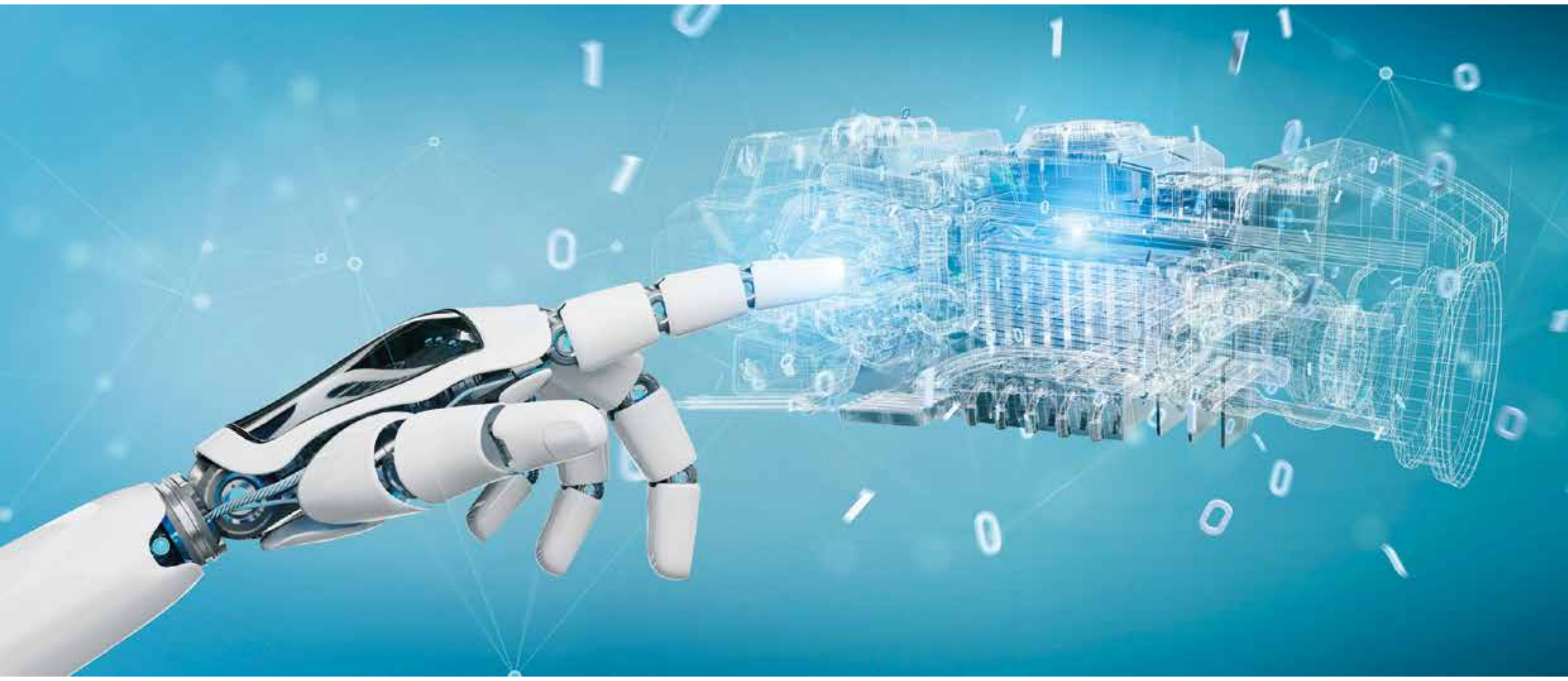
RETHINKING THE FUTURE.
SHAPING SOLUTIONS.



INTERIM REPORT
as of 31 March 2019

CONTENT

OPERATING FIGURES

Profit and loss

		3M 2019	3M 2018
Revenues	K€	**19,715**	16,778
EBIT	K€	**348**	253
Net profit for the period	K€	**141**	395

Balance sheet and cashflow statement figures

		3M 2019	3M 2018
Total assets	K€	**92,954**	72,563
Equity ratio	%	**64,2**	78,6
CF from current business	K€	**2,307**	1,291
CF from investment	K€	**-722**	-1,288
CF from financing	K€	**-724**	0
End of period capital	K€	**3,258**	11,459

