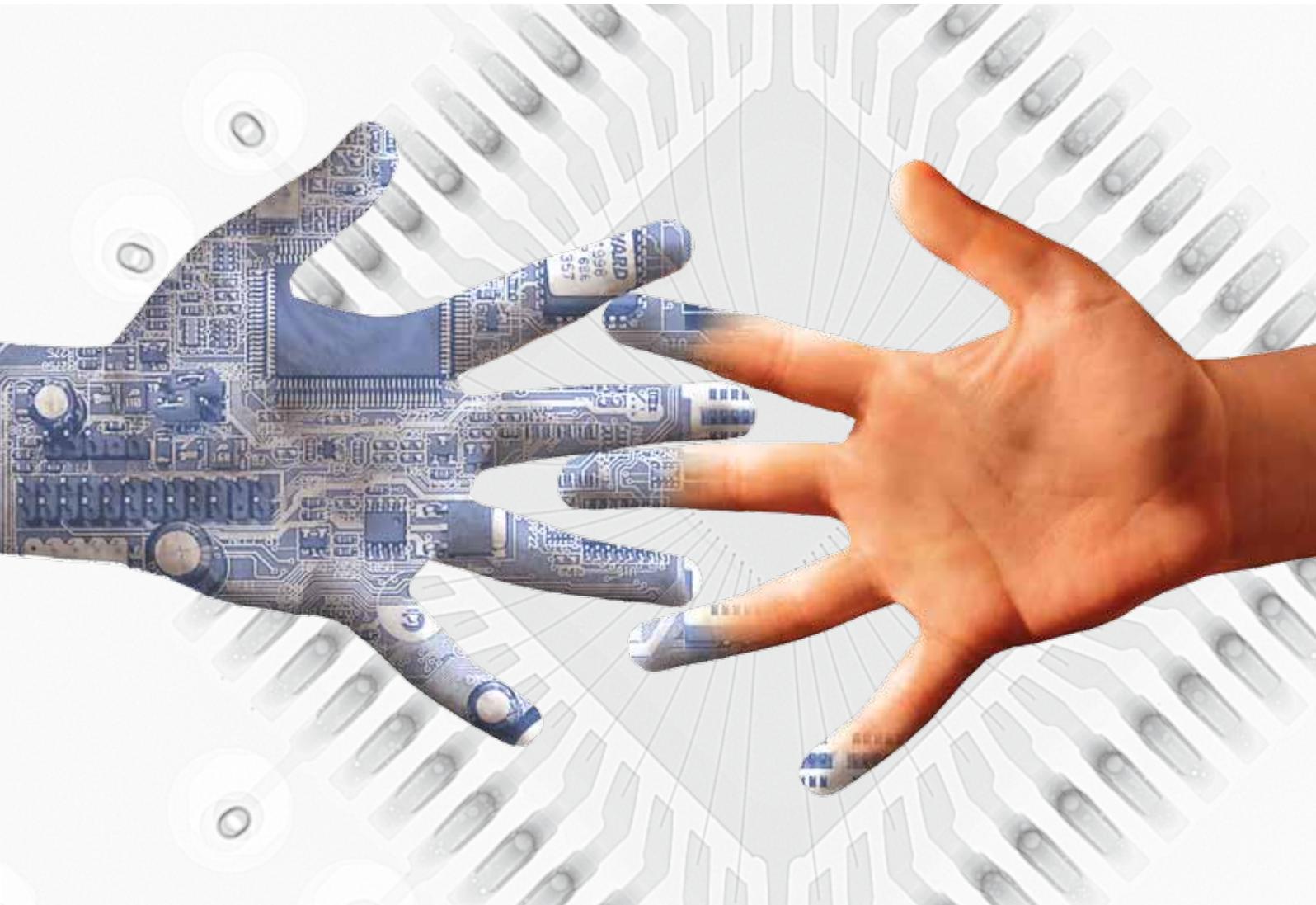


MAN. MACHINE. VISION.
WITH PASSION FOR TECHNOLOGY.



INTERIM REPORT
as of 30 June 2017

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OPERATING FIGURES

Profit and loss

		6M 2017	6M 2016
Revenues	K€	39,895	31,209
EBIT	K€	5,701	2,001
Net profit for the period	K€	4,122	681

Balance sheet and cashflow statement figures

		6M 2017	6M 2016
Total assets	K€	64,385	56,824
Equity ratio	%	80,7	80,3
CF from operating activities	K€	8,828	-3,588
CF from investing activities	K€	-917	-991
CF from financing activities	K€	-3,984	-3,554
Cash and cash equivalents	K€	10,251	3,708

Share

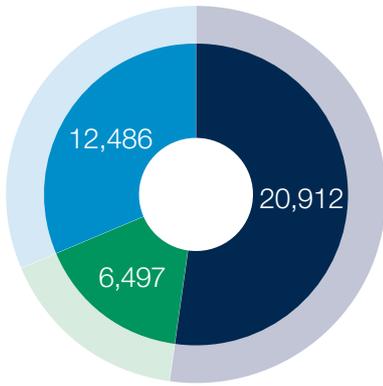
		6M 2017	6M 2016
Earnings per share	€	0.46	0.08

Employees

		6M 2017	6M 2016
Employees on 30 June		397	372

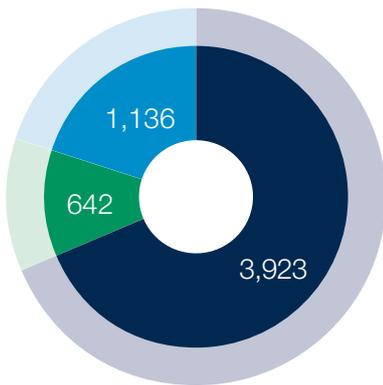
SEGMENT INFORMATION

FIGURES 6M 2017



Revenue in K€

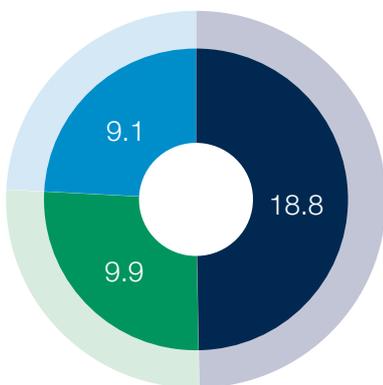
39,895
Revenue in K€



EBIT* in K€

42,270
Incoming orders in K€

5,701
EBIT in K€



EBIT-Margin* in %

14.3
EBIT-Margin in %

80.7
Equity Ratio in %

■ Europe ■ Americas ■ Asia

* in consideration of consolidation differences

FOREWORD FROM THE EXECUTIVE BOARD

Dear Ladies and gentlemen,

The Viscom Group reinforced its position on the market with great success and enjoyed extremely positive operating performance in the first six months of the current financial year. This success is reflected in particular in the outstanding figures for the first half of the year.

