Annual Report 2018

Consolidated Financial Statements

of InVision AG as of 31 December 2018 in accordance with IFRS and § 315e of the German Commercial Code as well as the Group management report pursuant to § 315 of the German Commercial Code

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Financial Summary

(in TEUR)	2018	2017	Δ
Revenues	**13,067**	**13,163**	**-1%**
thereof Workforce Management	12,646	12,449	+2%
thereof Education	421	714	-41%
R&D Expenses	**6,301**	**7,486**	**-16%**
as a % of revenues	48%	57%	-9 PP
EBIT	**233**	**1,363**	**-83%**
as a % of revenues	2%	10%	-8 PP
Consolidated result	**-200**	**800**	**-125%**
as a % of revenues	-2%	6%	-8 PP
Operating cash flow	**10**	**672**	**-99%**
as a % of revenues	0%	5%	-5 PP
Earnings per share (in EUR)	**-0.09**	**0.36**	**-125%**

(in TEUR)	31 Dec 2018	31 Dec 2017	Δ
Balance sheet total	**12,082**	**13,683**	**-12%**
Liquid funds	**670**	**2,210**	**-70%**
Equity	**10,180**	**10,380**	**-2%**
as a % of balance sheet total	84%	76%	+8 PP

Consolidated Balance Sheet

InVision AG, 31 December 2018
IFRS, in Euro

Assets	Note	31 Dec 2018	31 Dec 2017
A. Short-term assets			
1. Liquid funds	(23)	670,454	2,209,999
2. Trade receivables	(24)	1,397,793	1,268,972
3. Income tax claims	(25)	218,043	45,536
4. Prepaid expenses and other short-term assets	(26)	128,650	196,242
Total short-term assets		**2,414,940**	**3,720,749**
B. Long-term assets			
1. Intangible assets	(27)	334,667	338,374
2. Tangible assets	(28)	9,299,122	9,568,754
3. Deferred taxes	(30)	19,656	39,312
4. Other long-term assets	(31)	14,106	16,043
Total long-term assets		**9,667,551**	**9,962,483**
Total assets		**12,082,491**	**13,683,232**

Equity and liabilities	Note	31 Dec 2018	31 Dec 2017
A. Short-term liabilities			
1. Liabilities to financial institutions	(33)	250,000	1,250,000
2. Trade payables	(34)	268,494	170,012
3. Provisions	(35)	377,146	256,266
4. Income tax liabilities	(35)	222,989	406,150
5. Short-term share of deferred income and other short-term liabilities	(36)	783,931	971,259
Total short-term liabilities		**1,902,560**	**3,053,687**
B. Long-term liabilities			
Liabilities to financial institutions	(37)	0	250,000
Total long-term liabilities		**0**	**250,000**
C. Equity			
1. Subscribed capital	(38)	2,235,000	2,235,000
2. Reserves	(39)	1,191,184	1,191,184
3. Equity capital difference from currency translation	(40)	-419,289	-457,684
4. Group/consolidated result		7,173,036	7,411,045
Total equity		**10,179,931**	**10,379,545**
Total equity and liabilities		**12,082,491**	**13,683,232**

Consolidated Statement of Comprehensive Income

InVision AG, 31 December 2018
IFRS, in Euro

	Note	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2017
1. Revenues	(41)	13,066,634	13,163,035
2. Other operating income	(42)	114,925	90,983
3. Cost of materials/cost of services purchased	(43)	-177,969	-149,682
4. Personnel expenses	(44)	-8,694,719	-8,084,598
5. Amortisation/depreciation of intangible and tangible assets	(45)	-586,450	-513,892
6. Other operating expenses	(46)	-3,489,913	-3,142,635
7. Operating result (EBIT)		**232,508**	**1,363,211**
8. Financial result	(47)	-12,193	-26,986
9. Currency losses/gains		4,310	-14,585
10. Result before taxes (EBT)		**224,625**	**1,321,640**
11. Income tax	(48)	-462,634	-437,195
12. Consolidated net profit		**-238,009**	**884,445**
13. Exchange rate differences from converting foreign financial statements		38,395	-84,476
14. Consolidated result		**-199,614**	**799,969**
Earnings per share		-0.09	0.36

Consolidated Cash Flow Statement

InVision AG, 31 December 2018
IFRS, in Euro

	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2017
1. Cash flow from operating activities		
Consolidated net loss/profit	**-238,009**	**884,445**
+ Depreciation and amortisation of fixed assets	586,450	513,892
-/+ Profits/losses from the disposal of intangible and tangible assets	33,482	-5,725
-/+ Decrease/increase in provisions	120,880	87,263
-/+ Increase/decrease in deferred taxes	19,656	114,590
-/+ Other non-cash income/expenses	-8,156	2,095
-/+ Increase/decrease in trade receivables	-128,820	146,495
-/+ Increase/decrease in other assets and prepaid expenses	69,529	127,342
+/- Decrease/increase in income tax claims/liabilities	-355,668	-554,005
-/+ Decrease/increase in trade payables	98,482	20,820
+/- Increase/decrease in other liabilities and deferred income	-187,327	-665,041
Cash flow from operating activities	**10,499**	**672,171**

	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2017
2. Cash flow from investing activities		
- Payments made for investments in tangible assets	-332,955	-577,858
- Payments made for investments in intangible assets	-24,832	-765
+ Payments received from the disposal of intangible and tangible assets	26,235	7,077
Cash flow from investing activities	**-331,552**	**-571,546**
3. Cash flow from financing activities		
- Payments made for redemption of long-term financing liabilities	-1,250,000	-750,000
- Payments made to shareholders of InVision AG	0	-1,117,500
Cash flow from financing activities	**-1,250,000**	**-1,867,500**
Change in cash and cash equivalents	-1,571,053	-1,766,875
Effect of foreign exchange rate changes on cash and cash equivalents	31,508	-32,024
Cash and cash equivalents at the beginning of the period	**2,209,999**	**4,008,898**
Cash and cash equivalents at the end of the period	**670,454**	**2,209,999**

Consolidated Statement of Equity

InVision AG, 31 December 2018
IFRS, in Euro

	Subscribed capital	Reserves	Equity capital difference from currency translation	Profit/Losses	Equity
31 December 2016	**2,235,000**	**1,191,184**	**-373,208**	**7,644,100**	**10,697,076**
Dividend payment	0	0	0	-1,117,500	-1,117,500
	2,235,000	**1,191,184**	**-373,208**	**6,526,600**	**9,579,576**
Consolidated net profit	0	0	0	884,445	884,445
Exchange rate difference from converting foreign financial statements	0	0	-84,476	0	-84,476
Total of costs and income	**0**	**0**	**-84,476**	**884,445**	**799,969**
31 December 2017	**2,235,000**	**1,191,184**	**-457,684**	**7,411,045**	**10,379,545**
Consolidated net profit	0	0	0	-238,009	-238,009
Exchange rate difference from converting foreign financial statements	0	0	38,395	0	38,395
Total of costs and income	**0**	**0**	**38,395**	**-238,009**	**-199,614**
31 December 2018	**2,235,000**	**1,191,184**	**-419,289**	**7,173,036**	**10,179,931**

Consolidated Notes

to the Consolidated Financial Statements of InVision AG as of 31 December 2018 in accordance with IFRS and § 315e of the German Commercial Code

General Information

1. General information about the Company

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

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

The IFRS consolidated financial statements are expected to be approved by the Supervisory Board of InVision AG on 27 March 2019 and then cleared for publication on 28 March 2019.

