

INNOVATION IS IN OUR DNA.  
35 YEARS OF VISCOM.



INTERIM REPORT  
as at 31 March 2020

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# OPERATING FIGURES

## Profit and loss

		3M 2020	3M 2019
Revenues	K€	15,616	19,715
EBIT	K€	-2,464	348
Net profit for the period	K€	-2,578	141

## Balance sheet and cashflow statement figures

		3M 2020	3M 2019
Total assets	K€	87,722	92,954
Equity ratio	%	63.9	64.2
CF from current business	K€	3,628	2,307
CF from investment	K€	-723	-722
CF from financing	K€	-817	-724
End of period capital	K€	3,160	3,258

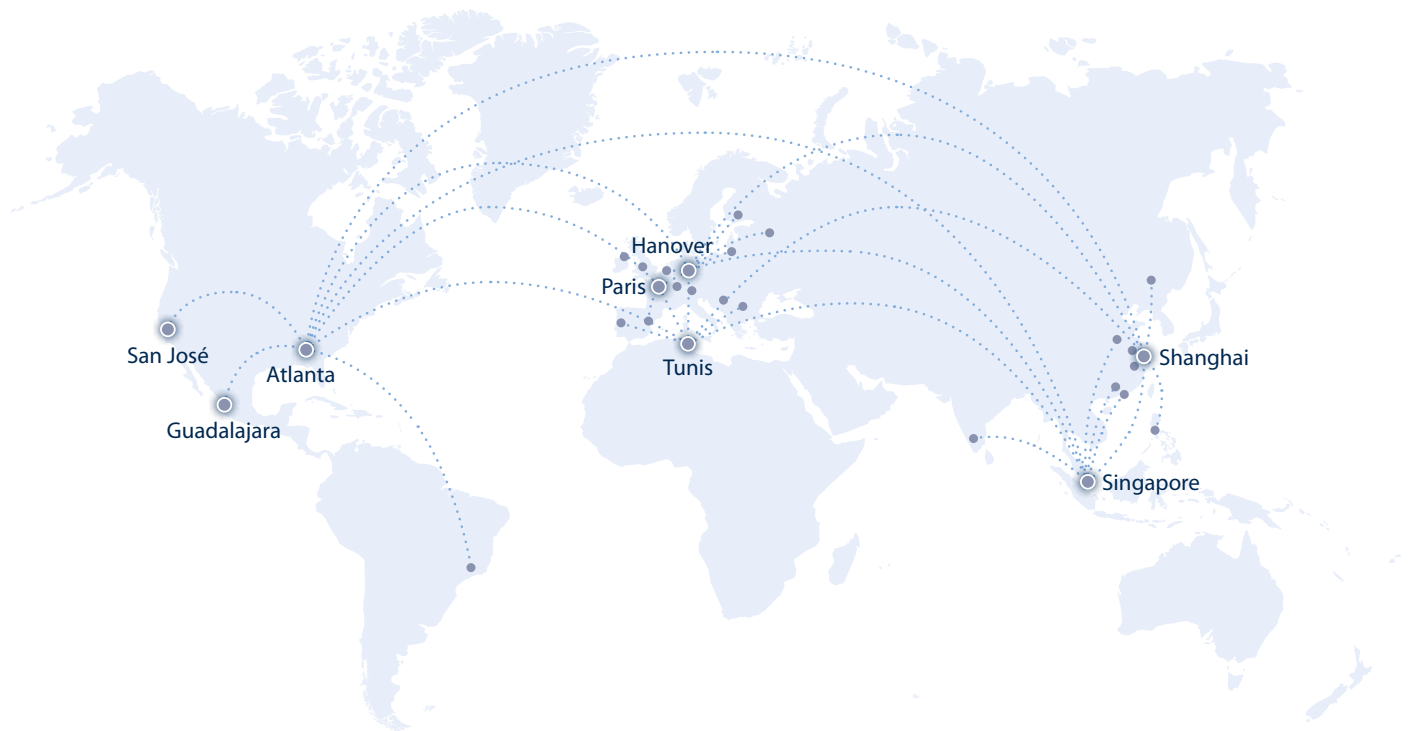
## Shares

		3M 2020	3M 2019
Result per share	€	-0.29	0.02

## Employees

		3M 2020	3M 2019
Employees on 31 March		487	484

# VISCOM. VISION TECHNOLOGY.



#### **Founded:**

1984 by Dr. Martin Heuser and Volker Pape



#### **Headquarters and production:**

„Made in Germany“:  
Hanover, Germany



#### **Number of employees worldwide:**

487



#### **Subsidiaries:**

Viscom France S.A.R.L., Paris, France  
Viscom Tunisie S.A.R.L., Tunis, Tunisia  
Viscom Inc., Atlanta, Georgia, United States  
Viscom Machine Vision Pte Ltd., Singapore  
Viscom Machine Vision Trading Co. Ltd.,  
Shanghai, China



#### **World Market Leader:**

Viscom is the No. 1 solution provider for automatic optical inspection in the automobile industry.

# FOREWORD BY THE EXECUTIVE BOARD

*Dear Ladies and gentlemen,*

Coronavirus has been spreading around the world since the start of 2020 and we are all now in an exceptional situation: The World Health Organisation declared the pandemic a public health emergency of international concern on 30 January 2020. Measures to slow the spread of the virus were taken in virtually every country in the first quarter of this year – measures which have also slowed economic activity massively. A number of countries experienced restrictions on movement and an extensive shutdown of public life. Major manufacturers halted production in their plants in Germany and all over the world, and the Viscom Group was similarly hit by the effects of the coronavirus pandemic in the first quarter. Our economic activities have also been greatly restricted. Efforts to combat the global pandemic have disrupted supply chains and caused orders to slump.

