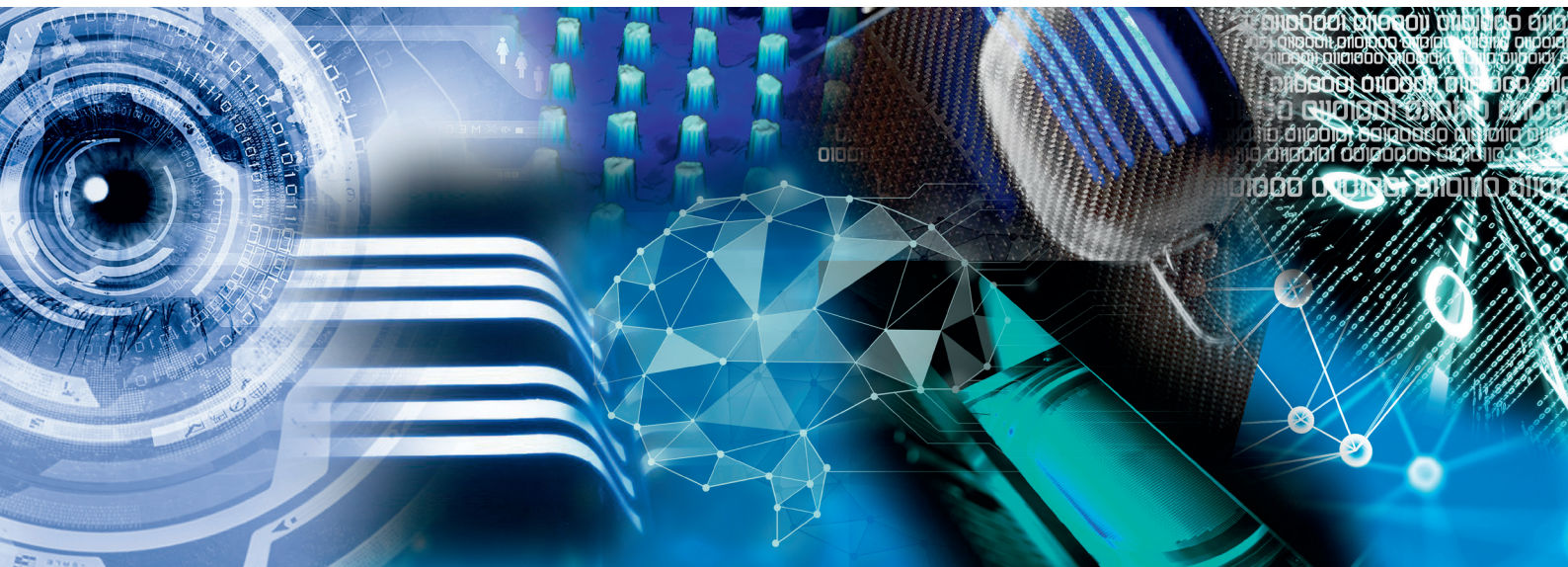


Quarterly Report Q1
Financial Year 2019 / 2020



Preparing Future Growth with Vision Excellence

ISRA VISION AG: 1st quarter 2019 / 2020 as predicted; robust profitability with a slight decline in revenues

ISRA starts financial year 2019 / 2020 as forecasted – Corona virus makes expected order entry dynamics uncertain – detailed annual guidance only possible to a limited extent