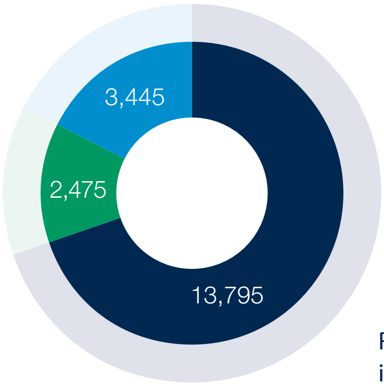
Shares

		3M 2019	3M 2018
Result per share	€	**0.02**	0.04

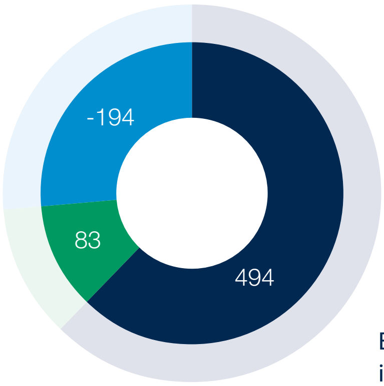
Employees

	3M 2019	3M 2018
Employees on 31 March	**484**	437

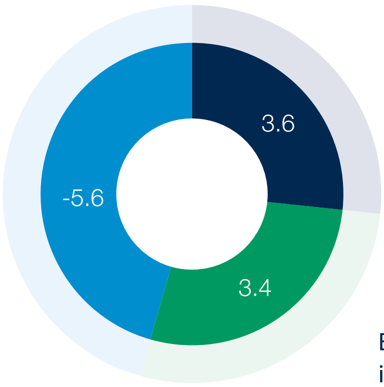
SEGMENT INFORMATION



Revenue
in K€



EBIT*
in K€



EBIT-Margin*
in %

■ Europe ■ Americas ■ Asia

* without consideration of consolidation differences

FIGURES 3M 2019

19,844
Incoming Orders
in K€

19,715
Revenue
in K€

348
EBIT
in K€

1.8
EBIT-Margin
in %

64.2
Equity Ratio
in %

FOREWORD FROM THE EXECUTIVE BOARD

Dear Ladies and Gentlemen,

In the first quarter of the 2019 financial year, revenue increased by 18 % year-on-year. Revenue of nearly € 20 million was achieved in the first three months. Incoming orders likewise amounted to around € 20 million, down 20 % from the very strong figure for the previous year. The economic situation is currently characterised by uncertainty over future economic development in Asia and the automotive industry. As a result, there has been a palpable drop in the propensity to invest.

For us, the market continues to offer good opportunities that we have already used to our advantage in the first quarter of 2019: We were awarded a procurement contract by a major existing customer in March, making us the exclusive supplier for the 3D inspection of wired solder joints with the new Viscom inspection system S3016 ultra for the next five years. In the close interplay of application and software, product and central development, we expanded the possibilities of the new XM module and presented a convincing service.

To continue meeting the future megatrends and the demands that they entail on an equal footing and in a timely manner, we maintain a permanent dialogue with our customers at various levels. Demand for inspection systems is increasing steadily on the back of growth in vehicle electronics, especially e-mobility and the requirements of autonomous driving. The use of batteries by our customers has also led to new quality control requirements that we are able to cover with our system technology. This relates to various types of battery cells, such as button cells, round cells and pouch cells, thereby giving rise to additional applications.

In terms of our markets, we also see growth potential in Asia. Many of our customers and, in particular, potential customers from the computer, communication and consumer industry are located in this region. In addition to China, we are intensifying our activities in other Asian countries in order to facilitate additional growth in the region over many years. India, where we are seeing greater investment from customers, is particularly noteworthy here.

Overall, we remain confident about the future. Viscom AG is in a good technological and strategic position for further growth. The management of Viscom AG is therefore confirming the forecasts for 2019 as a whole that were published previously, with revenue of between € 94 million and € 100 million and an EBIT-Margin of between 10 % and 13 %.

We thank you for the trust you have placed in Viscom AG and look forward to continuing our journey with you.

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)
Category		No-par value bearer shares
Share capital (€)		9.02 million
Share capital (units)		9,020,000
Number of voting shares		8,885,060
High on 30 January 2019 *	€	17.90
Low on 28 March 2019 *	€	14.45
Market capitalisation as at 29 March 2019	€ million	135.75
Earnings per share	€	0.02

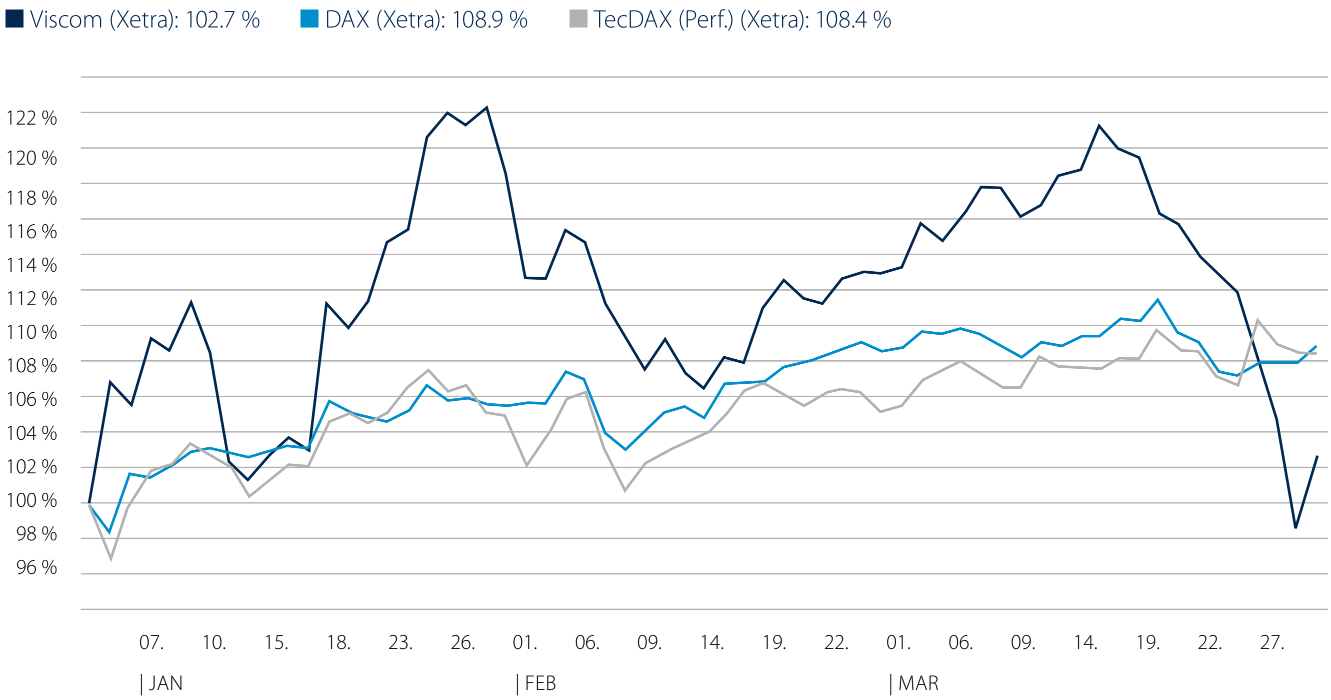
* All share price information is based on XETRA daily closing prices