Incoming orders increased by a good 10.4 % year-on-year, with consolidated revenue rising by as much as 27.8 %. Meanwhile, our order backlog of € 20,445 thousand serves to ensure an extremely high level of production capacity utilisation over the coming months.

We are also continuing to benefit from positive investment behaviour on the part of our customers and have not observed any signs of a slowdown in orders. Existing and new customers are being won over by our good positioning in the 3D inspection of optical systems and our new inline X-ray technology in particular. This is allowing us to make the entire inspection process even more transparent and quality-oriented for our customers. We have enhanced 3D inspection once again with a combination of intelligent application software and the high-performance XMplus camera module. This includes optimal 3D solder joint measurement. Access to precise measurements supports users in preparing 3D AOI inspection programs and ensures a high degree of efficiency. Viscom's high-speed XMplus camera module presents the results of 3D measurement in the form of easily interpreted height and position values. Users can handle these values easily and intuitively in practice, thereby allowing them to achieve the best possible quality assurance for electronic assemblies.

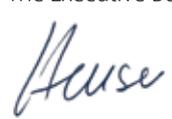
With the latest software version, vVision 2.4, we are now also offering a smart software solution for mobile devices. This Viscom app allows key variables like throughput and performance to be controlled with the utmost convenience from any location. The app gives users a comprehensive overview of their company's production and supports them in process optimisation and fault prevention. This makes the inspection of electronic assemblies even more versatile, as well as bringing significant value added by increasing transparency in internal company coordination and logistics. This allows us to meet the most stringent of customer requirements in terms of throughput and inspection quality.

Our extremely positive overall business development is reflected in our operating profit, which almost doubled year-on-year on the back of the substantial revenue growth and healthy earnings contributions from all of our divisions and foreign branches. This resulted in an EBIT-Margin of 14.3 %.

In light of these results, the Executive Board of Viscom AG is raising its forecast for the 2017 financial year. We are now forecasting revenue of between € 87 million and € 92 million (previously: € 80-85 million) and an EBIT-Margin of between 14 % and 16 % (previously: 13-15 %).

We are delighted by Viscom AG's positive development and hope to continue to enjoy your trust and support in future.

The Executive Board



Dr. Martin Heuser



Volker Pape



Dirk Schwingel

VISCOM'S SHARES

Basic information on Viscom's shares

German Securities Code Number (WKN)	784686
ISIN	DE 000 7846867
Ticker symbol	V6C
Market segment	Regulated market (Prime Standard)
Category	No-par value bearer shares
Share capital (€)	9.02 million
Share capital (units)	9,020,000
Number of voting shares	8,885,060
High on 30 May 2017 (*)	€ 22.23
Low on 3 January 2017 (*)	€ 13.85
Market capitalization as of 30 June 2017	€ million 170.48
Earnings per share	€ 0.46

* All share price information is based on XETRA daily closing prices

The stock markets enjoyed a positive start to the new year, recording extremely good performance in the first quarter of 2017. The major indices began the second quarter with further growth. However, geopolitical tensions in Europe due to factors such as the referendum in Turkey, the Brexit negotiations and the presidential election in France, as well as the renewed conflict between the USA and North Korea, then led to restraint on the part of investors. The stock markets found themselves treading water and volumes declined. Macron's subsequent victory in the first round of the French presidential election triggered a sharp rise in Europe's stock markets, and the indices marked new highs in late April. The German stock market continued on its upward path in May, reaching a new all-time high. Rising investments by German companies, a substantial increase in exports and positive consumer sentiment formed the basis for further share price growth. This continued into early June, with the benchmark DAX index and the MDAX, SDAX and TecDAX all reaching new highs. Technology stocks in particular came under pressure as June progressed, with prices showing considerable volatility. The sustained fall in oil prices and speculation about monetary policy tightening on the part of the ECB led to extensive losses on the financial markets in late June.

Viscom's share price performance in the first six months of 2017

Viscom's shares enjoyed impressive price performance in the first half of 2017. The low for the year was recorded on 3 January 2017 at € 13.85. The shares benefited from the positive sentiment on the stock markets and the announcement of Viscom AG's good results for the 2016 financial year. In the second quarter, the publication of the ad hoc disclosure on Viscom AG's revenue and earnings for the first quarter on 20 April 2017 provided a further boost to the share price.

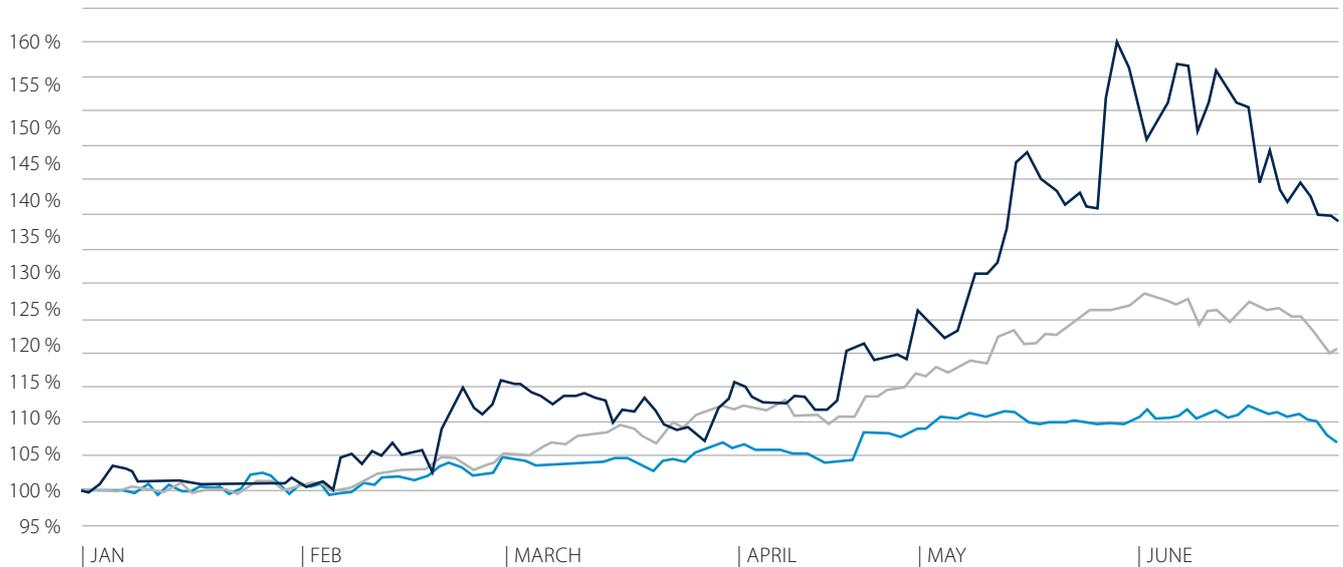
Viscom's shares reached a high for the year of € 22.23 on 30 May 2017. This also represents the highest share price since Viscom AG was first listed in May 2006. Viscom's shares hovered around € 16.56 on average during the first six months of the year, with a closing price of € 18.90 on 30 June 2017.

