.

The following presentation provides information on the carrying amounts of the individual measurement categories. The fair values for each class of financial instrument are also shown. The presentation is intended to enable a comparison of the carrying amounts and fair values.

For cash and cash equivalents and other current originated financial instruments, including trade receivables and payables, financial assets and other receivables and liabilities, the fair values are the carrying amounts recognised at the end of the reporting period.

The Group applies the simplified approach for expected credit losses under IFRS 9 for trade receivables. This requires the use of the expected total loss ratio for all trade receivables.

The categories of financial assets and liabilities are included in the following tables (AC – amortised cost):

31.12.2023 in K€	Measurement category	Carrying amount	Fair value
Assets			
Financial assets and other receivables	AC	101	101
Trade receivables	AC	45,619	45,619
Cash and cash equivalents	AC	5,463	5,463
		51,183	**51,183**
Liabilities			
Current loans	AC	30,943	30,943
Trade payables	AC	3,854	3,854
Other current financial liabilities	AC	2,305	2,305
Other non-current financial liabilities	AC	904	852
		38,006	**37,954**

31.12.2022 in K€	Measurement category	Carrying amount	Fair value
Assets			
Financial assets and other receivables	AC	103	103
Trade receivables	AC	41,050	41,050
Cash and cash equivalents	AC	4,361	4,361
		45,514	**45,514**
Liabilities			
Current loans	AC	22,655	22,655
Trade payables	AC	3,256	3,256
Other current financial liabilities	AC	1,325	1,325
Other non-current financial liabilities	AC	1,276	1,276
		28,512	**28,512**

Financial instruments measured at fair value or amortised cost must be classified within a three-level hierarchy. Classification is contingent on the availability of observable market prices. Financial instruments are classified as having level 1 fair value, e.g. shares or securities, if their market prices are directly observable in an active market. The Group has no level 1, level 2 or level 3 financial instruments. Given their short-term nature, the carrying amounts of all other financial instruments constitute a reasonable approximation of the fair value.

The fair value option is not applied.

Net gains from financial instruments resulted from changes to the fair value, from impairment losses, write-ups and from write-offs. This also includes interest income and expenses and other profit components from financial instruments not recognised at fair value through profit or loss.

31.12.2023	from interest	from remeasurement
in K€		Impairment
Financial assets and other receivables	0	0
Trade receivables	0	43
Financial liabilities	-2,076	0
Total	**-2,076**	**43**

31.12.2022	from interest	from remeasurement
in K€		Impairment
Financial assets and other receivables	0	0
Trade receivables	0	-99
Financial liabilities	-775	0
Total	**-775**	**-99**

As in the previous year, there was no interest income from cash funds in the 2023 financial year. Write-downs on trade receivables of € 43 thousand were recognised in profit or loss in the 2023 financial year (previous year: € -99 thousand).

Financial risk management objectives and processes (IAS 9)

The significant risks for Viscom's financial instruments are the default risk, the interest rate risk and the exchange rate risk.

The Executive Board determined corresponding risk processes, which it reviews on a regular basis. These risk processes are summarised in the following section.

Default risk

Viscom employs appropriate control processes in order to ensure that sales are only entered into with customers with proven creditworthiness. And the default risk associated with sales must be kept within acceptable limits.

Viscom does not act as a guarantor for the obligations of other parties.

The maximum default risk is shown by the carrying amount of each financial asset as reported in the statement of financial position.

Maturity structure of financial assets

31.12.2023 in K€	Gross amount	Not past due	Past due by the following numbers of days				
			< 31 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Financial assets and other receivables	101	101	0	0	0	0	0
Trade receivables	45,835	33,320	5,145	2,696	2,581	475	1,618
of which impaired	216	33	6	6	23	89	59
Total	**45,936**	**33,421**	**5,145**	**2,696**	**2,581**	**475**	**1,618**

Maturity structure of financial assets

31.12.2022 in K€	Gross amount	Not past due	Past due by the following numbers of days				
			< 31 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Financial assets and other receivables	103	103	0	0	0	0	0
Trade receivables	41,996	31,773	4,549	2,066	1,035	1,101	1,472
of which impaired	946	108	24	8	17	11	778
Total	**42,099**	**31,876**	**4,549**	**2,066**	**1,035**	**1,101**	**1,472**

No conditions of any financial asset that would otherwise be past due or impaired were renegotiated in the financial year.

The credit rating of financial assets that are neither past due nor impaired are determined on the basis of external credit ratings (if available) or historical experiences about default rates of the corresponding business partner.

Based on past empirical data, the company recognised a write-down that accounted for default risk. Impairment losses on individual items were also recognised.

No interest income was generated from impaired financial assets in the period under review.

Interest rate risk

Certain financial Instruments held by Viscom are exposed to interest rate risk. The interest rate risk is classified as insignificant, as the significant funds were invested with a fixed interest rate. This risk is stated in the explanatory notes on the respective items. No derivative financial instruments are employed for the purposes of hedging against interest rate risk. The interest rate on overdrafts depends on benchmark interest rates that are currently positive. An increase of one percentage point would result in additional interest expense of € 379 thousand (previous year: € 305 thousand) if the overdrafts were utilised in full.

Liquidity risk

Viscom is committed to ensuring that it has sufficient cash and cash equivalents or credit facilities at its disposal to meet its obligations for the next three years as set out in its strategic plan. Viscom had overdraft facilities with several banks totaling € 37,900 thousand (previous year: € 30,500 thousand) and additional guarantee facilities of € 300 thousand (previous year: € 300 thousand).

On that date, all the company's cash and cash equivalents were held in current bank clearing accounts and as cash in hand.

The remaining contractual terms are presented in the following tables:

Remaining contractual terms

31.12.2023	Carrying amount	Remaining terms (undiscounted)		
in K€		< 1 year	1 to 5 years	> 5 years
Current loans	30,943	30,943	0	0
Trade payables	3,854	3,854	0	0
Other current financial liabilities	2,305	2,305	0	0
Current lease liabilities	3,023	3,042	0	0
Other non-current financial liabilities	904	0	920	0
Non-current lease liabilities	8,239	0	7,107	1,351
Total	**49,268**	**40,144**	**8,027**	**1,351**

Remaining contractual terms

31.12.2022 in K€	Carrying amount	Remaining terms (undiscounted)		
		< 1 year	1 to 5 years	> 5 years
Current loans	22,655	22,655	0	0
Trade payables	3,256	3,256	0	0
Other current financial liabilities	1,325	1,325	0	0
Current lease liabilities	2,843	2,861	0	0
Other non-current financial liabilities	1,276	0	1,310	0
Non-current lease liabilities	9,882	0	7,849	2,275
Total	**41,237**	**30,097**	**9,159**	**2,275**

There were no gross outflows.

