Annual Report 2022

Consolidated Financial Statements as of 31 December 2022 and Group Management Report for the 2022 Financial Year

InVision AG

Annual Report 2022

Consolidated Financial Statements

of InVision AG as of 31 December 2022 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

Financial Summary

(in TEUR)	**2022**	**2021**	**Δ***
Total Revenues	**14,464**	**13,691**	**+6%**
EBIT	**-3,097**	**-737**	**-320%**
as a % of revenues	-21%	-5%	-16 PP
Consolidated result	**-4,060**	**-1,556**	**-161%**
as a % of revenues	-28%	-11%	-17 PP
Operating cash flow	**-2,379**	**-483**	**-393%**
as a % of revenues	-16%	-4%	-12 PP
Earnings per share (in EUR)	**-1.78**	**-0.73**	**-144%**

(in TEUR)	31 Dec 2022	31 Dec 2021	Δ*
Balance sheet total	**18,918**	**19,988**	**-5%**
Liquid funds	**6,489**	**6,338**	**+2%**
Equity	**7,965**	**11,870**	**-33%**
as a % of balance sheet total	42%	59%	-17 PP

* The calculation of deviations from the previous year is based on non-rounded figures.

Consolidated Balance Sheet

InVision AG, 31 December 2022
IFRS, in Euro

Assets	Note	31 Dec 2022	31 Dec 2021
Short-term assets			
Liquid funds	(21)	6,489,076	6,338,332
Trade receivables	(22)	1,598,791	1,309,512
Income tax claims	(23)	7,654	278,290
Prepaid expenses and other short-term assets	(24)	223,625	205,739
Total short-term assets		**8,319,146**	**8,131,873**
Long-term assets			
Intangible assets	(25)	231,420	274,921
Tangible assets	(26)	7,904,710	8,285,327
Right-of-use assets	(28)	1,037,355	1,179,547
Deferred taxes	(29)	1,413,060	2,103,983
Other long-term assets	(30)	12,115	12,050
Total long-term assets		**10,598,660**	**11,855,828**
Total assets		**18,917,806**	**19,987,701**

Equity and liabilities	Note	31 Dec 2022	31 Dec 2021
Short-term liabilities			
Leasing liabilities	(32)	200,491	188,698
Trade payables	(33)	172,596	151,519
Provisions	(34)	185,879	203,680
Income tax liabilities	(34)	207,267	173,492
Customer contract liabilities and other liabilities	(35)	1,199,733	1,256,011
Total short-term liabilities		**1,965,966**	**1,973,400**
Long-term liabilities			
Bank loans	(36)	8,040,000	5,040,000
Leasing liabilities	(37)	947,064	1,104,125
Total long-term liabilities		**8,987,064**	**6,144,125**
Equity			
Subscribed capital	(38)	2,235,000	2,235,000
Reserves	(39)	1,359,169	1,204,142
Equity capital difference from currency translation	(40)	-490,923	-408,788
Group/consolidated result		4,861,530	8,839,822
Total equity		**7,964,776**	**11,870,176**
Total equity and liabilities		**18,917,806**	**19,987,701**

Consolidated Statement of Comprehensive Income

InVision AG, 31 December 2022
IFRS, in Euro

	Note	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
Revenues	(42)	14,463,853	13,690,763
Other operating income	(43)	118,472	62,246
Cost of materials/cost of goods and services purchased		0	-2,975
Personnel expenses	(44)	-13,076,564	-10,524,285
Amortisation/depreciation of intangible and tangible assets	(45)	-713,751	-701,685
Other operating expenses	(46)	-3,889,283	-3,261,528
Operating result (EBIT)		**-3,097,273**	**-737,464**
Financial result	(48)	-133,413	-93,900
Currency losses/gains		3,849	4,421
Result before taxes (EBT)		**-3,226,837**	**-826,943**
Income tax	(49)	-751,455	-807,116
Consolidated net loss		**-3,978,292**	**-1,634,059**
Items recognised outside of profit or loss: Exchange rate differences from converting foreign financial statements		-82,135	78,186
Consolidated result		**-4,060,427**	**-1,555,873**
Earnings per share (diluted and undiluted)		-1.78	-0.73

Consolidated Cash Flow Statement

InVision AG, 31 December 2022
IFRS, in Euro

	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
Cash flow from operating activities		
Consolidated result	**-3,978,292**	**-1,634,059**
+ Depreciation and amortisation of fixed assets	713,751	701,685
Profits(-)/losses(+) from the disposal of intangible and tangible assets	-7,947	9,119
Decrease(-)/increase(+) in provisions	-17,801	-5,424
Increase(-)/decrease(+) in deferred taxes	690,923	689,661
Other non-cash income(-)/expenses(+)	124,699	36,584
Increase(-)/decrease(+) in trade receivables	-289,279	-314,190
Increase(-)/decrease(+) in other assets and prepaid expenses	-17,951	30,674
Decrease(-)/increase(+) in income tax liabilities/claims (netted)	304,411	-555,072
Decrease(-)/increase(+) in trade payables	21,077	57,541
Decrease(-)/increase(+) in other liabilities and customer contract liabilities	-56,277	406,902
Interest expenses (+)/Interest income (-)	133,413	93,900
Cash flow from operating activities	**-2,379,273**	**-482,679**

	1 Jan - 31 Dec 2022	1 Jan - 31 Dec 2021
Cash flow from investing activities		
- Payments made for investments in tangible assets	-78,597	-178,366
- Payments made for investments in intangible assets	-6,000	-62,627
+ Payments received from the disposal of intangible and tangible assets	7,947	9,692
Cash flow from investing activities	**-76,650**	**-231,301**
Cash flow from financing activities		
+ Additions to long-term financing liabilities	3,000,000	0
- Payments made for redemption of long-term financing liabilities	0	-480,000
- Payments made for redemption of lease liabilities	-195,938	-203,402
- Interest paid	-133,413	-93,900
Cash flow from financing activities	**2,670,649**	**-777,302**
Change in cash and cash equivalents	214,726	-1,491,282
Effect of foreign exchange rate changes on cash and cash equivalents	-63,982	38,973
Cash and cash equivalents at the beginning of the period	**6,338,332**	**7,790,641**
Cash and cash equivalents at the end of the period	**6,489,076**	**6,338,332**

Consolidated Statement of Equity

InVision AG, 31 December 2022
IFRS, in Euro

	Subscribed capital	Reserves	Equity capital difference from currency translation	Profit/Losses	Equity
31 December 2020	**2,235,000**	**1,191,184**	**-486,974**	**10,473,881**	**13,413,091**
Consolidated net result	0	0	0	-1,634,059	-1,634,059
Exchange rate difference from converting foreign financial statements	0	0	78,186	0	78,186
Total of costs and income	**0**	**0**	**78,186**	**-1,634,059**	**-1,555,873**
Stock option plan	0	12,958	0	0	12,958
31 December 2021	**2,235,000**	**1,204,142**	**-408,788**	**8,839,822**	**11,870,176**
Consolidated net result	0	0	0	-3,978,292	-3,978,292
Exchange rate difference from converting foreign financial statements	0	0	-82,135	0	-82,135
Total of costs and income	**0**	**0**	**-82,135**	**-3,978,292**	**-4,060,427**
Stock option plan	0	155,027	0	0	155,027
31 December 2022	**2,235,000**	**1,359,169**	**-490,923**	**4,861,530**	**7,964,776**

Group Management Report

of InVision AG for the Financial Year 2022

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

The Company

Business

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

Research & Development

For InVision, the ongoing development of its software systems is a key competitive factor, as these software systems are core to the business model. At the end of 2022, the InVision Group employed a total of 81 people in product development (previous year: 66 employees), 78 of them in InVision AG, Germany (previous year: 61).

The research and development costs in the fiscal year increased by 31% and totalled TEUR 7,268 (previous year: TEUR 5,507). Research and development costs as a percentage of revenues are at 50% (31 December 2021: 40%).