Shareholder structure

The shareholder structure of Viscom AG is characterised by the high degree of involvement on the part of the Company founders and Executive Board members Dr. Martin Heuser and

Development of Viscom's shares in the first six months of 2017

■ Viscom (Xetra): 136.0 % ■ DAX (Xetra): 106.3 % ■ TecDAX (Perf.) (Xetra): 118.9 %



Volker Pape. 59.64 % of the shares are held by Dr. Martin Heuser and Volker Pape, either directly or via HPC Vermögensverwaltung GmbH. 9.51 % of the shares are held by Allianz. Viscom AG holds 1.50 % of its own shares, which the Company repurchased in 2008/2009 as part of a share buyback programme. The 29.35 % of shares that are in free float are spread primarily among investors in Germany and other European countries.

Annual General Meeting

The Annual General Meeting of Viscom AG was held at the Old Town Hall in Hanover on 31 May 2017. Of the Company's voting share capital of € 8,885,060.00, divided into 8,885,060 no-par value shares, a total of 6,556,389 no-par value shares with the same number of votes were represented during the voting process; this corresponds to 73.79 % of the voting share capital. All agenda items were adopted by the shareholders and shareholder representatives with the necessary majority. Among other things, the Annual General Meeting resolved the distribution of a dividend of € 0.45 per share.

The next Annual General Meeting of Viscom AG will take place at the Old Town Hall in Hanover on 30 May 2018.

Investor relations

The objective of our investor relations activities is to enable all capital market participants to evaluate Viscom AG objectively. We achieve this by means of continuous, open communication. All information on Viscom's shares is published as it becomes available in the Investor Relations section of our website at www.viscom.com.

You can also contact our Investor Relations department directly at the following address:

Viscom AG
 Investor Relations
 Anna Borkowski
 Carl-Buderus-Straße 9-15
 30455 Hanover
 Germany
 E-mail: investor.relations@viscom.de
 Tel.: +49 (0) 511 94996-861
 Fax: +49 (0) 511 94996-555

CONSOLIDATED INTERIM MANAGEMENT REPORT

BASIC INFORMATION ON THE GROUP

Business model of the Group

Structure of the company and its investees

Viscom AG, Hanover (hereinafter: Viscom AG), is the parent company of the Viscom Group (hereinafter referred to as Viscom). With subsidiaries in Asia, America, Europe and Africa that are directly or indirectly wholly-owned by Viscom AG, the Group has an efficient, market-oriented organisational structure. All of the companies are focused on their respective customer groups and their requirements. This enables them to act and respond quickly and in a flexible manner. They also benefit from the advantages of belonging to a larger group, thus enabling the mutual exchange and utilisation of knowledge and experience. Production takes place exclusively in the Group's home base, Hanover. This means that Viscom enjoys the production advantages of one of the most highly developed industrial locations, allowing it to guarantee a very high quality level for its products.

In 2001, Viscom GmbH changed its legal form to that of a German stock corporation (Aktiengesellschaft) and became Viscom AG. The Company's share capital is divided into 9,020,000 shares, of which 59.64 % are held directly or indirectly through HPC Vermögensverwaltung GmbH by the Company's founders and Executive Board members Dr. Martin Heuser and Volker Pape. 9.51 % of the shares are held by Allianz.

On 29 July 2008, the Executive Board, with the approval of the Annual General Meeting on 12 June 2008 and after consultation with the Supervisory Board, decided to acquire up to 902,000 of the Company's own shares by 31 March 2009. By the reporting date of 31 March 2009, the Company had bought back 134,940 shares. As of 30 June 2017, Viscom AG held approximately 1.50 % of its own shares.

The Executive Board of Viscom AG consisted of three members as of 30 June 2017:

Dr. Martin Heuser: Technology

Volker Pape: Sales

Dirk Schwingel: Finance

The Executive Board is monitored by the three members of the Supervisory Board:

Bernd Hackmann (Chairman)

Klaus Friedland (Deputy Chairman)

Prof. Dr. Ludger Overmeyer

Segments and key locations

Viscom develops, manufactures and sells high-quality automated inspection systems for use in industrial production. The Company's business activities are broken down on the basis of work required for the project-specific adaptation of standard components and systems, as well as the technology used to identify potential production errors using the inspection systems.

In geographical terms, the Company's business incorporates the European market with its headquarters in Hanover and a subsidiary in Paris, France; the American market with its subsidiary in Atlanta, USA; and the Asian market with its subsidiary in Singapore, which in turn has its own subsidiary in Shanghai, China. The sales company in Tunis, Tunisia, a subsidiary of the French subsidiary, is allocated to the geographical segment Europe. The company is developing the North African sales market.

There were no changes in the Group's activities or structure during the reporting period.

Business processes

The inspection systems are developed and produced at Viscom AG's headquarters in Hanover. This is where all the centralised functions, such as business administration, development, production, service and sales management, are based.

The Company's product development activities are focused on fundamental development work for future generations of inspection systems, as well as project-specific development for the adaptation of basic machine types to meet customer-specific requirements.

A large part of production is order-based. This draws on in-house pre-production of various assemblies.

Sales activities are performed by sales employees of Viscom AG and its Group companies, as well as by agents acting on the market as industry representatives for mechanical engineering firms.