- Revenues of 33.1 million euros – robust at -3% compared to industry average (Q1 18 / 19: 34.2 million euros) – recovery compared to fourth quarter of 2018 / 2019
- Earnings margins at a stable high level:
 - EBITDA margin at 37 % of revenues and 32 % of total output (Q1 18 / 19: 34 % and 31 %)
 - EBIT margin at 20 % to revenues and 18 % to total output (Q1 18 / 19: 20 % and 18 %)
 - EBT margin at 20 % to revenues and 18 % to total output (Q1 18 / 19: 20 % and 18 %)
- Gross margin at 64 % to total output (Q1 18 / 19: 62 %) and 57 % to revenues (Q1 18 / 19: 57 %)
- Cash flow reflects late order intakes in Q4 2018 / 2019 and preparation for upcoming major orders; significant improvement expected in Q2 2019 / 2020
- Integration of Photonfocus almost completed – Market launch of first joint innovations
- Order backlog of currently around 89 million euros gross (PY: 96 million euros gross)
- Proposal to increase the dividend to 0.18 euros per share (PY: 0.15 euros)
- High equity ratio of 64 % (September 30, 2019: 62 %)
- Despite positive start into the second quarter and a well-filled order pipeline first effects in order entry dynamics due to Corona virus noticeable
- Executive Board and Supervisory Board support Atlas Copco's public offer

In short form

(in € k)	FY 2019/2020 3 months		FY 2018/2019 3 months		Change
Revenues	33,060	88 %*	34,224	89 %*	-3 %
Gross profit	24,124	64 %*	23,743	62 %*	+2 %
EBITDA	12,175	32 %*	11,699	31 %*	+4 %
EBIT	6,719	18 %*	6,938	18 %*	-3 %
EBT	6,604	18 %*	6,896	18 %*	-4 %
Net profit	4,853	13 %*	5,089	13 %*	-5 %
Earnings per share after taxes	0.22		0.23		-4 %

* In relation to total output

Business activities

ISRA VISION AG (ISIN: DE 0005488100) – the SDAX Machine Vision company and one of the world's leading providers of surface inspection solutions and 3D machine vision applications, is publishing its quarterly figures for the first three months of financial year 2019/2020 following the announcement of the public offer by Atlas Copco on February 10, 2020. ISRA achieved revenues of 33.1 million euros in the first quarter of 2019/2020 (Q1 18/19: 34.2 million euros). With a moderate decline of three percent compared to the strong figures of the previous year, ISRA already sees a recovery compared to the last quarter of the financial year 2018/2019. Some of the orders expected for the fourth quarter have been completed in the last weeks of the first quarter of 2019/2020, others at the beginning of Q2 2019/2020; to date, also larger orders, are still in the closing process. The order entry dynamics in the next months especially from Asia will largely depend on the extent to which the Corona virus has an effect.

With solid EBT of 6.6 million euros (Q1 18/19: 6.9 million euros), the company underscores its robust profitability and has so far put itself off positively from the sector in an uncertain global economic situation. Earnings per share (EPS) after taxes amounts to 0.22 euros (Q1 18/19: 0.23 euros). The management proposes an increase in the dividend to 0.18 euros for financial year 2018/2019 to the Annual General Meeting on March 17, 2020, and is thus continuing the sustainable dividend policy.

Regions and segments

With more than 25 locations worldwide, ISRA is one of the most broadly positioned suppliers in the Machine Vision industry. Besides its multi-industry strategy, ISRA's presence in all important future markets and growth regions represents a further important basis for the long-term development of the company. Business developed differently in the various regions in the first quarter of 2019/2020. In the European markets, the company is still registering slight restraint in some sectors. Revenues in Asia have remained at a similarly high level as in the previous year thus far. Orders from American customers developed similarly.

The Industrial Automation segment, whose customer base includes in particular well-known premium manufacturers from the automotive industry as well as global players from various industries, increased its revenues to 8.4 million euros in the first quarter of the financial year (Q1 18/19: 8.3 million euros). EBIT remained constant at 1.8 million euros (Q1 18/19: 1.8 million euros) with an EBIT margin of 18 percent of total output (Q1 18/19: 18%). In addition to innovative 3D Machine Vision solutions for robot-guided assembly and high-precision 3D metrology, the segment result is being driven by good customer demand for the "Touch & Automate" products prepared for INDUSTRIE 4.0. In the coming months and quarters, ISRA expects significant revenues from a frame agreement with a premium automobile manufacturer for innovative measurement technology solutions. A large order in the mid-single-digit million range for several systems for 100 percent paint inspection in automotive production should also make a positive contribution to earnings. Further market potential will be tapped by the first jointly developed innovations in the area of Embedded Systems for Smart Factory automation after complete integration of Photonfocus. These innovations are about to be launched on the market and are aimed at applications for 3D measurement and 3D robot guidance in the automobile industry as well as in broader markets for the automation of discrete manufacturing processes.