Exchange rate risk

As Viscom operates internationally, the Group is also exposed to exchange rate risks. Around 15 % of the consolidated revenue is exposed to an exchange rate risk in the parent company. Approximately 5 % of the parent company's expense was denominated in a currency other than the reporting currency. These risks were not hedged at the end of the reporting period or during the year. As at 31 December 2023, net receivables relevant to the exchange rate amounted to € 10,493 thousand in total (previous year: € 3,956 thousand). It included both the receivables of Viscom AG predominantly in US dollars and the receivables of the subsidiaries in euro. Assuming a change of 5 %, the exchange rate risk recognised in profit or loss amounted to € 500 thousand (previous year: € 188 thousand) and would increase or reduce the company's net profit for the period by this amount in the event of the respective change. Given the company's business volumes and the development of the euro/US dollar exchange rate, the current level of exchange rate risk was deemed acceptable without the need for hedging.

Capital management

Viscom's capital management aims to ensure the continued existence of the company as a going concern to continue providing shareholders with income and services due to them.

The uninvested and thus committed equity components of the company are used to manage liquidity and to finance the company's operating activities. The company's objective is to finance operating activities predominantly from own funds. At present, additional loans and existing credit facilities are used.

At € 60,253 thousand, total equity including reserves was on a par with the previous year's € 60,266 thousand. This results from the net profit for the period and the dividend payment for the previous year. Due to a comparatively stronger increase in total assets, the equity ratio fell to 47.8 % (previous year: 52.0 %).

Use of derivative financial instruments

Viscom did not use derivative financial instruments to hedge exchange rate and interest risks in the 2023 financial year.

Cash flow statement

Cash (€ 5,463 thousand; previous year: € 4,361 thousand) and current account liabilities (€ 30,571 thousand; previous year: € 22,288 thousand) are reported net under cash funds as at 31 December 2023. The following table shows the reconciliation of liabilities from financing activities:

		Cash changes			Non-cash changes				
	31.12.2022	Repay-ment	Addi-tions	Interest payment	Interest expense	Foreign exchange move-ment	Addi-tions	Derecog-nition	31.12.2023
Loans	1,643	-367	0	-23	23	0	0	0	1,276
Lease liabilities	12,725	-3,120	0	-232	232	0	1,657	0	11,262
Total	**14,368**	**-3,487**	**0**	**-255**	**255**	**0**	**1,657**	**0**	**12,538**

		Cash changes			Non-cash changes				
	31.12.2021	Repay-ment	Addi-tions	Interest payment	Interest expense	Foreign exchange move-ment	Addi-tions	Derecog-nition	31.12.2022
Loans	1,356	-313	600	-23	23	0	0	0	1,643
Lease liabilities	13,572	-2,962	0	-226	226	0	2,163	-48	12,725
Total	**14,928**	**-3,275**	**600**	**-249**	**249**	**0**	**2,163**	**-48**	**14,368**

The “Loans” item comprises the short-term (€ 372 thousand; previous year: € 367 thousand) and the long-term portion (€ 904 thousand; previous year: € 1,276 thousand) of a bank loan and does not include the current account liabilities included in cash and cash equivalents. Interest on the current account liabilities (€ 1,629 thousand; previous year: € 498 thousand) is included in interest paid under cash flow from financing activities. The “Lease liabilities” item comprises short-term (€ 3,023 thousand, included in other short-term financial liabilities; previous year: € 2,843 thousand) and long-term (€ 8,239 thousand, included in other long-term financial liabilities; previous year: € 9,882 thousand) lease liabilities.

Related party disclosures

The remuneration of the members of the Executive Board consists of a fixed annual salary, payable in twelve equal monthly instalments, a 13th month's salary and a performance-based bonus.

The total performance-based bonus consists of Bonus I, which relates to the past financial year, and the long-term Bonus II. The total bonus is capped at 100 % of annual fixed remuneration for all members of the Executive Board.

Calculated on a straight-line basis, Bonus I is between one month's fixed remuneration if EBIT amounts to EUR 1 million and 13 months' fixed remuneration if EBIT amounts to EUR 15 million. EBIT must amount to at least € 1 million, otherwise the member of the Executive Board is no longer entitled to Bonus I.

Bonus II is payable when both an entitlement based on the average EBIT of previous years and the EBIT in the past year are both positive. Calculated on a straight-line basis, Bonus II is between one month's fixed remuneration if EBIT amounts to EUR 1 million and 13 months' fixed remuneration if EBIT amounts to EUR 15 million. The bonuses are calculated on the basis of average EBIT generated in the three most recent financial years (i.e. the year just ended plus the two before that). Average EBIT must amount to at least EUR 1 million, otherwise the member of the Executive Board is no longer entitled to Bonus I. There is also no entitlement to Bonus II if EBIT was negative in the past financial year.

There is a new version for Bonus II that was implemented for all three members of the Executive Board as at 1 June 2023.

Bonus II was adjusted for new Executive Board contracts such that factors other than commercial ones affect the calculation of the amount of variable remuneration.

The new remuneration system implements these ideas in that Bonus II is not solely based on commercial results, but rather also relates to other factors for the achievement of the full bonus:

• Some of Bonus II is linked to the achievement of a target for the reduction of employee turnover in order to retain long-term experience and skills within the company moving ahead (social component).

• Some of the variable remuneration is linked to the achievement of a target for the reduction of Viscom AG's electricity consumption. This is intended to incentivise the reduction of energy consumption and the related costs to the company. The relevant calculations do not include additional energy expended for changing the fleet to electric vehicles or energy produced using the company's own production facilities (e.g. photovoltaic systems) (environmental component).

• Furthermore, variable remuneration can be retained or subsequently claimed back, in full or in part, in the event of severe breaches of duty by members of the Executive Board. This is intended to guarantee that members of the Executive Board abide by internal policies and the applicable laws (governance component).

There are no stock option programmes for management or employees at Viscom AG.

In the year under review, the members of the Executive Board received total remuneration in the form of short-term payments of € 1,892 thousand (previous year: € 1,602 thousand). In addition, there were termination benefits of € 191 thousand (previous year: € 0 thousand). The short-term payments essentially comprise the monthly basic remuneration and the variable remuneration. There were short-term liabilities for variable remuneration of € 770 thousand as at 31 December 2023 (previous year: € 646 thousand).