High availability is also one of the most important aspects when using an inspection system. This requires regular maintenance, repair and calibration. The Service business area provides Viscom customers with advice and support for these tasks. Fast reaction times are ensured thanks to the global presence of the service employees.

Major business processes are managed and supported with the help of the business software proALPHA. The order processing module included in this system is used by all Viscom locations around the world.

Legal and economic factors

There have been no fundamental changes in the legal and economic framework which had a material effect on the Company in the first half of the 2017 financial year. For more details regarding the development of the overall economy, please refer to the economic report below.

Management system

The key performance indicators according to which the Viscom Group is managed are incoming orders, revenue, EBIT (operating profit or segment earnings) and the EBIT-Margin (EBIT/revenue).

The management of the Group is based on a reporting system that takes the form of monthly reports submitted to management and the heads of the business areas. These monthly reports include the consolidated income statement and individual breakdowns for the various Group companies.

The reports also include a detailed presentation of the cost structure at Viscom AG and its Group companies. They provide information on revenue in the Group's machine installation regions, incoming orders, the order backlog, the number of employees, cash and cash equivalents, total receivables and receivables from subsidiaries, orders placed for the purchase of goods and inventories of goods as well as completed and partially completed systems.

In addition, they provide an overview of employee turnover, sickness absence rate and per capita revenue, as well as key indicators for project management, product development, production and logistics.

The statements contained in the monthly reports are analysed in regular meetings between the Company's management and the heads of the business areas. Any action that may be necessary results in decisions which are usually implemented in the short term.

Research and development

The main focus of development activities is on the further development of existing system solutions as well as the implementation of new market requirements in the field of optical and X-ray inspection processes. This area also focuses on the definition of new products and machines.

One focal point of development work in 2017 is the expansion of AXI software and hardware. One of the objectives of software development in this area is the changeover to 3D evaluation as the standard analysis technique. The planar computer tomography used also requires the enhancement of some aspects of the hardware. In the area of system and plant technology, another objective is to halve the PCB handling time, i.e. the time required to unload an inspected PCB and load the next PCB to be inspected.

In May, Viscom presented the X7056II AXI system – the successor to the successful X7056RS – at the SMT in Nuremberg, one of the leading trade fairs for electronics production systems. The new system exceeds the target of halving the handling time by some distance, leading to a significant increase in the throughput of the AXI systems on the whole.

In the area of software, the vVision software platform was previously mainly supplied to new customers. However, existing customers are increasingly expressing an interest in switching to vVision in order to enjoy the benefits of simpler system programming. In preparation for this, Viscom is developing the Viscom Pilot, which ensures the smooth operation of the existing inspection programmes on the customers' legacy sys-

tems while also enabling easy switching between the existing software platform and vVision in order to use new inspection programmes that have been programmed using the latter.

The successful transfer of scientific findings into practical applications at Viscom has been another building block of research and development for several years now. Together with Leibniz University Hanover, Viscom is promoting such a transfer process within the scope of research and development projects, in which scientific knowledge is applied in developing solutions

to specific issues relevant to the market.

Expenditure for research and development, excluding constructive changes for customer-specific adaptations, remained at the previous year's level. Development costs totalling € 601 thousand were capitalised in the first six months of 2017 (previous year: € 782 thousand). Capitalised development costs were written down as scheduled in the amount of € 654 thousand (previous year: € 551 thousand).

ECONOMIC REPORT

Macroeconomic and sector development

Macroeconomic development

According to media reports, the global economy continued to recover and the current economic situation was considerably more positive than in the previous months. The advanced economies, and particularly the European Union, were the growth drivers. The economic situation in the emerging economies also improved substantially. By contrast, the economic climate in Africa, the Middle East and Turkey remains muted.

The German economy successfully built on the positive figures recorded in the ifo Business Climate Index in the first quarter and continued on its growth path. Growth in the euro zone's largest economy was driven in particular by strong global trade, the strength of the construction sector and, in particular, the high level of domestic demand. The index has increased the speed of its upward movement in recent months, again setting new records for the current year.

The NAFTA countries also enjoyed positive economic development. Accordingly, the US economy was solid and investment continued to rise.

Countries in the Asia region saw good development in the first half of the year, with a positive economic outlook for China in particular. However, a return to the high growth rates of past years in China remains unrealistic.

Sector development

The inspection of electronic assemblies is Viscom's main revenue segment. Viscom is primarily represented in the automotive supplier segment within the electronics industry, one of the largest branches of industry in the world.

Technical developments in the electronics industry have been an innovation driver for Viscom over the last few years. The volumes and quality requirements of increasingly complex and ever-smaller electronic assemblies are seeing constant growth, meaning that they can be reliably tested only using automated inspection systems.

In recent years, Viscom has intensified its efforts to gain a foothold in other industries such as telecommunication, industrial electronics and semiconductor production. The Company has already established itself with a broader base among SMEs in Europe. At the same time, it is continuing to focus on

electronic manufacturing services (EMS) in the computers, communication and consumer (3C) sector in Asia in particular.

The German mechanical engineering sector is heavily dependent on international markets and, according to the German Mechanical Engineering Industry Association (VDMA), the trend towards the internationalisation of German mechanical engineering and the corresponding customer industries remains intact.

Target sectors, target markets and target customers

The inspection systems manufactured by Viscom are employed primarily within the electronics industry. Producers of electronic components are the main customer segment, accounting for 82 % of revenue (previous year: 81 %). Some of these companies are involved in production for end consumers. However, the majority of Viscom's customers are suppliers for other companies that manufacture products such as electronic assemblies which are integrated into end products as supplier parts – for example, motor controllers in vehicles. The remaining 18 % of revenue (previous year: 19 %) is attributable to manufacturers from other industries, such as household and consumer electronics and medical technology. A growing proportion of customers are from the EMS sector. These are companies that do not have their own branded products, but instead serve exclusively as an extended workbench for product suppliers.

With the increasing use of in-car electronics and the high reliability requirements for vehicle systems, the automotive industry has developed into one of the most significant customer groups for the inspection of electronic assemblies. These assemblies, which often take the form of safety-related components, such as ABS, ESP, or airbags, are typically inspected using systems such as those offered by Viscom.

Due to rising technological demands, including in the consumer goods industry, quality pressure is a great deal higher than in previous years. The emphasis is placed on process quality,

since a stable process improves delivery quality. In particular, however, this also means fewer rejects and hence higher levels of production efficiency. At the same time, electronics manufacturers from Asia in particular that were still seen as low-price suppliers just a few years ago are increasingly seeking to position themselves as premium suppliers.

