



Consolidated Interim Financial Statements

of InVision AG as of 30 June 2019 in accordance with IFRS and § 315e
of the German Commercial Code as well as the Group Management
Report pursuant to § 315 of the German Commercial Code
(condensed/unaudited)

Financial Report 6M 2019

Consolidated Interim Financial Statements

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Financial Summary

(in TEUR)	6M 2019	6M 2018	Δ
Revenues	6,395	6,342	+1%
thereof Workforce Management	6,211	6,099	+2%
thereof Education	184	243	-24%
EBIT	365	47	+682%
as a % of revenues	6%	1%	+5 PP
Consolidated result	203	-27	+858%
as a % of revenues	3%	0%	+3 PP
Operating cash flow	2,918	1,699	+72%
as a % of revenues	46%	27%	+19 PP
Earnings per share (in EUR)	0.09	-0.01	+858%

(in TEUR)	31 Jun 2019	31 Dec 2018	Δ
Balance sheet total	16,494	12,082	+37%
Liquid funds	4,150	670	+519%
Equity	10,383	10,180	+2%
as a % of balance sheet total	63%	84%	-21 PP

With regard to the development of the equity ratio, we refer to the explanations in the [Consolidated Notes](#) on the first-time application of IFRS 16.

Consolidated Balance Sheet

InVision AG, 30 June 2019 IFRS, in Euro (condensed/unaudited)

Assets	30 Jun 2019	31 Dec 2018
A. Short-term assets		
1. Liquid funds	4,149,929	670,454
2. Trade receivables	939,014	1,397,793
3. Income tax claims	83,091	218,043
4. Prepaid expenses and other short-term assets	226,748	128,650
Total short-term assets	5,398,782	2,414,940
B. Long-term assets		
1. Intangible assets	1,928,682	334,667
2. Tangible assets	9,139,569	9,299,122
3. Deferred taxes	9,828	19,656
4. Other long-term assets	17,183	14,106
Total long-term assets	11,095,262	9,667,551
Total assets	16,494,044	12,082,491

Equity and liabilities	30 Jun 2019	31 Dec 2018
A. Short-term liabilities		
1. Financial Liabilities	175,828	250,000
2. Trade payables	148,107	268,494
3. Provisions	383,644	377,146
4. Income tax liabilities	113,516	222,989
5. Short-term share of deferred income and other short-term liabilities	2,842,136	783,931
Total short-term liabilities	3,663,231	1,902,560
B. Long-term liabilities		
Financial Liabilities	2,447,521	0
Total long-term liabilities	2,447,521	0
C. Equity		
1. Subscribed capital	2,235,000	2,235,000
2. Reserves	1,191,184	1,191,184
3. Equity capital difference from currency translation	-396,525	-419,289
4. Group/consolidated result	7,353,633	7,173,036
Total equity	10,383,292	10,179,931
Total equity and liabilities	16,494,044	12,082,491

Consolidated Statement of Comprehensive Income

InVision AG, 30 June 2019 IFRS, in Euro (condensed/unaudited)

	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
1. Revenues	6,394,602	6,341,569
2. Other operating income	77,819	55,804
3. Cost of materials/cost of goods and services purchased	0	-9,776
4. Personnel expenses	-4,129,489	-4,343,626
5. Amortisation/depreciation of intangible and tangible assets	-395,533	-271,769
6. Other operating expenses	-1,582,850	-1,725,601
7. Operating result (EBIT)	364,549	46,601
8. Financial result	-55,817	-4,352
9. Currency losses/gains	-421	2,566
10. Result before taxes (EBT)	308,311	44,815
11. Income tax	-127,714	-87,483
12. Consolidated net profit	180,597	-42,668
13. Exchange rate differences from converting foreign financial statements	22,764	15,832
14. Consolidated result	203,361	-26,836
Earnings per share	0.09	-0.01

Consolidated Cash Flow Statement

InVision AG, 30 June 2019 IFRS, in Euro (condensed/unaudited)

	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
1. Cash flow from operating activities		
Consolidated net profit/loss	180,597	-42,668
+ Depreciation and amortisation of fixed assets	395,533	271,769
-/+ Profits/losses from the disposal of intangible and tangible assets	-19,043	-13,500
-/+ Decrease/increase in provisions	6,498	-73,326
+/- Decrease/increase in deferred taxes	9,828	9,828
-/+ Other non-cash income/expenses	23,376	-12,298
-/+ Increase/decrease in inventories and trade receivables	458,779	-16,017
-/+ Increase/decrease in other assets and prepaid expenses	-101,174	5,972
+/- Decrease/increase in income tax claims/liabilities	25,479	-345,500
-/+ Increase/decrease in trade payables	-120,387	-10,375
-/+ Increase/decrease in other liabilities and deferred income	2,058,204	1,925,328
Cash flow from operating activities	2,917,690	1,699,213