Revenues in the Surface Vision segment in the first quarter of 2019/2020 amounted to 24.7 million euros (Q1 18/19: 25.9 million euros). EBIT reached 4.9 million euros (Q1 18/19: 5.2 million euros), with an EBIT margin of 18 percent of total output (Q1 18/19: 18%). In the Metal inspection segment, management expects growth in the current financial year, supported in particular by the complete portfolio strategy and the further development of innovative steel inspection solutions for the automobile industry as well as the expansion of new software solutions for the entire metal production process and INDUSTRIE 4.0-capable systems. The Glass business recorded significant growth in the reporting period and is also benefiting from a major order in the current quarter.

The company anticipates that a significant number of additional systems will be ordered in the months ahead. Solutions for the inspection of display as well as solar and automobile glass are also increasingly in demand. The Advanced Materials segment, with its expanded focus on innovative materials, is also making good contributions to revenues; expected follow-up projects in the lower single-digit million range could support growth in the next months. Demand from the printing industry, also for digital printing applications, is developing positively. In the Paper segment, following the design-to-cost measures implemented, the company continues to concentrate on growth sectors such as the packaging industry and is increasing up its marketing and sales activities. The Security business is developing according to plan. There are signs of new revenue impulses in the solar industry from Asia, although the influence of the Corona virus remains to be seen. The same applies to orders in the still young Semiconductor segment, where the company has intensified its efforts to address the Asian market following the successful acquisition of strategic orders from leading manufacturers in Europe.

In the first quarter of 2019 / 2020, the service business again contributed with a double-digit share of revenues to the company's development. ISRA is consistently expanding its Customer Support and Service Center internationally and plans to increase the contribution of service revenues to total revenues disproportionately in the medium term with the help of a diversified product range.

Revenue and profit situation

ISRA recorded a slight decline in revenues of -3 percent to 33.1 million euros in the first three months of financial year 2019/20 (Q1 18/19: 34.2 million euros). Total output amounted to 37.7 million euros (Q1 18/19: 38.3 million euros), while the costs of production amounted to 13.6 million euros (Q1 18/19: 14.5 million euros). The gross margin (total operating performance less production material and personnel expenses) thus increased by 2 percentage points to 64 percent of total output (Q1 18/19: 62%), corresponding to 57 percent of revenues (Q1 18/19: 57%).

In the first quarter of the financial year, the Company invested 5.2 million euros (Q1 18/19: 5.2 million euros) in research and development, which corresponds to 14 percent of total output (Q1 18/19: 14%). Sales and marketing expenditures amounted to 6.1 million euros (Q1 18/19: 6.6 million euros) and thereby account for a ratio of 16 percent of total output (Q1 18/19: 17%). Administrative expenses amounted to 1.2 million euros (Q1 18/19: 1.3 million euros) and amount to 3 percent of total output.

In the first quarter, ISRA confirmed and further expanded the high margin level it achieved in the previous financial year. The gross margin increase to 64 percent of total output (Q1 18/19: 62%) and is now 57 percent of revenues (Q1 18/19: 57%). EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 4 percent to 12.2 million euros (Q1 18/19: 11.7 million euros) compared to the same period of the previous year, resulting in an improved EBITDA margin of 37 percent of revenue (Q1 18/19: 34%) and 32 percent of total output (Q1 18/19: 31%). At 6.7 million euros, EBIT (earnings before interest and taxes) is slightly below the previous year's figure (Q1 18/19: 6.9 million euros), resulting in an EBIT margin of 20 percent of revenues (Q1 18/19: 20%) and 18 percent of total output (Q1 18/19: 18%). EBT (earnings before taxes) amounted to 6.6 million euros (Q1 18/19: 6.9 million euros), equating to an EBT margin of 20 percent of revenue (Q1 18/19: 20%) and 18 percent of total output (Q1 18/19: 18%). Consolidated net profit after taxes and minority interests amounted to 4.8 million euros in the first quarter of 2019/2020 (Q1 18/19: 5.1 million euros). Earnings per share after taxes amounted to 0.22 euros (Q1 18/19: 0.23 euros).