Market conditions

At the beginning of the new year, the stock markets managed to shake off the weak track record from 2018 and made an optimistic start to 2019. The positive performance was supported by the putative rapprochement in the trade dispute between the USA and China and by a positive reporting season and convincing economic data from the USA. As January progressed, the euphoria on the stock markets faded and issues such as the shutdown in the USA and Brexit came to the fore. Share prices were also checked by weak economic data. China's economy increasingly lost momentum, and data also proved rather disappointing in Germany. In January, the ifo Business Climate Index fell to its lowest level in three years. Against the backdrop of gloomy economic prospects, both the World Bank and the International Monetary Fund (IMF) lowered their growth forecasts for global economic growth. Nevertheless, in January 2019 the stock markets made a positive counter movement to the bitter losses at the end of 2018.

The concern over the development of the global economy and the fear of new punitive tariffs unsettled investors in the first half of February, and there was profit-taking on the stock markets. The European stock markets were also troubled by declining economic data. In February, the ifo Business Climate Index fell to its lowest level since December 2014. The US economic data were mixed, but the positive news predominated and triggered a positive trend on Wall Street. The German stock market barometer recovered again towards the end of February and drew closer to its US equivalent. The euro had a turbulent time in February, but also recovered towards the end of the month and closed at USD 1.1371.

Share price performance compared with the DAX and TecDAX in the first three months of 2019



Economic optimism and hopes of a quick resolution in the US-China trade dispute resulted in positive sentiment at the beginning of March. The surprisingly good GDP data from the USA and the confidence of a result in the Brexit negotiations had a positive effect on propensity to buy on the stock markets. The US Federal Reserve's moderate monetary policy and the ECB's continuingly expansionary monetary policy benefited the equity market. The DAX, the German benchmark index, reached a new annual high on 19 March 2019; profit-taking took hold as time went on. Declining incoming orders in industry and disappointing purchasing managers' indices in Europe and the USA lessened the propensity to buy. In addition, weak economic data stoked fear of a global economic downturn. Hopes of a quick resolution to the trade dispute between the USA and China faded, and the inconclusive votes in the British parliament failed to impress investors in the last third of the month. The finance markets were dominated by economic concerns and fears of recession. The euro cheapened to USD 1.1177 and thus marked its lowest level since July 2017.

Viscom's share price performance in the first three months of 2019

The Viscom share started the new year at € 13.40, initially enjoying positive price performance. After a slump in the middle of January, the share was boosted again and reached its quarterly high of € 17.90 on 30 January 2019. In line with the market environment, the Viscom share shed its gains again at the beginning of February. An upward trend commenced after the publication of Viscom AG's provisional business figures for 2018 on 13 February 2019, and the Viscom share came close to its quarterly high on 14 March 2019 at € 17.75. The finance markets were dominated by economic concerns and fears of recession in the third quarter of March, which the Viscom share could not escape. Even the publication of Viscom AG's business figures for 2018 on 19 March 2019 and the positive outlook for Viscom AG were unable to counter this negative trend, and the Viscom share fell to its quarterly low of € 14.45 on 28 March 2019. The Viscom share closed the first quarter of 2019 at € 15.05 and hovered at around an average of € 16.39 in the first three months of the year.

Analyst recommendations

Three financial analysts cover and comment on Viscom's shares on a regular basis. At 31 March 2019, the share had two "buy" recommendations and one "neutral" recommendation.

Shareholder structure

The shareholder structure of Viscom AG is characterised by the high degree of involvement on the part of the Company founders Dr. Martin Heuser and Volker Pape. 59.75 % of the shares are held by Dr. Martin Heuser and Volker Pape, either directly or via HPC Vermögensverwaltung GmbH. 7.36 % of the shares are held by Allianz. Viscom AG holds 1.50 % of its own shares, which the Company repurchased in 2008/2009 as part of a share buyback programme. The 31.39 % of shares that are in free float are spread primarily among investors in Germany and other European countries.

Investor relations

The objective of our investor relations activities is to enable all capital market participants to evaluate Viscom AG objectively. We achieve this by means of continuous, open communication. All information on Viscom's shares is published as it becomes available in the Investor Relations section of our website at www.viscom.com.

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

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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 of the companies are focused on their respective customer groups and their requirements. This enables them to act and respond quickly and in a flexible manner. They also benefit from the advantages of belonging to a larger group, thus enabling the mutual exchange 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 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, of which 59.75 % are held directly or indirectly through HPC Vermögensverwaltung GmbH by the Company's founders Dr. Martin Heuser and Volker Pape. 7.36 % of the shares are held by Allianz.