	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
2. Cash flow from investing activities		
- Payments made for investments in tangible fixed assets	-123,421	-91,325
- Payments made for investments in intangible assets	0	-24,832
+ Payments received from the disposal of intangible and tangible assets	19,043	13,500
Cash flow from investing activities	-104,378	-102,657
3. Cash flow from financing activities		
+ Additions to long-term financing liabilities	1,000,000	0
- Payments made for redemption of long-term financing liabilities	-250,000	-500,000
- Payments made for redemption of lease liabilities	-86,440	0
Cash flow from financing activities	663,560	-500,000
Change in cash and cash equivalents	3,476,872	1,096,556
Effect of foreign exchange rate changes on cash and cash equivalents	2,603	19,101
Cash and cash equivalents at the beginning of the period	670,454	2,209,999
Cash and cash equivalents at the end of the period	4,149,929	3,325,656

Consolidated Statement of Equity

InVision AG, 30 June 2019 IFRS, in Euro (condensed/unaudited)

	Subscribed capital	Reserves	Equity capital difference from currency translation	Profit/Losses	Equity
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 net profit	0	0	0	180,597	180,597
Exchange rate difference from converting foreign financial statements	0	0	22,764	0	22,764
Total of costs and income	0	0	22,764	180,597	203,361
30 June 2019	2,235,000	1,191,184	-396,525	7,353,633	10,383,292

Consolidated Notes

to the Consolidated Interim Financial Statements of InVision AG as of 30 June 2019
(condensed/unaudited)

General Information

General information about the Company

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

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

Basis of the accounting

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

Effects of New IFRS

In January 2016, the IASB published the new standard IFRS 16 “Leases”, which in particular replaces 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 is no longer made for lessees between operating leases, in which assets and liabilities are not recognized, and finance leases.

The InVision Group applied IFRS 16 for the first time at the beginning of the 2019 fiscal year. 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. Instead, the cumulative effect of the first-time application of the standard has to be recognised by adjusting retained earnings. Since the first-time application of IFRS 16 primarily relates to a new lease agreement concluded at the beginning of fiscal year 2019 for the office facilities in Leipzig, the retained earnings were not adjusted for materiality reasons.

Instead of the rental obligations for office space previously reported under other financial obligations, the application of IFRS 16 leads to an increase in non-current assets due to the recognition of rights of use. The rights of use are depreciated on a straight-line basis over the shorter of the useful life and the lease term. Financial liabilities also increase due to the recognition of corresponding lease liabilities. These liabilities are measured at the discounted value of the remaining lease payments at the lessee’s marginal borrowing rate as of January 1, 2019. The weighted average borrowing rate of the InVision Group, which was applied to the lease liabilities as of 1 January 2019, is 1.42%. Each lease payment is divided into repayment and financing expenses. Finance expenses are recognised in the income statement over the

term of the lease so that there is a constant periodic interest rate on the remaining amount of the liability for each period.

Under otherwise identical conditions, the increase in the balance sheet total leads to a reduction in the equity ratio of the InVision Group.

The following tables show the main effects of the new IFRS 16 accounting standards for the classification and measurement of rights of use and for the recognition of current and non-current lease liabilities for the first half-year of fiscal year 2019.

Effects of the first-time application of IFRS 16 on the consolidated balance sheet

IFRS, in Euro

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
Assets	30 Jun 2019		30 Jun 2019
A. Short-term assets			
1. Liquid funds	4,149,929		4,149,929
2. Trade receivables	939,014		939,014
3. Income tax claims	83,091		83,091
4. Prepaid expenses and other short- term assets	226,748		226,748
Total short- term assets	5,398,782		5,398,782
B. Long-term assets			
1. Intangible assets	315,274	1,613,408	1,928,682
2. Tangible assets	9,139,569		9,139,569

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
3. Deferred taxes	9,828		9,828
4. Other long-term assets	17,183		17,183
Total long-term assets	9,481,854	1,613,408	11,095,262
Total assets	14,880,636	1,613,408	16,494,044

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
Equity and liabilities	30 Jun 2019		30 Jun 2019
A. Short-term liabilities			
1. Financial Liabilities	0	175,828	175,828
2. Trade payables	148,107		148,107
3. Provisions	383,644		383,644
4. Income tax liabilities	113,516		113,516
5. Short-term share of deferred income and other short-term liabilities	2,842,136		2,842,136
Total short-term liabilities	3,487,403	175,828	3,663,231
B. Long-term liabilities			

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
Financial Liabilities	1,000,000	1,447,521	2,447,521
Total long-term liabilities	1,000,000	1,447,521	2,447,521
C. Equity			
1. Subscribed capital	2,235,000		2,235,000
2. Reserves	1,191,184		1,191,184
3. Equity capital difference from currency translation	-396,525		-396,525
4. Group/consolidated result	7,363,574	-9,941	7,353,633
Total equity	10,393,233	-9,941	10,383,292
Total equity and liabilities	14,880,636	1,613,408	16,494,044

With regard to the statement of comprehensive income, instead of the previous rents/operating leases, the depreciation of rights of use and the 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.