2. Basis of the accounting

Because it is listed on a regulated market, InVision AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The consolidated financial statements as of 31 December 2018 were prepared in accordance with the IFRS, which were promulgated by the International Accounting Standards Board (IASB), in force on the balance sheet closing date, and applicable in the European Union. The designation "IFRS" also encompasses the still valid International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC). The requirements prescribed under § 315e of the German Commercial Code (HGB) must also be observed.

All provisions of the IFRS, IAS, IFRIC and SIC, which are valid for fiscal year ending 31 December 2018, have been applied in the consolidated financial statements.

In fiscal year 2018, the following provisions under the IAS/IFRS/IFRIC were endorsed by the EU for adoption into EU law and/or must be applied for the first time. Most of them have little or no effect on the consolidated financial statements of InVision AG.

IFRS	Material effect
IFRIC 22 "Foreign currency transactions and advance consideration"	None
IFRS 9 "Financial instruments"	Refer to explanations
IFRS 15 "Revenue from contracts with customers (including clarifications and amendments)"	Refer to explanations
Amendments to IFRS 2, "Share based payments" - classification and measurement of share-based payment transactions	None
Amendments to IFRS 4 "Insurance contracts" – regarding implementation of IFRS 9 together with IFRS 4	None
Amendments to IAS 40 "Investment property" – regarding the transfer of property	None
Annual improvements to IFRSs (Cycle 2014-2016) regarding amendments to IFRS 1 "First-time adoption of International Financial Reporting Standards", IFRS 12 "Disclosures about investments in other entities" and IAS 28 "Investments in associates and joint ventures"	None

The new IFRS 9 "Financial Instruments" replaces IAS 39 and is effective for annual periods beginning after January 1, 2018. The new standard regulates the classification, recognition and measurement of financial instruments, the impairment of financial assets, including trade receivables and lease receivables, and introduces a new model for hedge accounting. As a result of the transition from IAS 39 to IFRS 9, trade receivables, bank balances and other receivables previously classified as loans and receivables will in future be classified and measured as debt instruments measured at amortised cost. There were no effects on the classification and measurement of financial liabilities (recognized and measured at amortised cost).

Under the new impairment model, expected losses are taken into account (expected loss model) and more forward-looking information is used. The recognition of expected losses under the new impairment model tends to result in earlier recognition of impairment losses. InVision AG applies the new standard without adjusting the previous year's figures and recognises any conversion effects in retained earnings directly in equity. To implement the new regulations on impairment, suitable models were determined, in particular for determining the expected default rates of trade receivables, which amount to approximately 0.2% of revenues in the fiscal year (previous year: 0.2%). The transition from a model based on losses incurred to a model based on expected credit losses does not lead to any significant changes in the InVision Group's valuation allowances for trade receivables and other financial assets compared to the amounts that would have been recorded if the previous accounting policies had been retained. The retained earnings were not adjusted for reasons of materiality.

For fiscal years beginning on or after January 1, 2018, the new IFRS 15 “Contracts with Customers” must be applied, which was published in April 2016 with subsequent amendments. IFRS 15 replaces IAS 11 “Construction Contracts” and IAS 18 “Revenues” as well as the related interpretations. The EU endorsement was issued in September 2016 and October 2017 respectively.

IFRS 15 establishes a comprehensive framework for determining whether, to what extent and when revenue is recognised. The core principle of IFRS 15 is that an entity should recognise revenue when goods are delivered or services rendered. This core principle is implemented within the framework of the standard in a five-step model. To this end, the relevant contracts with the customer and the performance obligations contained therein must first be identified. Once the transaction price has been determined, it must then be allocated to the separate service obligations. Revenue is subsequently recognised in the amount of the expected consideration for each separate performance obligation based on the time or period.

For the transition to the new standard, InVision AG applies the modified retrospective transition method, according to which the cumulative effects from first-time application are to be recognised as an adjustment to the opening balance of retained earnings. The standard only applies to contracts that were not fully fulfilled at the time of initial application. The five-step model study has shown that it has no effect on the revenues reported for the previous year, as the new standard basically has no effect on the timing of revenue recognition from the different types of contracts of InVision AG. Accordingly, no retrospective adjustment of these amounts has become necessary.

The following amendments of the IASB were not adopted early in the existing consolidated financial statements. Where amendments affect InVision AG, the future effects on the consolidated financial statements are examined. In most of these cases, the EU has also not yet endorsed the amendments.

IFRS standards with (expected) mandatory application	**Material effect**
IFRS 16 “Leases” (1 January 2019)	Refer to explanations
IFRS 17 “Insurance contracts” (1 January 2021)	None
Amendments to IFRS 9 “Financial instruments” - prepayment features with negative compensation (1 January 2019)	None
Amendments to IAS 28 “Investments in associates and joint ventures” - long term interests in associates and joint ventures (1 January 2019)	None
Amendments to IAS 19 “Employee benefits” - plan amendment, curtailment or settlement (1 January 2019)	None
Annual Improvements to IFRS (cycle 2015-2017) with amendments to IFRS 3 “Business Combinations”, IFRS 11 “Joint Arrangements”, IAS 12 “Income Taxes” and IAS 23 “Borrowing Costs” (1 January 2019)	None
IFRIC 23 “Uncertainty over income tax treatments” (1 January 2019)	None
Amendments to IFRS 3 “Business Combinations” (1 January 2020)	None
Amendments to IAS 1 and IAS 8 regarding the definition of materiality (1 January 2020)	None

In January 2016, the IASB published the new standard IFRS 16 “Leases”, which will in particular replace the previous leasing standard IAS 17 and the related interpretations. The new standard introduces a uniform lease accounting model for lessees, under which rights of use and liabilities for all lease agreements with a term of more than twelve months are to be accounted for, unless they are immaterial. A distinction will no longer be made for lessees between operating leases, under which assets and liabilities are currently not recognised, and finance leases. Application of the new standard is mandatory for fiscal years beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 is also applied. The InVision Group will apply IFRS 16 for the first time in the fiscal year beginning 1 January 2019. As part of the transition, the InVision Group decided to apply the modified retrospective approach. As a result, the previous year’s figures do not have to be adjusted; rather, the cumulative effect of the first-time application of the standard will be recognised by adjusting retained earnings.