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. As at 31 March 2019, Viscom AG held approximately 1.50 % of its own shares.

The Executive Board of Viscom AG had four members as at 31 March 2019:

Carsten Salewski: Sales, Marketing and International Business
Peter Krippner: Operations
Dr. Martin Heuser: Development
Dirk Schwingel: Finances

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 during 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 are focused on fundamental development work for future generations of inspection systems and project-specific development for the adaptation of basic machine types 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

There have been no fundamental changes in the legal and economic framework which had a material effect on the Company in the first three months of 2019. For more details regarding the development of the overall economy, please refer to the economic report below.

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 as well as completed and partially completed systems.

In addition, they provide an overview of employee turnover, sickness absence rate and per capita revenue, as well as 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 of the heads of the 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 further development of existing system solutions as well as 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 36 – 38 of Viscom AG's Annual Report 2018 and did not change during the first three months of the current year.

Expenditure for research and development, excluding constructive changes for customer-specific adaptations, fell below the previous year's level. Development costs totalling € 466 thousand were capitalised in the first three months of 2019 (previous year: € 616 thousand). Capitalised development costs were written down in the amount of € 369 thousand (previous year: € 264 thousand).

ECONOMIC REPORT

Macroeconomic and sector development

Macroeconomic development

Global economic activity has fallen. Although the global economy is still growing modestly, the high momentum of recent years has not been maintained in the past few months. The global economy is currently being curbed chiefly by international trade conflicts and the uncertainty over Brexit.

The weakening global economy is also restricting the development of the German economy, while the strong domestic economy is a support. Employment and incomes are rising and increasing private consumer spending. Expansionary fiscal measures are also benefiting private households as well as public spending and investment.

The first quarter of 2019 was a difficult one for Europe's carmakers. Worldwide, they sold 5 % fewer cars than in the previous year – the sharpest decline in the last ten years. Sales fell by 11 % in China and 3 % in Europe. Business developed robustly only in the USA. However, the strong performance of the Autostoxx Index, which has grown by 20 % this year so far, shows that the market expects a recovery this year and considers the US unlikely to impose punitive tariffs.

Sector development

The inspection of electronic assemblies is Viscom's main revenue segment. Viscom is therefore primarily 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 employed primarily within the electronics industry. Producers of electronic components are the main customer segment, accounting for 72 % of revenue (previous year: 85 %). 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 28 % of revenue (previous year: 15 %) relates to manufacturers from other industries, such as medical technology and consumer electronics.

With the continued 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

In the first three months of 2019, Viscom generated around 49 % of its revenue with its five largest customers (previous year: around 52 %). A further 30 % of revenue was generated with 13 customers (previous year: 14 customers). The remaining revenue was generated with a total of 200 different customers (previous year: 184 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, help 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 € 19,844 thousand (previous year: € 24,716 thousand) were received in the first three months of 2019. This was a decline of 19.7 % on the corresponding period of the previous year and reflects Viscom customers' current reluctance to invest.

The order backlog fell to € 25,099 thousand as at 31 March 2019 (previous year: € 27,715 thousand), corresponding to full capacity utilisation for more than three months.

Revenue development

Viscom's revenue amounted to € 19,715 thousand in the first quarter of 2019, up 17.5 % on the same period of the previous year (€ 16,778 thousand).

Due to the agreed delivery dates, some of the order backlog as at 31 December 2018 and the incoming orders in the first quarter of 2019 will not affect revenue until later months.

Operating profit (EBIT) / EBIT-Margin

Operating profit (EBIT) amounted to € 348 thousand in the first quarter of 2019 (previous year: € 253 thousand). This corresponds to an EBIT-Margin of 1.8 % (previous year: 1.5 %) and was therefore on a par with the previous year. Operating profit was significantly negatively affected by valuation allowances on inventories and increased warranty expenses. In addition, earnings were reduced by increased staff costs due to the capacity expansion.

Net profit for the period

Net profit for the period fell from € 395 thousand in the previous year to € 141 thousand. The effects discussed under operating profit above also had an impact on net profit for the period. The financial result was positive at € 132 thousand. This was due primarily to interest income from concluded fiscal court proceedings. In addition, lower tax refunds for previous years and high deferred taxes from temporary differences had a negative impact.

The pre-tax return on sales was 2.4 % (previous year: 1.5 %).

Earnings per share

On the basis of 8,885,060 shares, earnings per share as at 31 March 2019 amounted to € 0.02 (diluted and basic) compared with € 0.04 in the previous year.

Financial result

Financial income amounted to € 198 thousand (previous year: € 7 thousand) and was largely attributable to interest on tax refunds. Financial expenses of € 66 thousand (previous year: € 16 thousand) resulted from IFRS 16 effects and interest due to the utilisation of the available credit facilities.

Exchange rate effects

As it operates internationally, Viscom is exposed to exchange rate risks. The relatively low business volume denominated in foreign currency means that the existing level of exchange rate risk is considered acceptable. In the period under review, 6.7 % of total revenue was subject to a direct exchange rate effect (previous year: 6.8 %). Viscom reserves the right to perform exchange rate hedging in individual cases.

Employees

Viscom had 484 employees (excluding trainees) globally as at 31 March 2019, corresponding to a year-on-year increase of 47 (previous year: 437 employees). The workforce expansion related to all of the Company's business areas. The reason for this increase was the growth forecast for the Company.