Information according to § 315a HGB

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

According to a resolution adopted by the Company’s Shareholders’ Meeting on 29 May 2020, the Executive Board was authorised per § 4 (4) of the Company’s articles of association but subject to the consent of the Company's Supervisory Board, to increase the Company's registered share capital one or more times by a total of up to EUR 1,117,500 on or before 28 May 2025 and to do so by issuing new, no-par bearer shares in exchange for cash and/or non-cash capital contributions (Authorised Capital Account 2020). The new shares can also be transferred to certain banks specified by the Executive Board, which assumes the responsibility of offering them to shareholders (indirect subscription rights).

The Executive Board is authorised, however, with the consent of the Supervisory Board, to exclude the shareholders' pre-emptive right to subscribe shares in the following cases:

- for fractional amounts,
- if the capital increase is carried out against cash capital contributions and the pro-rata amount of registered share capital attributable to the new shares, for which the pre-emptive right is excluded, does not exceed 10% of the registered share capital available on the date that the new shares are issued and, following §§ 203 (1) and (2), 186 (3) sentence 4 AktG, the issue price of the new shares is not significantly lower than the stock market price of the same class of existing publicly listed shares (with the same features) at the time that the Executive Board definitively sets the issue price. Included in this maximum threshold amount for a pre-emptive right's exclusion is the pro-rata amount of the registered share capital that is attributable to shares, which had already been issued since 29 May 2020 from the authorised capital account of 2020 or which could be subscribed based on the option and conversion rights granted since 29 May 2020 or based on conversion duties also established since that time, if - upon utilising the authorised capital account or upon the granting of the warrant-linked and/or convertible bonds, the shareholder's pre-emptive rights would be excluded according to or consistently with § 186 (3) sentence 4 AktG. Also added to the maximum threshold is the pro-rata amount of the registered share capital attributable to treasury (own) shares, which the Company has bought back since 29 May 2020 based on the authorisation granted under § 71 (1) no. 8 AktG and have been sold to third parties in exchange for a cash payment without having granted a shareholder pre-emptive right unless the sale was carried out either on the open stock market or based on a public offer made to the shareholders;
- to the extent it would be necessary to grant to the holders of conversion or option rights under any convertible or warrant-linked bonds a subscription right, to which they would be entitled as shareholders after having exercised a conversion right or option right or after having discharged a conversion duty;
- for capital increases in exchange for the non-cash capital contributions, specifically for purposes of acquiring companies, divisions of companies, and equity holdings.

According to a shareholder resolution adopted on 08 October 2021, the Conditional Capital 2020 in the amount of EUR 1,117,500 set in the shareholder resolution on 29 May 2020 was reduced by EUR 223,500 to EUR 894,000 (Conditional Capital 2020). The conditional capital increase must be carried out only to the extent that the creditors, to whom convertible or warrant-lined bonds were issued by the Company based on the authorising resolution of the Shareholders' Meeting on 29 May 2020, exercise their conversion rights on or before 28 May 2025 and the Company has not satisfied the conversion claim in some other manner. The new shares will be entitled to draw dividends as of the beginning of the fiscal year in which they are issued. The Executive Board is authorised, with the consent of the Supervisory Board, to stipulate the details concerning the implementation of the respective conditional capital increase.

According to a shareholder resolution adopted on 08 October 2021, the share capital is conditionally increased by up to EUR 223,500.00 by issuing up to 223,500 no-par value bearer shares (Conditional Capital 2021). The Conditional Capital 2021 serves to secure subscription rights from stock options issued by the Company based on the authorisation resolution of 08 October 2021 until 07 October 2026. The conditional capital increase shall only be carried out to the extent that the holders of the issued stock options exercise their right to subscribe for shares in the Company and the Company does not grant fulfilment of the stock options in any other way. The shares shall be issued from the Conditional Capital 2021 at an issue price corresponding to the exercise price determined following item v) of the authorisation. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued. The Executive Board is authorised to determine the details of the implementation of the respective conditional capital increase unless stock option rights and shares are to be issued to members of the Executive Board of the Company; in this case, the Supervisory Board of the Company shall determine the further details of the implementation of the conditional capital increase.

According to a shareholder resolution adopted on 08 October 2021, the Executive Board and, as far as members of the Executive Board are concerned, the Supervisory Board are authorised to grant up to 223,500 subscription rights (stock options) for up to 223,500 no-par value bearer shares of the Company to beneficiaries within the meaning of § 192 (2) no. 3 of the German Stock Corporation Act (beneficiaries) on one or more occasions up to and including 07 October 2026. A stock option grants a subscription right to one share in the Company. There is no subscription right for shareholders of the Company. If stock options expire during the authorisation period due to the termination of the service or employment relationship with the Company or an affiliated company within the meaning of § 15 of the German Stock Corporation Act, due to the departure of an affiliated company from the group of companies, or for other reasons, a corresponding number of stock options may be reissued to beneficiaries. The fulfilment of the exercised subscription rights may, at the Company's discretion, be effected either by utilising the Conditional Capital 2021 or by treasury shares of the Company by the authorisation to acquire and sell treasury shares of the Company. In addition, the Company also has the right to settle in cash.

According to a shareholder resolution adopted on 08 October 2021, the Company was authorised until 07 October 2026 to acquire treasury shares up to a total pro-rata amount of the share capital of EUR 223,500 or - if this value is lower - of the share capital existing at the time of exercising this authorisation. Together with the treasury shares acquired for trading purposes and for other reasons, which are in each case held by the Company or attributable to it according to §§ 71a et seq. of the German Stock Corporation Act, the shares acquired based on this authorisation may at no time exceed 10% of the respective share capital of the Company. The authorisation is in effect until 28 May 2025. The shares purchased based on the authorisation may be used for all legally permissible purposes. The authorisation may be exercised in full or in partial amounts, on one or more occasions, for one or more purposes. It may also be carried out by dependent companies or companies in which the Company holds a majority interest, or by third parties for its or their account. The authorisation may not be used for trading in treasury shares. The Company does not hold any treasury shares as of the balance sheet date.

The authorisation to acquire treasury shares has been granted to the Company in order, among other things, to be able to flexibly adjust equity capital to the respective requirements and to react to favourable stock market situations. In addition, the Company may use treasury shares to service the 2021 stock option programme. In addition, acquired shares can be used as consideration to acquire companies or interests in companies.

To the Company’s knowledge, as of 31 December 2022, the following shareholders held more than 10% of the Company’s registered share capital:

- Peter Bollenbeck, Düsseldorf, Germany (35.14%), thereof 17.00% direct, 18.14% indirect via InVision Holding GmbH
- InVision Holding GmbH, Düsseldorf, Germany (18.14%)
- Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (15.01%)
- Matthias Schroer, Prien on Chiemsee, Germany (11.32%)
- Armand Zohari, Bochum, Germany (10.00%)

Executive Board members are appointed and dismissed per §§ 84 et seq. of the AktG.

According to Section 6 (1) sentence 1 of the articles of association, the Management Board consists of at least one person. Alternative members of the Executive Board may be appointed. According to § 6 (2) of the articles of association, the Supervisory Board is responsible for determining the number of, and appointing the regular Executive Board members and alternate Executive Board members and has the authority to revoke such appointments. The Supervisory Board is also responsible for selecting a member of the Executive Board to serve as that body’s chairman and for selecting other Executive Board members to serve that body’s deputy chairmen. § 8 sentence 2 of the articles of association specifies sole representation if only one member of the Executive Board has been appointed.

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

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

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

General Business Conditions

According to the International Monetary Fund, the economic output in the euro area increased by 3.5% in 2022 and 2.0% in the United States. According to Bitkom Research GmbH, the market for information technology increased by 6.6% in 2022.

Business Development

Due to the current earnings situation, the Group's sales revenue and the Group's EBIT (earnings before interest and taxes) are considered to be the most significant financial performance indicators. Due to the Group's business model, positive or negative development of these performance indicators has a correlating effect on the development of the net assets and financial position. In contrast to the fiscal year 2022, the injixo ARR is still considered to be an important key performance indicator for corporate management purposes but is no longer a significant key performance indicator.