The table below shows the value of the remuneration granted for the financial year:

Remuneration granted and owed		Dr. Martin Heuser				
		Executive Board (Development / Production)				
in K€		2022	2023	Relative share in 2023	2023 (min.)	2023 (max.)
Fixed remuneration		208	238	46.48 %	238	238
Additional benefits*		9	9	1.76 %	9	9
Retirement benefits**		20	27	5.28 %	27	27
Total fixed remuneration		**237**	**274**	**53.52 %**	**274**	**274**
One-year variable remuneration***		115	107	20.90 %	0	238
Long-term variable remuneration for 2021 to 2023 (total)***		94	143	27.93 %	0	238
	Average consolidated EBIT for the past three years	19	61	11.91 %	0	143
	Environmental component	41	48	9.38 %	0	48
	Social component	34	34	6.64 %	0	48
Total variable remuneration* **		**208**	**238**	**46.48 %**	**0**	**238**
Total remuneration		**445**	**512**	**100.00 %**	**274**	**512**

* In particular, additional benefits include the use of a company vehicle for business and private purposes, capital accumulation benefits and an allowance for telephone costs.
** Contributions to private health insurance, direct insurance and accident insurance premiums.
*** The total bonus for the Executive Board is capped at 100 % of fixed annual remuneration.

Remuneration granted and owed		Dirk Schwingel				
		Executive Board (Finances)				
in K€		2022	2023	Relative share in 2023	2023 (min.)	2023 (max.)
Fixed remuneration		208	238	46.66 %	238	238
Additional benefits*		18	19	3.73 %	19	19
Retirement benefits**		18	25	4.90 %	25	25
Total fixed remuneration		**244**	**282**	**55.29 %**	**282**	**282**
One-year variable remuneration***		115	107	20.98 %	0	238
Long-term variable remuneration for 2021 to 2023 (total)***		31	128	25.10 %	0	238
	Average consolidated EBIT for the past three years	31	76	14.90 %	0	178
	Environmental component	n.a.	30	5.88 %	0	30
	Social component	n.a.	22	4.32 %	0	30
Total variable remuneration* **		**146**	**228**	**44.71 %**	**0**	**238**
Total remuneration		**390**	**510**	**100.00 %**	**282**	**520**

Remuneration granted and owed		Carsten Salewski				
		Executive Board (Sales / Operations)				
in K€		2022	2023	Relative share in 2023	2023 (Min)	2023 (Max)
Fixed remuneration		208	238	47.13 %	238	238
Additional benefits*		11	12	2.38 %	12	12
Retirement benefits**		19	27	5.34 %	27	27
Total fixed remuneration		**238**	**277**	**54.85 %**	**277**	**277**
One-year variable remuneration***		115	107	21.19 %	0	238
Long-term variable remuneration for 2021 to 2023 (total)***		31	128	25.35 %	0	238
	Average consolidated EBIT for the past three years	31	76	15.05 %	0	178
	Environmental component	n.a.	30	5.94 %	0	30
	Social component	n.a.	22	4.36 %	0	30
Total variable remuneration* **		**146**	**228**	**45.15 %**	**0**	**238**
Total remuneration		**384**	**505**	**100.00 %**	**277**	**515**

Remuneration granted and owed	Peter Krippner				
	Executive Board (Operations) – until 31 May 2023				
in K€	2022	2023	Relative share in 2023	2023 (Min)	2023 (Max)
Fixed remuneration	208	87	23.84 %	87	87
Additional benefits*	0	191	52.33 %	191	191
Retirement benefits**	8	3	0.82 %	3	3
Total fixed remuneration	21	8	2.19 %	8	8
One-year variable remuneration***	**237**	**289**	**79.18 %**	**289**	**289**
Long-term variable remuneration for 2021 to 2023 (total)***	115	39	10.68 %	0	87
Average consolidated EBIT for the past three years	31	37	10.14 %	0	87
Environmental component	n.a.	n.a.	n.a.	n.a.	n.a.
Social component	n.a.	n.a.	n.a.	n.a.	n.a.
Total variable remuneration***	146	76	20.82 %	0	87
Total remuneration	383	365	100.00 %	289	376

* In particular, additional benefits include the use of a company vehicle for business and private purposes, capital accumulation benefits and an allowance for telephone costs.

** Contributions to private health insurance, direct insurance and accident insurance premiums.

*** The total bonus for the Executive Board is capped at 100 % of fixed annual remuneration.

The remuneration for members of the Supervisory Board consists solely of short-term payments of € 99.0 thousand (previous year: € 99.0 thousand).

Related parties and affiliated companies

HPC Vermögensverwaltung GmbH held an interest of 53.98 % in Viscom AG as at 31 December 2023 (previous year: 53.98 %). HPC Vermögensverwaltung GmbH is therefore both an affiliated company and the parent company of Viscom AG. As the shares in HPC Vermögensverwaltung GmbH are attributable to the individuals Dr. Martin Heuser and Mr. Volker Pape in full in accordance with the German Securities Trading Act, these individuals are jointly regarded as the ultimate controlling persons.

In all transactions with related parties, the relationship with the related party arises from its relationship with Dr. Martin Heuser or Mr. Volker Pape.

Services provided by related parties and affiliated companies in K€	**2023**	2022
From vehicle leases:		
HPC Vermögensverwaltung GmbH	13	17
From services:		
HPC Vermögensverwaltung GmbH	881	780
Heuser / Pape Catering GbR	42	36
From building leases:		
HPC Vermögensverwaltung GmbH	1,496	1,496
Marina Hettwer / Petra Pape GbR	191	191
Dr. Martin Heuser / Petra Pape GbR	241	241
Sum of goods and services received by the Group	2,864	2,761

Viscom AG has leases for company vehicles with HPC Vermögensverwaltung GmbH. In 2023, HPC Vermögensverwaltung GmbH and Heuser / Pape Catering GbR provided further services such as company child care, cleaning services and other miscellaneous services.

A dividend of € 1,461 thousand (previous year: € 974 thousand) was distributed to HPC Vermögensverwaltung GmbH in 2023, € 86 thousand (previous year: € 55 thousand) to Dr. Heuser and € 80 thousand (previous year: € 53 thousand) to Mr. Pape.

