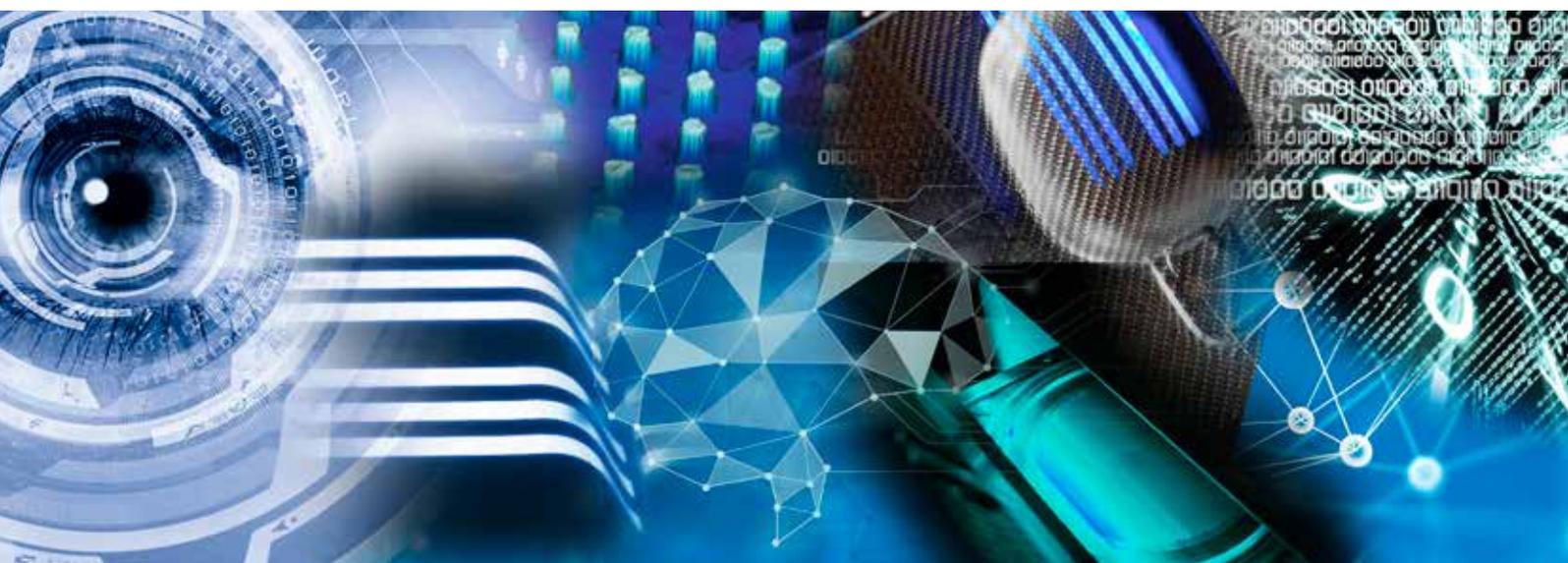


Quarterly Report Q3
Financial Year 2019 / 2020



Preparing Future Growth with Vision Excellence

ISRA VISION AG: Third quarter 2019 / 2020 – COVID-19 pandemic continues to impact on quarterly figures

COVID-19 pandemic: Challenges for ISRA in the first 9 months; revenues and earnings below previous year's figures

- Revenues at 89.8 million euros, minus 19% (Q3-YTD 18/19: 110.6 million euros)
- Focus on earnings margins:

(Unless stated otherwise, the EBITDA, EBIT and EBT figures included in this document are adjusted for one-time transaction costs).

 - EBITDA margin at 31% to revenues and 26% to total output (Q3-YTD 18/19: 35% and 31%)
 - EBIT margin at 13% to revenues and 11% to total output (Q3-YTD 18/19: 22% and 20%)
 - EBT margin at 13% to revenues and 11% to total output (Q3-YTD 18/19: 22% and 20%)
- Gross margin at 63% to total output (Q3-YTD 18/19: 62%) and 56% to revenues (Q3-YTD 18/19: 57%)
- Operating cash flow compared to Q2 19/20 increases to 12.8 million euros (Q2 19/20: 2.8 million euros)
- Cost optimization activities prove to be efficient
- Order backlog of currently 82 million euros gross (PY: 93 million euros gross)
- ISRA and Atlas Copco: All approvals granted; merger squeeze-out announced
- Growth forecast remains difficult due to low order entry dynamics; trend reversal expected towards the middle of the financial year 2020/2021 at the earliest