Results of operation

At the end of 2022, the consolidated revenues increased by 6% to TEUR 14,464 (previous year: TEUR 13,691). The revenues comprise usage fees, maintenance fees and licence fees for software and related services. The increase was mainly attributable to a significant increase in recurring user fees.

Other operating income increased to TEUR 118 (previous year: TEUR 62).

Personnel expenses increased by 24% to TEUR 13,077 in the reporting year (previous year: TEUR 10,524) due to the planned expansion of the company's workforce. The personnel expenses ratio thus amounts to 90% (previous year: 77%).

Depreciation of intangible assets and property, plant, and equipment increased to TEUR 714 (previous year: TEUR 702). Of the reported depreciation and amortisation, TEUR 193 (previous year: TEUR 185) relate to the rights of use from leasing contracts to be capitalised under IFRS 16 since the beginning of the 2019 financial year.

Other operating expenses increased by 19% to TEUR 3,889 in the fiscal year 2022 (previous year: TEUR 3,262) and thus represent 27% in relation to the consolidated revenues (previous year: 24%). The expense categories included here developed as follows:

Expenses for cloud services increased by 24% to TEUR 1,348 (previous year: TEUR 1,084), induced by the costs for the hosting of the injixo workforce management software on external platforms. At TEUR 835, consulting expenses were 32% higher than in the previous year (previous year: TEUR 633). As in the previous year, this increase can be attributed, on the one hand, to costs for employees who start working for the company on a short-term basis and only temporarily as external, freelance employees within the framework of personnel recruitment, and who can subsequently be recruited as permanent employees for the company as a result of relocation measures. On the other hand, the increase results from the payment for other consulting services. Office space expenses increase to TEUR 342 (previous year: TEUR 298). Travel expenses increased by 406% to TEUR 294 (previous year: TEUR 58), which was mainly due to resumed customer visits. Further activities to expand the Group's workforce resulted in an increase of Recruitment costs by 21% to TEUR 211 (previous year: TEUR 175). Other personnel expenses increased by 70% to TEUR 153 (previous year: TEUR 90) and mainly relate to staff catering. Marketing expenses, which rose to TEUR 483 in the previous year due to measures to acquire new customers, decreased by 71% to TEUR 142. Insurance costs increased to TEUR 106 (previous year: TEUR 92). In the reporting year, the miscellaneous other operating expenses increased to TEUR 458 (previous year: TEUR 349) and include expenses for training and education, communication, Supervisory Board compensations and maintenance.

The operating result (EBIT) for the reporting period amounts to TEUR -3,097 and is 320% below the previous year (TEUR -737). The EBIT margin fell to -21% (previous year: -5%).

Interest expenses decreased by 42% to TEUR 133 (previous year: TEUR 94). This mainly includes interest for the bank loans as well as the interest from the adoption of IFRS 16.

Taxes on income and earnings show a total amount of TEUR 751 (previous year: TEUR 807). On the one hand, this includes tax expenses of TEUR 66 for taxes on profits of the companies InVision Software AG, Zürich, Switzerland, and InVision Software B.V., Utrecht, Netherlands. On the other hand, expenses for the release of deferred tax assets of TEUR 690 were recognised in the income statement. This was mainly based on the intra-group sale of software licences for workforce management from InVision Software AG, Zürich, Switzerland, to InVision AG, Düsseldorf, in the amount of TEUR 11,500. In 2019, the transaction led to the capitalisation of intangible assets in the financial statements of InVision AG, Düsseldorf, and thus to a temporary difference between the consolidated balance sheet and the commercial/tax balance sheet, for which deferred tax assets of TEUR 3,450 had to be recognised. These will be reversed pro-rata temporis up to and including 2024 in line with the corresponding useful lives of the licenses.

In the financial year 2022, the consolidated net loss amounts to TEUR 3,978 (previous year: TEUR 1,634). Earnings per share amount to EUR -1.78 (previous year: EUR -0.73), based on an average of 2,235,000 shares (previous year: 2,235,000 shares).

Net assets and financial position

The liquid funds increased by 2% to TEUR 6,489 as of 31 December 2022 (previous year: TEUR 6,338). As of the balance sheet date, trade receivables were at TEUR 1,599, and thus 22% above the comparable prior-year figure (previous year: TEUR 1,310). Income tax refund claims of TEUR 8 exist for InVision Software Ltd., London, United Kingdom (previous year: TEUR 278). Prepaid expenses and other current assets amounted to TEUR 224 (previous year: TEUR 206). Intangible assets decreased to TEUR 231 (previous year: TEUR 275) due to scheduled depreciation. Property, plant, and equipment totalled TEUR 7,905 (previous year: TEUR 8,285). The rights of use for leased office space in Leipzig and Paris recognised following IFRS 16 amount to TEUR 1,037 (previous year: TEUR 1,180). Deferred tax assets decreased by 33% to TEUR 1,413 (previous year: TEUR 2,104). As in the previous year, other non-current assets exclusively comprise security deposits paid for rented office space and amount to TEUR 12 (previous year: TEUR 12).

Leasing liabilities from rights of use capitalised in accordance with IFRS 16 are current in the amount of TEUR 200 (previous year: TEUR 189), while the non-current portion of the liabilities amounts to TEUR 947 (previous year: TEUR 1,104). Trade payables amount to TEUR 173 on the balance sheet date (previous year: TEUR 152). Provisions were accrued in the amount of TEUR 186 (previous year: TEUR 204). Income tax liabilities amount to TEUR 207 on the balance sheet date (previous year: TEUR 173) and are primarily taxes on the profits of InVision Software AG, Zürich, Switzerland, and InVision Software B.V., Utrecht, Netherlands. Customer contract liabilities and other current liabilities of TEUR 1,200 are at the previous year's level (previous year: TEUR 1,256). Bank loans have a remaining term of more than five years and amount to TEUR 8,040 at the balance sheet date (previous year: TEUR 5,040). They comprise a loan of TEUR 6,000 taken out in 2019, which has been suspended for repayment since the third quarter of 2021 up to and including 30 March 2025, and an additional loan of TEUR 3,000 taken out in April 2022 for the refinancing of investments and the carry out of further investments, which will be repaid as scheduled as of 30 March 2024. Subscribed capital amounted to TEUR 2,235 at the end of the reporting year (previous year: TEUR 2,235). Reserves amounted to TEUR 1,359 (previous year: TEUR 1,204). The increase of TEUR 155 corresponds to the fair value of the stock options issued as of the balance sheet date. The consolidated balance sheet result amounts to TEUR 4,862 (previous year: TEUR 8,840).

As of 31 December 2022, the balance sheet total equalled TEUR 18,918 (previous year: TEUR 19,988). Equity capital was at TEUR 7,965 (previous year: TEUR 11,870), and the equity ratio equalled 42% (previous year: 59%).

Cash flow from operating activities amounted to TEUR -2,379 (previous year: TEUR -483). This is mainly the result of the negative consolidated net income as of 31 December 31 2022.

The cash flow from investing activities amounts to TEUR -77 (previous year: TEUR -231). This is mainly the result of investments in property, plant and equipment.

The cash flow from financing activities amounts to TEUR 2,671 (previous year: TEUR -777). and is mainly due to taking out financial loans.

The Group's business performance in 2022, in particular Group revenues and the Group EBIT, was in line with expectations. The Executive Board considers the business development and outlook to remain positive and the InVision Group's liquidity to be secured.

Risk Report

Principles of risk management and accounting-related internal control system

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

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

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

Risk management is carried out by the Executive Board together with the functional leads. Corporate management and the associated key control measures take place on the basis of monthly planning calculations. The development of revenues and the cost structure are continuously and closely controlled and monitored by the Executive Board together with the functional leads. The Company's Supervisory Board is provided with integrated planning on a quarterly basis. Deviations between planned and actual developments are analysed together with the Supervisory Board, which thus fulfils its monitoring function. A fundamental review of all risks is made once each year, at least.