The application of IFRS 16 is expected to have the following effects on the net assets, financial position and results of operations: Instead of the rental obligations for office space previously reported under other financial obligations, the application of IFRS 16 will lead to an increase in long-term assets due to the recognition of rights of use. Financial liabilities will also increase due to the recognition of the corresponding lease liabilities, and thus, the balance sheet total will increase, too. Under otherwise identical conditions, this will lead to a reduction in the equity ratio of the InVision Group.

Based on the current leasing volume of the InVision Group (as shown under other financial liabilities under note 49), we expect IFRS 16 to have the following additional effects on the consolidated financial statements in 2019: With regard to the statement of comprehensive income, instead of the previous rents/operating leases, depreciation of rights of use and interest expenses for liabilities will in future be reported under other operating expenses under IFRS 16. This will have a positive impact on operating expenses and consequently on the operating result (EBIT), and finance expenses will increase as a result of additional interest expenses. Overall, only insignificant effects on profit before taxes, profit after taxes and earnings per share are expected. Correspondingly, there will be a deterioration in cash flow from financing activities and an improvement in cash flow from operating activities in the future.

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

3. Group of consolidated companies

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

- injixo AG, Zug, Switzerland

- InVision Software, Inc., Chicago, IL, USA
- InVision Software Ltd., London, United Kingdom
- InVision Software SAS, Paris, France
- InVision Software Systems S.L., Madrid, Spain

The subsidiary InVision Software, OÜ, Tallinn, Estonia, was put into liquidation on 12 October 2018 and deleted from the commercial register. The deconsolidation did not have any significant impact on earnings.

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

4. Consolidation principles

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

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

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

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

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

Accounting and Valuation Principles

5. In general

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

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

6. Reporting currency

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

7. Currency translation

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

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

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

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

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

Currency	**Exchange rate on reporting date 2018**	**Exchange rate on reporting date 2017**	**Average annual exchange rate 2018**	**Average annual exchange rate 201**
USD	1.1444	1.1979	1.1809	1.1299
GBP	0.8985	0.8877	0.8846	0.8764
SEK	10.2135	9.8333	10.2542	9.6325

Currency	Exchange rate on reporting date 2018	Exchange rate on reporting date 2017	Average annual exchange rate 2018	Average annual exchange rate 201
CHF	1.1262	1.1693	1.1547	1.1116

8. Intangible assets

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

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

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

9. Tangible assets

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

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

10. Accounting for leases

The determination of whether a contract is or contains a lease is made on the basis of the economic content of the contract, and requires an assessment about whether the fulfilment of the contract depends on the use of a specific asset or assets and whether the contract grants a right to use the asset.

The Group acts as lessee only.

Any asset under a finance lease, according to which virtually all property-related risks and opportunities relating to the transferred asset are transferred to the Group, is recognised as an asset at the commencement of the lease term and valued at the lower of the then-current fair market value of the asset or the present cash value of the minimum lease payments to be made thereunder. These assets are subject to scheduled depreciation over the shorter of the two aforementioned time periods: i.e., the term of the lease or the economic useful life of the leased property. Lease payments are separated into their components of either financing costs and amortisation of the lease obligation in such a manner that the remaining residual book value of the lease will incur a constant rate of interest. The remaining leasing obligations as of the balance sheet closing date are itemised in the balance sheet according to their remaining terms to maturity.

Lease payments under operating leases are booked in the income statement as expenses arising over the term of the lease.

For the lessee a uniform accounting model applies under the new IFRS 16: For each material lease contract with a duration of more than twelve month, a right-of-use asset and a lease liability are recognised. A differentiation between operating lease contracts, which do not require a right-of-use asset and a lease liability to be recognised on the balance sheet, and finance leases on the other side, will no longer be valid. Application of the new standard is mandatory for fiscal years beginning on or after January 1, 2019. Please refer to section 2 for additional information on the newly applicable IFRS.

11. Borrowing costs

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

12. Impairment of non-financial assets

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

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

13. Financial investments and other financial assets

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

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets. With the exception of trade receivables, which do not contain any significant financing components, the Group measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with IFRS 15. In this context, reference is made to the accounting policies in Note 20. In order for a financial asset to be classified and measured as at amortised cost or at fair value through equity in other comprehensive income, cash flows may consist solely of payments of principal and interest (SPPI) on the outstanding principal amount. This assessment is known as the SPPI test and is performed at the level of the individual financial instrument. Purchases or sales of financial assets that require delivery of the assets within a period determined by the regulations or conventions of the respective market (regular way purchases) are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell the asset.

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

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

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

- The financial asset is held within the framework of a business model whose objective is to hold financial assets in order to collect the contractual cash flows; and
- the contractual terms of the financial asset result in cash flows at specified points in time that represent only principal and interest payments on the outstanding principal amount.

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

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

14. Short-term financial assets

Financial assets classified as current assets comprise trade receivables, receivables from banks and other receivables. In this context, reference is made to the accounting policies in Note 13. The carrying amounts essentially correspond to the fair values.

15. Other short-term assets

Assets are recognised at their face or nominal value, but will be separately discounted in value if they are subject to identifiable risks.

16. Cash and cash equivalents

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

17. Taxes

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

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

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

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

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

18. Provisions

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

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

19. Financial liabilities

Liabilities comprise long-term liabilities to financial institutions, trade payables, tax liabilities, interest owed, liabilities owed to employees, and other liabilities. When such items are recognised for the first time, they are booked at their cost of acquisition, which corresponds to the fair value of the consideration received. All liabilities are measured in subsequent years at the adjusted cost of acquisition under the effective interest method according to IFRS 9. The liability is derecognised when it has been settled, cancelled or expired.

20. Revenue and cost recognition

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

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

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

Revenues are generally recognised when the sales price is determined or determinable, no significant duties exist and the collection of the receivables is likely. Costs are recognised when the good or service is used or at the time they were generated. Interest is recognised as either an expense and/or income according to the period in which it arose under the effective interest method. Rental payment costs under operating leases are likewise recognised on a straight-line basis over the entire term of the lease, irrespective of the payment arrangements made under such leases.

21. Contingent liabilities and contingent receivables

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

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

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

22. Management discretion and the main sources of forecasting uncertainty

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

Notes to the Consolidated Balance Sheet

23. Liquid funds (cash and cash equivalents)

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

24. Trade receivables

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

	31 Dec 2018	**31 Dec 2017**
Trade receivables	1,421	1,292
Bad debt allowances	-23	-23
Total	**1,398**	**1,269**

25. Income tax claims

The income tax claims include refund claims of injixo AG, Zug, Switzerland, and of InVision Software Ltd., London, United Kingdom.