Liquidity and asset situation

In preparation for major orders currently being concluded, inventories in the balance sheet increased to 51.4 million euros (September 30, 2019: 46.9 million euros). Trade receivables amount to 104.9 million euros (September 30, 2019: 115.8 million euros). These comprise system deliveries already invoiced in the amount of 43.9 million euros (September 30, 2019: 48.9 million euros) and contract assets of 61.0 million euros recognized in accordance with IFRS 15 (September 30, 2019: 66.9 million euros). At the end of the first quarter of 2019/2020, total consolidated assets amounted to 341.2 million euros (September 30, 2019: 345.1 million euros). In total, current assets amount to 197.8 million euros (September 30, 2019: 209.7 million euros), non-current assets total 143.4 million euros (September 30, 2019: 135.4 million euros).

On the liabilities side of the balance sheet, trade payables totaled 8.0 million euros as of December 31, 2019 (September 30, 2019: 23.4 million euros). Current financial liabilities to banks and financial institutions totaled 40.7 million euros (September 30, 2019: 40.6 million euros), while other financial liabilities totaled 13.5 million euros (September 30, 2019: 13.8 million euros). As on September 30, 2019, there were no non-current liabilities to banks as of December 31, 2019; tax liabilities of 4.7 million euros correspond to the previous year's level (September 30, 2019: 4.0 million euros).

The operating cash flow for the reporting period amounts to -4.3 million euros (Q1 18/19: 4.8 million euros) and reflects late order intake in Q4 2018/2019 as well as the preparation for upcoming major orders. For the second quarter 2019/2020 of the current financial year – in conjunction with an intensified management focus – invoicing is planned for a large number of projects processed in Q1 2019/2020, so that a significantly optimized cash flow can be expected.

In the first quarter 5.0 million euros were spent on investments (December 31, 2018: 4.6 million euros). The cash flow from financing activities amounts to 0.0 million euros (December 31, 2018: -1.3 million euros). With equity rising to EUR 218.7 million euros (September 30, 2019: EUR 214.8 million euros) and an equity ratio of 64 percent (September 30, 2019: 62%), which improved by two percentage points, as well as the free credit lines, the company has a very good capital base for future growth.

Employees & Management

In the first three months of financial year 2019/2020, ISRA had an average of 814 employees at more than 25 locations worldwide (Q1 18/19: 762). At the end of the first quarter on December 31, 2019, the Company had a total of 851 employees. Around 47 percent worked in Production and Engineering, around 21 percent in Marketing and Sales and 21 percent in Research and Development. Administration accounted for around 11 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 around 10 percent in North and South America.

The targeted expansion of the global teams, particularly in the value-adding business divisions, is continuously underpinning ISRA's sustainable growth path towards 200+. In addition to extending the product portfolio with a view to the Company's future orientation with its business focus on smart factory automation and production analytics, key steps to ensuring long-term business success include the strategic expansion of structures and the targeted management extension.

At the beginning of the year, ISRA recruited an experienced manager and proven expert for the fields Production & Logistics to continue the actions aimed at increasing efficiency and reducing throughput times in production. In addition, an experienced manager with proven market and technology expertise has been hired to expand the embedded sensor business.