In short form

(in €k)	FY 2019/2020 9 months		FY 2018/2019 9 months		Change
Revenues	89,845	85% ¹⁾	110,571	90% ¹⁾	- 19%
Gross Profit	66,193	63% ¹⁾	76,501	62% ¹⁾	- 13%
EBITDA	27,460 ²⁾	26% ¹⁾	38,643 ²⁾	31% ¹⁾	- 29%
EBIT	11,999 ²⁾	11% ¹⁾	24,621 ²⁾	20% ¹⁾	- 51%
EBT	11,660 ²⁾	11% ¹⁾	24,454 ²⁾	20% ¹⁾	- 52%
Net profit	7,267	7% ¹⁾	16,690	14% ¹⁾	- 56%
Earnings per share after taxes	0.33		0.76		- 57%

¹⁾ Referenced in relation to total output

²⁾ Adjusted for one-time costs; in 2019/2020 these are one-time transaction cost of 1.25 million euros

(in € k)	FY 2019/2020 3 months		FY 2018/2019 3 months		Change
Revenues	25,259	82 % ¹⁾	39,645	92 % ¹⁾	-36%
Gross Profit	18,802	61 % ¹⁾	26,662	62 % ¹⁾	-29%
EBITDA	4,772 ²⁾	16 % ¹⁾	14,281 ²⁾	33 % ¹⁾	-67%
EBIT	9 ²⁾	0 % ¹⁾	9,623 ²⁾	22 % ¹⁾	-100%
EBT	-106 ²⁾	0 % ¹⁾	9,601 ²⁾	22 % ¹⁾	-101%
Net profit	-372	-1 % ¹⁾	6,525	15 % ¹⁾	-106%
Earnings per share after taxes	-0.02		0.30		-107%

¹⁾ Referenced in relation to total output

²⁾ Adjusted for one-time costs; in 2019/2020 these are one-time transaction cost of 1.25 million euros

Business activities

ISRA VISION AG (ISIN: DE 0005488100) – one of the world's top companies for industrial image processing (Machine Vision) as well as a global leader for surface inspection of web materials and 3D machine vision applications, is publishing its quarterly figures for the third quarter of financial year 2019/2020 on August 31, 2020. The COVID-19 pandemic continues to have a significant impact on the global economy, which is also reflected in ISRA's business development in the third quarter of 2019/2020. In the period under review, the company recorded revenues of 89.8 million euros (Q3-YTD 18/19: 110.6 million euros), a decline of nearly 19 percent compared to the strong figures of the previous year. EBT of 11.7 million euros (Q3-YTD 18/19: 24.5 million euros) also reflects the current difficult economic situation in the entire industry.

Regions and Segments

The company's consistent global expansion, the extension of market shares in relevant fields and the strengthening of the international teams at its more than 25 locations in recent years are important strategic assets in the current challenging market environment. The individual regions and customer industries were affected by the COVID-19 effects in different ways during the reporting period. The general recovery that one had hoped for failed to materialize in the third quarter of the financial year due to the pandemic. The decline in revenues in the period under review turned out significantly lower in the European markets compared to the other regions. Europe still benefited from the relatively good order situation in the first half of the year. While incoming orders picked up momentum in Asia towards the end of the reporting period, the American and European markets continued to record major postponements of orders. It is currently difficult to predict when the postponed projects can be realized, the company nevertheless expects the situation on the Asian markets to continue to ease and the first cautious recovery of individual customer industries in Europe to begin at the beginning of the next financial year.

The Industrial Automation segment, whose customer base includes primarily well-known premium manufacturers from the automotive industry as well as global players from a wide variety of industries, recorded revenues of 26.9 million euros in the first nine months of the financial year (Q3-YTD 18/19: 28.0 million euros), only slightly below the strong prior-year figures. One of the revenue drivers were the innovations in the area of embedded systems for ISRA that were initiated together with Photonfocus. EBIT amounted to 4.8 million euros (Q3-YTD 18/19: 6.1 million euros) with an EBIT margin to total output of 13 percent (Q3-YTD 18/19: 19%). With a beginning recovery of the Asian markets in the fourth quarter of 2019/2020, as well as the strengthening of the management team and portfolio expansions in the Smart Factory Automation segment, the Company continues to expect a positive development of demand for this segment in the coming months.

Revenues in the Surface Vision segment in the first nine months of 2019/2020 amounted to 62.9 million euros (Q3-YTD 18/19: 82.6 million euros) and, at minus 24 percent, are significantly below the last year's revenues. EBIT amounted to 7.2 million euros (Q3-YTD 18/19: 18.5 million euros), with an EBIT margin of 10 percent of total output (Q3-YTD 18/19: 20%). The Glass and Metal Inspection business units recorded a significant drop in sales in the period under review, whereas the Advanced Materials unit fell only slightly short of the strong figures for the previous year – orders from customers in the printing industry even slightly exceeded expectations. In the area of Paper, following the design-to-cost measures that have been implemented, the company continues to focus on high growth sectors such as the packaging industry and is stepping up its marketing and sales activities. The company is recording a significant decline in orders in the Solar and Security business units. Sales in the still young Semiconductor business developed modestly in the reporting period; demand also declined towards the end of the quarter.