There are standardised accounting rules used in the Group's companies, which are continuously monitored regarding compliance. This also guarantees that the accounts conform to the applicable standard accounting rules . An internal ad hoc report is prepared if there are significant changes or newly emerged risks. All risk-relevant topics and the then-current economic situation over time are constantly monitored. If necessary, operational teams or external experts are called in to participate.

Risk management is described and determined in a group risk management policy.

Significant risks related to the business

In 2021 and 2022, InVision has been investing in the expansion of its business activities with the aim of increasing the total Group revenues. An essential part of the investment programme is the expansion of the workforce in the Group. This leads to a higher cost level, a negative result and a negative operating cash flow in the short and medium term. If it is not possible to increase turnover as planned and to achieve a positive overall result again, this can have a considerable negative impact on the equity and the financing situation of the company and thus have a lasting negative effect on the business activity.

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

Apart from product quality, the quality of customer service is of considerable importance for overall customer satisfaction. If general customer satisfaction is low, existing customers might switch to competitive products, meaning that the previous sales streams are drying up sustainably. If InVision does not succeed in maintaining a high level of customer satisfaction, this may have a permanent negative effect on the business.

Based on the current analysis, the risk structure of the InVision Group has not changed significantly compared to the previous financial year. However, in addition to Russia's war against Ukraine, high inflation and the rise in key interest rates are weighing on the macroeconomic environment.

As a result of these aggregated developments, the general bad debt risk of the InVision Group has increased. However, the company does not see any direct economic risk in this context.

The aforementioned risks, both individually and collectively, could have adverse negative effects on the net assets, financial position, and results of operation of the Company and the InVision Group as a whole. In summary, however, the Executive Board assesses that there is no risk to the continued existence or material impairment of development.

Corporate Governance Statement according to § 289f HGB and Compensation Report

The current statement according to §161 AktG, the current statements on corporate governance practices, the operating principles followed by the Executive Board and the Supervisory Board as well as the composition and operations of their committees and the latest compensation report pursuant to § 162 AktG are available on the Company's website under "Corporate Governance" at www.ivx.com/en/investors.

Forecast Report & Opportunities

Anticipated global economic development

According to the forecasts made by the International Monetary Fund, the economic output in the euro area will increase by 0.7% in 2023, whereas the economic output in the United States will increase by 1.4%. According to the forecast made by Bitkom Research GmbH, the market for information technology will grow by 6.3% in 2023.

Anticipated development of InVision

We operate a highly scalable business model, have an excellent strategic starting position, and significant untapped growth potential with numerous growth options.

After focusing on the long-term expansion of our business activities in 2021 and 2022 by increasing our workforce accordingly, we will focus on returning to profitability in 2023-2024 while maintaining our growth potential. We expect that in 2023 a Group revenue growth in the single-digit percentage range and a negative Group EBIT in the low single-digit million range is achieved. For 2023, the Group EBIT and the Group revenues are the key performance indicators.

Düsseldorf, 20 March 2023

Peter Bollenbeck

Consolidated Notes

to the Consolidated Financial Statements of InVision AG as of 31 December 2022 in accordance with IFRS and § 315e of the German Commercial Code

General Information

1. General information about the Company

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

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

To the Company’s knowledge, the following shareholders held an interest in the Company’s share capital as of 31 December 2022:

- Peter Bollenbeck, Düsseldorf, Germany (35.14%), thereof 17.00% direct, 18.14% indirect via InVision Holding GmbH
- Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (15.01%)
- Matthias Schroer, Prien on Chiemsee, Germany (11.32%)
- Armand Zohari, Bochum, Germany (10.00%)
- Free float (28.53%)

The IFRS consolidated financial statements are expected to be approved by the Supervisory Board of InVision AG on 28 March 2023 and then cleared for publication on 30 March 2023.

2. Basis of the accounting

Because it is listed on a regulated market, InVision AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The consolidated financial statements as of 31 December 2022 were prepared following the IFRS, which were promulgated by the International Accounting Standards Board (IASB), in force on the balance sheet closing date, and applicable in the European Union. The designation “IFRS” also encompasses the still valid International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC), and the International Financial Reporting Interpretations Committee (IFRIC). The requirements prescribed under § 315e of the German Commercial Code (HGB) must also be observed. All provisions of the IFRS, IAS, IFRIC, and SIC, which are valid for the fiscal year ending 31 December 2022, have been applied in the consolidated financial statements.

The following IAS/IFRS/IFRIC were endorsed by the EU in the 2022 financial year or are to be applied for the first time. Most of them have little or no effect on the consolidated financial statements of InVision AG.

IFRS standards	Material effect
Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	None
Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract	None

IFRS standards	Material effect
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle	None
Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use	None
Amendments to IFRS 3: Reference to the Conceptual Framework	None

The following amendments of the IASB were not applied on an earlier basis in these consolidated financial statements. Where the changes affect InVision AG, the future effects on the consolidated financial statements will be examined. For the most part, they have not yet been adopted by the EU.

IFRS standards with (expected) mandatory application	Material effect
Amendments to IAS 1: Classification of Liabilities as Current or Non-current (1 Jan 2023)	None
IFRS 17: Insurance Contracts (1 Jan 2023)	None
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (1 Jan 2023)	None
Amendments to IAS 8: Definition of Accounting Estimates (1 Jan 2023)	None
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (1 Jan 2023)	None
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date to be set)	None

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

3. Group of consolidated companies

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

- InVision Software AG, Zürich, Switzerland
- InVision Software, Inc., Chicago, IL, USA
- InVision Software Ltd., London, United Kingdom
- InVision Software SAS, Paris, France
- InVision Software B.V., Utrecht, Netherlands

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

4. Consolidation principles

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

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

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

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

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

Accounting and Valuation Principles

5. In general

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

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

6. Reporting currency

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

7. Currency translation

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

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

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

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

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

Currency	Exchange rate on reporting date 2022	Exchange rate on reporting date 2021	Average annual exchange rate 2022	Average annual exchange rate 2021
USD	1.0699	1.1342	1.0536	1.1830
GBP	0.8843	0.8394	0.8524	0.8597
CHF	0.9893	1.0353	1.005	1.0810

8. Intangible assets

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

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

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

9. Tangible assets

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

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

10. Accounting for leases

The Group only acts as a lessee in connection with the rental of office space.

Leases are recognised as rights of use and corresponding lease liabilities at the time when the leased asset is available for use by the Group.

Assets and liabilities from leases are initially recognised at present value.

The lease liabilities include the present value of the following lease payments:

- fixed payments (including de facto in-substance fixed payments, less any lease incentives to be received)
- variable lease payments linked to an index or (interest) rate, initially valued at the index or interest (rate) on the commitment date
- expected payments by the Group from the utilisation of residual value guarantees
- the execution price of a call option, the group is reasonably certain that it will be used
- penalties in connection with the termination of a lease, if the lease term takes into account that the Group will exercise the termination option in question

The measurement of the lease liability also includes lease payments based on a sufficiently secure utilisation of extension options.

Lease payments are discounted at the implicit interest rate underlying the lease if this can be readily determined. Otherwise - and this is generally the case in the Group - the lease is discounted at the lessee's incremental borrowing rate, i.e. the interest rate that the respective lessee would have to pay if it had to borrow funds to acquire an asset with a comparable value in a comparable economic environment for a comparable term with comparable certainty under comparable conditions.

Lease instalments are divided into repayments and interest payments. The interest portion is recognised in the income statement over the lease term so that a constant periodic interest rate is charged on the remaining balance of the liability for each period.

Rights of use are measured at cost, which is comprised as follows:

- the amount of the initial measurement of the lease liability
- all leasing payments made at or before the provision, less any leasing incentives received
- all initial direct costs incurred by the lessee, and
- estimated costs incurred by the lessee in dismantling or removing the underlying asset, restoring the site on which it is located, or returning the underlying asset to the condition required by the lease agreement.