Motivated and qualified teams form an important basis for the Company's continued success. ISRA's personnel strategy therefore attaches particular importance on highly educated, socially-minded and interdisciplinary employees with strong skillsets. These qualities are specifically encouraged through a wide-ranging package

of seminars and continued education as well as strategic management training, thereby enabling continuous professional and personal development for employees. A particular focus on intercultural and social skills helps to foster diversity and personal responsibility, which are among the most important elements of a motivational Company culture and help to strengthen the team's potential.

Trade Fairs and International Markets

Internationally renowned trade fairs provide ISRA with the ideal opportunity to place product innovations on the market and address potential customers around the world in a targeted manner with sector- and region-specific marketing measures. In the first quarter of the current financial year, the Company presented new and market-tested products at various leading trade fairs, thereby laying strong foundations for new and follow-up business. The Company was represented in Europe, Asia and North America, demonstrating innovative solutions for the automotive, advanced materials, print and semiconductor industries, in particular, as well as new products in the field of 3D robot vision.

The K 2019 industry trade fair held in Düsseldorf was one of the most important trade fairs in the first quarter. At this fair, ISRA presented its new high-end solutions for even more efficient quality assurance and more precise data collection of processes in the plastics industry. The innovations shown give reason to expect positive dynamics, especially for the Advanced Materials business unit. One highlight was ISRA's Cloud-Connected Data Intelligence, which enables manufacturers of web materials to analyze their production in depth and increase the quality of the products. Users can thus identify savings potential and optimize their processes along the entire value chain. ISRA is thus further expanding its portfolio in the field of Production Analytics. ISRA also received many customer inquiries for new and follow-up business for its "Touch & Inspect systems", which with embedded color cameras, now enable an even wider range of applications.

As last year, ISRA participated in MOTEK in Stuttgart, one of the leading international expert trade fairs for production and assembly automation. In addition to the expanded portfolio for the fully automatic "bin picking" which is now also possible for particularly small components and at even higher speeds, the focus here was on further innovations for the precise 3D measurement and digitalization of components.

At the C-Touch in Shanghai, the portfolio combination of solutions for the inspection of display and cover glass products and plastic coatings or optical films met with great interest from trade visitors.

Besides attending many leading international trade fairs, ISRA also invites its customers to internal workshops. This is an important communication channel for understanding the future needs and requirements of customers and their industry-specific processes. New products can thus be developed and launched in a targeted and timely manner.

Research and Development

Continuous investment in research and development is of strategic importance for ISRA's growth course. The Company's product roadmap takes into account both impulses from applied technologies as well as new needs and requirements from the various customer markets. ISRA can thus anticipate new trends and offer innovative solutions that meet with great market potential in the specific application areas at an early stage. The Company invested 5.2 million euros in the first three months of financial year 2019/2020 (Q1 18/19: 5.2 million euros) or around 14 percent of its total output in research and development. Of this figure, 4.6 million euros (Q1 18/19: 4.1 million euros) are attributable to products soon to be launched.

ISRA's continued further development of its existing products that are successful on the market is aimed at follow-up and replacement investments as well as the initial equipping of new factories and production lines for established applications. Thus, in the surface inspection and precision metrology units, the focus is on

increasing resolution and inspection speed, and in the robot vision unit on higher speeds and shorter cycle times. The improved performance of the new system generations achieved in this way in conjunction with a consistent design-to-cost approach thus help customers to achieve significantly more efficient production processes and consequently 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 diversification of sales. The goal is to configure existing standard modules of camera technology, lighting and sensor technology together with existing software modules for new applications with similar requirements, thus exploiting synergies in R&D. This will enable a short time-to-market and rapid ramp-up in new markets such as the inspection of separators and electrodes for battery cells, quality control of coated glass or edge inspection of semiconductor wafers.

Against the backdrop of INDUSTRIE 4.0, the industry is showing great interest in significantly increasing efficiency and flexibility by continuing to implement “extreme” automation. This opens up high potential for ISRA in the fields of smart factory automation and more basic inspection tasks for continuous processes. In the current financial year, a special focus will therefore be on the development of embedded vision systems for this area.