Even in the current tense global economic situation, the company is consistently expanding its Customer Service and Support division and plans to use a diversified service range to achieve a disproportionately high increase in the contribution of high-margin service revenues to total revenues in the medium term. In addition, the CSSC division was strengthened on the management side in mid-August as planned.

Revenue and profit situation

In the period under review, the company recorded revenues of 89.8 million euros (Q3 18/19-YTD: 110.6 million euros), a decline of almost 19 percent compared to the strong figures of the previous year. The total output decreased by 14 percent to 105.7 million euros (Q3 18/19-YTD: 123.1 million euros). Production costs amounted to 39.5 million euros (Q3-YTD 18/19: EUR 46.6 million euros) and thus account for 37 percent of total output (Q3-YTD 18/19: 38 percent). These expenses are attributable to personnel expenses of 19 percent of total output (Q3-YTD 18/19: 19%) and material expenses of 18 percent of total output (Q3-YTD 18/19: 19%). Thus the gross margin (total output minus material and labor costs for production) remained nearly constant compared to the previous year and amounted to 63 percent of total output (Q3-YTD 18/19: 62%) and 56 percent of revenues (Q3-YTD 18/19: 57%). EBITDA (earnings before interest, taxes, depreciation and amortization) declined by 29 percent to 27.5 million euros (Q3-YTD 18/19: 38.6 million euros). Accordingly, the EBITDA margin amounted to 31 percent of revenues (Q3-YTD 18/19: 35%) and 26 percent of total output (Q3-YTD 18/19: 31%). At 12.0 million euros, EBIT (earnings before interest and taxes) was significantly below the previous year's figures (Q3-YTD 18/19: 24.6 million euros), the EBIT margin was correspondingly 13 percent of revenues (Q3-YTD 18/19: 22%) and 11 percent of total output (Q3-YTD 18/19: 20%). EBT (earnings before taxes) amounted to 11.7 million euros (Q3-YTD 18/19: 24.5 million euros), which equates to an EBT margin of 13 percent of revenues (Q3-YTD 18/19: 22%) and 11 percent of total output (Q3-YTD 18/19: 20%).

ISRA's leading technological position in the market is one of its growth drivers. In order to maintain and further expand this position, the company is making significant investments in research and development, even in the current situation, by spending 17.5 million euros in the first nine months of financial year (Q3-YTD 18/19: 16.1 million euros). This equates to nearly 17 percent of total output (Q3-YTD 18/19: 13 percent). Expenditure on sales and marketing amounted to 18.8 million euros (Q3-YTD 18/19: 21.3 million euros), a decline of almost 12 percent. Administrative costs remained relatively constant at 4.1 million euros (Q3-YTD 18/19: 4.0 million euros) despite the additional workload incurred in connection with the strategic partnership with Atlas Copco.

Consolidated net income after taxes and minority interests for the first nine months of fiscal 2019/2020 was EUR 7.3 million euros (Q3-YTD 18/19: EUR 16.7 million euros). Earnings per share after taxes were 0.33 euros (Q3 18/19: 0.76 euros).

Liquidity and financial situation

The balance sheet reflects the continued decline in incoming orders and more difficult shipping conditions also in this quarter. Inventories rose to 52.5 million euros (September 30, 2019: 46.9 million euros). Trade receivables amounted to 100.7 million euros (September 30, 2019: 115.8 million euros). Receivables comprise 51.5 million euros in system deliveries already invoiced (September 30, 2019: 48.9 million euros) and contract assets of 49.2 million euros recognized in accordance with IFRS 15 (September 30, 2019: 66.9 million euros). The consolidated balance sheet total at the end of the third quarter of 2019/2020 was 342.5 million euros (September 30, 2019: 345.1 million euros). In total, current assets amounted to 192.7 million euros (September 30, 2019: 209.7 million euros) and non-current assets to 149.8 million euros (September 30, 2019: 135.4 million euros). On the liabilities side of the balance sheet, trade payables decreased to 9.8 million euros as of June 30, 2020 (September 30, 2019: 23.4 million euros). Current financial liabilities to banks and financial institutions amounted to 38.9 million euros (September 30, 2019: 40.6 million euros), while other financial liabilities amounted to 15.1 million euros (September 30, 2019: 13.8 million euros). As was the case on September 30, 2019, there were no non-current liabilities to banks on June 30, 2020; tax liabilities amounted to 7.0 million euros (September 30, 2019: 4.0 million euros).