In total, we generated revenue of € 15.6 million in the first quarter, 20.8 % less than the figure for the same period of the previous year (€ 19.7 million). The current economic situation and the associated investment restraint on the part of our customers are also weighing on our incoming orders, which amount to € 15.9 million (previous year: € 19.8 million). Operating profit amounted to € -2.5 million in the first three months of the current financial year, down € 2.8 million on the same period of the previous year (€ 0.3 million). The main reason for the change as against the previous year was the drop in total operating revenue. Offsetting this, the cost of materials decreased by € 2.6 million to € 7.6 million (previous year: € 10.2 million). In addition to the slight decline in staff costs, earnings benefited in particular from the reduction of € 473 thousand in other operating expenses.

In close coordination with the Works Council, and having weighed the capacity necessary to process orders on hand, reduced working hours were agreed at the Hanover site. The necessary distancing and hygiene regulations are being implemented and adhered to for the employees working at our sites. Many of our employees are working from home office if possible.

By waiving some of their salary, the Executive Board and the first management level of Viscom AG are also doing their part to protect jobs at the Hanover site.

We assume that demand for electronic products will continue to rise in all areas of life. In the long term, the crisis will cause strong growth in demand for data technology and medical technology products. 3C and energy storage products and devices for sustainable energy generation and conversion will account for a bigger share of Viscom's business. As drive technologies are transformed, mobility and, in particular, automotive electronics will remain a key market, in which Viscom AG intends to generate further growth with innovative inspection systems.

A key area of development work in 2020 will be to implement the existing button cell inspection solutions for other types of battery cell as well. Round cells are rod-shaped cells that are considerably longer than button cells and that have a larger diameter. These formats are used in some electric vehicles. Pouch cells are flat battery cells that are used in applications such as smartphones, notebooks and electric vehicles. In order to also broaden our positioning beyond the automotive industry, we

have established a dedicated EP (Energy Storage Inspection Products) at Viscom with a particular emphasis on battery inspection. To allow us to cover these additional requirements flexibly, an AXI system kit has been developed allowing various system configurations for different types of battery cells to be created on a modular basis. Another development objective for 2020 is to also use this modular system kit to meet specific requirements of the electromobility market. This often involves particularly heavy or particularly large assemblies. Accordingly, the new X7059 AXI system kit is intended to cover a significantly larger range of assemblies in terms of dimensions and weights. Its development is progressing as scheduled and the first prototypes are expected to be built soon. The first prominent orders have been received for the X7059 variant for testing round cells.

The forecast for the current year is still subject to a great deal of uncertainty. The development of incoming orders and revenue in 2020 will largely depend on the overall economic situation, particularly in the automotive industry, and how the coronavirus crisis unfolds. Viscom anticipates target revenue and incoming orders of between € 65 million and € 80 million in 2020. The EBIT-Margin for the 2020 financial year is likely to be between -7.7 % and 2.5 %, with EBIT of between € -5.0 million and € 2.0 million. To achieve the forecast for the year, Viscom AG will make extensive cost reductions adapted to the situation and ensure key technical developments and the willingness to secure and process orders. Protecting the health of all employees, meeting delivery obligations and customer support, and hence the well-being of Viscom AG, will be the central aspect of the company's

activities. Viscom expects to see a sharp economic downturn this year with catch-up effects on the customer side. The company believes it is well positioned to return to sustainable and profitable growth after the crisis.

We are continuing to monitor developments in the political and business landscape as a result of the spread of coronavirus very closely, and our response to changing conditions will be both appropriate and prompt. Thank you for your continuing confidence. And please stay healthy!

The Executive Board



Carsten Salewski



Peter Krippner



Dr. Martin Heuser



Dirk Schwingel

# VISCOM'S SHARES

## Basic information on Viscom's shares

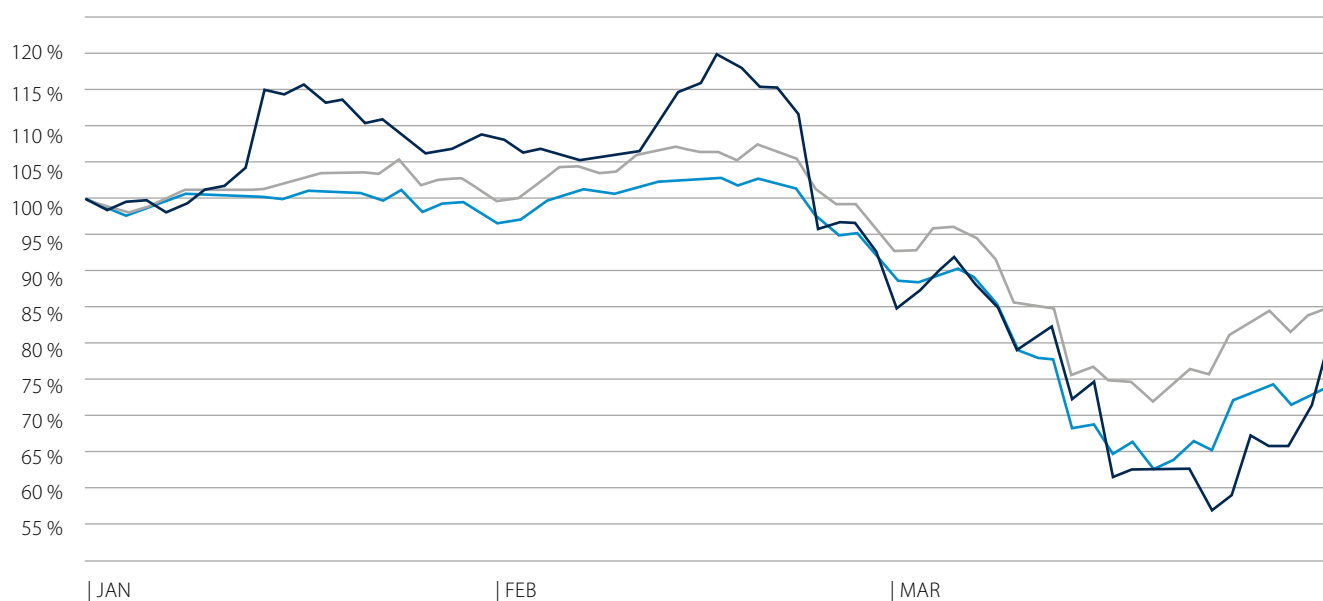
German Securities Code Number (WKN)	784686
ISIN	DE 000 7846867
Ticker symbol	V6C
Market segment	Regulated market (Prime Standard)
Type of shares	No-par value bearer shares
Share capital (€)	9,020,000
Share capital (units)	9,020,000
Number of voting shares	8,885,060
Opening price on 2 January 2020	€ 9.10
Closing price on 31 March 2020 *	€ 7.60
<i>Percentage change</i>	-16.48 %
High on 17 February 2020 *	€ 11.26
Low on 23 March 2020 *	€ 5.39
Market capitalisation as at 31 March 2020	€ 68,552,000

