

Consolidated Interim Statements 9M 2019

Consolidated Interim Financial Statements

of InVision AG as of 30 September 2019



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Financial Summary

(in TEUR)	9M 2019	9M 2018	Δ
Revenues	9,448	9,590	-1%
thereof Workforce Management	9,177	9,245	-1%
thereof Education	271	345	-21%
EBIT	787	216	+265%
as a % of revenues	8%	2%	+6 PP
Consolidated result	582	95	+515%
as a % of revenues	6%	1%	+5 PP
Operating cash flow	2,420	622	+289%
as a % of revenues	26%	6%	+20 PP
Earnings per share (in EUR)	0.26	0.04	+515%

(in TEUR)	30 Sep 2019	31 Dec 2018	Δ
Balance sheet total	15,617	12,082	+29%
Liquid funds	3,602	670	+437%
Equity	10,762	10,180	+6%
as a % of balance sheet total	69%	84%	-15 PP

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

Consolidated Balance Sheet

InVision AG, 30 September 2019

IFRS, in Euro

Assets	30 Sep 2019	31 Dec 2018
A. Short-term assets		
1. Liquid funds	3,602,497	670,454
2. Trade receivables	863,407	1,397,793
3. Income tax claims	0	218,043
4. Prepaid expenses and other short-term assets	214,428	128,650
Total short-term assets	4,680,332	2,414,940
B. Long-term assets		
1. Intangible assets	1,877,944	334,667
2. Tangible assets	9,036,108	9,299,122
3. Deferred taxes	4,914	19,656
4. Other long-term assets	17,502	14,106
Total long-term assets	10,936,468	9,667,551
Total assets	15,616,800	12,082,491

Equity and liabilities	30 Sep 2019	31 Dec 2018
A. Short-term liabilities		
1. Financial Liabilities	176,504	250,000
2. Trade payables	194,322	268,494
3. Provisions	198,290	377,146
4. Income tax liabilities	113,516	222,989
5. Short-term share of deferred income and other short-term liabilities	1,772,984	783,931
Total short-term liabilities	2,455,616	1,902,560
B. Long-term liabilities		
Financial Liabilities	2,399,531	0
Total long-term liabilities	2,399,531	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	-381,853	-419,289
4. Group/consolidated result	7,717,322	7,173,036
Total equity	10,761,653	10,179,931
Total equity and liabilities	15,616,800	12,082,491

Consolidated Statement of Comprehensive Income

InVision AG, 30 September 2019

IFRS, in Euro

	1 Jan - 30 Sep 2019	1 Jan - 30 Sep 2018
1. Revenues	9,448,272	9,589,775
2. Other operating income	104,833	71,576
3. Cost of materials/cost of goods and services purchased	0	-9,995
4. Personnel expenses	-6,092,875	-6,429,640
5. Amortisation/depreciation of intangible and tangible assets	-571,100	-405,912
6. Other operating expenses	-2,101,633	-2,599,811
7. Operating result (EBIT)	787,497	215,993
8. Financial result	-79,773	-7,827
9. Currency losses/gains	-1,673	-1,471
10. Result before taxes (EBT)	706,051	206,695
11. Income tax	-161,765	-140,987
12. Consolidated net profit	544,286	65,708
13. Exchange rate differences from converting foreign financial statements	37,436	28,849
14. Consolidated result	581,722	94,557
Earnings per share	0,26	0.04

Consolidated Cash Flow Statement

InVision AG, 30 September 2019

IFRS, in Euro

	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
1. Cash flow from operating activities		
Consolidated net profit/loss	544,286	65,708
+ Depreciation and amortisation of fixed assets	571,100	405,912
-/+ Profits/losses from the disposal of intangible and tangible assets	-17,555	-13,500
-/+ Decrease/increase in provisions	-178,856	-66,135
+/- Decrease/increase in deferred taxes	14,742	14,742
-/+ Other non-cash income/expenses	18,113	-4,759
-/+ Increase/decrease in inventories and trade receivables	534,385	-67,272
-/+ Increase/decrease in other assets and prepaid expenses	-89,174	3,051
+/- Decrease/increase in income tax claims/liabilities	108,570	-571,545
-/+ Increase/decrease in trade payables	-74,171	89,026
-/+ Increase/decrease in other liabilities and deferred income	989,053	766,895
Cash flow from operating activities	2,420,493	622,123