Effects of the first-time application of IFRS 16 on the consolidated statement of comprehensive income

IFRS, in Euro

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2019
1. Revenues	6,394,602		6,394,602

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
2. Other operating income	77,819		77,819
3. Cost of materials/cost of goods and services purchased	0		0
4. Personnel expenses	-4,129,489		-4,129,489
5. Amortisation/depreciation of intangible and tangible assets	-299,152	-96,381	-395,533
6. Other operating expenses	-1,681,175	98,325	-1,582,850
7. Operating result (EBIT)	362,605	1,944	364,549
8. Financial result	-43,932	-11,885	-55,817
9. Currency losses/gains	-421		-421
10. Result before taxes (EBT)	308,311		308,311
11. Income tax	-127,714		-127,714
12. Consolidated net profit	190,538	-9,941	180,597
13. Exchange rate differences from converting foreign financial statements	22,764		22,764
14. Consolidated result	213,302	-9,941	203,361

Financial Liabilities

InVision AG has raised a bank loan of TEUR 6,000, secured by a land charge, to refinance investments and to carry out further investments. In the first half-year of the current fiscal year, the Company called TEUR 1,000 of this amount.

Cost of Materials

Expenses for support services provided by external employees, which were previously recorded under cost of materials, will in future be reported under other operating expenses. The previous year's figures have been adjusted accordingly: For the first half-year of 2018, 38 TEUR was reclassified from cost of materials to other operating expenses.

Group of consolidated companies

The group of consolidated companies has not changed since 31 December of the previous fiscal year.

Treasury shares

The Company has no treasury shares.

Revenues

Revenues are categorised as follows:

By Business Activities (in TEUR)	6M 2019	6M 2018
Workforce Management	6,211	6,099
Education	184	243
Total	6,395	6,342

By Regions (in TEUR)	6M 2019	6M 2018
Germany	1,912	1,865
Foreign countries	4,483	4,477
Total	6,395	6,342

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

Events after the balance sheet closing date

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

Executive Board

The Executive Board is composed of the following members:

- Peter Bollenbeck, Düsseldorf

Earnings per share

Earnings per share were calculated by dividing the periodic result, which is attributable to InVision AG's shareholders, by the average weighted number of shares issued and outstanding during the reporting period. InVision AG has issued only ordinary shares. In the first six months of 2019, there was an average of 2,235,000 shares issued and outstanding. Therefore, earnings per share for this period were EUR 0.09, compared to EUR -0.01 in the previous year, based on 2,235,000 shares issued.

Responsibility statement by the Executive Board

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

Düsseldorf, 18 July 2019

The Executive Board

Peter Bollenbeck

Interim Group Management Report

of InVision AG as of 30 June 2019 pursuant to §315 of the German Commercial Code (condensed/unaudited)

Results of operation

Consolidated revenues increased by 1 percent to TEUR 6,395 during the reporting period (previous year: TEUR 6,342). Workforce Management revenues increased by 2 percent to TEUR 6,211 (previous year: TEUR 6,099). Education revenues decreased by 24 percent to TEUR 184 (previous year: TEUR 243).

Other operating income was at TEUR 78 (previous year: TEUR 56).

The operating result (EBIT) increased in the reporting period to TEUR 365 (previous year: TEUR 47). The EBIT margin in the first-half of the year was 6 percent (previous year: 1 percent).

In the reporting period, the consolidated result equalled TEUR 203 (previous year: TEUR -27). Earnings per share were EUR 0.09 (previous year: EUR -0.01), based on an average of 2,235,000 shares (previous year: 2,235,000 shares).

Net assets and financial position

Cash flow from operating activities reached TEUR 2,918 in the reporting period (previous year: TEUR 1,699), which corresponds to a share of 46 percent of the Group revenues (previous year: 27 percent).

As of the end of the reporting period, liquid funds (cash) increased to TEUR 4,150 (31 December 2018: TEUR 670).

The balance sheet total equalled TEUR 16,494 (31 December 2018: TEUR 12,082), as of the end of the reporting period. Equity capital is now at TEUR 10,383 (31 December 2018: TEUR 10,180), and the equity ratio equals 63 percent (31 December 2018: 84 percent). In this context, we refer to the explanations in the Consolidated Notes on the first-time application of IFRS 16.

Opportunities & risks

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

Supplement report

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

Forecast report

InVision 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, 18 July 2019

The Executive Board

Peter Bollenbeck