Rights of use are amortised on a straight-line basis over the shorter of the useful life and the term of the underlying lease agreement. If the exercise of a purchase option is reasonably certain from the Group's perspective, the asset is depreciated over the useful life of the underlying asset.

11. Borrowing costs

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

12. Impairment of non-financial assets

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

An impairment loss recognised in profit or loss for an asset (other than goodwill) in prior years is reversed if there is an indication that the impairment loss may no longer exist or may have decreased. The recoverable amount will be recognised as income in the income statement. The recoverable amount (or the reduction in the amount of the impairment) of an asset will be recognised, however, only to the extent that it does not exceed the book value, which would have resulted had no impairment been previously recognised (including the effects from amortisation or depreciation).

13. Financial investments and other financial assets

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

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets. Except for trade receivables, which do not contain any significant financing components, the Group measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined by IFRS 15. In this context, reference is made to the accounting policies in Note 18.

For a financial asset to be classified and measured as at amortised cost or at fair value through other comprehensive income, cash flows may consist solely of payments of principal and interest (SPPI) on the outstanding principal amount. This assessment is known as the SPPI test and is performed at the level of the individual financial instrument. Purchases or sales of financial assets that require delivery of the assets within a period determined by the regulations or conventions of the respective market (regular way purchases) are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell the asset.

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

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

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

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

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

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

14. Cash and cash equivalents

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

15. Taxes

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

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

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

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

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

16. Provisions

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

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

17. Financial liabilities

Liabilities include non-current liabilities to banks, trade payables, tax liabilities, interest liabilities, liabilities to employees, and other liabilities. On initial recognition, they are carried at cost, which corresponds to the fair value of the consideration received. In subsequent years, all liabilities are measured at amortised cost using the effective interest method per IFRS 9. They are derecognised when the liability is settled, cancelled, or expires.

Liabilities from leases are reported under financial liabilities. Please refer to the explanations in section 10 for the accounting policies applied.

18. Revenue and cost recognition

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

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

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

Revenues are generally recognised when the sales price is determined or determinable, no significant duties exist and the collection of the receivables is likely. Costs are recognised when the good or service is used or at the time they were generated. Interest is recognised as either an expense and/or income according to the period in which it arose under the effective interest method.

19. Contingent liabilities and contingent receivables

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

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

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

20. Management discretion and the main sources of forecasting uncertainty

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

Notes to the Consolidated Balance Sheet

21. Liquid funds (cash and cash equivalents)

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

22. Trade receivables

The trade receivables subject to the impairment provisions of IFRS 9 are composed as follows:

Trade Receivables - days past due	**31 Dec 2022**	**31 Dec 2021**
Not past due	1,014	902
Up to 30	309	276
Between 31 and 60	99	40

Trade Receivables - days past due	31 Dec 2022	31 Dec 2021
Between 61 and 90	52	25
More than 91	243	69
Gross book value	**1,717**	**1,312**
Loss allowance	**-118**	**-2**
Net book value	**1,599**	**1,310**

Development of loss allowance for trade receivables

	31 Dec 2022	31 Dec 2021
Balance as at 1 January	**2**	**1**
+/- Foreign exchange gains and losses	0	0
- Amounts written off	0	0
- Amounts recovered	2	1
+ Net remeasurement of loss allowance	118	2
Balance as at 31 December	**118**	**2**

23. Income tax claims

Income tax assets include refund claims of InVision Software Ltd., London, United Kingdom.

24. Prepaid expenses and other short-term assets

	31 Dec 2022	31 Dec 2021
Prepaid and deferred items	203	181
Other miscellaneous assets	21	25
Total	**224**	**206**

The deferred income mainly consists of prepayments for service and insurance contracts for the following financial year.

25. Intangible assets

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

26. Tangible assets

The breakdown of tangible assets is as follows:

	31 Dec 2022	31 Dec 2021
Land and property / Buildings	6,734	6,930
Other miscellaneous assets	1,171	1,355
Total	**7,905**	**8,285**

Tangible assets are recognised at their historical costs of acquisition, less any scheduled depreciation if the assets are subject to wear and tear. Tangible assets are depreciated on a straight-line basis over their useful lives (3 to 33 years). Impairment losses were not deemed necessary.

27. Development of the long-term assets

Fiscal year 2022	01 Jan 2022	Additions	Transfers	Disposals	Currency differences	31 Dec 2022
1. Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets						
Gross	788	6	0	0	39	833
Value adjustment	513	61	0	0	28	602
Net	275	-55	0	0	11	231
2. Tangible						

Fiscal year 2022	01 Jan 2022	Additions	Transfers	Disposals	Currency differences	31 Dec 2022
Assets						
Land and property / Buildings						
Gross	8,393	0	0	0	0	8,393
Value adjustment	1,463	196	0	0	0	1,659
Net	6,930	-196	0	0	0	6,734
Other miscellaneous assets						
Gross	2,908	79	0	83	3	2,907
Value adjustment	1,553	264	0	83	2	1,736
Net	1,355	-185	0	0	1	1,171
3. Right-of-use assets						
Gross	2,004	50	0	0	0	2,054
Value adjustment	824	193	0	0	0	1,017
Net	1,180	-143	0	0	0	1,037
Total long-term assets						
Gross	14,093	135	0	83	42	14,187
Value adjustment	4,353	714	0	83	30	5,014
Net	9,740	-579	0	0	12	9,173

Fiscal year 2021	01 Jan 2021	Additions	Transfers	Disposals	Currency differences	31 Dec 2021
1. Concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets						
Gross	677	63	0	0	48	788
Value adjustment	430	50	0	0	33	513
Net	247	13	0	0	15	275
2. Tangible Assets						
Land and property / Buildings						
Gross	8,393	0	0	0	0	8,393
Value adjustment	1,267	196	0	0	0	1,463
Net	7,126	-196	0	0	0	6,930
Other miscellaneous assets						
Gross	2,768	178	0	43	5	2,908
Value adjustment	1,321	270	0	43	5	1,553
Net	1,447	-92	0	0	0	1,355
3. Right-of-use assets						
Gross	2,022	-18	0	0	0	2,004

Fiscal year 2021	01 Jan 2021	Additions	Transfers	Disposals	Currency differences	31 Dec 2021
Value adjustment	638	186	0	0	0	824
Net	1,384	-204	0	0	0	1,180
Total long-term assets						
Gross	13,860	223	0	43	53	14,093
Value adjustment	3,656	702	0	43	38	4,353
Net	10,204	-479	0	0	15	9,740

28. Rights of use

In the reporting year, the rights of use for the rented office space for the locations in Leipzig and Paris are recognised. The statement of comprehensive income includes interest expenses of TEUR 18 (previous year: TEUR 20) from the application of IFRS 16.

Total cash outflows from leases amount to TEUR 214 (previous year: TEUR 223).

29. Deferred taxes

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

	31 Dec 2022	31 Dec 2021
Deferred taxes based on temporary differences from a license transfer within the Group	1,380	2,070
Deferred taxes based on temporary differences from the application of IFRS 16	33	34
Total	**1,413**	**2,104**

The Group's tax losses carried forward as of 31 December 2022 totalled TEUR 15,989 (previous year: TEUR 10,204). For the above-mentioned losses carried forward no deferred taxes were recognised as the realisation is considered insufficient. Valued at individual tax rates, deferred taxes of up to TEUR 3,920 could have been recognised.

30. Other long-term assets

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

31. Short-term Liabilities

The short-term liabilities are allocated as follows:

	2022	2021
Customer contract liabilities	682	767
Provisions	186	204
Liabilities from leasing contracts	200	189
Income tax liabilities	207	173
Trade payables	173	152
Other liabilities	518	488
Total	**1,966**	**1,973**

32. Leasing liabilities

The portion of lease liabilities classified as current according to IFRS 16 was TEUR 200 as of the balance sheet date (previous year TEUR 189).

33. Trade Payables

Trade payables show a balance of TEUR 173 and are higher than at the same time last year due to the balance sheet date.