26. Prepaid expenses and other short-term assets

	31 Dec 2018	31 Dec 2017
Prepaid and deferred items	124	189
Other miscellaneous assets	5	7
Total	**129**	**196**

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

27. Intangible assets

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

28. Tangible assets

The breakdown of tangible assets is as follows:

	31 Dec 2018	31 Dec 2017
Land and property / Buildings	7,514	7,698
Other miscellaneous assets	1,687	1,871
Assets under construction	98	0
Total	**9,299**	**9,569**

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

29. Development of the long-term assets

Fiscal year 2018	01 Jan 2018	Additions	Disposals	Currency differences	31 Dec 2018
1. Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets					
Gross	1,247	25	22	29	1,279
Value adjustment	909	43	22	14	944
Net	338	-18	0	15	335
2. Tangible Assets					
Land and property / Buildings					
Gross	8,383	10	0	0	8,393
Value adjustment	685	194	0	0	879
Net	7,698	-184	0	0	7,514

Fiscal year 2018	01 Jan 2018	Additions	Disposals	Currency differences	31 Dec 2018
Other miscellaneous assets					
Gross	2,659	225	273	1	2,612
Value adjustment	788	349	213	1	925
Net	1,871	-124	60	0	1,687
3. Assets under construction					
Gross	0	98	0	0	98
Value adjustment	0	0	0	0	0
Net	0	98	0	0	98
Total long-term assets					
Gross	12,289	358	295	30	12,382
Value adjustment	2,382	586	235	15	2,748
Net	9,907	-228	60	15	9,634

Fiscal year 2017	01 Jan 2017	Additions	Disposals	Currency differences	31 Dec 2017
1. Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets					
Gross	1,332	1	0	-86	1,247
Value adjustment	900	45	0	-36	909
Net	432	-44	0	-50	338
2. Tangible Assets					
Land and property / Buildings					
Gross	8,368	15	0	0	8,383
Value adjustment	487	198	0	0	685
Net	7,881	-183	0	0	7,698
Other miscellaneous assets					
Gross	2,192	563	86	-10	2,659
Value adjustment	607	271	84	-6	788
Net	1,585	292	2	-4	1,871
3. Assets under construction					
Gross	0	0	0	0	0
Value adjustment	0	0	0	0	0
Net	0	0	0	0	0

Fiscal year 2017	01 Jan 2017	Additions	Disposals	Currency differences	31 Dec 2017
Total long-term assets					
Gross	11,892	579	86	-96	12,289
Value adjustment	1,994	514	84	-42	2,382
Net	9,898	65	2	-54	9,907

30. Deferred taxes

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

	31 Dec 2018	31 Dec 2017
Deferred taxes based on temporary differences from licence valuations	20	39
Total	**20**	**39**

The Group's tax losses carried forward as of 31 December 2018 totalled TEUR 10,361 (previous year: TEUR 8,466). For the the above mentioned losses carried forward no deferred taxes were recognised as the realisation is considered insufficient. Valued at individual tax rates, deferred taxes of up to TEUR 1,939 could have been recognised.

31. Other long-term assets

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

32. Research and development

The expenses for research and development totalled TEUR 6,301 (previous year: TEUR 7,486) in the fiscal year.

33. Liabilities to financial institutions

As of 31 December 2018, the bank loan in the amount of TEUR 4,000 that was raised in 2014 to finance a commercial property for own use was reduced by scheduled payments to TEUR 250. It is secured by mortgages. A total of TEUR 1,250 of the loan was repaid in the 2018 financial year. The remaining TEUR 250 are due in fiscal year 2019 and are therefore reported under short-term liabilities as of the balance sheet date. In the previous year, TEUR 1,250 of the remaining loan (totaling TEUR 1,500) was classified as short-term and the remainder (TEUR 250) as long-termliabilities. The presentation of the previous year's figures was adjusted accordingly. In the previous year, the full amount was presented as a long-term liability.

34. Short-term Liabilities

The short-term liabilities are allocated as follows:

	2018	2017
Liabilities to financial institutions	250	1,250
Trade payables	269	170
Provisions	377	256
Income tax liabilities	223	406
Deferred income	580	779
Other liabilities	204	193
Total	**1,903**	**3,054**

The deferred income items involve previously recognised invoiced amounts for subscription services for the respective next year.

Due to their maturities, the previous year's figure for liabilities to financial institutions was split into a short-term and a long-term part and reclassified accordingly.

35. Income tax liabilities and provisions

Income tax liabilities and provisions developed as follows:

	01 Jan 2018	Utilisation	Reversal	Allocation	Currency Difference	31 Dec 2018
Income tax liabilities	**406**	**406**	**0**	**223**	**0**	**223**
Provisions for:						
- Personnel expenses	104	104	0	73	0	73
- Annual accounts costs	79	78	1	87	0	87
- Outstanding invoices	14	12	2	48	0	48
- Trade associations	17	17	0	20	0	20
- Other	42	36	2	146	-1	149
Total provisions	**256**	**247**	**5**	**374**	**-1**	**377**
Total	**662**	**653**	**5**	**597**	**-1**	**600**

The other provisions mainly relate to rental and restoration costs of InVision Software Ltd., London, UK, and result from the premature termination of the office lease in Londonderry, Northern Ireland.

	01 Jan 2017	Utilisation	Reversal	Allocation	Currency Difference	31 Dec 2017
Income tax liabilities	**922**	**860**	**61**	**409**	**-4**	**406**
Provisions for:						
- Personnel expenses	40	40	0	104	0	104
- Annual accounts costs	82	80	2	79	0	79
- Outstanding invoices	16	14	2	14	0	14
- Trade associations	13	12	1	17	0	17
- Other	18	14	0	38	0	42
Total provisions	**169**	**160**	**5**	**252**	**0**	**256**
Total	**1,091**	**1,020**	**66**	**661**	**-4**	**662**

36. Deferred income and other liabilities

Deferred income and other liabilities are short-term and are allocated as follows:

	2018	2017
Deferred income	580	779
Payroll tax	140	93
Social security charges	33	37
Value added tax	29	46
Other miscellaneous liabilities	2	16
Total	**784**	**971**

37. Long-term Liabilities

Out of the balance of liabilities to banks on the previous year's balance sheet date, a partial amount of TEUR 250 had to be shown as long-term liability. Further information can be found in Note 33.

38. Subscribed capital

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

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

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

39. Reserves

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

40. Equity capital difference based on currency conversion

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

Notes to the Consolidated Statement of Comprehensive Income

41. Revenues

Revenues are categorised as follows:

By Business Activities	**2018**	**2017**
Workforce Management	12,646	12,449
Education	421	714
Total	**13,067**	**13,163**

By Regions	**2018**	**2017**
Germany	4,039	3,854
Foreign countries	9,028	9,309
Total	**13,067**	**13,163**

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

42. Other operating income

Other operating income in the amount of TEUR 115 (previous year: TEUR 91) mainly consisted of payments in kind for staff catering, revenues from the sale of IT hardware and non-periodic income.