The future cumulative minimum lease payments for the following periods are:

Lease obligations for company cars in K€	2023	2022
Total	**1,802**	**1,176**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	7	10
within one year of the end of the reporting period	**688**	**536**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	7	10
more than one but less than five years after the end of the reporting period	**1,114**	**640**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	0	0
within more than five years of the end of the reporting period	**0**	**0**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	0	0

The future services for the following periods are:

Services in K€	2023	2022
Total	**539**	**644**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	539	644
within one year of the end of the reporting period	**539**	**644**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	539	644
more than one but less than five years after the end of the reporting period	**0**	**0**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	0	0
within more than five years of the end of the reporting period	**0**	**0**
of which to HPC Vermögensverwaltung GmbH (as an affiliated company)	0	0

Other related parties

There are rental agreements for nine properties in Carl-Buderus-Straße (CBS) and one property in Fränkische Straße (FS) in Hanover between Viscom AG and Dr. Martin Heuser / Petra Pape GbR*, Hanover, Marina Hettwer / Petra Pape GbR**, Hanover and HPC Vermögensverwaltung GmbH***, Hanover.

Agreements with related parties

As at 31 December 2023, there was a lease liability of € 4,909 thousand (previous year: € 4,334 thousand) to HPC Vermögensverwaltung GmbH and of € 3,225 thousand (previous year: € 3,738 thousand) to other related parties.

Agreements with related parties

Agreements with remaining terms of	Rental property	Start of lease	Basic lease term	Net monthly rent (€)	Net rent p.a. (€)
Between one and five years	CBS 10a ***	15 November 2005	10 years	22,300	267,600
	CBS 6 ***	1 December 2015	10 years	34,890	418,680
	CBS 13 *	1 November 2007	10 years	6,500	78,000
	CBS 15 **	15 November 2007	10 years	15,900	190,800
	FS 28 *	1 November 2008	5 years	2,400	28,800
	CBS 8 *	1 January 2019	10 years	6,250	75,000
More than five years	CBS 11 ***	1 March 2019	10 years	22,500	270,000
	CBS 8a ***	1 January 2020	10 years	21,359	256,308
	CBS 9 *	1 January 2001	10 years	5,000	60,000
	CBS 10 ***	1 March 2002	10 years	23,600	283,200
Total rental obligations with a remaining lease term of 1 year or less					**1,928,388** (previous year: 1,928,388)
Total rental obligations with a remaining term of 1 to 5 years					**5,256,822** (previous year: 6,216,702)
Total rental obligations with a remaining lease term of more than 5 years					**1,318,108** (previous year: 2,286,616)

Service agreements

In 2023, tiling services totalling were purchased from the related party HPC Fliesen GmbH in the amount of € 3 thousand (previous year: € 2 thousand). A consultancy agreement was entered into with Mr. Volker Pape as a related party. The agreement began on 1 July 2018 and has a term of ten years. There is a minimum fee for each full calendar year of € 113 thousand. The total charge for consulting services was € 134 thousand (previous year: € 113 thousand).

Loan agreements

There were no receivables or liabilities resulting from loan agreements with related parties as at the end of the reporting period.

Additional disclosures

Obligation as lessee from leases already recognized in the balance sheet

Details on vehicle and building leases are disclosed in the section on related parties.

There are also obligations from vehicle leases with third parties in the US and France:

Lease obligations for company cars in K€	2023	2022
Total	109	40
within one year of the end of the reporting period	35	37
more than one but less than five years after the end of the reporting period	74	3
within more than five years of the end of the reporting period	0	0

The rented properties in Langenhagen (Germany), Mexico, France, Tunisia, Singapore, China, India and the US are leased from third parties.

Lease obligations for buildings in K€	2023	2022
Total	994	1.359
within one year of the end of the reporting period	569	567
more than one but less than five years after the end of the reporting period	425	792
within more than five years of the end of the reporting period	0	0

Purchase commitments

Purchase commitments from delivery contracts amounted to around € 5,416 thousand (previous year: € 14,091 thousand) as at 31 December 2023.

Contingent liabilities

There were no contingent liabilities as at 31 December 2023.

Shareholder Structure

In May 2006, HPC Vermögensverwaltung GmbH, Hanover, informed Viscom AG in accordance with section 21(1a) of the old version of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) that its share of the voting rights in Viscom AG exceeded 50 % on 9 May 2006.

I. Voting rights notifications from Dr. Martin Heuser, Volker Pape and other family members

Dr. Martin Heuser, Volker Pape and other family members reported that they held interests or were attributed interests in Viscom AG, some directly and some via HPC Vermögensverwaltung GmbH and other intermediary family companies and foundations (notified as follows), and notified Viscom AG of the following by the date the statement of financial position was prepared in accordance with sections 33 and 34 WpHG (the disclosures each show the most recent notification by a notifying party to the company, unless it is necessary or expedient to list further notifications for transparency reasons):

a) Voting rights notification from Dr. Martin Heuser dated 28 September 2021 in relation to a total of 59.87 % of the voting rights as a voluntary group notification due to restructuring at the level of subsidiaries with threshold reached

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Voluntary group notification due to restructuring at the level of subsidiaries with threshold reached

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Dr. Martin Heuser Date of birth: 24 September 1957

4. Names of shareholders

holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.87 %	0.00 %	59.87 %	9,020,000
Previous notification	56.93 %	0 %	56.93 %	/

7. Details of the voting rights held

a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	265650	5134735	2.95 %	56.93 %
Total	5400385		59.87 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period/ term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instruments within the meaning of section 38(1) no. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
x	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more
Dr. Martin Heuser	59.87 %	%	59.87 %
Heuser Familienstiftung (family foundation)	59.87 %	%	59.87 %
HSF GmbH	%	%	%
HPC Verwaltungs GmbH	%	%	%
HPC GmbH & Co. KG	%	%	%
HPC Vermögensverwaltung GmbH	59.87 %	%	59.87 %
-	%	%	%
Dr. Martin Heuser	59.87 %	%	59.87 %
VISCOM Stiftung (foundation)	59.87 %	%	59.87 %

9. In case of proxy voting in accordance with section 34(3) WpHG

(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:

Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Date

28.09.2021

b) <u>Voting rights notification from Volker Pape dated 28 September 2021 in relation to a total of 59.87 % of the voting rights as a voluntary group notification due to restructuring at the level of subsidiaries with threshold reached</u>

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Voluntary group notification due to restructuring at the level of subsidiaries with threshold reached