The cost optimization activities initiated at the end of the second quarter are showing initial effects and had a positive impact on cash flow in the third quarter of the financial year. Net debt amounts to -9.8 million Euro (Q2-19/20: -10.1 million euros). Compared to the second quarter of the financial year, operating cash flow improved to 12.8 million euros in the reporting period (Q2 19/20: 2.8 million euros) and the net cash flow after repayment of financial debt of -1.8 million Euro amounts to -10.9 million Euro (Q2 19/20: -13.1 million Euro). An amount of 16.9 million euros were spent on capital expenditures in the first nine months of the financial year (Q3-YTD 18/19: 14.5 million euros). Cash flow from financing activities amounted to -6.1 million euros (Q3-YTD 18/19: -2.9 million euros). Earnings per share (EPS) after taxes amounted to 0.33 euros (Q3-YTD 18/19: 0.76 euros). A dividend of 0.18 euros per share was distributed to shareholders at the Annual General Meeting in May 2020 for financial year 2018/2019. With an equity increase that rose to 217.4 million euros (September 30, 2019: 214.7 million euros) and an improved equity ratio of 63 percent (September 30, 2019: 62 %) as well as free credit lines, the company still has a good capital base for future growth.

Employees and management

In the first nine months of financial year 2019/2020, ISRA had an average of 823 employees at more than 25 locations worldwide (Q3-YTD-18/19: 763). At the end of the third quarter on June 30, 2020, the company had a total of 841 employees. Around 46 percent of them worked in Production and Engineering, around 22 percent in Marketing and Sales and 21 percent in Research and Development. Administration accounted for approximately 10 percent of the workforce. In terms of geographical distribution, nearly 70 percent of the company's employees worked in Europe, around 20 percent in Asia and approximately 10 percent in North and South America.

The strategic expansion of the company's structures is an important step towards achieving long-term business success, in addition to the expansion of the product portfolio for the future orientation of the company for the areas of General Industries and Smart Factory Automation. The year 2020 has presented ISRA with huge challenges. Therefore, only new hires necessary for the strategic development of the company are made, taking into account the costs. Motivated and qualified teams form the fundamental basis for the company's long-term success. ISRA's personnel strategy therefore attaches particular value to highly educated, socially competent employees, who excel in multiple disciplines. These qualities are encouraged in different training offerings as well as strategic management training, thereby enabling continuous professional and personal development for employees. By placing a special focus on international and social skills, diversity and personal responsibility can be realized, which are among the most important pillars of a motivating company culture and help to strengthen the potential of the teams.

Trade fairs and international markets

Leading international trade fairs, conferences and workshops are efficient ways for ISRA to address its customers in specific industries and regions. They provide an effective chance to introduce products and technological innovations to the market. The COVID-19 pandemic meant that it was not possible to hold or participate in attendance events in the reporting period as in previous years. However, the company was able to participate in a few virtual formats of well-known trade fairs in the reporting period.

In the current situation, ISRA is benefiting especially from the consistent establishment and expansion of digital marketing. Current and potential new customers are being informed about innovations in a targeted and individualized manner using digital channels. Virtual product presentations, online expert discussions and webinars are important tools for placing new products on the market in the current situation and for maintaining or entering into an exchange with customers. For the time after the pandemic restrictions, the management plans to further expand the efficient use of the now proven digital marketing channels in addition to its physical presence at international trade fairs and the resumption of customer workshops.

Research and development

Even in the current challenging economic environment, continuous investment in research and development is of strategic importance for ISRA's growth course. The company's product roadmap reflects both impulses from the technologies that are used and new needs and requirements from the various customer markets in order to be able to offer innovative solutions at an early stage that meet a large market potential in the specific application areas. In the first nine months of financial year 2019/2020, the company invested 17.5 million euros (Q3-YTD 18/19: 16.1 million euros), or around 17 percent of its total output, in research and development. Of this amount, 15.8 million euros (Q3-YTD 18/19: 12.5 million euros) are attributable to products soon to be launched.

By gradually further developing mature products that are already established on the market, ISRA is aiming for both follow-up and replacement investments and to initially equip new plants and production lines for current applications. The focus in the area of surface inspection and precision measurement technology, for example, is thus on improving resolution and inspection speed, and in the area of robot vision on shorter cycle times and higher precision. Besides the improved performance of the new system generations, attractive pricing for customers also plays an important role in the current market environment. ISRA meets these requirements by taking a consistent design-to-cost approach, thus supporting customers' investment decisions with a high return on investment.

In addition, the application portfolio in the individual target industries is to be expanded on the basis of existing technologies for the purpose of growth and sales diversification. The goal is to configure existing standard modules from camera technology, lighting and sensor technology together with existing software components to create new applications with similar requirements, and thus to use synergies in R&D. This will enable short time-to-market and rapid ramp-up in new markets.

Against the backdrop of the current economic development, there is further increased interest on the part of the industry to significantly increase efficiency and flexibility through ever more advanced, "extreme" automation. For ISRA, this results in great potential in both the area of Smart Factory Automation and in the area of simpler inspection tasks for continuous processes. A special focus in the current financial year will therefore be on the development of embedded vision systems for this area.