Close, long-term customer contacts form the basis for comprehensive and customised service. The results of this cooperation are incorporated into the development of new system solutions and the refinement of proven systems. This allows Viscom to develop new solutions and open up future markets thanks to a high degree of innovation and customer proximity.

Customer structure

Viscom generated approximately 58 % of its revenue with its five largest customers (previous year: 51 %). A further 30 % of revenue was generated with 32 customers (previous year: 18 customers). The remaining revenue was generated with a total of 244 different customers (previous year: 249 customers).

Markets

With its optical, X-ray and combined inspection systems, Viscom is particularly well represented in production operations with the very highest quality requirements. Accordingly, the main customers are companies that make product safety and reliability top priorities. The automotive electronics sector accounts for a particularly high volume of business in this respect.

Technological developments and the accompanying technical and economic progress, combined with its international sales and service presence, have helped Viscom to expand its market position and achieve long-term customer retention.

By continuously developing its products, improving its business processes and adapting its sales organisation to reflect changing conditions, Viscom is in a position to address the challenges of the future and thus maintain and expand its market position.

SUMMARY ANALYSIS OF THE COMPANY'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND COURSE OF BUSINESS

Results of operations

Incoming orders / order backlog

In the first six months of the year, orders totalling € 42,270 thousand (previous year: € 38,290 thousand) were received. This 10.4 % increase was due in particular to the expanded customer base and higher order volumes for series systems.

As of 30 June 2017, order backlog increased to € 20,445 thousand (previous year: € 18,897 thousand) and corresponded to full capacity utilisation for more than three months.

Revenue development

Viscom's revenue amounted to € 39,895 thousand in the first half of 2017, up 27.8 % on the same period of the previous year (€ 31,209 thousand). This development was driven in particular by a substantial upturn in system sales and service business.

Operating profit (EBIT) / EBIT-Margin

Operating profit (EBIT) amounted to € 5,701 thousand (previous year: € 2,001 thousand). This corresponds to an EBIT-Margin of 14.3 % (previous year: 6.4 %). The increase was due in particular to the higher level of revenue and the below-average rise in personnel costs and other operating expenses as a proportion of revenue. By contrast, the cost of materials saw more pronounced growth as a result of the increase in inventories.

Net profit for the period

Net profit for the period increased significantly, from € 681 thousand in the previous year to € 4,122 thousand. The effects discussed under operating profit above also had an impact on net profit for the period.

The pre-tax return on sales was 14.3 % (previous year: 6.4 %).

Earnings per share

On the basis of 8,885,060 shares, earnings per share as of 30 June 2017 amounted to € 0.46 (diluted and undiluted) compared with € 0.08 in the previous year.

Financial result

As in the corresponding prior-year period, net financial income and expense amounted to € 0 thousand.

Exchange rate effects

As it operates internationally, Viscom is exposed to exchange rate risks. Based on the current business volume denominated in foreign currency, the existing level of exchange rate risk is considered to be acceptable. In the period under review, 10.3 % of total revenue was subject to a direct exchange rate effect (previous year: 6.9 %). Viscom reserves the right to perform exchange rate hedging in individual cases.

Employees

As of the end of the second quarter, the number of Group employees increased by 25 compared with the previous year. As a result, Viscom employed 397 employees (excluding trainees) globally as of 30 June 2017 (previous year: 372 employees). Viscom decided to increase its workforce in response to the continuous upturn in incoming orders and the growth forecast for the Company, among other things.

As at 30 June 2017	Europe	Americas	Asia	Total
Total	324	20	53	397
of which full-time	290	18	53	361
of which part-time	34	2	0	36
plus: Trainees	9	0	0	9

Regional developments

Information on the Group's geographical segments by sales market

in K€	Europe		Americas		Asia		Consolidation		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External sales	20,912	20,545	6,497	3,859	12,486	6,805	0	0	39,895	31,209
Inter-segment sales	10,874	7,424	204	165	860	592	-11,938	-8,182	0	0
Total sales	31,786	27,969	6,701	4,024	13,346	7,397	-11,938	-8,182	39,895	31,209
Segment earnings	4,181	1,627	642	72	1,136	295	-258	7	5,701	2,001

Europe

Europe was the Viscom Group's strongest region by some distance, generating revenue of € 20,912 thousand in the first six months of the 2017 financial year (previous year: € 20,545 thousand) and accounting for around 52 % of total revenue. Revenue in the region remained largely unchanged year-on-year. It was primarily generated from system and service business. Revenue in Germany amounted to € 8,781 thousand (previous year: € 8,263 thousand).

Segment earnings in the Europe region totalled € 4,181 thousand (previous year: € 1,627 thousand), corresponding to a margin of 20.0 % (previous year: 7.9 %). This increase was primarily attributable to the effects already discussed under operating profit. At an encouraging € 23,345 thousand, incoming orders remained at the prior-year level (€ 23,818 thousand).

Americas

The positive development in the Americas region in the first quarter of 2017 continued in the second quarter. Revenue increased by around 68 % year-on-year to € 6,497 thousand in the period under review (previous year: € 3,859 thousand). Demand in the automotive supply industry in Mexico and among medium-sized and large service providers and OEMs in the USA remained at the same high level recorded in the previous year. This is also reflected in incoming orders, which amounted to an encouraging € 7,937 thousand (previous year: € 6,525 thousand).

Segment earnings increased almost eightfold year-on-year to € 642 thousand (previous year: € 72 thousand). This was attributable to the substantial revenue growth and the below-average increase in cost items in comparison. The EBIT-Margin amounted to 9.9 % (previous year: 1.9 %).

Asia

The Asia region also saw continued positive development in terms of incoming orders. In the first half of the year, and especially in the wake of the Nepcon Shanghai trade fair, the Group recorded encouraging incoming orders of € 10,988 thousand (previous year: € 7,947 thousand). One particularly strong performer was inline 3D X-ray inspection, technology which has now established itself as a fixed element of Viscom customers' inspection strategies.

Segment revenue reached a new record high of € 12,486 thousand (previous year: € 6,805 thousand). This serves to further underline the growth potential of the Asia region. Segment earnings increased almost fourfold to € 1,136 thousand (previous year: € 295 thousand). This was attributable to the substantial revenue growth and the below-average increase in cost items in comparison. In line with this development, the EBIT-Margin amounted to 9.1 % (previous year: 4.3 %).