\* All share price information is based on XETRA daily closing prices

## Share price performance

as against the DAX and TecDAX in the first three months of 2020

■ Viscom (Xetra): 80.9 %   ■ DAX (Xetra): 74.2 %   ■ TecDAX (Perf.) (Xetra): 84.8 %



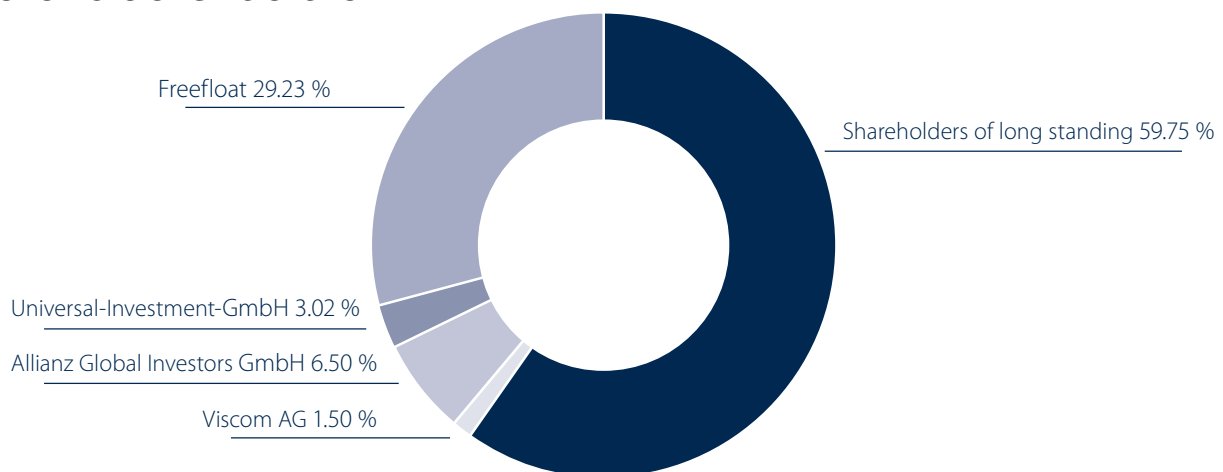
## Share price performance

in the reporting period 1 January to 31 March 2020

Viscom AG's shares began the 2020 financial year at a price of € 9.10 on 2 January 2020, and initially performed positively in line with the optimistic market environment. The shares reached their high for the first quarter at € 11.26 on 17 February 2020. However, Viscom's shares were also swept up in the uncertainty

on the stock markets triggered by the coronavirus crisis and the rapid downward trend that followed. The shares reached their lowest price for the first quarter of 2020 at € 5.39 on 23 March 2020. The average price of Viscom's stock was € 8.95 in the first three months of the year, closing at € 7.60 on 31 March 2020.

## Shareholder structure



At 59.75 %, the majority of the shares in Viscom AG are held by the company's founders, Dr. Martin Heuser and Volker Pape. The shares in the company are held either through HPC Vermögensverwaltung GmbH or directly by Dr. Heuser and Mr Pape. The

29.23 % of shares in freefloat are primarily held by investors in Germany and other European countries. 6.50 % of the shares are held by Allianz Global Investors GmbH and 3.02 % by Universal-Investment-GmbH. Viscom AG holds 1.50 % of its own shares.

## 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. Extensive information on Viscom's shares can be found in the Investor Relations section of the company's website at [www.viscom.com](http://www.viscom.com).

Three financial analysts regularly cover and comment on Viscom's shares. The shares had two "buy" recommendations and one "neutral" recommendation as at 31 March 2020.

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

Viscom AG  
Investor Relations  
Anna Borkowski  
Carl-Buderus-Straße 9-15, 30455 Hanover, Germany  
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# INTERIM GROUP MANAGEMENT REPORT

## 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). 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. All the companies are focused 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, 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 level of quality 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, 59.75 % of which are held directly or indirectly through HPC Vermögensverwaltung GmbH by the company's founders Dr. Martin Heuser and Volker Pape. 6.50 % of the shares are held by Allianz Global Investors GmbH and 3.02 % by Universal-Investment-GmbH.

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 holds around 1.50 % of its own shares as at 31 March 2020.

The Executive Board of Viscom AG has four members as at 31 March 2020:

Carsten Salewski: Sales  
Peter Krippner: Operations  
Dr. Martin Heuser: Development  
Dirk Schwingel: Finance

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 automated 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 used to identify potential production errors using the inspection systems.

In geographical terms, the company's business incorporates the European market with its headquarters in Hanover and a subsidiary in Paris, France; the sales market of the Americas with its subsidiary in Atlanta, USA, and the Asian market with its subsidiary in Singapore, which in turn has its own subsidiary in Shanghai, China. 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.

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. This is where all the centralised functions, such as business administration, development, production, service and sales management, are based.

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

A large part of production is order-based. This draws on in-house pre-production of various assemblies.

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

High reliability is also one of the most important aspects when using an inspection system. This requires regular maintenance, repair and calibration. The Service business area supports Viscom customers with regard to these tasks. 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**

Coronavirus has been increasingly spreading around the world since the start of 2020. The World Health Organisation declared

the pandemic a public health emergency of international concern on 30 January 2020. The specific impact of this pandemic on Viscom's financial position and financial performance has only been taken into account in corporate planning on the basis of the known information available. Given the absence of reliable parameters, more extensive scenarios of a further dramatic spread and the possible impact on sales markets were not taken into account, which led to a change in the forecast for the most significant financial performance indicators published in the 2019 annual report on 9 April 2020. 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 monthly reports submitted 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 at Viscom AG and its Group companies. They provide information on revenue in the Group's machine installation regions, incoming orders, the order backlog, the number of employees, cash and cash equivalents, 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 per capita revenue, 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 action that may be necessary results in decisions which are usually implemented in the short term.