The initiated innovations in the area of embedded systems for Smart Factory Automation were further developed in the reporting period. Sales are based on a multi-channel strategy, both by means of key account management in the regional core markets for strategic customers in the automotive industry and market leaders in other industries, but increasingly also by means of a distribution network for other industries, customer segments and smaller sales markets.

As embedded systems, they combine powerful 3D sensor technology with dedicated algorithms for 3D image processing with generic application software. In conjunction with comprehensive connectivity, via integrated WLAN interfaces, for example, the sensors can be used for a wide range of tasks in assembly processes, material handling, inline measurement technology and 3D metrology in smart production networks that extend beyond plant boundaries.

Share

The ISRA share started at a XETRA closing price of 49.84 euros on April 1, 2020, and closed at 48.28 euros on June 30, 2020. The mark of 49.90 euros on April 30, 2020, was also the highest price of the share in the reporting period on XETRA, while the lowest price was 43.92 euros on June 8, 2020 (closing prices). The daily trading volume in the first nine months of the financial year increased on average to 113,794 shares on all German stock exchanges (Q3-YTD-18/19: 105,370). The market capitalization as of June 30, 2020, was 1,058,029,356 million euros with a total of 21,914,444 million shares issued.

The acceptance period for the Atlas Copco Group's voluntary public takeover bid for ISRA VISION AG expired on April 29, 2020. With an acceptance rate of 78.51 percent and a shareholding of 13.68 percent (as of May 5, 2020), Atlas Copco holds 92.19 percent of ISRA VISION's shares. The final offer condition, the approval by the Committee on Foreign Investment in the United States (CFIUS), was met in mid-June.

Due to the reduction of the free float below 10 percent of the share capital, the ISRA share was already removed from the SDax and TecDax at the beginning of May by extraordinary resolution of the German Stock Exchange. In addition, Atlas Copco Germany Holding AG submitted a formal request to the Executive Board of ISRA VISION AG on August 3, 2020, pursuant to Section 62 (1) and (5) sentence 1 German Transformation Act (UmwG) in conjunction with Sections 327a et seq. German Stock Corporation Act (AktG) to carry out the procedure for transferring the shares of the minority shareholders of ISRA VISION AG in return for an adequate cash compensation in connection with a merger of ISRA VISION AG into Atlas Copco Germany Holding AG by way of absorption (so-called merger squeeze-out under the German Transformation Act), and to let the General Meeting of ISRA VISION AG resolve on the transfer of the shares of the minority shareholders of ISRA VISION AG within three months of the conclusion of the merger agreement.

Outlook

After the first nine months of financial year 2019/2020, which were significantly affected by the pandemic from the second quarter on, no turnaround is foreseeable for the fourth quarter either. The offers placed on the market and the number of major orders to be negotiated for future projects still would have had a potential for profitable sales and earnings growth in an unclouded economic environment. However, due to the massive worldwide effects of the COVID-19 pandemic, these will continue to shift, so that a realization of revenues in the current financial year (until September 30, 2020) is no longer likely. The overall turnaround in the dynamics of incoming orders hoped for as late as mid-year in the fourth quarter will thus continue to be postponed, although incoming orders from Asia, especially from China, are already showing initial impetus and increasing demand.

The measures introduced by the management to mitigate the effects of the COVID-19 pandemic and to strengthen the liquidity and cash flow of the company are showing initial effects and will be continued in a focused manner. In principle, ISRA's strategy remains concentrated on sustainably expanding its worldwide market position through product innovations for industrial automation while simultaneously raising efficiency, as well as increasing revenues – with an optimization of costs and working capital – above the 200-million-euro mark in the medium term.