The market continues to be driven by 3D technology. Market interest will increasingly focus on the intelligent combination of inspection strategies and automation with the aim of achieving less labor-intensive production. This will also open up additional growth potential for the future.

Financial position

Capital structure / liquidity

Viscom was able to provide the required liquidity from its own funds in the first half of 2017. There were no liabilities to banks as of 30 June 2017. The subsidiaries did not require any loans. Liquidity increased compared with 31 December 2016.

Investments

Investments in property, plant, and equipment and intangible assets totalled € 941 thousand in the first six months of 2017 (previous year: € 1,041 thousand). At € 601 thousand (previous year: € 782 thousand), the majority of the investments related to own work capitalised, while € 340 thousand (previous year: € 259 thousand) was attributable to operating and office equipment, leasehold improvements, software, technical equipment and machinery.

Cash and cash equivalents / cash flow

Cash flow from operating activities amounted to € 8,828 thousand (previous year: € -3,588 thousand). This was primarily attributable to the net profit for the period and the decrease in inventories, receivables and other assets and liabilities.

Cash flow from investing activities amounted to € -917 thousand (previous year: € -991 thousand). This change primarily resulted from the acquisition of non-current assets and the capitalisation of development costs.

Cash flow from financing activities amounted to € -3,984 thousand (previous year: € -3,554 thousand). This change resulted from the dividend distribution in June 2017.

Cash and cash equivalents amounted to € 10,251 thousand (previous year: € 3,708 thousand), an increase of € 3,734 thousand compared with the end of 2016.

Net assets

Non-current assets

In the category of non-current assets, intangible assets included primarily own work capitalised. Intangible assets decreased slightly from € 7,923 thousand as at 31 December 2016 to € 7,879 thousand at the end of the first six months of the 2017 financial year.

Receivables

At € 16,071 thousand, trade receivables were down significantly on the level recorded as of 31 December 2016 (€ 26,202 thousand). Valuation allowances on trade receivables increased from € 812 thousand to € 875 thousand as of 30 June 2017.

Inventories

The carrying amount of inventories was € 26,035 thousand, an increase as against the end of the 2016 financial year (€ 22,822 thousand). This was due to the pre-production of completed systems to satisfy the high order backlog and the expected volume of incoming orders.

Liabilities

Trade payables increased slightly from € 2,582 thousand at the end of 2016 to € 2,620 thousand.

Shareholders' equity

Total shareholders' equity declined from € 52,292 thousand at the end of the 2016 financial year to € 51,978 thousand. This change was primarily due to the net profit as of 30 June 2017 and the dividend distribution for the 2016 financial year. At 80.7 %, the equity ratio was higher than the figure as at 31 December 2016 (78.5 %). The equity ratio in the corresponding prior-year period was 80.3 %.

Key figures on the Group's net assets, financial position and results of operations

	30.06.2017 K€	31.12.2016 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions)	-150	-5,530
Tier 2 liquidity (tier 1 liquidity plus receivables and other assets less non-current liabilities)	17,345	21,095
Tier 3 liquidity (tier 2 liquidity plus inventories)	43,380	43,917
Current assets		
Cash and cash equivalents	10,251	6,517
Receivables and other assets	17,916	27,044
Inventories	26,035	22,822
	54,202	56,383
Liabilities and provisions		
Current liabilities and provisions	10,401	12,047
Non-current provisions	421	419
	10,822	12,466
Net debt		
Liabilities and provisions (-)	-10,822	-12,466
+ Cash and cash equivalents	10,251	6,517
+ Receivables and other assets	17,916	27,044
= Net debt	17,345	21,095
Working capital		
Current assets - liabilities and provisions	43,380	43,917
Equity ratio		
Shareholders' equity/total assets	80.7 %	78.5 %
	30.06.2017 K€	30.06.2016 K€
Cash flow		
Net profit for the period after taxes	4,122	681
+ Depreciation and amortisation expense	934	852
	5,056	1,533
Return on equity		
Net profit for the period/shareholders' equity	7.9 %	1.5 %
Return on Investment (ROI)		
Net profit for the period/total assets	6.4 %	1.2 %
Return on revenue		
EBT/revenue	14.3 %	6.4 %
Return on Capital Employed (ROCE)		
EBIT/(total assets - cash and cash equivalents - current liabilities and provisions)	13.0 %	4.6 %

REPORT ON POST-REPORTING DATE EVENTS

There were no other significant events after the first six months of 2017.

REPORT ON OPPORTUNITIES AND RISKS

The information on opportunities and risks presented in the Group management report continues to apply. Please refer to pages 48 - 53 of the Company's Annual Report 2016.

REPORT ON FUTURE DEVELOPMENTS

Economic conditions

The global economy is booming. Economic sentiment in the advanced economies is good, and the economic situation in the emerging economies has improved tangibly. Having increased significantly as a result of the Brexit vote, Donald Trump's election as US President and parliamentary elections in various EU member states, political uncertainty has declined as the year has progressed, although some risk factors remain in place. The economic upturn is being supported by the markedly expansive nature of monetary policy, the continued recovery of the employment market and high capacity utilisation among companies. Despite this, the euro zone is continuing to suffer the effects of massive structural weaknesses in some member states, including the high volume of non-performing loans on the balance sheets of Italian and Portuguese banks and the low competitiveness of the French and Italian economies.

However, the ifo Institute believes the global economy is on track for robust expansion and is forecasting an increase in overall global economic output of 3.00 % this year and 2.90 % next year. The slightly lower forecast for 2018 is attributable to the gradual slowdown in economic growth in China. According to the ifo Institute, world trade is also set to see strong growth, increasing by 4.90 % in 2017 and 4.00 % in 2018 in real terms. In other words, world trade should become one of the key drivers of the international economy once again.

The upturn in Germany is being driven by domestic demand in the form of construction, consumer spending, and now also industry. Exports have increased significantly on the back of the economic upturn in the euro zone. According to the ifo Institute, German companies are more optimistic about the future than at any time since 1990. It expects Germany to record real GDP growth of 1.80 % in the current year and 2.00 % next year.

The German Mechanical Engineering Industry Association (VDMA) is anticipating moderate growth of 3.00 % in the global

mechanical engineering sector in 2017. The mechanical engineering industry in China is expected to see above-average growth of 4.00 % in 2017, while growth in the region of 1.00 % is forecast for Germany.