34. Income tax liabilities and provisions

Income tax liabilities and provisions developed as follows:

	01 Jan 2022	Utilisation	Reversal	Additional provision in the year	Currency Difference	31 Dec 2022
Income tax liabilities	**173**	**25**	**0**	**59**	**0**	**207**
Provision for:						
- Personnel expenses	39	39	0	87	0	87
- Annual accounts	99	99	0	64	0	64

	01 Jan 2022	Utilisation	Reversal	Additional provision in the year	Currency Difference	31 Dec 2022
costs						
- Outstanding invoices	21	16	0	13	0	18
- Trade associations	23	0	23	7	0	7
- Other	22	18	0	6	0	10
Total provisions	**204**	**172**	**23**	**177**	**0**	**186**
Total	**377**	**197**	**23**	**236**	**0**	**393**

	01 Jan 2021	Utilisation	Reversal	Additional provision in the year	Currency Difference	31 Dec 2021
Income tax liabilities	**817**	**758**	**28**	**142**	**0**	**173**
Provision for:						
- Personnel expenses	42	42	0	39	0	39
- Annual accounts costs	98	91	4	95	1	99
- Outstanding invoices	26	20	1	15	1	21
- Trade associations	20	20	0	23	0	23
- Other	23	25	2	26	0	22
Total provisions	**209**	**198**	**7**	**198**	**2**	**204**

	01 Jan 2021	Utilisation	Reversal	Additional provision in the year	Currency Difference	31 Dec 2021
Total	**1,026**	**956**	**35**	**340**	**2**	**377**

35. Customer contract liabilities and other liabilities

Customer contract liabilities and other liabilities are short-term and are allocated as follows:

	2022	2021
Customer contract liabilities	682	767
Value added tax	171	170
Other taxes	152	152
Payroll tax	144	127
Social security charges	47	38
Other miscellaneous liabilities	4	2
Total	**1,200**	**1,256**

The payments that the Group has received from customers for which services are still to be rendered over a certain period were deferred as customer contract liabilities.

36. Bank Loans

In 2018, InVision AG took out a bank loan in the amount of TEUR 6,000 to refinance investments and to make further investments. A further loan of TEUR 3,000 was taken out in 2022. Both loans are secured by a land charge. The first loan has been suspended for repayment since the third quarter of 2021 up to and including 30 March 2025, and the loan disbursed in 2022 will be repaid as scheduled from 30 March 2024. Bank loans have a remaining term of more than five years and amount to TEUR 8,040 (previous year: TEUR 5,040) as of the balance sheet date.

37. Leasing liabilities

The portion of leasing liabilities classified as non-current according to IFRS 16 amounted to TEUR 947 as of the balance sheet date (previous year: TEUR 1,104). Of this amount, TEUR 200 is due within one year, TEUR 752 is due between 1-5 years and TEUR 195 after 5 years.

38. Subscribed capital

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

The Executive Board is authorised, with the consent of the Supervisory Board, to increase the registered share capital one or more times by up to EUR 1,117,500 (Authorised Capital Account 2020) on or before 28 May 2025.

According to the shareholder resolution adopted on 08 October 2021, the Conditional Capital 2020 in the amount of EUR 1,117,500, which was determined in the Annual General Meeting on May 29, 2020, was reduced by EUR 223,500 to EUR 894,000. In addition, according to the shareholder resolution adopted on 08 October 2021, the share capital is conditionally increased by up to EUR 223,500.00 by issuing up to 223,500 no-par value bearer shares (Conditional Capital 2021).

Furthermore, by the resolution of The Annual General Meeting on 08 October 2021, the Company was authorised until 07 October 2026 to acquire treasury shares up to a total pro rata amount of the share capital of EUR 223,500 or - if this value is lower - of the share capital existing at the time of exercising this authorisation. Together with the treasury shares acquired for trading purposes and for other reasons, which are in each case held by the Company or attributable to it according to sections 71a et seq. of the German Stock Corporation Act, the shares acquired based on this authorisation may at no time exceed 10% of the respective capital stock of the Company.

39. Reserves

The reserves include net proceeds, purchase and sale of the Company's own treasury shares, capital increases from company funds, and the fair value of the stock options issued at the balance sheet date.

40. Equity capital difference based on currency conversion

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

41. Share-based payment arrangements

Description of share-based payment arrangements and conditions

As of fiscal year 2022, the group has a stock option program that was resolved at the Annual General Meeting of InVision AG on 8 October 2021, and which authorizes the Executive Board and the Supervisory Board to issue up to 223,500 stock options. The subscription rights exercised may, at the Company's discretion, be settled either by equity instruments or by cash settlement. The stock options can be issued once or several times in several tranches up to and including 7 October 2026. Up to 78,225 stock options are attributed to members of the Executive Board (Beneficiaries of Group 1) and up to 145,275 stock options are attributed to members of the management of companies affiliated with the Company within the meaning of sections 15 et seq. of the German Stock Corporation Act, selected executives and employees of InVision AG, and selected executives and employees of companies affiliated with the Company within the meaning of sections 15 et seq. of the German Stock Corporation Act (Beneficiaries of Group 2). The stock options may only be exercised if the average compound annual growth rate ("CAGR") of the Group's consolidated revenues during the reference period (as defined below) is at least 20%. The reference period comprises 20 reporting quarters of the Company, starting with the fourth quarter prior to the quarter in which the issue date falls. If the performance target is not achieved, the stock options dependent on the performance target will expire without replacement or compensation. The stock options may be exercised after the expiry of the waiting period within a maximum of three years, subject to the achievement of the performance target and the fulfilment of the other exercise requirements (existing employment relationship, consideration of exercise blocking periods) as well as any statutory restrictions. The exercise price corresponds to the arithmetic mean of the closing prices of the shares of InVision AG in the XETRA trading system of Deutsche Börse AG (or a corresponding successor system) on the 60 trading days prior to the issue date of the stock options.

In the event of extraordinary developments, the Supervisory Board of the Company may, at its own discretion, limit the exercise of stock options granted to members of the Executive Board of the Company (Group 1), in particular, to ensure the appropriateness of the compensation within the meaning of Section 87 para.1 sentence 1 AktG.

The Executive Board of the Company may limit the exercise of the stock options granted to the beneficiaries of Group 2 at its own discretion, in particular, to ensure that the total compensation of the individual beneficiary is in reasonable proportion to the beneficiary's duties and performance and does not exceed the customary compensation without special reasons.

The first tranche of the stock option program 2021 was issued on 19 November 2021. Further tranches were allocated to the beneficiaries on the same option terms on 31 March 2022, 30 June 2022, 30 September 2022 and 21 December 2022.

Determination of the fair value

In accordance with IFRS 2, stock options are measured at fair value at the date of issue. The Monte Carlo simulation was used to determine the fair value of the stock options.

The following weighted average parameters were used for the valuation of the options issued to members of the Executive Board, executives and employees:

Average weighted parameters	2022	2021
Fair value per option at grant date (in EUR)	6.01	6.15
Share price at grant date (in EUR)	27.72	29.20
Exercise price (in EUR)	28.62	30.06
Expected volatility	2.28%	2.29%
Expected life (in years)	4	4
Expected dividend yields	0%	0%
Risk-free rate	0.50%	0.49%

Expected volatility was determined by calculating the historical volatility of the Group's share price over a period of 4 years prior to the grant date.

Development of outstanding options

Details of the share options outstanding during the year are as follows:

	Group 1 and 2
Outstanding at 31 December 2021	**101,134**
Granted during the year	10,753
Expired during the year	0
Forfeited during the year	2,173

	Group 1 and 2
Exercised during the year	0
Outstanding at 31 December 2022	**109,714**
Exercisable at 31 December 2022	**0**

The options outstanding at 31 December 2022 have an exercise price between EUR 12.60 and EUR 26.78 (2021: EUR 30.06) and a weighted average remaining contractual life of 5.98 years (2021: 6.89 years). No stock options were exercised in the financial years 2021 and 2022.