As at 31 March 2019	Europe	Americas	Asia	Total
Total	**394**	**20**	**70**	**484**
of which full-time	358	20	70	**448**
of which part-time	36	0	0	**36**
plus: Trainees	**12**	**0**	**0**	**12**

Regional developments

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

in K€	Europe		Americas		Asia		Consolidation		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
External sales	13,795	10,485	2,475	1,230	3,445	5,063	0	0	19,715	16,778
Intersegment sales	4,234	4,551	82	55	341	335	-4,656	-4,940	0	0
Total sales	18,029	15,036	2,557	1,285	3,786	5,398	-4,656	-4,940	19,715	16,778
Segment earnings	494	196	83	-404	-194	444	-35	17	348	253

Europe

Europe was the Viscom Group's strongest region by some distance, generating revenue of € 13,795 thousand in the first three months of the 2019 financial year (previous year: € 10,485 thousand) and accounting for around 70 % of total revenue. Revenue increased by around 32 % as against the previous year. This was primarily due to higher system sales. Revenue in Germany amounted to € 8,907 thousand (previous year: € 5,339 thousand).

Segment earnings in the Europe region totalled € 494 thousand (previous year: € 196 thousand), corresponding to a margin of 3.6 % (previous year: 1.9 %). This increase was primarily attributable to the effects already discussed under operating profit.

Americas

The Viscom Group registered good demand in the USA and Canada and in Mexico. The Company sees the economic environment as stable with constant but modest growth.

In the Americas regions, segment revenue doubled from € 1,230 thousand to € 2,475 thousand. Segment earnings in the region totalled € 83 thousand (previous year: € -404 thousand), corresponding to a margin of 3.4 % (previous year: -32.8 %). This was due primarily to increased revenue.

Asia

Revenue in the Asia region amounted to € 3,445 thousand in the first quarter of 2019 (previous year: € 5,063 thousand). Incoming orders in the first quarter were characterised by customers' reluctance to invest and geographical relocations of orders already placed to Europe. In addition, lower demand was observed for services and replacement parts. These factors resulted in negative quarterly earnings of € -194 thousand (previous year: € 444 thousand). The corresponding EBIT-Margin therefore amounted to -5.6 % (previous year: 8.8 %).

Being optimistic, the still high order backlog and decision-ready projects give reason to expect that revenue and earnings will increase significantly at the end of the second quarter.

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 2019, overdrafts in the form of available credit facilities in the amount of € 4,930 thousand were utilised (previous year: € 0 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 € 8,188 thousand, the Company had positive net bank balances of € 3,258 thousand as at the end of the reporting period (as at 31 December 2018: € 2,357 thousand). The subsidiaries did not require any loans.

Investments

Investments in property, plant, and equipment and intangible assets totalled € 1,543 thousand in the first three months of 2019 (previous year: € 1,357 thousand). € 466 thousand (previous year: € 616 thousand) of the investments related to own work capitalised, while € 293 thousand (previous year: € 741 thousand) was attributable to operating and office equipment, leasehold improvements, prepayments and construction in progress, software, technical equipment and machinery. In addition, this item was influenced by right-of-use assets in accordance with IFRS 16 of € 784 thousand.

Cash and cash equivalents / cash flow

Cash flow from operating activities amounted to € 2,307 thousand (previous year: € 1,291 thousand). This was primarily due to the decrease in inventories, receivables and other assets, the adjustment of net profit for depreciation and amortisation expense, and the adjustment of net profit for income tax expense.

Cash flow from investing activities amounted to € -722 thousand (previous year: € -1,288 thousand). This change primarily resulted from the acquisition of non-current assets and the capitalisation of development costs.

Cash flow from financing activities amounted to € -724 thousand (previous year: € 0 thousand). This was primarily due to the repayment of lease liabilities in accordance with IFRS 16.

Cash and cash equivalents amounted to € 3,258 thousand (previous year: € 11,459 thousand), and were therefore € 901 thousand higher than the figure as at the end of 2018 (€ 2,357 thousand).

Net assets

Non-current assets

In the category of non-current assets, intangible assets included primarily own work capitalised. Intangible assets increased slightly from € 10,915 thousand as at 31 December 2018 to € 11,000 thousand at the end of the first three months of the 2019 financial year. The sharp rise in property, plant and equipment from € 3,013 thousand to € 14,173 thousand resulted mainly from the first-time application of IFRS 16. Further information can be found on pages 20 - 21 of this report.

Receivables

At € 21,805 thousand, trade receivables were down on the level recorded as at 31 December 2018 (€ 27,315 thousand). At € 975 thousand, valuation allowances on trade receivables were on a par with the figure of € 971 thousand recorded as at 31 December 2018.

Inventories

The carrying amount of inventories was € 34,620 thousand, an increase as against the end of the 2018 financial year (€ 31,432 thousand). This was due to the pre-production of partially completed and completed systems and the procurement of raw materials and supplies to satisfy the high order backlog and the expected volume of incoming orders.

Liabilities

Trade payables fell from € 4,403 thousand at the end of 2018 to € 2,968 thousand.

Contract liabilities amounted to € 723 thousand, down slightly on the figure as at the end of the financial year (€ 734 thousand), and include delivery and performance obligations from contracts with customers in accordance with IFRS 15.