### **Research and development**

Development activities mainly focus on the ongoing development of existing system solutions and the implementation of new market requirements in the field of optical and X-ray inspection processes. This area also focuses on the definition of new products and machines.

The orientation of these activities is described in detail on pages 28 to 30 of Viscom AG's 2019 annual report and has not changed in the first three months of the current year.

Expenditure for research and development, not including design changes for customer-specific adaptations, remained at the previous year's level. Development costs of € 655 thousand were capitalised in the first three months of 2020 (previous year: € 466 thousand). Capitalised development costs were amortised in the amount of € 401 thousand (previous year: € 369 thousand).

# ECONOMIC REPORT

## Macroeconomic and sector development

### Macroeconomic development

Coronavirus has been spreading around the world since the start of 2020. The World Health Organisation declared the pandemic a public health emergency of international concern on 30 January 2020. Measures to slow its spread were taken in virtually every country in the first quarter of 2020 – measures which are also slowing economic activity massively. A number of countries experienced restrictions on movement and an extensive shutdown of public life. Major manufacturers suspended production at their plants in Germany and around the world. The spread of coronavirus is a huge setback for economic prospects. According to the joint survey on behalf of the Federal Ministry for Economic Affairs and Energy, the benchmark indices fell heavily, by more than 40 % at times, and the company surveys currently published indicate that economic sentiment has deteriorated more rapidly and more severely than in the acute phase of the world financial crisis. In itself, the slump in economic activity in China has already resulted in global economic output hardly growing at all in the first quarter.

According to the joint study, the German economy has also been hit full-on by the coronavirus pandemic. Economic activity here has been severely restricted. A large number of companies and private households as well were affected by the government-mandated shutdown in the first quarter of 2020. On top of plant closures and reduced working hours, work was also heavily limited by the lack of childcare and disruptions in international travel. Efforts to combat the global pandemic have greatly disrupted business supply chains and caused orders to slump.

### Sector development

The inspection of electronic assemblies is Viscom's main revenue segment. 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 an 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, meaning that they can only be tested reliably using automated inspection systems. The automotive electronics sector is the main market for Viscom's products.

In recent years, Viscom has intensified its efforts to gain a foothold in other industries such as telecommunication, industrial electronics and semiconductor production. The company has already established itself with a broader base among SMEs in Europe. At the same time, it is continuing to focus on electronic manufacturing services (EMS) in the computers, communication and consumer (3C) sector in Asia in particular.

### Target sectors, target markets and target customers

The inspection systems manufactured by Viscom are mainly used in the electronics industry. Producers of electronic components are the main customer segment, accounting for 65 % of revenue (previous year: 72 %). Some of these companies are involved in production for end consumers. However, the majority of Viscom's customers are suppliers for other companies that manufacture products such as electronic assemblies. These supplier parts are integrated into vehicles as end products such as motor controllers. The remaining 35 % of revenue (previous year: 28 %) relates to manufacturers from other industries, such as medical technology, battery production and consumer electronics.

With the increasing use of in-car electronics and the high reliability requirements for vehicle systems, the automotive industry has developed into one of the most significant customer groups for the inspection of electronic assemblies. These assemblies, which often take the form of safety-related components, such as ABS, ESP, airbags, or sensors 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, quality pressure 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 that were still seen as low-price suppliers just a few years ago are increasingly seeking to position themselves as premium suppliers.

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 develop new solutions and open up future markets thanks to a high degree of innovation and customer proximity.

#### **Customer structure**

Viscom generated around 44 % of its revenue with its five largest customers in the first three months of 2020 (previous year: around 49 %). A further 30 % of revenue was generated with nine customers (previous year: 13 customers). The remaining revenue was generated with a total of 185 different customers (previous year: 200 customers).

#### **Markets**

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.

Technological developments and the accompanying technical and economic progress, combined with its international sales and service presence, have helped Viscom to expand its 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.

# SUMMARY ANALYSIS OF THE COMPANY'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COURSE OF BUSINESS

## Results of operations

### Incoming orders / order backlog

Orders totalling € 15,928 thousand (previous year: € 19,844 thousand) were received in the first three months of 2020. This was a decline of 19.7 % on the same period of the previous year and reflects the current economic situation, the associated investment restraint on the part of Viscom's customers and global price pressure.

The order backlog fell to € 16,251 thousand as at 31 March 2020 (previous year: € 25,099 thousand), corresponding to full capacity utilisation for less than three months.

### Revenue development

Revenue of € 15,616 thousand was recognised in the first quarter of 2020, around 20.8 % less than the previous year's figure (€ 19,715 thousand).

### Operating profit (EBIT) / EBIT-Margin

Operating profit (EBIT) amounted to € -2,464 thousand in the first quarter of 2020 (previous year: € 348 thousand). This corresponds to an EBIT-Margin of -15.8 % (previous year: 1.8 %) and was therefore below the previous year's figure. The main reason for the change from the previous year was low total operating revenue (total operating revenue defined as revenue plus the change in finished goods and work in progress and other own work capitalised). Total operating revenue declined by € 5,779 thousand to € 17,010 thousand (previous year: € 22,789 thousand). Offsetting this, the cost of materials decreased by € 2,573 thousand to € 7,613 thousand (previous year: € 10,186 thousand). In addition to the slight decline in staff costs, earnings benefited in particular from the € 473 thousand reduction in other operating expenses (€ 2,789 thousand; € 3,262 thousand).

### Net finance costs

Financial income amounted to € 1 thousand (previous year: € 198 thousand); the prior-year figure had been largely due to interest on tax refunds. Financial expenses of € 60 thousand (previous year: € 66 thousand) resulted from interest on lease and bank liabilities.