The Group recognised total personnel expenses of TEUR 155 (previous year: TEUR 13) related to share-based payment transactions in 2022.

Notes to the Consolidated Statement of Comprehensive Income

42. Revenues

Revenues	**2022**	**2021**
Total	**14,464**	**13,691**

Revenues by region are categorised as follows:

By Regions	**2022**	**2021**
Germany	6,729	6,426
United Kingdom	3,660	2,698
United States of America	1,693	1,765
Other	2,382	2,802
Total	**14,464**	**13,691**

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

43. Other operating income

Other operating income of TEUR 118 (previous year: TEUR 62) mainly includes compensation in kind from employee meals, revenue from the sale of IT hardware, income relating to other periods and an insurance compensation.

44. Personnel expenses

Personnel expenses consisted of the following:

	2022	**2021**
Wages and salaries	10,895	8,888
Expenses related to share-based payment transactions	155	13
Social charges and other pension provisions	2,027	1,623
Total	**13,077**	**10,524**
- of which for pensions (direct insurance)	126	69

Direct insurance policies are classified as a defined contribution plan.

45. Depreciation and amortisation of tangible and intangible assets

Of the depreciation and amortisation reported, TEUR 193 (previous year: TEUR 185) relates to the rights of use to be capitalised under IFRS 16.

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

46. Other operating expenses

Other operating expenses are itemised as follows:

Other operating expenses	**2022**	**2021**
Cloud services	1,348	1,084
Consulting costs	835	633
Office space expenses	342	298
Travel expenses	294	58
Recruitment costs	211	175
Other personnel expenses	153	90
Marketing costs	142	483

Other operating expenses	2022	2021
Insurance costs	106	92
Other miscellaneous expenses	458	349
Total	**3,889**	**3,262**

47. Research and development

Research and development expenses amounted to TEUR 7,268 in the fiscal year (previous year: TEUR 5,507).

48. Financial result

	2022	2021
Interest and similar expenses	**-133**	**-94**
- of which for interest on liabilities for leases	-18	-20

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

49. Income taxes

Income taxes are divided as follows:

	2022	2021
Income tax	-61	-117
Deferred tax	-690	-690
Total	**-751**	**-807**

For details of the deferred tax assets recognised, please refer to the previous section 29. Deferred taxes are calculated based on an income tax rate of 30% for the German corporation and the future local tax rate for the foreign subsidiaries.

The actual tax rate is computed as follows:

	2022	2021
Consolidated result before taxes	-3,227	-827
Income tax	751	807
Actual tax rate	**-23%**	**-98%**

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

	2022	2021
Profit before tax on continuing operations	-3,227	-827
Expected tax income at the corporation tax rate of 30.0% (previous year: 30.0%)	**968**	**248**
Current year losses for which no deferred tax asset was recognised	-2,064	1,391
Effect of different tax rates of subsidiaries operating in other		
jurisdictions	292	312
Expense from stock options according to IFRS 2	47	4
Other	6	20
Total	**-751**	**-807**

In addition to non-tax-deductible expenses and non-taxable income, the other tax effects mainly include the unrecognised tax loss carry-forwards at InVision AG, Düsseldorf, and InVision Software Inc., Chicago, USA.

Notes to the earnings per share

The calculation of undiluted earnings per share is based on the net profit attributable to the equity holders of the parent company (TEUR -3,978) divided by the weighted average number of ordinary shares circulating during the year (2,235,000). There was no dilutive effect on earnings per share in the reporting year.

Notes to the Consolidated Cash Flow Statement

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

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

	2022	2021
Interest received	0	0
Interest paid	-133	-94
Income taxes received	279	136
Income taxes paid	34	-827

Interest paid has been allocated to the cash flow from financing activities for reasons of clarity. The prior-year amount has been reclassified accordingly, thus reducing the cash flow from operating activities shown in 2021. The payments received from taking out bank loans reported under the cash flow from financing activities correspond to the increase in bank loans in the balance sheet. The net financial position shown in the cash flow statement represents total liquid funds as reported in the consolidated cash flow statement.

Other Information

50. Financial assets and liabilities

In accordance with IFRS 13, the significant parameters on which the measurement is based must be disclosed for all financial instruments whose fair value is disclosed or which are recognised at fair value. All financial instruments are measured at amortised cost and the fair value corresponds to the book value.

The financial liabilities existing in the Group consist of a loan to refinance investments and to make further investments, liabilities from leases, and current trade payables. The significant financial assets of the Group consist of cash and cash equivalents and accounts receivable. The book value of these positions represents the maximum default risk and totals TEUR 8,088 (previous year: TEUR 7,648). Business relationships are established with creditworthy contracting parties (counterparties) only. To evaluate the creditworthiness of counterparties (above all, large customers), the Group relies on available financial information and its own internal trading records. The Group holds trade receivables against several customers from a wide range of industries and regions. Credit assessments regarding the financial strength of the receivables are constantly performed. The typical terms of payment granted (with no discounts or deductions) are 30 days. Concerning all trade receivables, which were overdue by more than 90 days as of the balance sheet date and involve a default risk, bad debt allowances were created.

The Group did not execute any derivatives or hedging transactions. Reclassifications were not made either in 2022 or in 2021 as a result of the reclassification as part of the transition to IFRS 9.

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

51. Capital risk management

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

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

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

	31 Dec 2022	31 Dec 2021
Equity capital	7,965	11,870
- as a percentage of total capital	42%	59%
Liabilities	10,953	8,118
- as a percentage of total capital	58%	41%
Short-term liabilities	1,966	1,973
- as a percentage of total capital	10%	10%
Net gearing*	56%	15%

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

The Group's equity ratio target is 50%.

52. Finance risk management

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

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

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

31.Dec 2022	Maturity up to 1 year	Maturity between 1-5 years	Maturity over 5 years
Interest bearing loans	0	3,949	4,091
Trade payables	173	0	0
Leasing liabilities	200	752	195
Customer contract liabilities	682	0	0

31.Dec 2022	Maturity up to 1 year	Maturity between 1-5 years	Maturity over 5 years
Other liabilities	911	0	0
Total	**1,966**	**4,701**	**4,286**

31.Dec 2021	Maturity up to 1 year	Maturity between 1-5 years	Maturity over 5 years
Interest bearing loans	0	1,680	3,360
Trade payables	152	0	0
Leasing liabilities	189	889	215
Customer contract liabilities	767	0	0
Other liabilities	865	0	0
Total	**1,973**	**2,569**	**3,575**

53. Market risks

Market risks can arise from changes in exchange rates (currency risk) or interest rates (interest risk). Given the limited relevance these risks have for the Group, the Group has not heretofore hedged such risks using derivative financial instruments. These risks are managed through constant monitoring. Currency risks are largely avoided by virtue of the fact that the Group invoices primarily in euro or in the local currency. As of the balance sheet date, the receivables denominated in foreign currencies equalled TEUR 33 (previous year: TEUR 898), and the payables denominated in foreign currencies equalled TEUR 1 (previous year: TEUR 7). Had the euro appreciated by 10% compared to other currencies relevant to the Group as of 31 December 2022, then the pre-tax result would have been TEUR 2 (previous year: TEUR 4) lower.

54. Transactions between related parties

There were no transactions involving goods and services between closely related enterprises and persons, neither in the reporting period nor in the previous year.

55. Events after the balance sheet closing date

No events of particular significance with a material financial impact occurred after the balance sheet date.

56. Number of employees

In the 2022 fiscal year, the Company employed on average 141 employees (previous year: 128), not including the Executive Board.

	2022	2021
	141	**128**
- of which in Product Development	78	63
- of which in other business units	63	65

57. Information on the Company's governing bodies

The following person was a member of the Executive Board in the fiscal year:

- Peter Bollenbeck (Chairman), Düsseldorf, Germany

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

In EUR	2022	2021
Peter Bollenbeck	**405,215**	**384,895**
of which fixed salary	400,000	380,000
of which other benefits	5,215	4,895

As of the balance sheet date, the Executive Board holds, either directly or indirectly, 35.14% of the Company's registered share capital (31 December 2021: 35.14%).