Consolidated Total Operating Revenue EBITDA-EBIT Statement ^{1) 3)}

from October 01, 2019 to June 30, 2020 in € k

(in € k)	FY 2019/2020 9 months (Oct. 01, 19 - Jun. 30, 20)		FY 2018/2019 9 months (Oct. 01, 18 - Jun. 30, 19)		FY 2019/2020 3 months (Apr. 01, 20 - Jun. 30, 20)		FY 2018/2019 3 months (Apr. 01, 19 - Jun. 30, 19)	
Net sales	89,845	85 %	110,571	90 %	25,259	82 %	39,645	92 %
Capitalized work	15,815	15 %	12,481	10 %	5,478	18 %	3,676	8 %
Total output	105,660	100 %	123,052	100 %	30,737	100 %	43,321	100 %
Cost of materials	19,021	18 %	22,973	19 %	5,707	19 %	8,565	20 %
Cost of labour <i>excluding depreciation</i>	20,446	19 %	23,579	19 %	6,228	20 %	8,094	19 %
Cost of production <i>excluding depreciation</i>	39,467	37 %	46,552	38 %	11,935	39 %	16,659	38 %
Gross profit	66,193	63 %	76,501	62 %	18,802	61 %	26,662	62 %
Research and development <i>Total</i>	17,505	17 %	16,132	13 %	6,279	20 %	5,450	13 %
Sales and marketing costs	18,845	18 %	21,331	17 %	7,001	23 %	7,240	17 %
Administration	4,133	4 %	4,030	3 %	1,557	5 %	1,203	3 %
Sales and administration costs <i>excluding depreciation</i>	22,978	22 %	25,361	21 %	8,558	28 %	8,443	19 %
Other revenues	1,749	2 %	3,635	3 %	806	3 %	1,512	3 %
EBITDA before one-time costs	27,460	26 %	38,643	31 %	4,772	16 %	14,281	33 %
Depreciation and amortization	15,460	15 %	14,022	11 %	4,763	15 %	4,658	11 %
Total costs	55,943	53 %	55,515	45 %	19,599	64 %	18,551	43 %
EBIT before one-time costs	11,999	11 %	24,621	20 %	9	0 %	9,623	22 %
Interest income	76	0 %	110	0 %	2	0 %	55	0 %
Interest expenses	-416	0 %	-277	0 %	-117	0 %	-77	0 %
Financing result	-340	0 %	-167	0 %	-115	0 %	-22	0 %
EBT before one-time costs	11,660	11 %	24,454	20 %	-106	0 %	9,601	22 %
One-time costs	-1,251	-1 %	-1,257	-1 %	-305	-1 %	-357	-1 %
EBT	10,409	10 %	23,197	19 %	-410	-1 %	9,244	21 %
Income taxes	3,142	3 %	6,507	5 %	-38	0 %	2,719	6 %
Consolidated net profit	7,267	7 %	16,690	14 %	-372	-1 %	6,525	15 %
Of which accounted to non-controlling shareholders	41	0 %	66	0 %	-9	0 %	55	0 %
Of which accounted to shareholders of ISRA VISION AG	7,226	7 %	16,624	14 %	-363	-1 %	6,470	15 %
Earnings per share in € before income taxes ²⁾	0.48		1.06		-0.02		0.42	
Earnings per share in € ²⁾	0.33		0.76		-0.02		0.30	
Shares issued ⁴⁾	21,886,744		21,890,967		21,886,744		21,886,744	

¹⁾ According to IFRS/ IAS unaudited

²⁾ Per-share result undiluted and diluted

³⁾ This pro forma statement is an additional presentation based on the comprehensive presentation given in previous years and not part of the IFRS consolidated financial statements.

⁴⁾ Weighted number of shares

ISRA VISION AG voluntarily publishes a pro forma consolidated total operating revenue EBITDA-EBIT statement typical for the industry oriented to the cost-summary method. The key differences between the cost of sales method and the pro forma consolidated total operating revenue EBITDA-EBIT statement are as follows: Profit margins increase because they are now associated with net sales instead of total output (net sales plus capitalized work). Capitalized work no longer appears in the cost of sales method and is assigned to the R&D functional area. Depreciation and amortization is now spread over the relevant functional areas. The EBIT earnings and the EBT earnings of the pro forma consolidated total operating revenue EBITDA-EBIT statement do not deviate from the consolidated income statement, which corresponds to IFRS.

Consolidated Income Statement ^{1) 3)}

from October 01, 2019 to June 30, 2020 in € k

(in € k)	FY 2019/2020 9 months (Oct. 01, 19 - Jun. 30, 20)		FY 2018/2019 9 months (Oct. 01, 18 - Jun. 30, 19)		FY 2019/2020 3 months (Apr. 01, 20 - Jun. 30, 20)		FY 2018/2019 3 months (Apr. 01, 19 - Jun. 30, 19)	
Net sales	89,845	100 %	110,571	100 %	25,259	100 %	39,645	100 %
Cost of sales	39,936	44 %	47,020	43 %	12,012	48 %	16,715	42 %
Gross operating result (gross profit)	49,909	56 %	63,551	57 %	13,247	52 %	22,931	58 %
Research and development	14,828	17 %	16,381	15 %	5,027	20 %	6,155	16 %
Total costs	17,505	19 %	16,132	15 %	6,279	25 %	5,450	14 %
Depreciation and amortization	13,483	15 %	13,049	12 %	4,318	17 %	4,550	11 %
Grants	-344	0 %	-319	0 %	-91	0 %	-170	0 %
Capitalized work	-15,815	-18 %	-12,481	-11 %	-5,478	-22 %	-3,676	-9 %
Sales and marketing costs	20,081	22 %	21,755	20 %	7,302	29 %	7,288	18 %
Administration	4,405	5 %	4,110	4 %	1,625	6 %	1,208	3 %
Sales and administration costs	24,486	27 %	25,865	23 %	8,927	35 %	8,495	21 %
Other revenues	1,405	2 %	3,316	3 %	715	3 %	1,342	3 %
Interest income	76	0 %	110	0 %	2	0 %	55	0 %
Interest expenses	-416	0 %	-277	0 %	-117	0 %	-77	0 %
Financing result	-340	0 %	-167	0 %	-115	0 %	-22	0 %
Earnings before taxes (EBT) before one-time costs	11,660	13 %	24,454	22 %	-106	0 %	9,601	24 %
One-time costs	-1,251	-1 %	-1,257	-1 %	-305	-1 %	-357	-1 %
Earnings before taxes (EBT)	10,409	12 %	23,197	21 %	-410	-2 %	9,244	23 %
Income taxes	3,142	3 %	6,507	6 %	-38	0 %	2,719	7 %
Consolidated net profit	7,267	8 %	16,690	15 %	-372	-1 %	6,525	16 %
Of which accounted to shareholders of ISRA VISION AG	7,226	8 %	16,624	15 %	-363	-1 %	6,477	16 %
Of which accounted to non-controlling shareholders	41	0 %	66	0 %	-9	0 %	48	0 %
Earnings per share in € before income taxes ²⁾	0.48		1.06		-0.02		0.42	
Earnings per share in € ²⁾	0.33		0.76		-0.02		0.30	
Shares issued ⁴⁾	21,886,744		21,890,967		21,886,744		21,886,744	