### Net profit for the period

Net profit for the period fell from € 141 thousand in the previous year to € -2,578 thousand. The effects in operating profit discussed above also affected net profit for the period. The financial result was negative at € -59 thousand. Income tax expenses also had a negative effect.

The pre-tax return on sales was -16.2 % (previous year: 2.4 %).

### Earnings per share

On the basis of 8,885,060 shares, earnings per share as at 31 March 2020 amounted to € -0.29 (basic and diluted) as against € 0.02 in the previous year.

### Exchange rate effects

Viscom is exposed to exchange rate risks as it operates internationally. The relatively low business volume denominated in foreign currency means that the existing level of exchange rate risk is considered acceptable. 17.6 % of total revenue was subject to direct exchange rate effects (previous year: 6.7 %). Viscom reserves the right to hedge exchange rates in individual cases.

### Employees

Viscom had 487 employees (not including trainees) worldwide as at 31 March 2020, a year-on-year increase of just three people (previous year: 484).

As at 31 March 2020	Europe	Americas	Asia	Total
<b>Total</b>	<b>398</b>	<b>19</b>	<b>70</b>	<b>487</b>
of which full-time	356	19	70	445
of which part-time	42	0	0	42
plus: Trainees	15	0	0	15

## Regional developments

### Information on the Group's geographical segments by sales market as at 31 March

in K€	Europe		Americas		Asia		Consolidation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	External sales	11,783	13,795	2,898	2,475	935	3,445	0	0	15,616
Inter-segment sales	2,707	4,234	100	82	478	341	-3,285	-4,656	0	0
Total sales	14,490	18,029	2,998	2,557	1,413	3,786	-3,285	-4,656	15,616	19,715
Segment earnings	-2,180	494	191	83	-335	-194	-140	-35	-2,464	348

#### Europe

Measures to slow its spread were taken in virtually every country in the first quarter of this year – measures which are also slowing economic activity massively. A number of countries experienced restrictions on movement and an extensive shutdown of public life. Major manufacturers halted production in their plants in Germany and all over the world, and the Viscom Group was likewise hit hard by the effects of the coronavirus pandemic in the first quarter. The economic activities of the Viscom Group have been greatly restricted as well. Efforts to combat the global pandemic have disrupted supply chains and caused orders to slump.

Europe was the Viscom Group's strongest region by some margin, accounting for around 75 % of total revenue. It generated revenue of € 11,783 thousand in the first three months of the 2020 financial year (previous year: € 13,795 thousand) and was 14.6 % below the previous year's level. Revenue in Germany amounted to € 6,880 thousand (previous year: € 8,907 thousand).

Segment earnings in the Europe region totalled € -2,180 thousand (previous year: € 494 thousand), corresponding to a margin of -18.5 % (previous year: 3.6 %). This decrease was largely due to the effects already discussed under operating profit.

#### Americas

The Americas region began 2020 with a variety of activities, including the Apex trade fair, which proved highly successful with good attendance figures and a large number of potential clients. The spread of coronavirus led to investment restraint on the part of some customers, above all those in the automotive supply industry. By contrast, some other industries continued to push ahead with their investments, including the research sector in particular. Even in the age of coronavirus, interest in inspection systems is unabated in all industries and regions of North America. Several customers in North America are using the time to catch up and continue their research so as to be ready when things go back to normal.

Segment revenue in the region increased by around 17 % from € 2,475 thousand to € 2,898 thousand. Segment earnings totalled € 191 thousand (previous year: € 83 thousand), corresponding to a margin of 6.6 % (previous year: 3.4 %).

### Asia

With Chinese New Year falling early in January, and being followed almost immediately by the COVID-19 lockdown in China, demand for products from Viscom's customers – cars especially – has crashed. This is reflected in both revenue and earnings in the Asia region. Revenue in the Asia region amounted to € 935 thousand (previous year: € 3,445 thousand) with an operating result of € -335 thousand (previous year: € -194 thousand), equivalent to an EBIT-Margin of -35.8 % (previous year: -5.6 %). The fact that production has been starting up again in certain sectors since the beginning of March is seen as a positive signal. This positive signal is expected to grow stronger in the second quarter and, together with the cost-cutting measures initiated, an improvement is anticipated.

## Financial position

### Capital structure / liquidity

Viscom was able to ensure the required liquidity at all times in the period under review. As at 31 March 2020, overdrafts in the form of available credit facilities were utilised in the amount of € 3,382 thousand (previous year: € 4,930 thousand). Viscom is taking advantage of the low interest rate environment to refinance outstanding liabilities in its operating business. Taking into account cash and cash equivalents of € 6,542 thousand, the company had positive bank balances of € 3,160 thousand as at the end of the reporting period (31 December 2019: positive balance of € 1,039 thousand). In addition, there were liabilities of € 1,782 thousand from a long-term bank loan from 2019 as at 31 March 2020. The subsidiaries did not require any loans.

### Investments

Investments in property, plant, and equipment and intangible assets totalled € 2,412 thousand in the first three months of 2020 (previous year: € 1,543 thousand). € 655 thousand (previous year: € 466 thousand) of investment related to own work capitalised, while € 85 thousand (previous year: € 293 thousand) was attributable to operating and office equipment, leasehold improvements, advance payments and construction in progress and software. This item also included additions to right-of-use assets of € 1,672 thousand (previous year: € 784 thousand).

### Cash and cash equivalents / cash flow

**Cash flow from operating activities** amounted to € 3,628 thousand (previous year: € 2,307 thousand). This was largely due to the decrease in inventories, receivables and other assets, the adjustment of net profit for depreciation and amortisation expense and income tax refunds. This was offset by the decline in liabilities.

**Cash flow from investing activities** amounted to € -723 thousand (previous year: € -722 thousand) and essentially resulted from the acquisition of non-current property, plant and equipment and intangible assets in addition to the capitalisation of development costs.

**Cash flow from financing activities** amounted to € -817 thousand (previous year: € -724 thousand). This was largely on account of the repayment of bank loans and lease liabilities.