43. Cost of materials

The costs of materials incurred are project-specific goods and services supplied by independent enterprises.

44. Personnel expenses

Personnel expenses consisted of the following:

	2018	2017
Wages and salaries	7,387	6,857
Social charges and other pension provisions	1,308	1,228
Total	**8,695**	**8,085**
- of which for pensions (direct insurance)	58	65

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

45. Depreciation and amortisation of tangible and intangible assets

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

46. Other operating expenses

Other operating expenses are itemised as follows:

	2018	2017
Cloud services	926	816
Office space expenses	688	460
Travel expenses	341	370
Marketing costs	312	343
Consulting costs	261	238
Other personnel expenses	186	186
Communication expenses	102	113
Costs for education and seminars	87	58
Recruitment costs	85	114
Insurance costs	75	63
Supervisory Board remuneration	56	29
Receivable write-offs and bad debt allowances	25	31
Other miscellaneous expenses	346	322
Total	**3,490**	**3,143**

47. Financial result

The financial result is divided into the following

	2018	2017
Interest and similar expenses	-12	-27

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

48. Income taxes

Income taxes are divided as follows:

	2018	2017
Income tax	443	322
Deferred tax	20	115
Total	**463**	**437**

Detailed information about the deferred tax assets and liabilities, which must be set aside, can be found in Note 30 above. The basis, upon which the deferred taxes were set aside, is an income tax rate of 30 percent for the domestic corporation and the future local tax rate for the foreign subsidiaries.

The actual tax rate is computed as follows:

	2018	2017
Consolidated net income before taxes	225	1,322
Income tax	463	437
Actual tax rate	**206%**	**33%**

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

	2018	2017
Result before income tax	225	1,322
Theoretical income tax expense based on the tax rate of the parent company	67	397
Effects of losses carried forward	-213	-374
International tax rate differences	562	387
Other tax effects	46	27
Total	**463**	**437**

The effects from losses carried forward in 2018 fiscal year result from the utilisation of deferred tax assets that were not capitalised in previous years. The international tax rate differences primarily result from the changed earnings of the subsidiary injixo AG, Zug, Switzerland.

Notes to the Consolidated Cash Flow Statement

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

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

	2018	2017
Interest paid	-12	-27
Income taxes received	49	7
Income taxes paid	-841	-880

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

Other Information

49. Miscellaneous financial obligations

As of the balance sheet closing date, rental obligations for office space arised for the following amounts:

	< 1 year	**1 to 5 years**	**> 5 years**	**Total**
Rental obligations	236	1,082	815	2,133

50. Financial assets and liabilities

The financial liabilities existing in the Group are a bank loan for financing a commercial property for own use and short-term liabilities arising from accounts payable. The significant financial assets of the Group consist of cash and cash equivalents and accounts receivable. The book value of these positions, represents the maximum default risk and totals TEUR 2,068 (previous year: TEUR 3,479). Business relationships are established with creditworthy contracting parties (counter-parties) only. In order to evaluate the creditworthiness of counter-parties (above all, large customers), the Group relies on available financial information and on its own internal trading records. The Group holds trade receivables against a number of customers from a wide range of industries and regions. Credit assessments regarding the financial strength of the receivables are constantly performed. The typical terms of payment granted (with no discounts or deductions) are 30 days. With respect to all trade receivables, which were overdue by more than 45 days as of the balance sheet date and involve a default risk, bad debt allowances were created.

The Group did not execute any derivatives or hedging transactions. Reclassifications were not made either in 2018 or in 2017 as a result of the reclassification as part of the transition to IFRS 9.

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

51. Capital risk management

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

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

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

	31 Dec 2018	**31 Dec 2017**
Equity capital	10,180	10,380
- as a percentage of total capital	84%	76%
Liabilities	1,903	3,303
- as a percentage of total capital	16%	24%
Short-term liabilities	1,903	3,054
- as a percentage of total capital	16%	22%
Net gearing*	12%	11%

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

The Group's equity ratio target is 50 percent.

52. Finance risk management

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

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

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

53. Market risks

Market risks can arise from changes in exchange rates (currency risk) or interest rates (interest risk). Given the limited relevance these risks have for the Group, the Group has not heretofore hedged such risks using derivative financial instruments. These risks are managed through constant monitoring. Currency risks are largely avoided by virtue of the fact that the Group invoices primarily in euro or in the local currency. As of the balance sheet date, the receivables denominated in foreign currencies equalled TEUR 362 (previous year: TEUR 379) and the payables denominated in foreign currencies equalled TEUR 130 (previous year: TEUR 61). Had the euro appreciated by 10 percent compared to other currencies relevant to the Group as of 31 December 2018, then the pre-tax result would have been TEUR 32 (previous year: TEUR 25) lower.

54. Transactions between related parties

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

55. Events after the balance sheet closing date

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

56. Number of employees

In 2018 fiscal year, the Company employed on average 121 employees (previous year: 124), not including the Executive Board.

57. Information on the Company's governing bodies

The following persons were members of the Executive Board in the fiscal year:

- Peter Bollenbeck (Chairman), Düsseldorf
- Armand Zohari, Bochum (until 30 June 2018)

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

In EUR	**2018**	**2017**
Peter Bollenbeck	**364,015**	**207,949**
of which fixed salary	360,000	180,000
of which other benefits	4,015	27,949
Armand Zohari	**36,085**	**174,025**
of which fixed salary	30,000	150,000
of which other benefits	6,085	24,025
Total remuneration Executive Board	**400,100**	**381,974**

At the balance sheet date, the Executive Board holds, either directly or indirectly, 30.8 percent of the Company's registered share capital (31 December 2017: 40.0 percent).

The Supervisory Board consists of:

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

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

The remuneration of the Supervisory Board, which has changed since 2018 following a resolution of the Annual General Meeting, consists of the following:

In EUR	**2018**	**2017**
Dr. Thomas Hermes	**25,000**	**12,000**
of which fixed compensation	25,000	10,000
of which meeting fees and expenditures	0	2,000
Matthias Schroer	**18,750**	**9,500**

In EUR	2018	2017
of which fixed compensation	18,750	7,500
of which meeting fees and expenditures	0	2,000
Prof. Dr. Wilhelm Mülder	**12,500**	**7,000**
of which fixed compensation	12,500	5,000
of which meeting fees and expenditures	0	2,000
Total compensation Supervisory Board	**56,250**	**28,500**

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

58. Information on the fees of the Company auditors

The fee for the Company's annual accounts auditor, which was recognised for fiscal year 2018, consists of the following:

	2018	2017
Auditing service for the annual accounts	48	48
Tax advisory services	4	8
Total	**52**	**56**

59. Information on segment reporting

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

60. Proposal for the Appropriation of Profit

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

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

On 25 January 2019, the Executive Board and Supervisory Board issued a statement under § 161 of the German Stock Corporation Act regarding the extent to which it has elected to comply with the recommendations of the "Government Commission of the German Corporate Governance Code" and published this statement on the internet at www.ivx.com/en/investors/corporate-governance/compliance-statement.