The integration of Photonfocus AG and its expertise in the field of sensor development has already yielded significant initial development results and paved the way for new products. The intelligent 3D sensors will be introduced to the market in several product families based on different measuring fields and working distances at short notice at upcoming trade fairs such as the Hannover Fair and Automatica. As embedded systems, they combine powerful 3D sensor technology with dedicated algorithms for 3D image processing and 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 the fields of assembly processes, material handling, inline measurement and 3D metrology in smart production networks that extend beyond factory boundaries.

While, in the past, customers were mainly from the automotive industry, the new embedded products open up further industries with discrete production processes and increasing automation needs and quality requirements. The products are sold via 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 sectors and by means of a distribution network for other industries and smaller market areas.

The ISRA Share

In the first quarter of financial year 2019/2020, the share of ISRA VISION AG started with a closing price of 37.24 euros on October 1, 2019, and traded on a XETRA closing price basis between a high of 45.18 euros on November 15, 2019, and a low of 36.46 euros on October 8, 2019. The shares closed the first quarter of 2019/2020, and hence calendar year 2019, at 38.86 euros. Market capitalization at the end of the quarter on December 31, 2019, amounted to 851.6 million euros (December 31, 2018: 532.3 million euros). In average, 105,173 shares were traded per day (Q1 18/19: 129,212 shares per day).

With the announcement of the public offer by the Swedish industrial group Atlas Copco on February 10, amounting to 50 EUR per share, the ISRA share has since been quoted at around 50 EUR. The offer price corresponds to a premium of around 29 percent on the volume-weighted average price of the last three months prior to the announcement and a premium of around 43 percent on the closing price on February 7, 2020. The dividend for the 2018/2019 fiscal year of an anticipated EUR 0.18 will be paid regardless of whether the offer is accepted.

ISRA VISION AG's shares are regularly tracked and rated by analyst publications from the research companies Jefferies Group LLC, Warburg Research GmbH, Hauck & Aufhäuser Privatbankiers AG, Pareto Securities as well as Matelan Research. The current analyst ratings can be found on ISRA's website at www.isravision.com.

Outlook

After the first quarter of financial fiscal year 2019 / 2020, in which the company – despite the challenging market conditions – achieved good results compared to the rest of the sector, ISRA got off to a positive start in the second quarter. The potential of the open offers placed on the market and the number of major orders to be negotiated for future projects underscores the annual forecast of profitable revenue and earnings growth in the lower double-digit percentage range. Due to the currently unpredictable effects of the Corona virus on the supply chains and the handling of projects at ISRA's customers, visibility is currently limited and a forecast is only possible to a limited extent. First effects are being felt in the form of delays in projects with customers in China. Should there be significant delays in the placement of orders or in the competition of projects, this could lead to a later onset of the growth dynamics and a slower development of revenues for the entire financial year. The management has already prepared measures to compensate effects of the Corona virus and to maintain the company's profitability. In principle, ISRA's strategy remains focused on sustainably expanding its global market position through product innovations for industrial automation while simultaneously increasing efficiency, as well as growing revenues - including optimization of costs and working capital - above the mark of 200 million euros in the medium term.

As described in the announcement of February 10, 2020, ISRA VISION AG and the Swedish Atlas Copco Group are planning a strategic partnership, which also includes the succession of Enis Ersü, CEO of ISRA VISION AG. The corresponding public offer was published on February 28, 2020, marking the beginning of the acceptance period during which all shareholders can accept the offer of 50 euros per share and which will last until April 8, 2020. Atlas Copco's offer is strongly supported by the CEO, the rest of the Executive Board and the Supervisory Board. At the time of publication of the offer document, Atlas Copco had already secured 37.85 percent of the share capital of ISRA VISION AG through irrevocable tender obligations (28.78 percent) and share purchase agreements with institutional investors (9.07 percent). Further information on the public offer under: www.technology-offer.com