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Volker Pape Date of birth: 2 October 1955

4. Names of shareholders

holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.87 %	0.00 %	59.87 %	9,020,000
Previous notification	56.93 %	0 %	56.93 %	/

7. Details of the voting rights held

a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	265650	5134735	2.95 %	56.93 %
Total	5400385		59.87 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instrumente i.S.d. § 38 Abs. 1 Nr. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
x	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more
Volker Pape	59.87 %	%	59.87 %
Pape Familienstiftung (family foundation)	59.87 %	%	59.87 %
PPF GmbH	%	%	%
HPC Verwaltungs GmbH	%	%	%
HPC GmbH & Co. KG	%	%	%
HPC Vermögensverwaltung GmbH	59.87 %	%	59.87 %
-	%	%	%
Volker Pape	59.87 %	%	59.87 %
VISCOM Stiftung (foundation)	59.87 %	%	59.87 %

9. In case of proxy voting in accordance with section 34(3) WpHG

(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:

Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Date

28.09.2021

c) Voting rights notification from Nadja Heuser dated 28 September 2021 in relation to a total of 59.93 % of the voting rights due to acting in concert

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Acting in concert

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Nadja Heuser Date of birth: 30 March 1969

4. Names of shareholders

holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.93 %	0.00 %	59.93 %	9,020,000
Previous notification	n/a %	n/a %	n/a %	/

7. Details of the voting rights held

a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	5621	5400385	0.06 %	59.87 %
Total	5406006		59.93 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instrumente i.S.d. § 38 Abs. 1 Nr. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

x	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more

9. In case of proxy voting in accordance with section 34(3) WpHG
(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:
Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Date

28.09.2021

d. Voting rights notification from Michael Heuser dated 28 September 2021 in relation to a total of 59.88 % of the voting rights due to acting in concert

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Acting in concert

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Michael Heuser Date of birth: 1 October 1987

4. Names of shareholders
holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.88 %	0.00 %	59.88 %	9,020,000
Previous notification	n/a %	n/a %	n/a %	/

7. Details of the voting rights held
a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	400	5400385	0 %	59.87 %
Total	**5400785**		**59.88 %**	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instru-ment	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instruments within the meaning of section 38(1) no. 2 WpHG

Type of instru-ment	Matu-rity / expiry date	Exercise period / term	Cash or physical settle-ment	Voting rights (ab-solute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

x	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more

9. In case of proxy voting in accordance with section 34(3) WpHG
(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:
Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Date

28.09.2021

e) Voting rights notification from Merlin Krügel dated 28 September 2021 in relation to a total of 59.87 % of the voting rights due to acting in concert

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Acting in concert

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Merlin Krügel Date of birth: 22 March 1997

4. Names of shareholders
holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.87 %	0.00 %	59.87 %	9,020,000
Previous notification	n/a %	n/a %	n/a %	/

7. Details of the voting rights held

a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	0	5400385	0.00 %	59.87 %
Total	5400385		59.87 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instrumente i.S.d. § 38 Abs. 1 Nr. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

x	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more

9. In case of proxy voting in accordance with section 34(3) WpHG

(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:

Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Date

28.09.2021

f) Voting rights notification from Petra Pape dated 28 September 2021 in relation to a total of 59.89 % of the voting rights due to acting in concert

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Acting in concert

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Petra Pape Date of birth: 13 April 1957

4. Names of shareholders

holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.89 %	0.00 %	59.89 %	9,020,000
Previous notification	n/a %	n/a %	n/a %	/

7. Details of the voting rights held

a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	1500	5400385	0.02 %	59.87 %
Total	5401885		59.89 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instruments within the meaning of section 38(1) no. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

x	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more

9. In case of proxy voting in accordance with section 34(3) WpHG

(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:

Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Datum

28.09.2021

g) Voting rights notification from Anne Pape dated 28 September 2021 in relation to a total of 59.95 % of the voting rights due to acting in concert

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Acting in concert

3. Details of the party subject to the notification obligation

Natural person (first name, surname): Anne Pape Date of birth: 8 July 1988

4. Names of shareholders

holding voting rights of 3 % or more, if different from 3.

HPC Vermögensverwaltung GmbH

5. Date on which the threshold was reached

28.09.2021

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	59.95 %	0.00 %	59.95 %	9,020,000
Previous notification	n/a %	n/a %	n/a %	/

7. Details of the voting rights held

a. Voting rights (section 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	7061	,400385	0.08 %	59.87 %
Total	5407446		59.95 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instruments within the meaning of section 38(1) no. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Total	0	0.00 %

8. Information about the party subject to the notification obligation

x	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more

9. In case of proxy voting in accordance with section 34(3) WpHG
(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:
Total share of voting rights (6.) after Annual General Meeting:

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

Date

28.09.2021

II. Other voting rights notifications

Viscom AG was notified of the following shareholdings of other persons by the date when the statement of financial position was prepared in accordance with sections 33 and 34 WpHG (the disclosures each show the most recent notification by a notifying party to the company, unless it is necessary or expedient to list further notifications for transparency reasons):

a) Voting rights notification from Allianz SE dated 8 December 2022 in relation to a total of 4.92 % of the voting rights

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
x	Other reason: Voluntary group notification due to restructuring

3. Details of the party subject to the notification obligation

Legal entity: Allianz SE Registered office, country: Munich, Germany

4. Names of shareholders
holding voting rights of 3 % or more, if different from 3.

Allianz Retraite S.A.

5. Date on which the threshold was reached

07.12.2022

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights as per section 41 WpHG
New	4.92 %	0.00 %	4.92 %	9020000
Previous notification	4.98 %	0.00 %	4.98 %	-

7. Details of the voting rights held

a. Voting rights (sections 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	0	443852	0.00 %	4.92 %
Total	443852		4.92 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0 %
		Total	0	0 %

b.2. Instruments within the meaning of section 38(1) no. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0 %
			Total	0	0 %

8. Information about the party subject to the notification obligation

	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
x	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more
Allianz SE	%	%	%
Allianz Holding France SAS	%	%	%
Allianz France S.A.	%	%	%
Allianz Vie S.A.	%	%	%
Allianz Retraite S.A.	4.92 %	%	%

9. In case of proxy voting in accordance with section 34(3) WpHG
(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:

Total share of voting rights (6.) after Annual General Meeting

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

The voting rights notification is triggered by an internal sale of Viscom AG shares from Allianz I.A.R.D. S.A. to Allianz Retraite S.A.