62. Responsibility statement by the Executive Board

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

Düsseldorf, 15 March 2019

Peter Bollenbeck

Group Management Report

of InVision AG for the Financial Year 2018

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

The Company

Business

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

Employees

On 31 December 2018, InVision employed 110 employees worldwide (including the Executive Board members). Compared to the end of the previous year, the number of employees decreased by 15 percent (31 December 2017: 130 employees). At the end of the year, 89 employees (31 December 2017: 93 employees) were employed in Germany, while 21 employees (31 December 2017: 37 employees) were employed in foreign subsidiaries.

Research & Development

The research and development costs in the fiscal year decreased by 16 percent and totalled TEUR 6,301 (previous year: TEUR 7,486). Research and development costs as a percentage of revenues are at 48 percent (31 December 2017: 57 percent).

Information pursuant to § 315 a HGB

The Company's registered share capital equals EUR 2,235,000 and is divided into 2,235,000 no-par value bearer shares. Each such share represents a notional share of the registered share capital of EUR 1.00. Each share entitles the holder to a single vote. Shareholders may exercise their rights and cast their votes at the Annual Shareholders' Meeting in accordance with the Company's articles of association and the statutory rules.

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

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

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

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

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

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

To the Company's knowledge, as of 31 December 2018, the following shareholders held more than 10 percent of the Company's registered share capital:

- Peter Bollenbeck, Düsseldorf (30.8%), thereof 17.0% direct, 13.8% indirect via InVision Holding GmbH
- InVision Holding GmbH, Düsseldorf (13.8%)
- Matthias Schroer, Rosenheim (11.3%)
- Armand Zohari, Bochum (10.0%)

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

Pursuant to a resolution adopted by the Company's Shareholders' Meeting on 1 June 2018, § 6 (1) sentence 1 of the Company's articles of association provides that the Executive Board consists of at least one person. Alternative members of the Executive Board may be appointed. Pursuant to § 6 (2) of the articles of association, the Supervisory Board is responsible for determining the number of, and appointing the regular Executive Board members and alternate Executive Board members and has the authority to revoke such appointments. The Supervisory Board is also responsible for selecting a member of the Executive Board to serve as that body's chairman and for selecting other Executive Board members to serve that body's deputy chairmen. In accordance with the resolution passed by the Annual General Meeting on 1 June 2018, § 8 of the articles of association was amended. Sentence 2 specifies sole representation if only one member of the Executive Board has been appointed.

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

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

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

General Business Conditions

According to the International Monetary Fund, the economic output in the euro area increased by 1.9 percent in 2018 and 2.9 percent in the United States. The overall good economic situation led to partial bottlenecks on the labour market. According to Bitkom Research GmbH, the market for information technology grew by 2.5 percent during 2018.

Business Development

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

Results of operation

During the reporting year, consolidated revenues decreased by 1 percent to TEUR 13,067 (previous year: TEUR 13,163). Workforce Management revenues increased by 2 percent to TEUR 12,646 (previous year: TEUR 12,449). Education revenues decreased by 41 percent to TEUR 421 (previous year: TEUR 714).

Other operating income increased by 26 percent to TEUR 115 (previous year: TEUR 91).

In the reporting year, personnel expenses rose by 8 percent to TEUR 8,695 (previous year: TEUR 8,085), mainly due to one-time severance payments related to the closing of the development site in Londonderry, Northern Ireland, as well as general salary adjustments. Therefore, the personnel expenses ratio equalled 67 percent (previous year: 61 percent).

In the financial year, 2018 other operating expenses increased by 11 percent to TEUR 3,490 (previous year: TEUR 3,143), which is 27 percent of the Group revenues (previous year: 24 percent). Expenses for cloud services increased by 13 percent to TEUR 926 (previous year: TEUR 816). This increase is mainly attributable to a higher demand of storage capacity for the InVision applications and an increasing use of cloud-based products in all areas of operation. Office space expenses increased by 50 percent to TEUR 688 (previous year: TEUR 460). This raise is mainly du to a higher rent for the commercial property in Leipzig occupied in November 2017 and to provisions for the remaining lease and restoration obligations for the prematurely terminated office lease in Londonderry, Northern Ireland (TEUR 114). Travel expenses decreased by 8 percent to TEUR 341 (previous year: TEUR 370), marketing expenses decreased by 9 percent to TEUR 312 (previous year: TEUR 343). Consulting expenses increased by 10 percent to TEUR 261 (previous year: TEUR 238). Other personnel expenses, which were mainly relatet to staff catering, were at TEUR 186 and thus remained on previous year's level. Communication expenses decreased by 10 percent to TEUR 102 (previous year: TEUR 113).

In the reporting period, the operating result (EBIT) declined by 83 percent to TEUR 233 (previous year: TEUR 1,363). The EBIT margin decreased to 2 percent (previous year: 10 percent).

The interest expenses decreased to TEUR 12 (previous year: TEUR 27).

Income tax increased to TEUR 463 (previous year: TEUR 437). This position includes taxes on the annual profits of InVision AG, InVision Software SAS, Paris, France, and InVision Software Ltd., London, United Kingdom. There are no deferred tax assets recognised on the losses of the other companies that are included in the consolidated financial statements, which is why the tax rate is correspondingly high.

In fiscal year 2018, consolidated net loss equalled 238 TEUR (previous year's profit: TEUR 884). Earnings per share were EUR -0.09 (previous year: EUR 0.36), based on an average of 2,235,000 shares in 2018 (previous year: 2,235,000 shares).

Overall, the development of revenues in 2018 financial year, especially in the area of Education, was behind expectations.

Net assets and financial position

Liquid funds decreased by 70 percent to TEUR 670 (previous year: TEUR 2,210) as of the end of the fiscal year. The main reasons for this decrease are the payments for the redemption of financing liabilities of TEUR 1,250 and payments for investments in fixed assets of TEUR 333. These mainly include hardware equipment, furniture and equipment and leasehold improvements.

Trade receivables increased by 10 percent to TEUR 1,398 (previous year: TEUR 1,269). The income tax claims increased to TEUR 218 (previous year: TEUR 46). The prepaid expenses and other short-term assets equalled TEUR 129 (previous year: TEUR 196). Intangible assets remained virtually unchanged at TEUR 335 (previous year: TEUR 338). Tangible assets equalled TEUR 9,299 (previous year: TEUR 9,569) and include assets under constructions of TEUR 98 (previous year: TEUR 0). Deferred tax assets decreased to TEUR 20 (previous year: TEUR 39).