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

from October 01, 2019 to December 31, 2019 in €k

(in €k)	FY 2019/2020 3 months (Oct. 01, 19 - Dec. 31, 19)		FY 2018/2019 3 months (Oct. 01, 18 - Dec. 31, 18)	
Net sales	33,060	88 %	34,224	89 %
Capitalized work	4,619	12 %	4,060	11 %
Total output	37,679	100 %	38,283	100 %
Cost of materials	6,697	18 %	6,836	18 %
Cost of labour <i>excluding depreciation</i>	6,858	18 %	7,704	20 %
Cost of production <i>excluding depreciation</i>	13,555	36 %	14,540	38 %
Gross profit	24,124	64 %	23,743	62 %
Research and development <i>Total</i>	5,168	14 %	5,179	14 %
Sales and marketing costs	6,101	16 %	6,634	17 %
Administration	1,158	3 %	1,265	3 %
Sales and administration costs <i>excluding depreciation</i>	7,258	19 %	7,898	21 %
Other revenues	478	1 %	1,033	3 %
EBITDA	12,175	32 %	11,699	31 %
Depreciation and amortization	5,456	14 %	4,761	12 %
Total costs	17,883	47 %	17,838	47 %
EBIT	6,719	18 %	6,938	18 %
Interest income	38	0 %	55	0 %
Interest expenses	- 152	0 %	- 97	0 %
Financing result	- 115	0 %	- 43	0 %
EBT	6,604	18 %	6,896	18 %
Income taxes	1,751	5 %	1,806	5 %
Consolidated net profit	4,853	13 %	5,089	13 %
Of which accounted to non-controlling shareholders	35	0 %	7	0 %
Of which accounted to shareholders of ISRA VISION AG	4,819	13 %	5,082	13 %
Earnings per share in € before income taxes ²⁾	0.30		0.31	
Earnings per share in € ²⁾	0.22		0.23	
Shares issued ⁴⁾	21,886,744		21,902,903	

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 December 31, 2019 in €k

(in €k)	FY 2019/202 3 months (Oct. 01, 19 - Dec. 31, 19)		FY 2018/2019 3 months (Oct. 01, 18 - Dec. 31, 18)	
Net sales	33,060	100 %	34,224	100 %
Cost of sales	14,075	43 %	14,762	43 %
Gross operating result (gross profit)	18,985	57 %	19,461	57 %
Research and development	4,842	15 %	5,344	16 %
Total costs	5,168	16 %	5,179	15 %
Depreciation and amortization	4,386	13 %	4,311	13 %
Grants	-93	0 %	-86	0 %
Capitalized work	-4,619	-14 %	-4,060	-12 %
Sales and marketing costs	6,563	20 %	6,825	20 %
Administration	1,245	4 %	1,301	4 %
Sales and administration costs	7,809	24 %	8,126	24 %
Other revenues	384	1 %	948	3 %
Interest income	38	0 %	55	0 %
Interest expenses	-152	0 %	-97	0 %
Financing result	-115	0 %	-43	0 %
Earnings before taxes (EBT)	6,604	20 %	6,896	20 %
Income taxes	1,751	5 %	1,806	5 %
Consolidated net profit	4,853	15 %	5,089	15 %
Of which accounted to shareholders of ISRA VISION AG	4,819	15 %	5,082	15 %
Of which accounted to non-controlling shareholders	35	0 %	7	0 %
Earnings per share in € before income taxes ²⁾	0.30		0.31	
Earnings per share in € ²⁾	0.22		0.23	
Shares issued ⁴⁾	21,886,744		21,902,903	