Date

08.12.2022

b) Voting rights notification from Universal-Investment-Gesellschaft mit beschränkter Haftung dated 17 November 2023 in relation to 2.77 % of the voting rights:

Universal-Investment-Gesellschaft mit beschränkter Haftung has notified Viscom AG in accordance with sections 33 and 34 of the German Securities Trading Act (WpHG) that its shareholding has fallen below the threshold of 3 %:

1. Details of issuer

Name:	Viscom AG
Street, house no.:	Carl-Buderus-Straße 9-15
Post code:	30455
City:	Hanover, Germany
Legal Entity Identifier (LEI):	391200SDLDT1KJVFRV52

2. Reason for notification

x	Acquisition / disposal of shares with voting rights
	Acquisition / disposal of instruments
	Change in total number of voting rights
	Other reason: Voluntary group notification due to restructuring

3. Details of the party subject to the notification obligation

Legal entity: Universal-Investment-Gesellschaft mit beschränkter Haftung Registered office, country: Frankfurt/Main, Germany

4. Names of shareholders
holding voting rights of 3 % or more, if different from 3.

5. Date on which the threshold was reached

10.11.2023

6. Total share of voting rights

	Share of voting rights (total of 7.a.)	Share of instruments (total of 7.b.1.+ 7.b.2.)	Total shares (total of 7.a. + 7.b.)	Total number of voting rights in accordance with section 41 WpHG
new	2.77 %	0.00 %	2.77 %	9020000
Previous notification	3.02 %	0.00 %	3.02 %	-

7. Details of the voting rights held

a. Voting rights (sections 33, 34 WpHG)

ISIN	Absolute		in %	
	Direct (section 33 WpHG)	Indirect (section 34 WpHG)	Direct (section 33 WpHG)	Indirect (section 34 WpHG)
DE0007846867	0	250132	0.00 %	2.77 %
Total	250132		2.77 %	

b.1. Instruments within the meaning of section 38(1) no. 1 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Voting rights (absolute)	Voting rights in %
			0	0.00 %
		Total	0	0.00 %

b.2. Instruments within the meaning of section 38(1) no. 2 WpHG

Type of instrument	Maturity / expiry date	Exercise period / term	Cash or physical settlement	Voting rights (absolute)	Voting rights in %
				0	0.00 %
			Summe	0	0.00 %

8. Information about the party subject to the notification obligation

	The party subject to the notification obligation (3.) is not controlled and does itself not control any other entities that hold voting rights in the issuer (1.) or that are assigned voting rights in the issuer.
x	Full chain of subsidiaries beginning with the ultimate controlling person or entity:

Entity	Voting rights in % if 3 % or more	Instruments in % if 5 % or more	Total in % if 5 % or more
Universal-Investment-Gesellschaft mit beschränkter Haftung	%	%	%
Universal-Investment-Luxembourg S.A.	%	%	%

9. In case of proxy voting in accordance with section 34(3) WpHG

(only possible in the case of allocation in accordance with section 34(1) sentence 1 no. 6 WpHG)

Date of Annual General Meeting:

Total share of voting rights (6.) after Annual General Meeting

Share of voting rights	Share of instruments	Total shares
%	%	%

10. Other information:

17.11.2023

Supplementary report

Events after the end of the reporting period

There were no significant events after the end of the 2023 financial year.

German Corporate Governance Code

The Executive Board and Supervisory Board of Viscom AG submitted the annual Compliance Statement, according to section 161 of the German Stock Corporation Act (AktG), in February 2024. It has been published and is permanently accessible on the Viscom AG website.

Total auditors' fees (section 314(1) no. 9 of the Handelsgesetzbuch (HGB – German Commercial Code))

The fee charged for the work of the Group auditor PricewaterhouseCoopers GmbHWirtschaftsprüfungsgesellschaft for the financial year breaks down as follows:

Total auditors' fees in K€	2023	2022
Audits of financial statements	184	186*
Other assurance services	79	15
Total	**263**	**201**

* including € 11 thousand for the previous year.

In particular, fees for audits of financial statements include fees for the statutory audit of the annual and consolidated financial statements and the dependent company report. Other assurance services comprise statutory and certifications commissioned by the Supervisory Board.

Hanover, 15 March 2024

The Executive Board

Carsten Salewski
Dr. Martin Heuser
Dirk Schwingel

Responsibility statement

"To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Hanover, 15 March 2024

The Executive Board

Carsten Salewski | Dr. Martin Heuser | Dirk Schwingel

“Independent auditor‘s report

To Viscom AG, Hanover

Report on the Audit of the consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Viscom AG, Hanover, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Viscom AG for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the „Other information“ section of our auditor‘s report.

In our opinion, on the basis of the knowledge obtained in the audit,

• the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and

• the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those parts of the group management report listed in the „Other information“ section.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report“ section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

➊ Accounting for development costs

➋ Accounting for completed systems and assemblies and partially completed systems within inventories

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

➊ Accounting for development costs

① Capitalised development costs of € 16.6 million are reported in intangible assets in the consolidated financial statements of Viscom AG. Within this item, development projects worth € 10.3 million are not yet available for use. Overall, this item accounts for around 13.2 % of total assets.

Development costs relate to development projects for prototypes and software that are intended to be used in the Viscom Group's operations throughout their lifetimes. Development costs are capitalised on which the criteria set out in IAS 38.57 are fulfilled, whereas research costs are expensed. Capitalised development costs are amortised on a straight-line basis over a maximum useful life of four years for prototypes and between four and 15 years for software from the date on which they become usable.

The useful lives of capitalized development costs already in use are reviewed at the end of each financial year. The carrying amounts of development projects are tested for impairment at CGU level if there is an indication that the development costs may be impaired. Impairment losses are recognized in accordance with IAS 36 if the recoverable amount of the asset concerned has fallen below the carrying amount.

Capitalised development costs not yet in use are also tested for impairment annually. The recoverability of development costs is based on estimates and assumptions by the legal representatives and is subject to uncertainty. In our opinion, development costs are therefore of particular significance for our audit.

② In the course of our audit, we initially performed reconciliation audit activities between the documentation of capitalised development costs, the amounts reported in non-current assets and the consolidated statement of financial position. With regard to initial recognition, we reviewed the procedures established by Viscom AG for verifying compliance with the criteria according to IAS 38.57 as well as the delimitation of research and development activities in terms of content and consistency.