The long-term bank loan in the amount of TEUR 4,000, that was raised in 2014 to partly finance a commercial property for own use, was reduced by payments of TEUR 1,250 in the fiscal year 2018 and totalled TEUR 250 at the balance sheet date (previous year: TEUR 1,500). The remaining loan being due within the first quarter of 2019 is now reported under short-term liabilities. The previous year's figures were adjusted and TEUR 250 were reported as a long-term liability in the previous year.

Trade payables increased by 58 percent to TEUR 268 (previous year: TEUR 170). The provisions increased by 47 percent to TEUR 377 (previous year: TEUR 256), which is mainly due to the liability for remaining leases and restoration obligations for the prematurely terminated office lease in Londonderry, Northern Ireland.

Income tax liabilities decreased by 45 percent to TEUR 223 (previous year: 406 TEUR). The short-term share of deferred income and other short-term liabilities decreased by 19 percent to TEUR 784 (previous year: TEUR

971).

The reserves amounted to TEUR 1,191 (previous year: EUR 1,191) and the Group profit totalled TEUR 7,173 (previous year: TEUR 7,411), at the end of the reporting period.

As of 31 December 2018, the balance sheet total equalled TEUR 12,082 (previous year: TEUR 13,683). Equity capital was at TEUR 10,180 (previous year: TEUR 10,380), and the equity ratio equalled 84 percent (previous year: 76 percent).

Basic Principles of the Compensation System

By resolution of the Annual General Meeting, the remuneration of the Supervisory Board was adjusted as follows as from the 2018 financial year: The members of the Company's Supervisory Board are paid a fixed fee of EUR 12,500. The Chairman of the Supervisory Board receives twice that amount, and the Deputy Chairman receives one and one-half times that amount. The fee is paid at the latest by the end of the fiscal year.

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

Risk Report

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

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

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

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

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

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

Significant risks related to the business

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

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

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

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

Compliance Statement

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

Forecast Report & Opportunities

Anticipated global economic development

According to the forecasts made by the International Monetary Fund, the economic output in the euro area will increase by 1.8 percent in 2019, whereas the economic output in the United States will increase by 2.7 percent. According to the forecast made by Bitkom Research GmbH, the market for information technology will grow by 1.9 percent in 2019.

Anticipated development of InVision

InVision anticipates stable demand for the products of the InVision Group over the next few years, which means that there are opportunities for sustainable exploitation of the revenue potential. For the upcoming months, the company's planning mainly focuses on intensifying customer support and investing in methods, processes and technologies for the introduction of software products. The planned measures are intended to reduce current business risks and create opportunities for the sustainable exploitation of revenue potential. InVision expects revenues and EBIT to be at least at the previous year's level.

Düsseldorf, 15 March 2019

Peter Bollenbeck

Independent Auditor's Report

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

"An die InVision Aktiengesellschaft, Düsseldorf

Vermerk über die Prüfung des Konzernabschlusses und des Konzernlageberichts

Prüfungsurteile

Wir haben den Konzernabschluss der InVision Aktiengesellschaft und ihrer Tochtergesellschaften (der Konzern) – bestehend aus der Konzernbilanz zum 31. Dezember 2018, der Konzerngesamtergebnisrechnung, der Konzerneigenkapitalveränderungsrechnung und der Konzernkapitalflussrechnung für das Geschäftsjahr vom 1. Januar 2018 bis zum 31. Dezember 2018 sowie dem Konzernanhang, einschließlich einer Zusammenfassung bedeutsamer Rechnungslegungsmethoden – geprüft. Darüber hinaus haben wir den Konzernlagebericht der InVision Aktiengesellschaft für das Geschäftsjahr vom 1. Januar 2018 bis zum 31. Dezember 2018 geprüft. Die Konzernerklärung zur Unternehmensführung, auf die im Abschnitt „Erklärung zur Unternehmensführung" des Konzernlageberichts verwiesen wird, haben wir in Einklang mit den deutschen gesetzlichen Vorschriften nicht inhaltlich geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

- entspricht der beigefügte Konzernabschluss in allen wesentlichen Belangen den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften und vermittelt unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage des Konzerns zum 31. Dezember 2018 sowie seiner Ertragslage für das Geschäftsjahr vom 1. Januar 2018 bis zum 31. Dezember 2018 und

- vermittelt der beigefügte Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns. In allen wesentlichen Belangen steht dieser Konzernlagebericht in Einklang mit dem Konzernabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar. Unser Prüfungsurteil zum Konzernlagebericht erstreckt sich nicht auf den Inhalt der Konzernerklärung zur Unternehmensführung, auf die im Abschnitt „Erklärung zur Unternehmensführung" des Konzernlageberichts verwiesen wird. Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Konzernabschlusses und des Konzernlageberichts geführt hat.

Grundlage für die Prüfungsurteile

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

Besonders wichtige Prüfungssachverhalte in der Prüfung des Konzernabschlusses

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten in unserer Prüfung des Konzernabschlusses für das Geschäftsjahr vom 1. Januar 2018 bis zum 31. Dezember 2018 waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Konzernabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt; wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

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

- Umsatzrealisierung
- Latente Steuern auf Verlustvorträge

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

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

Nachfolgend stellen wir die besonders wichtigen Prüfungssachverhalte dar:

Umsatzrealisierung

1. Die Umsatzrealisierung wurde als besonders wichtiger Prüfungssachverhalt ausgewählt, da in ihr ein bedeutsames Risiko im Sinne des IDW PS 261 n.F. identifiziert wurde und dieses gleichzeitig am bedeutsamsten in der Prüfung für den aktuellen Berichtszeitraum war. Außerdem waren im Geschäftsjahr 2018 erstmals die geänderten Vorschriften des IFRS 15 zu beachten und die damit einher gehende Neubeurteilung der Realisierungszeitpunkte. Bedeutsame Risiken sind Fehlerrisiken, die aufgrund ihrer Art oder des mit ihnen verbundenen Umfangs möglicher falscher Darstellungen in der Rechnungslegung bei der Abschlussprüfung besondere Aufmerksamkeit erfordern. Das Fehlerrisiko liegt hierbei vorrangig in der nicht rechtzeitigen (insbesondere zu frühen) Erfassung von Umsatzerlösen und damit einem überhöhten Ausweis von Ergebnissen wie EBIT, EBT und Konzernüberschuss.