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 December 31, 2019 in €k

(in €k)	Dec. 31, 2019 ¹⁾	Sep. 30, 2019
ASSETS		
Assets		
Short-term assets		
Inventories	51,372	46,893
Trade receivables	43,881	48,875
Contract asset	61,035	66,885
Cash and cash equivalents	29,702	39,890
Financial assets	8,511	2,258
Other receivables	1,415	2,805
Income tax receivables	1,884	2,108
Total short-term assets	197,800	209,713
Long-term assets		
Intangible assets	127,732	127,709
Tangible assets	5,787	5,917
Shareholdings in associated companies	12	12
Right-of-use assets	8,195	0
Financial assets	1,267	1,321
Deferred tax claims	435	475
Total long-term assets	143,428	135,434
Total assets	341,228	345,147
EQUITY AND LIABILITIES		
Short-term liabilities		
Trade payables	8,019	23,427
Financial liabilities to banks	40,722	40,629
Other financial liabilities	13,477	13,815
Other accruals	1,117	1,344
Income tax liabilities	4,706	4,029
Other liabilities	2,321	2,441
Lease liabilities	2,183	0
Total short-term liabilities	72,545	85,684
Long-term liabilities		
Deferred tax liabilities	39,882	40,678
Lease liabilities	5,973	0
Pension provisions	4,115	4,067
Total long-term liabilities	49,970	44,746
Total liabilities	122,515	130,430
Equity		
Issued capital	21,914	21,914
Capital reserves	21,111	21,111
Own shares	-233	-233
Other comprehensive income	-605	253
Profit brought forward	170,118	147,557
Net profit accounted to the shareholders of ISRA VISION AG	4,819	22,560
Share of equity capital held by ISRA VISION AG shareholders	217,124	213,163
Equity capital accounted to non-controlling shareholders	1,589	1,554
Total equity	218,713	214,717
Total equity and liabilities	341,228	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 December 31, 2019 in €k

(in €k)	Oct 01, 2019 - Dec 31, 2019	Oct 01, 2018 - Dec 31, 2018
Consolidated net profit	4,853	5,089
Income tax payments	-1,661	-1,001
Changes in deferred tax assets and liabilities	-757	1,181
Changes in accruals	-180	611
Depreciation and amortization	5,457	4,761
Changes in inventories	-4,479	264
Changes in trade receivables and other assets	6,258	3,945
Changes in trade payables and other liabilities	-13,846	-9,941
Financial result	115	43
Other non-cash changes	-39	-107
Cash flow from operating activities	-4,278	4,845
Payments for investments in tangible assets	-260	-365
Payments for investments in intangible assets	-4,772	-4,259
Company acquisition	0	0
Cash flow from investment activities	-5,032	-4,624
Payments to company owners through acquisition of own shares	0	-836
Deposits from sales of own shares	0	0
Dividend payouts	0	0
Deposits from the assumption of financial liabilities	94	0
Repayments of financial liabilities	0	-458
Interest income	38	55
Interest expenses	-152	-97
Cash flow from financing activities	-21	-1,337
Exchange rate-based value changes of the financial resources	-858	586
Change of financial resources	-10,189	-530
Net cash flow		
Financial resources on 30.09.2019 / 30.09.2018	39,890	34,716
Financial resources on 31.12.2019 / 31.12.2018	29,702	34,187

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 December 31, 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, 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	0	0	0	0	0
Changes in shares of non-controlling shareholders	0	0	0	0	0	0	0	0	0
Overall earnings	0	0	0	-858	0	4,819	3,961	35	3,996
As of Dec. 31, 2019	21,914	21,111	-233	-605	170,118	4,819	217,124	1,589	218,713

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/IASs and SICs which must compulsorily be applied were followed.

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

from October 01, 2018 to September 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	-603	-233	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	-104	0	-104	-376	-480
Overall earnings	0	0	0	-108	0	22,560	22,452	67	22,520
As of Sep. 30, 2019	21,914	21,111	-233	253	147,557	22,560	213,163	1,554	214,717

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 - Dec. 31, 2019	Oct. 01, 2018 - Dec. 31, 2018	Oct. 01, 2019 - Dec. 31, 2019	Oct. 01, 2018 - Dec. 31, 2018
Revenues	8.390	8.330	24.670	25.893
EBIT	1.804	1.776	4.915	5.160

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.

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, March 02, 2020

The Executive Board

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