The German Electrical and Electronic Manufacturers' Association (ZVEI) is also positive about the economic development of the global electronics market. This is expected to be primarily driven by the emerging economies, with growth forecast at 6.00 % in 2017 and 5.00 % in 2018. The ZVEI expects the industrialised nations to record growth of 3.00 % in both 2017 and 2018.

Although the general economic outlook remains characterised by uncertainty, Viscom is optimistic with regard to the 2017 financial year.

Results of operations

The development of incoming orders and revenue in 2017 will largely depend on the overall economic situation, particularly in the automotive industry. Based on the strong course of business in the first half of the year and the assumptions described, the forecast performance indicators have now changed compared with the end of the 2016 financial year. With budgeted revenue and incoming orders of € 87-92 million (previously: € 80-85 million), Viscom is anticipating significantly more positive results of operations in 2017.

The EBIT-Margin for the 2017 financial year is likely to be between 14 % and 16 % (previously: between 13 % and 15 %), corresponding to EBIT of between € 12.2 million and € 14.7 million (previously: between € 10.4 million and € 12.8 million).

Financial position

Liquidity for the remaining months of 2017 will be generated exclusively from the Company's own funds and available credit facilities. No borrowings are planned. Liquidity at the subsidiaries, which is invested in instant-access savings and fixed-term deposits, is available at short notice.

OTHER DISCLOSURES

Related party disclosures

There are rental agreements for eight properties in Carl-Buderus-Straße and one property in Fränkische Straße in Hanover between the Company and Dr. Martin Heuser / Petra Pape GbR, Hanover, Marina Hettwer / Petra Pape GbR, Hanover and HPC Vermögensverwaltung GmbH, Hanover. All of these contracting parties are classified as related parties within the meaning of IAS 24.

Viscom AG has also concluded leases for company vehicles with HPC Vermögensverwaltung GmbH. HPC Vermögensverwaltung GmbH provides further services such as company childcare, cleaning and other services.

General information on the Company

Viscom AG is domiciled in Hanover, Germany, and is entered in the local commercial register under HR B 59616. The Company's business address is Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany.

The Company's business activities encompass the development, manufacture and sale of automated inspection systems for industrial production. Inspection is performed by the computer-based optical and/or X-ray comparison of the inspected objects with the specifications defined in the inspection system.

IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS / CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income

01.01.-30.06.2017

01.01.-30.06.2016

	K€	K€
Revenue	39,895	31,209
Other operating income	892	872
	40,787	32,081
Changes in finished goods and work in progress	3,725	1,274
Other own work capitalised	601	782
Cost of materials	-17,400	-12,147
Staff costs	-13,503	-12,322
Depreciation and amortisation	-934	-852
Other operating expenses	-7,575	-6,815
	-35,086	-30,080
Operating profit	5,701	2,001
Financial income	0	0
Financial expenses	0	0
Financial result	0	0
Income taxes	-1,579	-1,320
Net profit for the period	4,122	681
Earnings per share (basic and diluted) in €	0.46	0.08
Other comprehensive income		
Currency translation differences	-438	-147
Items that can be reclassified to profit or loss	-438	-147
Other comprehensive income after taxes	-438	-147
Total comprehensive income	3,684	534

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

Assets	30.06.2017 K€	31.12.2016 K€
Current assets		
Cash and cash equivalents	10,251	6,517
Trade receivables	16,071	26,202
Current income tax assets	95	10
Inventories	26,035	22,822
Other financial receivables	114	115
Other assets	1,636	717
Total current assets	54,202	56,383
Non-current assets		
Property, plant and equipment	1,497	1,470
Intangible assets	7,879	7,923
Financial assets	7	7
Loans originated by the Company	12	16
Deferred tax assets	788	838
Total non-current assets	10,183	10,254
Total assets	64,385	66,637

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: SHAREHOLDERS' EQUITY AND LIABILITIES

Liabilities and shareholders' equity	30.06.2017 K€	31.12.2016 K€
Current liabilities		
Trade payables	2,620	2,582
Advance payments received	0	0
Provisions	1,634	1,847
Current income tax liabilities	742	876
Other financial liabilities	2,370	3,613
Other current liabilities	3,035	3,129
Total current liabilities	10,401	12,047
Non-current liabilities		
Non-current provisions	421	419
Deferred tax liabilities	1,585	1,879
Total non-current liabilities	2,006	2,298
Shareholders' equity		
Issued capital	9,020	9,020
Capital reserve	21,321	21,321
Retained earnings	21,054	20,930
Exchange rate differences	583	1,021
Total shareholders' equity	51,978	52,292
Total shareholders' equity and liabilities	64,385	66,637

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	01.01.-30.06.2017 K€	01.01.-30.06.2016 K€
Cash flow from operating activities		
Net profit for the period after interest and taxes	4,122	681
Adjustment of net profit for income tax expense (+)	1,579	1,320
Adjustment of net profit for interest expense (+)	0	0
Adjustment of net profit for interest income (-)	0	0
Adjustment of net profit for depreciation and amortisation expense (+)	933	852
Increase (+) / decrease (-) in provisions	-201	85
Gains (-) / losses (+) on the disposal of non-current assets	2	-31
Increase (-) / decrease (+) in inventories, receivables and other assets	5,756	-1,889
Increase (+) / decrease (-) in liabilities	-2,013	-3,500
Income taxes repaid (+) / paid (-)	-1,350	-1,106
Net cash used in/from operating activities	8,828	-3,588
Cash flow from investing activities		
Proceeds (+) from the disposal of non-current assets	24	50
Acquisition (-) of property, plant and equipment and intangible assets	-340	-259
Capitalisation of development costs (-)	-601	-782
Net cash used in investing activities	-917	-991
Cash flow from financing activities		
Dividend payment (-)	-3,984	-3,554
Net cash and cash equivalents from financing activities	-3,984	-3,554
Changes in cash and cash equivalents due to changes in exchange rates	-193	-27
Cash and cash equivalents		
Change in cash and cash equivalents	3,927	-8,133
Cash and cash equivalents as at 1 January	6,517	11,868
Cash and cash equivalents	10,251	3,708

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity	Issued capital K€	Capital reserve K€	Exchange rate differences K€	Retained earnings K€	Total K€
Shareholders' equity at 1 January 2016	9,020	21,321	961	17,355	48,657
Net profit for the period	0	0	0	7,129	7,129
Other comprehensive income	0	0	60	0	60
Total comprehensive income	0	0	60	7,129	7,189
Dividends	0	0	0	-3,554	-3,554
Shareholders' equity at 31 December 2016	9,020	21,321	1,021	20,930	52,292
Shareholders' equity at 1 January 2017	9,020	21,321	1,021	20,930	52,292
Net profit for the period	0	0	0	4,122	4,122
Other comprehensive income	0	0	-438	0	-438
Total comprehensive income	0	0	-438	4,122	3,684
Dividends	0	0	0	-3,998	-3,998
Shareholders' equity at 30 June 2017	9,020	21,321	583	21,054	51,978

SELECTED EXPLANATORY NOTES

Declaration of compliance

The present consolidated interim financial statements for 2017 have been uniformly prepared in accordance with all of the applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) for interim financial reporting as adopted by the EU as at the reporting date 30 June 2017.