Total shareholders' equity

Total shareholders' equity increased slightly from € 59,298 thousand at the end of the 2018 financial year to € 59,673 thousand. This was attributable to the net profit for the period. At 64.2 %, the equity ratio was lower than the figure as at 31 December 2018 (72.5 %) due to the addition to total assets following the first-time application of IFRS 16. The equity ratio in the corresponding prior-year period was 78.6 %.

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

	31.03.2019 K€	31.12.2018 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions) *	**-12,389**	**-12,919**
Tier 2 liquidity (tier 1 liquidity plus receivables and other assets less non-current liabilities) *	**2,347**	**16,239**
Tier 3 liquidity (tier 2 liquidity plus inventories) *	**36,967**	**47,671**
Current assets		
Cash and cash equivalents	8,188	5,740
Receivables and other assets	24,039	29,873
Inventories	34,620	31,432
	66,847	**67,045**
Liabilities and provisions		
Current liabilities and provisions *	20,577	18,659
Non-current liabilities and provisions *	9,303	715
	29,880	**19,374**
Net debt		
Liabilities and provisions (-) *	-29,880	-19,374
+ Cash and cash equivalents	8,188	5,740
+ Receivables and other assets	24,039	29,873
= Net debt	2,347	16,239
Working capital *		
Current assets - liabilities and provisions	36,967	47,671
Equity ratio *		
Shareholders' equity / total assets	64.2 %	72.5 %

* Changes primarily due to the first-time application of IFRS 16.

	31.03.2019 K€	31.03.2018 K€
Cash flow		
Net profit for the period after taxes	141	395
+ Depreciation and amortisation expense	1,234	424
	1,375	**819**
Return on equity		
Net profit for the period / shareholders' equity	0.2 %	0.7 %
Return on investment (ROI)		
Net profit for the period / total assets	0.2 %	0.5 %
Return on revenue		
EBT / Revenue	2.4 %	1.5 %
Return on capital employed (ROCE)		
EBIT / (total assets - cash and cash equivalents - current liabilities and provisions)	0.5 %	0.5 %

REPORT ON POST-REPORTING DATE EVENTS

There were no significant events after the first three months of the 2019 financial year.

REPORT ON OPPORTUNITIES AND RISKS

The information on opportunities and risks presented in the Group management report continues to apply. Please refer to pages 48 – 52 of the Viscom AG's Annual Report 2018.

REPORT ON FUTURE DEVELOPMENTS IN 2019

Economic conditions

The growth of the global economy continues to increase, albeit less dynamically than in previous years. Despite the weakening of the global economy, there is no recession in sight. The International Monetary Fund (IMF) is now forecasting global economic growth of just 3.3 % for 2019. This is the slowest growth since 2009, when economic output shrank as a result of the financial crisis. In 2020, however, growth is expected to return to its 2018 rate of 3.6 %. In principle, the IMF considers it entirely conceivable that the current growth slump will ultimately prove to be nothing more than a bump. For example, the fund cites the US and European central banks' announcements that they will not continue tightening monetary policy for the time being. It also points to the government in Beijing's substantial growth stimuli and indications of a possible end to the US-China trade dispute. Nevertheless, there are many risks and "uncertainty factors" that are making the economy and financial markets nervous. These include a possible escalation of the current trade disputes or even a spread of the conflict to important sectors such as the automotive industry, additional growth slumps in China and Europe and even more uncertainty over the UK's exit from the European Union.

The IMF now anticipates growth in the German economy of just 0.8 % in 2019 – around half as much as in 2018. Next year, however, it is likely to improve again at 1.4 %. There are still risks in the as yet unresolved trade dispute between the world's two largest national economies, the USA and China, and the UK's exit from the EU without a deal. Nationally, the economy was curbed by skilled labour shortages, supply bottlenecks and problems in the automotive industry.

The German Mechanical Engineering Industry Association (VDMA) expects economic momentum in the German mechanical engineering sector to decline significantly in 2019. VDMA is therefore halving the production forecast for 2019 from 2 % previously to just 1 %. The disputes over tariffs and other trade barriers are increasingly agitating market participants and reducing their propensity to invest, says VDMA. The number of employees in Germany's flagship sector has nevertheless continued to increase recently. In 2018, the production volume was around € 224 billion. The largest sales market is the USA, followed by China.

Viscom is confident about the future, even if the prospects are less bright. The economy will revive again in 2019, albeit without the high momentum of previous years. The higher level of sales activities and strong order backlog are positive signals for a successful 2019 financial year for Viscom AG.

Results of operations

The development of incoming orders and revenue in 2019 will largely depend on the overall economic situation, particularly in the automotive industry. Based on the assumptions described, the forecast performance indicators remain unchanged compared with the end of the 2018 financial year. With budgeted revenue and incoming orders of € 94 to 100 million, Viscom still expects results of operations to be significantly positive in 2019.

Not including the effects of IFRS 16, the EBIT-Margin for the 2019 financial year is likely to be between 10 % and 13 %, which would equate to EBIT of between € 9.4 million and € 13.0 million.

Financial position

Liquidity for the remaining months of 2019 will be generated exclusively from the Company's own funds and available credit facilities. No long-term borrowings are planned. Liquidity at the subsidiaries, which is invested in instant-access savings and fixed-term deposits, is available at short notice.

OTHER DISCLOSURES

Related party disclosures

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

Viscom AG has also concluded 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, Germany.