	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018
2. Cash flow from investing activities		
- Payments made for investments in tangible fixed assets	-136,530	-171,365
- Payments made for investments in intangible assets	0	-24,832
+ Payments received from the disposal of intangible and tangible assets	17,554	13,500
Cash flow from investing activities	-118,976	-182,697
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	-750,000
- Payments made for redemption of lease liabilities	-129,980	0
Cash flow from financing activities	620,020	-750,000
Change in cash and cash equivalents	2,921,537	-310,574
Effect of foreign exchange rate changes on cash and cash equivalents	10,506	23,221
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	3,602,497	1,922,646

Consolidated Statement of Equity

InVision AG, 30 September 2019

IFRS, in Euro

	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	544,286	544,286
Exchange rate difference from converting foreign financial statements	0	0	37,436	0	37,436
Total of costs and income	0	0	37,436	544,286	581,722
30 September 2019	2,235,000	1,191,184	-381,853	7,717,322	10,761,653

Explanatory Notes

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

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 September 30, 2019. The weighted average borrowing rate of the InVision Group, which was applied to the lease liabilities as of 30 September 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 three quarters of the 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 Sep 2019		30 Sep 2019
A. Short-term assets			
1. Liquid funds	3,602,497		3,602,497
2. Trade receivables	863,407		863,407

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
3. Income tax claims	0		0
4. Prepaid expenses and other short-term assets	214,428		214,428
Total short-term assets	4,680,332		4,680,332
B. Long-term assets			
1. Intangible assets	316,217	1,561,727	1,877,944
2. Tangible assets	9,036,108		9,036,108
3. Deferred taxes	4,914		4,914
4. Other long-term assets	17,502		17,502
Total long-term assets	9,374,741	1,561,727	10,936,468
Total assets	14,055,073	1,561,727	15,616,800

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
Equity and liabilities	30 Sep 2019		30 Sep 2019
A. Short-term liabilities			
1. Financial Liabilities	0	176,504	176,504

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
2. Trade payables	194,322		194,322
3. Provisions	198,290		198,290
4. Income tax liabilities	113,516		113,516
5. Short-term share of deferred income and other short-term liabilities	1,772,984		1,772,984
Total short-term liabilities	2,279,112	176,504	2,455,616
B. Long-term liabilities			
Financial Liabilities	1,000,000	1,399,531	2,399,531
Total long-term liabilities	1,000,000	1,399,531	2,399,531
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	-381,853		-381,853
4. Group/consolidated result	7,731,630	-14,308	7,717,322
Total equity	10,775,961	-14,308	10,761,653
Total equity and liabilities	14,055,073	1,561,727	15,616,800

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 Sep 2019		1 Jan - 30 Sep 2019
1. Revenues	9,448,272		9,448,272
2. Other operating income	104,833		104,833
3. Cost of materials/cost of goods and services purchased	0		0
4. Personnel expenses	-6,092,875		-6,092,875
5. Amortisation/depreciation of intangible and tangible assets	-426,812	-144,288	-571,100
6. Other operating expenses	-2,249,169	147,536	-2,101,633
7. Operating result (EBIT)	784,249	3,248	787,497
8. Financial result	-62,217	-17,556	-79,773
9. Currency losses/gains	-1,673		-1,673
10. Result before taxes (EBT)	720,359	-14,308	706,051
11. Income tax	-161,765		-161,765
12. Consolidated net profit	558,594	-14,308	544,286

	Carrying amount in accordance with IAS 17	Application of IFRS 16	Carrying amount in accordance with IFRS 16
13. Exchange rate differences from converting foreign financial statements	37,436		37,436
14. Consolidated result	596,030	-14,308	581,722
Earnings per share	0.27	-0.01	0.26

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 three quarters 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 three quarters of 2018, 106 TEUR was reclassified from cost of materials to other operating expenses.

Other operating expenses

For the development site in Londonderry, Northern Ireland, which was closed in the previous financial year, a provision of TEUR 100 was recognised in the first quarter of the current financial year. This provision was intended to reflect potential repayment claims for financial subsidies granted at the time. The provision was fully reversed in the third quarter of the current financial year as a final agreement was reached with the local authorities.

The provision recognised in the previous financial year for rental and restoration obligations from the premature termination of the lease for office spaces in Londonderry, Northern Ireland, in the amount of TEUR 114 was utilised in the amount of TEUR 52. TEUR 62 were released to income in the third quarter of the current financial year.