¹⁾ According to IFRS/ IAS unaudited

²⁾ Per-share result undiluted and diluted

³⁾ The Company's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Boards (IASB). In the year under review the IFRS and SICs which must compulsorily be applied were followed.

⁴⁾ Weighted number of shares

Consolidated Group Balance Sheet²⁾

at June 30, 2020 in €k

(in €k)	Jun. 30, 2020 ¹⁾	Sep. 30, 2019
ASSETS		
Assets		
Short-term assets		
Inventories	52,482	46,893
Trade receivables	100,686	115,760
Cash and cash equivalents	29,001	39,890
Financial assets	3,802	2,258
Other receivables	5,036	2,805
Income tax receivables	1,735	2,108
Total short-term assets	192,742	209,713
Long-term assets		
Intangible assets	131,549	127,709
Tangible assets	9,222	5,917
Shareholdings in associated companies	12	12
Leasing rights of use	7,189	0
Financial assets	1,331	1,321
Deferred tax claims	482	475
Total long-term assets	149,785	135,434
Total assets	342,527	345,147
EQUITY AND LIABILITIES		
Short-term liabilities		
Trade payables	9,829	23,427
Financial liabilities to banks	38,850	40,629
Other financial liabilities	15,090	13,815
Other accruals	1,293	1,344
Income tax liabilities	6,952	4,029
Other liabilities	2,723	2,441
Leasing liabilities	2,282	0
Total short-term liabilities	77,018	85,684
Long-term liabilities		
Deferred tax liabilities	38,955	40,678
Leasing liabilities	4,908	0
Pension provisions	4,251	4,067
Total long-term liabilities	48,113	44,746
Total liabilities	125,131	130,430
Equity		
Issued capital	21,914	21,914
Capital reserves	21,111	21,111
Own shares	-233	-233
Other comprehensive income	-395	253
Profit brought forward	166,178	147,557
Net profit accounted to the shareholders of ISRA VISION AG	7,226	22,560
Share of equity capital held by ISRA VISION AG shareholders	215,801	213,163
Equity capital accounted to non-controlling shareholders	1,595	1,554
Total equity	217,396	214,717
Total equity and liabilities	342,527	345,147

¹⁾ according to IFRS/ IAS unaudited

²⁾ The Company's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Boards (IASB). In the year under review the IFRS and SICs which must compulsorily be applied were followed.

Consolidated Cash Flow Statement ^{1) 2)}

from October 01, 2019 to June 30, 2020 in € k

(in € k)	Oct 01, 2019 - Jun 30, 2020	Oct 01, 2018 - Jun 30, 2019
Consolidated net profit	7,267	16,690
Income tax payments	0	-5,202
Changes in deferred tax assets and liabilities	-1,731	3,627
Changes in accruals	133	-171
Depreciation and amortization	15,460	14,022
Changes in inventories	-5,589	-3,201
Changes in trade receivables and other assets	11,662	6,120
Changes in trade payables and other liabilities	-14,783	-5,546
Financial result	340	168
Other non-cash changes	1	69
Cash flow from operating activities	12,759	26,575
Payments for investments in tangible assets	-673	-1,583
Payments for investments in intangible assets	-16,268	-12,964
Cash flow from investment activities	-16,941	-14,547
Payments to company owners through acquisition of own shares	0	-836
Dividend payouts	-3,940	-3,286
Deposits from the assumption of financial liabilities	0	1,414
Repayments of financial liabilities	-1,779	0
Interest income	76	110
Interest expenses	-416	-278
Cash flow from financing activities	-6,058	-2,875
Exchange rate-based value changes of the financial resources	-648	-194
Change of financial resources	-10,889	8,959
Net cash flow		
Financial resources on 30.09.2019 / 30.09.2018	39,890	34,716
Financial resources on 30.06.2020 / 30.06.2019	29,001	43,675

¹⁾ According to IFRS/ IAS unaudited

²⁾ The Company's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Boards (IASB). In the year under review the IFRS and SICs which must compulsorily be applied were followed.