We performed corresponding audit activities to examine the amount and basis of the allocation of capitalised costs to existing development projects that are not yet available for use, taking into account the current development status of the individual projects reported.

With regard to impairment testing, we reviewed the calculation of the value in use including the valuation parameters applied. In particular, we reviewed the plausibility and consistency of the sales forecasts used as the basis for determining recoverability.

The procedures established by the legal representatives, including the assumptions and estimates applied with regard to the delimitation, recognition and measurement of development costs, are verifiable, adequately documented and, in our view, suitable for ensuring the proper accounting treatment of development costs as a whole.

③ The disclosures on development costs can be found under "Summary of significant accounting policies" and in notes G4 and A8 of the notes to the consolidated financial statements.

❷ Accounting for completed systems and assemblies and partially completed systems within inventories

① Inventories totalling € 39.7 million are reported in the consolidated financial statements of Viscom AG. This item accounts for around 31.5 % of total assets. Finished goods and work in progress, reported in the consolidated financial statements as "Completed systems" and "Assemblies and partially completed systems", account for € 29.1 million of this figure.

"Completed systems" and "Assemblies and partially completed systems" are measured at the lower of cost or net realisable value. Cost includes the direct material and production costs and appropriate portions of material and production overheads and of the depreciation of non-current assets to the extent that this is caused by production. Valuation allowances are recognised as required to ensure that the carrying amount of the systems reflects the lower of cost or net realisable value at the reporting date.

Measurement with regard to recoverability is based on estimates and assumptions by the legal representatives of the Company and is subject to uncertainty. In our opinion, inventories are therefore of particular significance for our audit.

② The starting point for our audit procedures was to establish the existence of the completed and partially completed systems and assemblies, both in the form of a book inventory and through observance of physical inventories. On this basis, we performed, among other things, reconciliation audit activities between the general ledger and the subsidiary ledger and examined the scope and the calculation of cost and the methodical procedure for determining the net realisable value of the company.

The assumptions and estimates applied by the legal representatives with regard to the assessment of the recoverability of inventories are verifiable, adequately documented and, in our opinion, suitable for ensuring the proper accounting treatment of inventories as a whole.

③ The disclosures on inventories can be found under "Summary of significant accounting policies" and in note A4 of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following non-audited components of the Group management report obtained by us prior to the date of this auditor's report:

• the corporate governance statement pursuant to Section 289f HGB and Section 315d HGB contained in the „Corporate governance statement" section of the Group management report

• the non-financial group statement on compliance with sections 315b to 315c HGB included in the section „Non-financial statement" of the group management report

The other information also includes all other parts of the annual report that are expected to be made available to us after the date of the auditor's report – without further cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

• is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

• otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. manipulation of the accounting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the assurance engagement. We also:

• identify and assess the risks of material misstatements in the consolidated financial statements and in the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

• evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

• conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

• evaluate the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB

• obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

• evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

• perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards introduced to eliminate independence risks.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Assurance Report in Accordance with § 317 Abs. 3b HGB on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes

Reasonable Assurance Conclusion

We have performed an assurance engagement in accordance with § 317 Abs. 3b HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file Viscom_AG_KA+LB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within this rendering nor to any other information contained in the above-mentioned electronic file.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. We do not express any opinion on the information contained in this rendering nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above.

Basis for the Reasonable Assurance Conclusion

We conducted our assurance engagement on the rendering of the consolidated financial statements and the group management report contained in the above-mentioned electronic file in accordance with section 317(3a) HGB and the IDW Assurance Standard: Assurance in Accordance with section 317(3a) HGB on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the "Group

Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

We also:

• Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.

• Obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.

• Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.

• Evaluate whether the ESEF documents enables a XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

• Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering in accordance with articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable at the end of the reporting period.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 31 May 2023. We were engaged by the Supervisory Board on 19 December 2023. We have been the group auditor of the Viscom AG, Hanover, without interruption since the financial year 2010.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to another matter – Use of the Auditor's Report

Our auditor's report should always be read in conjunction with the audited consolidated financial statements, the audited group management report and the audited ESEF documents. The consolidated financial statements and group management report converted into the ESEF format – including the versions to be added to the company register – are only electronic renderings of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the "Assurance Report in Accordance with Section 317(3b) HGB on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes" and our audit opinion contained therein should be used only in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor responsible for the Engagement

The German Public Auditor responsible for the engagement is Martin Schröder."

Hanover, 15 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Martin Schröder	ppa. Martin Sochor
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Please be aware that the German version of the report of the independent auditor on pages 148 - 155 of the German annual report is the binding / legally valid version.

“Independent auditor‘s report on a limited assurance engagement on the non-financial reporting

To Viscom AG, Hannover

We have performed a limited assurance engagement on the non-financial Group statement of Viscom AG, Hanover, (hereinafter the „Company“) for the period from January 1 to December 31, 2023 (hereinafter the „non-financial Group statement“) included in section „Non-financial statement“ of the Group management report.

The external sources of documentation or expert opinions referred to in the non-financial Group statement, which are marked as unaudited, are not subject to our audit.

Responsibility of the legal representatives

The legal representatives of the company are responsible for the preparation of the consolidated non-financial statement in accordance with §§ 315c in conjunction with 289c to 289e HGB and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter referred to as the „EU Taxonomy Regulation“) and the delegated acts adopted in this regard, as well as with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted in this regard, as presented in the „EU Taxonomy“ section of the non-financial group statement.

This responsibility of the legal representatives of the company includes the selection and application of appropriate methods for non-financial reporting as well as making assumptions and estimates for individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the legal representatives are responsible for the internal controls they have deemed necessary to enable the preparation of a non-financial Group statement that is free from material misstatement, whether due to fraud (manipulation of the non-financial statement) or error.

The EU Taxonomy Regulation and the related delegated acts contain formulations and terms that are still subject to considerable interpretation uncertainty and for which clarifications have not yet been published in every case. The legal representatives have therefore set out their interpretation of the EU Taxonomy Regulation and the delegated acts adopted in this regard in the „EU Taxonomy“ section of the non-financial Group statement. They are responsible for the reasonableness of this interpretation. Due to the inherent risk that undefined legal terms can be interpreted differently, the legal conformity of the interpretation is subject to uncertainty.

Independence and quality management of the auditing company

We have complied with the German professional regulations on independence and other professional conduct requirements.