Cash and cash equivalents amounted to € 3,160 thousand (previous year: € 3,258 thousand), up € 2,121 thousand on the figure as at the end of 2019 (€ 1,039 thousand).



## Net assets

### Non-current assets

Within non-current assets, intangible assets essentially comprised capitalised development costs. Intangible assets increased slightly from € 12,544 thousand as at 31 December 2019 to € 12,780 thousand in the first three months of the 2020 financial year. At € 10,816 thousand (31 December 2019: € 9,857 thousand), property, plant and equipment predominantly included rights of use for leased assets.

### Receivables

At € 21,395 thousand, trade receivables were down on the figure as at 31 December 2019 (€ 27,663 thousand). Write-downs on trade receivables matched the figure as at 31 December 2019 at € 1,006 thousand (€ 955 thousand).

### Inventories

The carrying amount of inventories was € 30,203 thousand, an increase as against the end of the 2019 financial year (€ 29,131 thousand). This was due to the pre-production of partially completed systems and the procurement of raw materials and supplies.

### Liabilities

Trade payables fell from € 2,856 thousand at the end of 2019 to € 1,678 thousand.

Contract liabilities amounted to € 837 thousand, up on the figure as at the end of the financial year (€ 758 thousand), and included delivery and performance obligations from contracts with customers in accordance with IFRS 15.

Other current financial liabilities included short-term lease liabilities of € 2,604 thousand (31 December 2019: € 2,496 thousand).

At € 1,540 thousand (31 December 2019: € 1,601 thousand), other non-current financial liabilities included the non-current portion of a bank loan of originally € 2,000 thousand and € 8,279 thousand in long-term lease liabilities (31 December 2019: € 7,416 thousand).

### Equity

Total equity decreased from € 58,499 thousand at the end of the 2019 financial year to € 56,026 thousand. This change was due to the net loss for the period. The equity ratio was 63.9 %, down on the figure as at 31 December 2019 (65.7 %) owing to the negative result for the period. The figure for the same period of the previous year was 64.2 %.

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

	31.03.2020	31.12.2019
	K€	K€
<b>Tier 1 liquidity</b> (cash and cash equivalents less current liabilities and provisions)	-10,357	-12,982
<b>Tier 2 liquidity</b> (tier 1 liquidity plus receivables and other assets less non-current liabilities)	2,610	6,958
<b>Tier 3 liquidity</b> (tier 2 liquidity plus inventories)	32,813	36,089
<b>Current assets:</b>		
Cash and cash equivalents	6,542	3,922
Receivables and other assets	23,540	29,704
Inventories	30,203	29,131
	<b>60,285</b>	<b>62,757</b>
<b>Liabilities and provisions:</b>		
Current liabilities and provisions	16,899	16,904
Non-current liabilities and provisions	10,573	9,764
	<b>27,472</b>	<b>26,668</b>
<b>Net debt</b>		
Liabilities and provisions (-)	-27,472	-26,668
+ Cash and cash equivalents	6,542	3,922
+ Receivables and other assets	23,540	29,704
= Net debt	2,610	6,958
<b>Working capital</b>		
Current assets - liabilities and provisions	43,386	45,853
<b>Equity ratio</b>		
Equity / total assets	63.9 %	65.7 %
	<b>63.9 %</b>	<b>65.7 %</b>
	31.03.2020	31.03.2019
	K€	K€
<b>Cash flow</b>		
Net profit for the period after taxes	-2,578	141
+ Depreciation and amortisation expense	1,300	1,234
	<b>-1,278</b>	<b>1,375</b>
<b>Return on equity</b>		
Net profit for the period / equity	-4.6 %	0.2 %
<b>Return on investment (ROI)</b>		
Net profit for the period / total assets	-2.9 %	0.2 %
<b>Return on revenue</b>		
EBT / revenue	-16.2 %	2.4 %
<b>Return on capital employed (ROCE)</b>		
EBIT / (total assets - cash and cash equivalents - current liabilities and provisions)	-3.8 %	0.5 %
	<b>-3.8 %</b>	<b>0.5 %</b>

## REPORT ON POST-REPORTING DATE EVENTS

There were no significant events after the first three months of the 2020 financial year.

## REPORT ON OPPORTUNITIES AND RISKS

The information on risks and opportunities presented in the Group management report still applies. Please refer to pages 40 to 44 of the Viscom AG's 2019 annual report.

# REPORT ON FUTURE DEVELOPMENTS IN 2020

## Economic conditions

Alongside the considerable long-standing negative effects – trade conflicts, global economic weakness, the structural change in automotive construction – there is now coronavirus as well, with its unforeseeable repercussions for the general economy. Coronavirus has been spreading around the world since the start of 2020. The World Health Organisation declared the pandemic a public health emergency of international concern on 30 January 2020. The spread of coronavirus is a huge setback for economic prospects. Even assuming that the situation eases in the second half of the year and business improves, it will no longer be possible to make up the production losses this year – according to the German Mechanical Engineering Industry Association (VDMA). According to the ZEW Financial Market Report, the estimates on development in the most important export-intensive sectors are suffering a particularly strong decline. Vehicle construction is being affected the most.

The latest IMF World Economic Outlook predicts that the global economy will shrink by 3.0 % in 2020. Thus, the estimate from January has been reduced by 6.3 points. For the US, the world's biggest economy, the IMF is forecasting a drop of 5.9 % in 2020. The euro area economy could contract by as much as 7.5 %, with Germany's economic output falling by 7.0 %. However, the situation is looking even worse in Italy and Spain, which have been hit particularly hard by the pandemic. Here the IMF is forecasting declines of 9.1 % and 8.0 % respectively. Taken together, the emerging and developing countries are expected to see their economic output decline by one percent.

The estimates for China, however, are slightly better. Restrictions on public life there have already been eased, and the IMF expects the economy of the People's Republic of China to grow by 1.2 % in 2020.