In the fiscal year 2022, no stock options were granted to the Executive Board. In the previous year, the 78,225 options and the resulting subscription rights from the 2021 stock option program attributable to members of the Executive Board were issued in full.

The Supervisory Board consists of:

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

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

The remuneration of the Supervisory Board, paid as fixed remuneration, consists of the following:

In EUR	2022	2021
Dr. Thomas Hermes	25,000	25,000

In EUR	2022	2021
Matthias Schroer	18,750	18,750
Prof. Dr. Wilhelm Mülder	12,500	12,500
Total compensation Supervisory Board	**56,250**	**56,250**

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

58. Information on the fees of the Company auditors

The fee for the Company's annual accounts auditor, which was recognised for the fiscal year 2022, consists of the following:

	2022	2021
Auditing service for the annual accounts	52	53
Tax advisory services	0	5
Total	**52**	**58**

59. Information on segment reporting

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

60. Proposal for the Appropriation of Profit

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

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

On 27 January 2023, the Executive Board and Supervisory Board stated under § 161 of the German Stock Corporation Act regarding the extent to which it has elected to comply with the recommendations of the "Government Commission of the German Corporate Governance Code" and published this statement on the internet at www.ivx.com/en/investors/corporate-governance/compliance-statement.

Düsseldorf, 20 March 2023

Peter Bollenbeck

Responsibility Statement by the Executive Board

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

Düsseldorf, 28 March 2023

Peter Bollenbeck

AUDITOR’S REPORT OF THE INDEPENDENT AUDITOR

To InVision AG, Düsseldorf

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of InVision AG, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year from January 1, 2022 to December 31, 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the group management report of InVision AG for the fiscal year from January 1, 2022 to December 31, 2022. We have not audited the content of the parts of the group management report mentioned in the section “Other information” in accordance with German legal requirements.

In our opinion, based on the knowledge obtained in the audit

- the accompanying consolidated financial statements comply in all material respects with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 315e (1) HGB and give a true and fair view of the financial position of the Group as of December 31, 2022 and of its financial performance for the fiscal year from January 1, 2022 to December 31, 2022 and
- the accompanying Group management report as a whole provides a suitable view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development. We do not express an opinion on the components of the group management report referred to in the section “Other information”.

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the propriety of the consolidated financial statements and the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB and the EU Regulation on Auditors (No. 537/2014; hereinafter “EU-APrVO”) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and standards is further described in the section “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report” of our auditor’s report . We are independent of the Group companies in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services as defined in Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1, 2022 to December 31, 2022. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters. In the following, we describe the audit matters that we consider to be of particular importance:

Revenue recognition

Reasons for designation as a key audit matter

Revenue recognition has been identified as a key audit matter because a significant risk of material misstatement (including the potential risk of management bias and fraud) within the meaning of IDW PS 261 (revised) has been identified in it and it was also the most significant in the context of the audit for the current reporting period. Significant risks are risks of error that, due to their nature or the extent of possible misstatements associated with them, require particular attention in the audit of the financial statements.

There is a risk to the financial statements that revenue is not recognized on an accrual basis, in particular too early, and that earnings and net income for the fiscal year are therefore overstated.

Audit procedures

First, we assessed the design of the internal control system with regard to the revenue process and in particular with regard to the accrual-based revenue recognition.

Sales were analyzed - particularly with regard to accrual accounting - in terms of their development over the course of the year, the underlying accounting patterns, and the correlation of sales to selected accounts (e.g. trade receivables and deferred income).

Furthermore, we obtained evidence (such as customer contracts) of the existence of revenue for a sample of revenue determined on a statistical mathematical basis in the course of substantive audit procedures.

In particular, in order to assess the accrual of revenues, we randomly reconciled and recalculated the revenues recognized in the month of December of the reporting year and the related deferred income for services not yet fully rendered to the contractual basis.

In auditing sales to Group companies, we examined in particular the contractual agreements between the Group companies. We satisfied ourselves of the accuracy of the cost calculation determined, which serves as the basis for recharging.

Reference to related information

In the consolidated financial statements of InVision AG as of December 31, 2022, revenues in the amount of EUR 14,464 thousand are reported in the consolidated statement of comprehensive income. In addition, explanations are provided in the notes to the consolidated financial statements under point 42 “Revenue” and in the management report under the section “Results of operations”.

Our conclusions

InVision AG’s approach to the accrual of revenues is appropriate.

Other information

The legal representatives are responsible for the other information. The other information comprises the components of the Group management report that have not been audited as to their content: the corporate governance statement pursuant to section 289f (4) HGB, to which reference is made in section 5 “Corporate governance statement pursuant to section 289f HGB” of the Group management report; the assurance pursuant to section 297 (2) sentence 4 HGB on the consolidated financial statements; and the assurance pursuant to section 315 (1) sentence 4 HGB on the Group management report.

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information and, accordingly, we do not express an opinion or any other form of conclusion on it.

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information referred to above and, in doing so, assess whether the other information is

- material inconsistencies with the consolidated financial statements, with the content of the audited consolidated management report disclosures or with our knowledge obtained in the course of the audit or
- otherwise appear to be materially misrepresented.

Management’s Responsibility for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to the Group's going concern. Furthermore, they are responsible for preparing the financial statements on a going concern basis unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that as a whole provides a suitable view of the Group's position, is consistent in all material respects with the consolidated financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and with our audit findings, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU-APrVO and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise professional judgment and maintain a critical stance. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and the group management report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the arrangements and actions relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the Group being unable to continue as a going concern;
- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRSs as adopted by the EU, and the additional requirements of German law pursuant to § 315e Abs. 1 HGB;
- obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the Group management report. We are

responsible for directing, supervising and performing the audit of the consolidated financial statements. We are solely responsible for our audit opinions;
- we assess the consistency of the group management report with the consolidated financial statements, its compliance with law and the understanding of the Group's position given by it;
- We perform audit procedures on the forward-looking statements made by management in the Group management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions made by management regarding the forward-looking statements and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Assurance report on the Electronic Reproductions of the Consolidated Financial Statements and the Group Management Report Prepared for the Purposes of Disclosure Pursuant to Section 317 (3a) of the German Commercial Code (HGB)

Reasonable Assurance Conclusion

In accordance with section 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance review to determine whether the reproductions of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the file 391200OU8RFEMSDLBM19-2022-12-31-de.zip (SHA256: E6E6A1C5D5CE49118C8934EA12C62008A32535E98655D9054E608D43B519F792) and prepared for disclosure purposes comply in all material respects with the requirements of section 328 (1) of the German Commercial Code on the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the aforementioned file and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements of Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from January 1, 2022 to December 31, 2022 contained in the preceding "Report on the audit of the consolidated financial statements and the group management report", we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.

Basis for the Reasonable Assurance Conclusion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for Disclosure Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüfer praxis (IDW QS 1).

Responsibility of the legal representatives and the supervisory board for the ESEF documents

The legal representatives of the Company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the Group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the award of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

Furthermore, management is responsible for the internal controls as they deem necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB regarding the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of

Section 328 (1) HGB. During the audit we exercise professional judgment and maintain a critical attitude. Furthermore

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit of ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as amended on the reporting date to d he technical specification for this file.
- we assess whether the ESEF documentation provides a consistent XHTML representation of the audited consolidated financial statements and the audited group management report.
- we assess whether the markup of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable on the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendering.

Other information according to Article 10 EU-APrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on August 30, 2022. We were appointed by the Supervisory Board on December 7, 2022. We have served as auditors of the consolidated financial statements of InVision AG without interruption since fiscal year 2022.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the Audit Committee pursuant to Article 11 EU-APrVO (Audit Report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format - including the versions to be entered in the companies register - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Dr. Mathias Thiere.

Berlin, March 29, 2023

MSW Ltd.
Auditing company
Tax consulting company

Dr. Thiere - Certified Public Accountant
Jaeger - Certified Public Accountant