Basic principles of preparation

The IFRS consolidated interim financial statements are prepared in euros. Figures are generally presented in thousands of euros (€ thousand). The segment report is included in the consolidated interim management report.

As a matter of principle, the same accounting policies were applied as in the 2016 consolidated financial statements.

The income statement was prepared in accordance with the nature of expense format.

In accordance with IAS 1, assets and liabilities reported on the face of the statement of financial position are classified as either current or non-current. Current assets or liabilities are those intended to be sold or redeemed within a period of one year.

The preparation of the consolidated interim financial statements requires certain assumptions and estimates to be made which affect the amount and classification of the assets, liabilities, income, expenses and contingent liabilities recognised. The actual amounts may differ from these estimates.

Disclosures concerning financial instruments and financial risk management

Presentation of the categories of financial instruments and the corresponding net profit in accordance with IFRS 7

The following presentation provides information on the carrying amounts of the individual measurement categories. The fair

values for each class of financial instrument are also shown. The presentation is intended to enable a comparison of the carrying amounts and fair values.

Assets

	Measurement category	Total		Nominal value		Amortised cost	
		Carrying amount	Fair value	Liquid assets / cash reserve		Loans and receivables (LaR)	
				Carrying amount	Fair value	Carrying amount	Fair value
30.06.2017							
in K€							
Financial assets and other receivables	LaR	1,103	1,103	0	0	1,103	1,103
Trade receivables	LaR	16,071	16,071	0	0	16,071	16,071
Cash and cash equivalents	LaR	10,251	10,251	10,251	10,251	0	0
Total		27,425	27,425	10,251	10,251	17,174	17,174

Liabilities and shareholders' equity

	Measurement category	Total		Amortised cost	
		Carrying amount	Fair value	Financial liabilities (FL)	
				Carrying amount	Fair value
30.06.2017					
in K€					
Trade payables	FL	2,620	2,620	2,620	2,620
Other financial liabilities	FL	2,325	2,325	2,325	2,325
Total		4,945	4,945	4,945	4,945

Assets

	Measurement category	Total		Nominal value		Amortised cost	
		Carrying amount	Fair value	Liquid assets / cash reserve		Loans and receivables (LaR)	
				Carrying amount	Fair value	Carrying amount	Fair value
31.12.2016							
in K€							
Financial assets and other receivables	LaR	290	290	0	0	290	290
Trade receivables	LaR	26,202	26,202	0	0	26,202	26,202
Cash and cash equivalents	LaR	6,517	6,517	6,517	6,517	0	0
Total		33,009	33,009	6,517	6,517	26,492	26,492

Liabilities and shareholders' equity

	Measurement category	Total		Amortised cost	
		Carrying amount	Fair value	Financial liabilities (FL)	
				Carrying amount	Fair value
31.12.2016					
in K€					
Trade payables	FL	2,582	2,582	2,582	2,582
Other financial liabilities	FL	3,493	3,493	3,493	3,493
Total		6,075	6,075	6,075	6,075

Please refer to pages 107–110 of Viscom AG's Annual Report 2016 for more information on financial instruments.

Events after the reporting date

There were no significant events after the end of the first six months of 2017.

Audit

As was the case for the previous consolidated interim financial statements, the consolidated interim report as at 30 June 2017 has not been audited or reviewed by an auditor.

RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting and proper accounting standards, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected develop-

ment of the Group for the remaining months of the financial year.”

Hanover, 9 August 2017

Dr. Martin Heuser

Volker Pape

Dirk Schwingel



FINANCIAL CALENDAR 2017

9 August 2017

Interim Report 6M/2017

Hanover

14 November 2017

Interim Report 9M/2017

Hanover

VISCOM STRUCTURE

Supervisory Board	Bernd Hackmann (Chairman) Klaus Friedland (Deputy Chairman) Prof. Dr. Ludger Overmeyer
Executive Board	Dr. Martin Heuser Volker Pape Dirk Schwingel
Headquarters	Carl-Buderus-Straße 9-15, 30455 Hanover, Germany Commercial Register of Hanover District Court HR B 59616
Subsidiaries	Viscom France S.A.R.L., Cergy Pontoise Cedex, France Viscom Inc., Atlanta, Georgia, USA Viscom Machine Vision Pte Ltd., Singapore
Subsidiary of Viscom Machine Vision Pte Ltd., Singapore	Viscom Machine Vision (Shanghai) Trading Co., Ltd.
Subsidiary of Viscom France S.A.R.L., France	Viscom Tunisie S.A.R.L., Tunis, Tunisia

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PUBLISHER

Viscom AG, Carl-Buderus-Straße 9 - 15, 30455 Hanover, Germany
Tel.: +49 (0) 511 94996-0, Fax: +49 (0) 511 94996-900
info@viscom.de, www.viscom.com

Entered in the Commercial Register of Hanover District Court under HR B 59616

RESPONSIBLE

Viscom AG, represented by the Executive Board

EDITORIAL STAFF

Dr. Martin Heuser (Executive Board)
Volker Pape (Executive Board)
Dirk Schwingel (Executive Board)
Anna Borkowski (Investor Relations)
Sandra M. Liedtke (Investor Relations)

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Headquarters:

Viscom AG

Carl-Buderus-Straße 9 -15 · 30455 Hanover · Germany

Tel.: +49 (0) 511 94996-0 · Fax +49(0) 511 94996-900

info@viscom.de

Contact Investor Relations:

Viscom AG, Anna Borkowski

Carl-Buderus-Straße 9 -15 · 30455 Hanover · Germany

Tel.: +49 (0) 511 94996-861 · Fax +49(0) 511 94996-555

investor.relations@viscom.de

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