The Company's business activities encompass 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 CONSOLIDATED INTERIM FINANCIAL STATEMENTS / CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	01.01.-31.03.2019 K€	01.01.-31.03.2018 K€
Revenue	19,715	16,778
Other operating income	626	755
	20,341	**17,533**
Changes in finished goods and work in progress	2,608	2,251
Other own work capitalised	466	616
Cost of materials	-10,186	-7,610
Staff costs	-8,385	-7,476
Depreciation and amortisation	-1,234	-424
Other operating expenses	-3,262	-4,637
	-19,993	**-17,280**
Operating profit	**348**	**253**
Financial income	198	7
Financial expenses	-66	-16
Net finance costs	**132**	**-9**
Income taxes	-339	151
Net profit for the period	**141**	**395**
Earnings per share (diluted and basic) in €	**0.02**	**0.04**
Other comprehensive income		
Currency translation differences	234	-63
Items that can be reclassified to profit or loss	**234**	**-63**
Other comprehensive income after taxes	**234**	**-63**
Total comprehensive income	**375**	**332**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

Assets	31.03.2019 K€	31.12.2018 K€
Current assets		
Cash and cash equivalents	8,188	5,740
Trade receivables	21,805	27,315
Income tax assets	285	966
Inventories	34,620	31,432
Other financial receivables	151	214
Other assets	1,798	1,378
Total current assets	**66,847**	**67,045**
Non-current assets		
Property, plant and equipment	14,173	3,013
Intangible assets	11,000	10,915
Financial assets	6	6
Loans originated by the Company	160	36
Deferred tax assets	768	788
Total non-current assets	**26,107**	**14,758**
Total assets	**92,954**	**81,803**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities	31.03.2019 K€	31.12.2018 K€
Current liabilities		
Trade payables	2,968	4,403
Contract liabilities	723	734
Current loans	4,930	3,383
Advance payments received	203	472
Provisions	1,560	1,601
Income tax liabilities	705	1,111
Other current financial liabilities	5,869	3,937
Other current liabilities	3,619	3,018
Total current liabilities	**20,577**	**18,659**
Non-current liabilities		
Non-current provisions	732	715
Other non-current financial liabilities	8,571	0
Deferred tax liabilities	3,401	3,131
Total non-current liabilities	**12,704**	**3,846**
Total shareholders' equity		
Issued capital	9,020	9,020
Capital reserves	21,321	21,321
Retained earnings	28,550	28,409
Exchange rate differences	782	548
Total shareholders' equity	**59,673**	**59,298**
Total liabilities and shareholders' equity	**92,954**	**81,803**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	01.01.-31.03.2019 K€	01.01.-31.03.2018 K€
Cash flow from operating activities		
Net profit for the period after interest and taxes	141	395
Adjustment of net profit for income tax expense (+)	339	-151
Adjustment of net profit for interest expense (+)	66	16
Adjustment of net profit for interest income (-)	-198	-7
Adjustment of net profit for depreciation and amortisation expense (+)	1,234	424
Increase (+) / decrease (-) in provisions	-24	-262
Gains (-) / losses (+) on the disposal of non-current assets	0	-57
Increase (-) / decrease (+) in inventories, receivables and other assets	2,242	320
Increase (+) / decrease (-) in liabilities	-1,129	1,132
Income taxes repaid (+) / paid (-)	-364	-519
Net cash used in/from operating activities	**2,307**	**1,291**
Cash flow from investing activities		
Proceeds (+) from the disposal of non-current assets	-7	63
Acquisition (-) of property, plant and equipment and intangible assets	-298	-741
Capitalisation of development costs (-)	-466	-616
Disbursements of loans granted (-)	-130	0
Receipts from the repayment of loans granted (+)	-19	0
Interest received (+)	198	6
Net cash used in investing activities	**-722**	**-1,288**
Cash flow from financing activities		
Dividend payment (-)	0	0
Interest paid (-)	-21	0
Repayment of lease liabilities (-)	-703	0
Net cash and cash equivalents from financing activities	**-724**	**0**
Changes in cash and cash equivalents due to changes in exchange rates	40	-50
Cash and cash equivalents		
Change in cash and cash equivalents	861	3
Cash and cash equivalents as at 1 January	2,357	11,506
Cash and cash equivalents as at 31 March	**3,258**	**11,459**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Total shareholders' equity	Issued capital K€	Capital reserves K€	Exchange rate differences K€	Retained earnings K€	Total K€
Shareholders' equity at 1 January 2018	9,020	21,321	414	25,926	56,681
Net profit for the period	0	0	0	7,814	7,814
Other comprehensive income	0	0	134	0	134
Total comprehensive income	**0**	**0**	**134**	**7,814**	**7,948**
Dividends	0	0	0	-5,331	-5,331
Shareholders' equity at 31 December 2018	9,020	21,321	548	28,409	59,298
Shareholders' equity at 1 January 2019	9,020	21,321	548	28,409	59,298
Net profit for the period	0	0	0	141	141
Other comprehensive income	0	0	234	0	234
Total comprehensive income	**0**	**0**	**234**	**141**	**375**
Dividends	0	0	0	0	0
Shareholders' equity at 31 March 2019	9,020	21,321	782	28,550	59,673

SELECTED EXPLANATORY NOTES

Declaration of compliance

The present consolidated interim financial statements for 2019 have been uniformly prepared in accordance with all of the applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the EU as at the reporting date 31 March 2019.