Under these conditions, global production will fall by an average of 2.5 % year-on-year in 2020 – a decline even more severe than that seen during the recession in 2009. The IMF then expects a strong recovery in 2021, but at the same time admits that this estimate is essentially up to how long the pandemic lasts. All forecasts and estimates are therefore subject to great uncertainty as the economic situation and development relating to the COVID-19 pandemic are changing on an ongoing basis and are thus highly volatile.

### Results of operations

As described in detail above, the development of incoming orders and revenue in 2020 will largely depend on the overall economic situation, particularly in the automotive industry, and the ongoing development of the coronavirus crisis. Viscom anticipates target revenue and incoming orders of between € 65 million and € 80 million in 2020.

The EBIT-Margin for the 2020 financial year is likely to be between -7.7 % and 2.5 %, with EBIT of between € -5.0 million and € 2.0 million.

The Executive Board and the Supervisory Board of Viscom AG are continuing to work intensively on adapting Viscom's business model to emerge profitably from the current situation.

### Financial position

Liquidity for the remaining months of 2020 will be generated from the company's own funds and the credit facilities available. Any additional requirements or measures depend to a significant degree on the changing general conditions. If required, state support or aid packages will be examined and utilised.

# OTHER DISCLOSURES

## Related party disclosures

There are rental agreements between the company and Dr. Martin Heuser/Petra Pape GbR, Hanover, Marina Hettwer/Petra Pape GbR, Hanover, and HPC Vermögensverwaltung GmbH, Hanover, for nine properties in Carl-Buderus-Straße and one property in Fränkische Straße in Hanover. All these contracting parties are classified as related parties within the meaning of IAS 24.

Viscom AG also has leases for company vehicles with HPC Vermögensverwaltung GmbH. HPC Vermögensverwaltung GmbH provides further services such as company childcare, cleaning and other services.

## General information on the company

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

The company's business activities comprise the development, manufacture and sale of automated 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.

# IFRS INTERIM CONSOLIDATED FINANCIAL STATEMENTS / CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	01.01.-31.03.2020 K€	01.01.-31.03.2019 K€
Revenue	15,616	19,715
Other operating income	524	626
	<b>16,140</b>	<b>20,341</b>
Changes in finished goods and work in progress	739	2,608
Other own work capitalised	655	466
Cost of materials	-7,613	-10,186
Staff costs	-8,296	-8,385
Depreciation and amortisation	-1,300	-1,234
Other operating expenses	-2,789	-3,262
	<b>-18,604</b>	<b>-19,993</b>
<b>Operating profit</b>	<b>-2,464</b>	<b>348</b>
Financial income	1	198
Financial expenses	-60	-66
<b>Net finance costs</b>	<b>-59</b>	<b>132</b>
Income taxes	-55	-339
<b>Net profit for the period</b>	<b>-2,578</b>	<b>141</b>
<b>Earnings per share (basic and diluted) in €</b>	<b>-0.29</b>	<b>0.02</b>
<b>Other comprehensive income</b>		
Currency translation differences	105	234
Items that can be reclassified to profit or loss	105	234
<b>Other comprehensive income after taxes</b>	<b>105</b>	<b>234</b>
<b>Total comprehensive income</b>	<b>-2,473</b>	<b>375</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

Assets	31.03.2020 K€	31.12.2019 K€
<b>Current assets</b>		
Cash and cash equivalents	6,542	3,922
Trade receivables	21,395	27,663
Income tax assets	245	733
Inventories	30,203	29,131
Other financial receivables	198	202
Other assets	1,702	1,106
<b>Total current assets</b>	<b>60,285</b>	<b>62,757</b>
<b>Non-current assets</b>		
Property, plant and equipment	13,664	12,778
Intangible assets	12,780	12,544
Financial assets	6	6
Loans originated by the company	104	119
Deferred tax assets	883	844
<b>Total non-current assets</b>	<b>27,437</b>	<b>26,291</b>
<b>Total assets</b>	<b>87,722</b>	<b>89,048</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION: EQUITY AND LIABILITIES

Equity and liabilities	31.03.2020 K€	31.12.2019 K€
<b>Current liabilities</b>		
Trade payables	1,678	2,856
Contract liabilities	837	758
Current loans	3,624	3,124
Advance payments received	188	234
Provisions	1,590	1,557
Income tax liabilities	364	358
Other current financial liabilities	5,758	5,310
Other current liabilities	2,860	2,707
<b>Total current liabilities</b>	<b>16,899</b>	<b>16,904</b>
<b>Non-current liabilities</b>		
Non-current provisions	754	747
Other non-current financial liabilities	9,819	9,017
Deferred tax liabilities	4,224	3,881
<b>Total non-current liabilities</b>	<b>14,797</b>	<b>13,645</b>
<b>Equity</b>		
Issued capital	9,020	9,020
Capital reserves	21,321	21,321
Retained earnings	24,934	27,512
Exchange rate differences	751	646
<b>Total equity</b>	<b>56,026</b>	<b>58,499</b>
<b>Total equity and liabilities</b>	<b>87,722</b>	<b>89,048</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	01.01.-31.03.2020 K€	01.01.-31.03.2019 K€
<b>Cash flow from operating activities</b>		
Net profit for the period after interest and taxes	-2,578	141
Adjustment of net profit for income tax expense (+)	55	339
Adjustment of net profit for interest expense (+)	60	66
Adjustment of net profit for interest income (-)	-1	-198
Adjustment of net profit for depreciation and amortisation expense (+)	1,300	1,234
Increase (+) / decrease (-) in provisions	40	-24
Gains (-) / losses (+) on the disposal of non-current assets	0	0
Increase (-) / decrease (+) in inventories, receivables and other assets	4,607	2,242
Increase (+) / decrease (-) in liabilities	-666	-1,129
Income taxes repaid (+) / paid (-)	811	-364
<b>Net cash used in/from operating activities</b>	<b>3,628</b>	<b>2,307</b>
<b>Cash flow from investing activities</b>		
Proceeds (+) from the disposal of non-current assets	-4	-7
Acquisition (-) of property, plant and equipment and intangible assets	-85	-298
Capitalisation of development costs (-)	-655	-466
Disbursements of loans granted (-)	0	-130
Receipts from the repayment of loans granted (+)	20	-19
Interest received (+)	1	198
<b>Net cash used in investing activities</b>	<b>-723</b>	<b>-722</b>
<b>Cash flow from financing activities</b>		
Dividend payment (-)	0	0
Interest paid (-)	-67	-21
Borrowing of other financial liabilities (+)	0	0
Repayment of other financial liabilities (-)	-750	-703
<b>Net cash and cash equivalents from financing activities</b>	<b>-817</b>	<b>-724</b>
Changes in cash and cash equivalents due to changes in exchange rates	33	40
<b>Cash and cash equivalents</b>		
Change in cash and cash equivalents	2,088	861
Cash and cash equivalents as at 1 January	1,039	2,357
<b>Cash and cash equivalents as at 31 March</b>	<b>3,160</b>	<b>3,258</b>