2. Bei unserer Prüfung haben wir unter anderem ausgehend von den bei den in den Konzernabschluss einbezogenen Unternehmen erfassten Umsatzerlösen und für die unterschiedlichen Erlösarten in Stichproben Nachweise für die Erbringung der Leistungen bis zum Abschlussstichtag eingeholt. Bei der Auswahl der Stichproben sind wir im Sinne einer größtmöglichen Abdeckung der ausgewiesenen Umsatzerlöse durch unsere Prüfung auch von der Höhe der Einzelumsätze ausgegangen. Darüber hinaus haben wir uneingeschränkte Zufallsstichproben ausgewählt und die zutreffende Erfassung anhand von Nachweisen geprüft. Sofern im Fall stichtagsübergreifender Rechnungen an Kunden Abgrenzungen vorzunehmen waren, haben wir uns von der Richtigkeit der vorgenommenen Abgrenzungen und der Zuordnung der Erlöse zu der richtigen Rechnungslegungsperiode überzeugt. Darüber hinaus haben wir die anhand von Vorsystemen (Kundenplattform) ermittelte Gesamtheit der im Geschäftsjahr an Kunden erbrachten Dienstleistungen in den Absatzbereichen, in denen dies aufgrund der Art der Dienstleistungen möglich war, auf Übereinstimmung mit den erfassten Umsätzen geprüft. Die hierbei berücksichtigten auftragsrelevanten Abrechnungsparameter haben wir anhand zugrundeliegender Verträge und Rahmenbedingungen ebenfalls in Stichproben geprüft.

3. Im Konzernabschluss der InVision Aktiengesellschaft werden Umsatzerlöse in Höhe von 13.067 T€ in der IFRS-Gesamtergebnisrechnung ausgewiesen. Darüber hinaus erfolgen Erläuterungen im Konzernanhang unter Punkt 2 sowie unter Punkt 41 sowie darauf aufbauender Ergebnisse in den Folgepunkten und im Konzernlagebericht im Abschnitt „Ertragslage“.

Latente Steuern auf Verlustvorträge

1. Aufgrund der für die Aktivierung bzw. Nichtaktivierung von latenten Steuern verbundenen erforderlichen Beurteilung durch die gesetzlichen Vertreter und wegen der Höhe der nicht bilanzierten Verlustvorträge, haben wir diesen Sachverhalt als besonders wichtigen Prüfungssachverhalt identifiziert. Ein latenter Steueranspruch auf noch nicht genutzte steuerliche Verlustvorträge ist in dem Umfang zu bilanzieren, in dem es wahrscheinlich ist, dass zukünftig zu versteuerndes Einkommen zur Verfügung stehen wird, gegen das die noch nicht genutzten Verluste oder Steuergutschriften verrechnet werden können.

2. Zur Beurteilung der sachgerechten bilanziellen Behandlung haben wir im Rahmen der Prüfung die zugrundeliegenden Annahmen sowie die Herkunft der steuerlichen Verlustvorträge – getrennt nach Gesellschaften – geprüft. Dabei wurde beurteilt, ob auf Grundlage der Planung mit ihren impliziten Planungsunsicherheiten sowohl für den Gesamtkonzern als auch auf Ebene der einzelnen betroffenen Gesellschaften auf eine Aktivierung der steuerlichen Verlustvorträge verzichtet werden konnte.

3. Die InVision Aktiengesellschaft hat in ihrem IFRS-Konzernabschluss auf steuerliche Verlustvorträge in Höhe von insgesamt 10.361 T€ (bewertet mit dem jeweils anwendbaren Steuersatz 1.939 T€) keine latenten Steuern gebildet. Im Konzernabschluss der InVision Aktiengesellschaft findet sich eine Erläuterung zu den bestehenden nicht aktivierten Verlustvorträgen unter Punkt 30 des Konzernanhangs.

Sonstige Informationen

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

- die Konzernerklärung zur Unternehmensführung, auf die im Abschnitt „Erklärung zur Unternehmensführung“ des Konzernlageberichts verwiesen wird; diese stellt einen nicht inhaltlich geprüften Bestandteil des Konzernlageberichts dar,

- die übrigen Teile des Geschäftsberichts, mit Ausnahme des geprüften Konzernabschlusses und Konzernlageberichts sowie unseres Bestätigungsvermerks,

- den Corporate Governance Bericht nach Nr. 3.10 des Deutschen Corporate Governance Kodex und

- die Versicherung nach § 297 Abs. 2 Satz 4 HGB zum Konzernabschluss und die Versicherung nach § 315 Abs. 1 Satz 5 HGB zum Konzernlagebericht.

Unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab. Im Zusammenhang mit unserer Prüfung haben wir die Verantwortung, die sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Konzernabschluss, zum Konzernlagebericht oder unseren bei der Prüfung erlangten Kenntnissen aufweisen oder

- anderweitig wesentlich falsch dargestellt erscheinen.

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

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

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

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

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

Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts

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

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB und der EU-APrVO unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Konzernabschlusses und Konzernlageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

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

- identifizieren und beurteilen wir die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Konzernabschluss und im Konzernlagebericht, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.

- gewinnen wir ein Verständnis von dem für die Prüfung des Konzernabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Konzernlageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss und im Konzernlagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass der Konzern seine Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Konzernabschlusses einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Konzernabschluss unter Beachtung der IFRS, wie sie in der EU anzuwenden sind, und der ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt.
- holen wir ausreichende geeignete Prüfungsnachweise für die Rechnungslegungsinformationen der Unternehmen oder Geschäftstätigkeiten innerhalb des Konzerns ein, um Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die alleinige Verantwortung für unsere Prüfungsurteile.
- beurteilen wir den Einklang des Konzernlageberichts mit dem Konzernabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Konzerns.
- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Konzernlagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrundeliegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

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

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

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

Sonstige gesetzliche und andere rechtliche Anforderungen

Übrige Angaben gemäß Artikel 10 EU-APrVO

Wir wurden von der Hauptversammlung am 1. Juni 2018 zum Abschlussprüfer und damit zugleich zum Konzernabschlussprüfer gewählt. Wir haben den mündlich am 12. Dezember 2018 erteilten Auftrag im Anschluss schriftlich bestätigt. Der Aufsichtsrat hat die Bestätigung am 30. Januar 2019 schriftlich gegengezeichnet. Wir sind ununterbrochen seit dem Geschäftsjahr 2007 als Konzernabschlussprüfer der InVision Aktiengesellschaft tätig.

Für die Leistungen im Rahmen der Abschlussprüfung hat der Aufsichtsrat im Jahr 2017 in Einklang mit § 318 Abs. 1a HGB sowie Artikel 16 der Verordnung (EU) Nr. 537/2014 des Europäischen Parlaments und des Rates vom 16. April 2014 über spezifische Anforderungen an die Abschlussprüfung bei Unternehmen von öffentlichem Interesse ein öffentliches Auswahlverfahren durchgeführt. Unsere Wahl erfolgte in Übereinstimmung mit der Empfehlung des Aufsichtsrats als Ergebnis des Ausschreibungsverfahrens.

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

Verantwortlicher Wirtschaftsprüfer

Der für die Prüfung verantwortliche Wirtschaftsprüfer ist Oliver Schmitz."

Düsseldorf, den 15. März 2019

RSM GmbH
Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft

Grote - Wirtschaftsprüfer
Schmitz - Wirtschaftsprüfer