Our audit firm applies the national statutory regulations and professional pronouncements – in particular the Professional Code for German Public Auditors and Chartered Accountants (BS WP/vBP) and the IDW Quality Management Standard 1 „Requirements for Quality Management in the Auditing Practice“ (IDW QMS 1 (09.2022)) issued by the Institute of Public Auditors in Germany (IDW), which requires the audit firm to design, implement and enforce a quality management system that meets the legal and statutory requirements.

Responsibility of the auditor

Our responsibility is to express a limited assurance conclusion on the consolidated non-financial statement based on our audit.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): „Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the non-financial group statement of the Company, other than the external documentation sources or expert opinions referred to in the non-financial group statement, is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289c of the German Commercial Code (Handelsgesetzbuch – HGB). 289c to 289e HGB and the EU Taxonomy Regulation and the related delegated acts as well as the interpretation by the legal representatives presented in the section„EU Taxonomy" of the non-financial group statement. In a limited assurance engagement, the audit procedures performed are less extensive than in a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The selection of audit procedures is at the auditor's discretion.

As part of our audit, we performed, among others, the following audit procedures and other activities:

- Obtaining an understanding of the structure of the Group's sustainability organization and the involvement of stakeholders

- Inquiries of legal representatives and relevant employees involved in the preparation of the consolidated non-financial statement regarding the preparation process, the internal control system relating to this process and disclosures in the consolidated non-financial statement

- Identification of likely risks of material misstatement in the consolidated non-financial statement

- Analytical assessment of selected disclosures in the consoli dated non-financial statement

- Comparison of selected disclosures with the corresponding data in the consolidated financial statements and Group management report

- Evaluation of the presentation of the consolidated non-financial statement

- Evaluation of the process for identifying taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the consolidated non-financial statement

- Survey on the relevance of climate risks

In determining the disclosures pursuant to Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the inherent risk that undefined legal terms can be interpreted differently, the legal conformity of the interpretation and, accordingly, our audit in this regard is subject to uncertainty.

Audit opinion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the non-financial group statement of the Company for the period from January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the related delegated acts as well as the interpretation by the legal representatives presented in section „EU Taxonomy" of the non-financial group statement. We do not express an opinion on the external documentation sources or expert opinions referred to in the Group non-financial statement.

Restriction on the use of the endorsement

We draw attention to the fact that the audit was conducted for the purposes of the company and that the report is intended solely for the information of the company on the results of the audit. Consequently, it may not be suitable for any purpose other than the aforementioned. Consequently, the report is not intended to be used by third parties to make (asset) decisions. Our responsibility is solely to the company. We do not accept any responsibility towards third parties. Our audit opinion is not modified in this respect."

Hanover, 15 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Martin Schröder	Claudia Niendorf-Senger
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Please be aware that the German version of the report of the independent auditor on pages 156 - 158 of the German annual report is the binding / legally valid version.

Glossary of technical terms

Term	Definition
3C	Computer, Communication, Consumer
AI	Artificial Intelligence
AOI	Automated Optical Inspection
AXI	Automated X-ray Inspection
CT	Computer Tomography
EMS	Electronics Manufacturing Services
MXI	Manuel X-ray Inspection
OEM	Original Equipment Manufacturer
PCB	Printed Circuit Board
proALPHA	Enterprise Resource Planning (ERP) system
vCONNECT	Viscom platform for digital services
vVision	Viscom software for system operation and set-up

Financial calendar 2024

March

26.03.2024	**Annual Report 2023**
27.03.2024	**Analyst and Investor Conference** – Virtual

May

22.05.2024	**Interim Report 3M/2024**
29.05.2024	**Annual General Meeting** – Altes Rathaus, Hannover

August

08.08.2024	**Interim Report 6M/2024**

November

14.11.2024	**Interim Report 9M/2024**

Five-year report

Profit and loss		2023	2022	2021	2020	2019
Revenue	K€	118,780	105,518	79,792	61,562	88,556
EBIT	K€	6,611	8,186	4,197	-5,979	4,017
EBT	K€	4,539	7,415	3,782	-6,299	4,067
Income taxes	K€	-1,397	-2,046	-1,195	1,885	-966
Net profit for the period	K€	3,142	5,369	2,587	-4,414	3,101
Balance sheet						
Assets						
Current assets	K€	94,276	84,473	67,469	52,541	62,757
Non-current assets	K€	31,736	31,525	31,224	28,060	26,291
Total assets	K€	126,012	115,998	98,693	80,601	89,048
Liabilities						
Current liabilities	K€	51,454	40,159	26,715	15,213	16,904
Non-current liabilities	K€	14,305	15,573	15,403	12,179	13,645
Total shareholders' equity	K€	60,253	60,266	56,575	53,209	58,499
Total liabilities and shareholders' equity	K€	126,012	115,998	98,693	80,601	89,048
Cash flow statement						
Cash flow from operating activities	K€	6,184	-1,687	-3,903	10,225	7,302
Cash flow from investing activities	K€	-5,138	-5,022	-3,339	-3,156	-3,587
Cash flow from financing activities	K€	-8,212	-5,162	-3,363	-3,620	-5,067
Cash and cash equivalents	K€	-25,108	-17,927	-6,096	4,316	1,039
Personnel						
Employees at year-end		600	571	468	464	485
Share						
Number of shares		9,020,000	9,020,000	9,020,000	9,020,000	9,020,000
Dividend payment	K€	444*	2,666	1,777	0	444
Dividend per share	€	0.05*	0.30	0.20	0.00	0.05
Shareholder capital per share	€	6.68	6.68	6.27	5.90	6.49
Key figures						
EBIT-Margin	%	5.6	7.8	5.3	-9.7	4.5
Return on equity	%	5.2	8.9	4.6	-8.3	5.3
Equity ratio	%	47.8	52.0	57.3	66.0	65.7

* The distribution of a dividend of € 0.05 per eligible share will be proposed to the Annual General Meeting on 29 May 2024.

Legal notice

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Disclaimer

Any forecasts, expectations or statements concerning the future included in this financial report may be subject to risk or uncertainty. We therefore cannot guarantee that the expectations will prove correct. Actual results and developments may differ significantly from the expectations and assumptions expressed. The factors that could cause such deviations include changes in the general economic and competitive situation, exchange rate and interest rate fluctuations and changes in national and international law. The company assumes no obligation to update the forward-looking statements in this release. For calculation-related reasons, rounding differences may arise in the percentages and figures presented in the tables, charts and texts of this report.

This financial report is published in German and English. In case of doubt, the German version takes precedence.

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