# STATEMENT OF CHANGES IN EQUITY

Equity	Issued capital K€	Capital reserves K€	Exchange rate differences K€	Retained earnings K€	Total K€
Equity as at 1 January 2019	9,020	21,321	548	28,409	59,298
Net profit for the period	0	0	0	3,101	3,101
Other comprehensive income	0	0	98	0	98
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>3,101</b>	<b>3,199</b>
Dividends	0	0	0	-3,998	-3,998
Equity as at 31 December 2019	9,020	21,321	646	27,512	58,499
Equity as at 1 January 2020	9,020	21,321	646	27,512	58,499
Net profit for the period	0	0	0	-2,578	-2,578
Other comprehensive income	0	0	105	0	105
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>105</b>	<b>-2,578</b>	<b>-2,473</b>
Dividends	0	0	0	0	0
Equity as at 31 March 2020	9,020	21,321	751	24,934	56,026

# SELECTED EXPLANATORY NOTES

## Declaration of compliance

These interim consolidated financial statements for 2020 have been uniformly prepared in accordance with all International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) for interim financial reporting effective in the EU as at 31 March 2020.

## Principles of preparation

The IFRS interim consolidated financial statements have been prepared in euro. Figures are typically presented in thousands of euro (€ thousand). The segment report is included in the interim Group management report.

The same accounting policies were applied as in the 2019 consolidated financial statements.

The income statement was prepared in accordance with the nature of expense format.

In accordance with IAS 1, assets and liabilities reported in the statement of financial position are classified as either current or non-current. Current assets or liabilities are those intended to be sold or redeemed within a period of one year.

The preparation of the interim consolidated financial statements requires certain assumptions and estimates that affect the amount and classification of the assets, liabilities, income, expenses and contingent liabilities recognised. The actual amounts may differ from these estimates.

# NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## Revenue

The Group's revenue breaks down as follows:

Revenue	31.03.2020 K€	31.03.2019 K€
Construction and delivery of machines	11,807	14,666
Services / replacement parts	3,755	4,850
Rentals	54	199
<b>Total</b>	<b>15,616</b>	<b>19,715</b>

The categories "Construction and delivery of machines" and "Services/replacement parts" are revenue from contracts with customers in accordance with IFRS 15.

## 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

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.

31.03.2020 in K€	Measure- ment category	Carrying amount	Fair value
<b>Assets</b>			
Financial assets and other receivables	AC	524	524
Trade receivables	AC	21,395	21,395
Cash and cash equivalents	AC	6,542	6,542
		<b>28,461</b>	<b>28,461</b>
<b>Equity and liabilities</b>			
Current loans	AC	3,624	3,624
Trade payables	AC	1,678	1,678
Other current financial liabilities	AC	5,588	5,588
Other non-current financial liabilities	AC	9,819	9,819
		<b>20,709</b>	<b>20,709</b>

31.12.2019 in K€	Measure- ment category	Carrying amount	Fair value
<b>Assets</b>			
Financial assets and other receivables	AC	545	545
Trade receivables	AC	27,663	27,663
Cash and cash equivalents	AC	3,922	3,922
		<b>32,130</b>	<b>32,130</b>
<b>Equity and liabilities</b>			
Current loans	AC	3,124	3,124
Trade payables	AC	2,856	2,856
Other current financial liabilities	AC	5,166	5,166
Other non-current financial liabilities	AC	9,016	9,016
		<b>20,162</b>	<b>20,162</b>

Please refer to pages 104 to 109 of Viscom AG's 2019 annual report for more information on financial instruments.

### Events after the end of the reporting period

There were no significant events after the first three months of 2020.

### Audit of the financial statements

As was the case for the previous interim consolidated financial statements, the interim consolidated report as at 31 March 2020 has not been audited or reviewed by an auditor.

# RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting and proper accounting standards, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim 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 for the remaining months of the financial year.”

Hanover, 13 May 2020

The Executive Board



Carsten Salewski



Peter Krippner



Dr. Martin Heuser



Dirk Schwingel

# FINANCIAL CALENDAR 2020



13.05.2020	Interim Report 3M/2020	Hanover
04.08.2020	Annual General Meeting (virtual)	Hanover
12.08.2020	Interim Report H1/2020	Hanover
12.11.2020	Interim Report 9M/2020	Hanover

# VISCOM STRUCTURE

Supervisory Board	Prof. Michèle Morner (Chairwoman) Volker Pape (Deputy Chairman) Prof. Ludger Overmeyer
Executive Board	Carsten Salewski Peter Krippner Dr. Martin Heuser Dirk Schwingel
Registered office	Carl-Buderus-Straße 9-15, 30455 Hanover, Germany Commercial Register of Hanover District Court HR B 59616
Subsidiaries	Viscom France S.A.R.L., Cergy Pontoise Cedex, France Viscom Inc., Atlanta, Georgia, USA Viscom Machine Vision Pte Ltd., Singapore
Subsidiary of Viscom Machine Vision Pte Ltd., Singapore	Viscom Machine Vision (Shanghai) Trading Co., Ltd.
Subsidiary of Viscom France S.A.R.L., France	Viscom Tunisie S.A.R.L., Tunis, Tunisia

# IMPRINT

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