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

Compared to the consolidated financial statements dated 31 December 2018, 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:

IFRS 16: Leases
The standard published by the IASB on 13 January 2016 supersedes the existing standards and interpretations on leases, IAS 17, IFRIC 4, SIC-15 and SIC-27. It was endorsed in EU law on its announcement in the EU official gazette on 31 October 2017 and is effective for reporting periods beginning on or after 1 January 2019. The standard introduces an entirely new approach for the accounting treatment of leases for lessees in particular. Under IAS 17, a lease was recognised by the lessee when substantially all the risks and rewards of ownership of the leased asset were transferred. In future, every lease will have to be recognised as a financing transaction in the lessee's statement of financial position. By contrast, the accounting provisions for lessors remain largely unchanged, particularly with regard to the continued classification obligation for leases. However, the details of the new standard do give rise to some differences concerning subleases and sale and lease-back transactions, for example. Viscom made the transition applying the simplified modified retrospective approach as at 1 January 2019 (IFRS 16.C5(b)). When IFRS 16 was applied to operating leases for the first time, the right of use for the leased asset was measured at the amount of the lease liability, using the interest rate at the date of first-time application (IFRS 16.C8(b)(i)). For deferred lease liabilities, the right of use was adjusted by the amount of the deferred leasing liability in accordance with IFRS 16.C8(b)(ii). In accordance with IFRS 16.C10(d), the initial direct costs were not taken into account when measuring the right of use as at the date of first-time application. 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 not accounted for in accordance with IFRS 16. The practical expedient provided by IFRS 16.C10(c) was not applied to leases ending within twelve months of the date of first-time application. In accordance with IFRS 16.C7, the comparative information for the prior-year periods has not been restated.

Short-term lease liabilities of € 2.5 million, long-term lease liabilities of € 8.4 million and right-of-use assets of € 10.9 million were recognised as at 1 January 2019. This addition to total assets reduced the equity ratio and increased the gearing ratio. Expenses for existing operating leases are no longer recognised in the income statement as lease expenses. The new regulations result in write-downs on the right-of-use assets and interest expenses on lease liabilities. In the statement of cash flows, there were positive effects on cash flow from operating activities and negative effects on cash flow from financing activities.

Basic principles of preparation

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

Apart from the changes described below, the same accounting policies were applied as in the 2018 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 on the face of 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 consolidated interim financial statements requires certain assumptions and estimates to be made which affect the amount and classification of the assets, liabilities, income, expenses and contingent liabilities recognised. The actual amounts may differ from these estimates.

Disclosures due to the first-time application of IFRS 16

If IFRS 16 had not been applied, the figures for the current reporting period would have been as follows:

- Other operating expenses would have amounted to € 3,965 thousand (with IFRS 16: € 3,262 thousand), write-downs to € 557 thousand (with IFRS 16: € 1,234 thousand) and interest expenses to € 21 thousand (with IFRS 16: € 66 thousand).

- This would have resulted in EBIT of € 321 thousand (with IFRS 16: € 348 thousand) and a net profit for the period of € 159 thousand (with IFRS 16: € 141 thousand).

- As at 31 March 2019, there would have been property, plant and equipment of € 3,137 thousand (with IFRS 16: € 14,173 thousand), other current financial liabilities of € 3,396 thousand (with IFRS 16: € 5,869 thousand), and no other non-current financial liabilities (with IFRS 16: € 8,571 thousand).

- Equity would have amounted to € 59,691 thousand as at 31 March 2019 (with IFRS 16: € 59,673 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

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

Revenue	**31.03.2019** K€	31.03.2018 K€
Construction and delivery of machines	14,666	12,736
Services / replacement parts	4,850	3,909
Rentals	199	133
Total	**19,715**	**16,778**

The categories "Construction and delivery of machines" and "Services / replacement parts" are revenue from contracts with customers as per 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.

31.03.2019 in K€	Measurement category	Carrying amount	Fair Value
Assets			
Financial assets and other receivables	AC	1,275	1,275
Trade receivables	AC	21,805	21,805
Cash and cash equivalents	AC	8,188	8,188
		31,268	**31,268**
Liabilities			
Current loans	AC	4,930	4,930
Trade payables	AC	2,968	2,968
Other financial liabilities	AC	3,260	3,260
		11,158	**11,158**

31.12.2018 in K€	Measurement category	Carrying amount	Fair Value
Assets			
Financial assets and other receivables	AC	688	688
Trade receivables	AC	27,315	27,315
Cash and cash equivalents	AC	5,740	5,740
		33,743	**33,743**
Liabilities			
Current loans	AC	3,383	3,383
Trade payables	AC	4,403	4,403
Other financial liabilities	AC	3,828	3,828
		11,614	**11,614**

Please refer to pages 110 – 115 of Viscom AG's Annual Report 2018 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 2019.

Audit

As was the case for the previous consolidated interim financial statements, the consolidated interim report as at 31 March 2019 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 consolidated interim 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, 14 May 2019

The Executive Board

Carsten Salewski   Peter Krippner

Dr. Martin Heuser   Dirk Schwingel

FINANCIAL CALENDAR 2019

14.05.2019	Interim Report 3M/2019	Hanover
28.05.2019	Annual General Meeting	Hanover, Altes Rathaus
13.08.2019	Interim Report H1/2019	Hanover
12.11.2019	Interim Report 9M/2019	Hanover

VISCOM STRUCTURE

Supervisory Board	Prof. Dr. Michèle Morner (Chairwoman) Volker Pape (Deputy Chairman) Prof. Dr. 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

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