Consolidated Statement of Changes in Equity ^{1) 2)}

from October 01, 2019 to June 30, 2020 in €k

(in €k)	Issued capital	Capital reserves	Own shares	Other not-income-affecting changes in equity	Profit brought forward	Net profit of the period	Equity of shareholders ISRA VISION AG	Accounted to non-controlling shareholders	Equity
As of Sep. 30, 2019	21,914	21,111	-233	253	147,557	22,560	213,163	1,554	214,717
Profit brought forward	0	0	0	0	22,560	-22,560	0	0	0
Capital increase (conversion of capital reserve due to stock split)	0	0	0	0	0	0	0	0	0
Acquisition of own shares	0	0	0	0	0	0	0	0	0
Sales of own shares	0	0	0	0	0	0	0	0	0
Payout	0	0	0	0	-3,940	0	-3,940	0	-3,940
Changes in shares of non-controlling shareholders	0	0	0	0	0	0	0	0	0
Overall earnings	0	0	0	-648	0	7,226	6,577	41	6,618
As of Jun. 30, 2020	21,914	21,111	-233	-395	166,178	7,226	215,801	1,595	217,396

¹⁾ According to IFRS/IAS unaudited

²⁾ The Company's annual consolidated financial statements were prepared in accordance with the International Accounting Standards (IAS) of the International Accounting Standards Board (IASB). In the year under review the IFRS/IAS and SICs which must compulsorily be applied were followed.

Consolidated Statement of Changes in Equity ^{1) 2)}

from October 01, 2018 to June 30, 2019 in €k

(in €k)	Issued capital	Capital reserves	Own shares	Other not-income-affecting changes in equity	Profit brought forward	Net profit of the period	Equity of shareholders ISRA VISION AG	Accounted to non-controlling shareholders	Equity
As of Sep. 30, 2018	21,906	21,722	0	361	128,810	23,108	195,907	1,862	197,769
Conversion effect IFRS 9	0	0	0	0	-90	0	-90	0	-90
Conversion effect IFRS 15	0	0	0	0	-880	0	-880	0	-880
Balance on Oct. 01, 2018 after adjustment	21,906	21,722	0	361	127,839	23,108	194,937	1,862	196,799
Profit brought forward	0	0	0	0	23,108	-23,108	0	0	0
Capital increase (conversion of capital reserve due to stock split)	8	-8	0	0	0	0	0	0	0
Acquisition of own shares	0	-808	-28	0	0	0	-836	0	-836
Sales of own shares	0	0	0	0	0	0	0	0	0
Payout	0	0	0	0	-3,286	0	-3,286	0	-3,286
Changes in shares of non-controlling shareholders	0	0	0	0	0	0	0	0	0
Overall earnings	0	0	0	383	0	16,624	17,006	66	17,072
As of Jun. 30, 2019	21,914	20,906	-28	743	147,662	16,624	207,821	1,928	209,750

¹⁾ According to IFRS/IAS unaudited

²⁾ The Company's annual consolidated financial statements were prepared in accordance with the International Accounting Standards (IASs) of the International Accounting Standards Board (IASB). In the year under review the IFRS/IASs and SICs which must compulsorily be applied were followed.

Segment Reporting by Division ^{1) 2)}

for selected positions of the consolidated income statement in € k

(in €k)	Industrial Automation Division		Surface Vision Division	
	Oct. 01, 2019 - Jun. 30, 2020	Oct. 01, 2018 - Jun. 30, 2019	Oct. 01, 2019 - Jun. 30, 2020	Oct. 01, 2018 - Jun. 30, 2019
Revenues	26,902	27,989	62,943	82,582
EBIT ³⁾	4,809	6,128	7,190	18,494

¹⁾ According to IFRS/IAS unaudited

²⁾ The Company's quarterly consolidated financial statements were prepared in accordance with the International Accounting Standards (IASs) of the International Accounting Standards Board (IASB). In the year under review the IFRS/IASs and SICs which must compulsorily be applied were followed.

³⁾ Adjusted for one-time costs; in 2019/2020 these are one-time transaction cost of 1.25 million euros

Basic accounting and valuation methods

The Company's quarterly consolidated financial statements were prepared in line with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB). In the year under review the IFRSs and SICs which must compulsorily be applied were followed.

Darmstadt, August 31, 2020

The Executive Board

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