

INNOVATION IS IN OUR DNA.



INTERIM REPORT
as at 30 June 2020

CONTENT

02	Foreword by the Executive Board
04	Viscom's shares
06	Interim Group Management Report
06	Basic information on the Group
06	06 Business model of the Group
09	Economic Report
09	09 Macroeconomic and sector development
11	Summary analysis of the Company's net assets, financial position and results of operations and course of business
11	11 Results of operations
12	12 Regional development
13	13 Financial position
14	14 Net assets
15	15 Key figures on the Group's net assets, financial position and results of operations
16	Report on post-reporting date events
16	Report on opportunities and risks
17	Report on future developments in 2020
17	17 Economic conditions
18	Other disclosures
19	IFRS interim consolidated financial statements
19	19 Consolidated statement of comprehensive income
20	20 Consolidated statement of financial position: assets
21	21 Consolidated statement of financial position: equity and liabilities
22	22 Consolidated statement of cash flows
23	23 Statement of changes in equity
24	Selected explanatory notes
24	Notes to the consolidated statement of comprehensive income
26	Responsibility statement
27	Financial calendar 2020
28	Viscom structure

OPERATING FIGURES

Profit and loss

		6M 2020	6M 2019
Revenues	K€	29,468	42,395
EBIT	K€	-3,873	1,611
Net profit for the period	K€	-3,957	1,322

Balance sheet and cashflow statement figures

		6M 2020	6M 2019
Total assets	K€	80,867	90,479
Equity ratio	%	67.4	62.7
CF from current business	K€	6,437	2,136
CF from investment	K€	-1,513	-2,009
CF from financing	K€	-1,572	-3,435
End of period capital	K€	4,385	-940

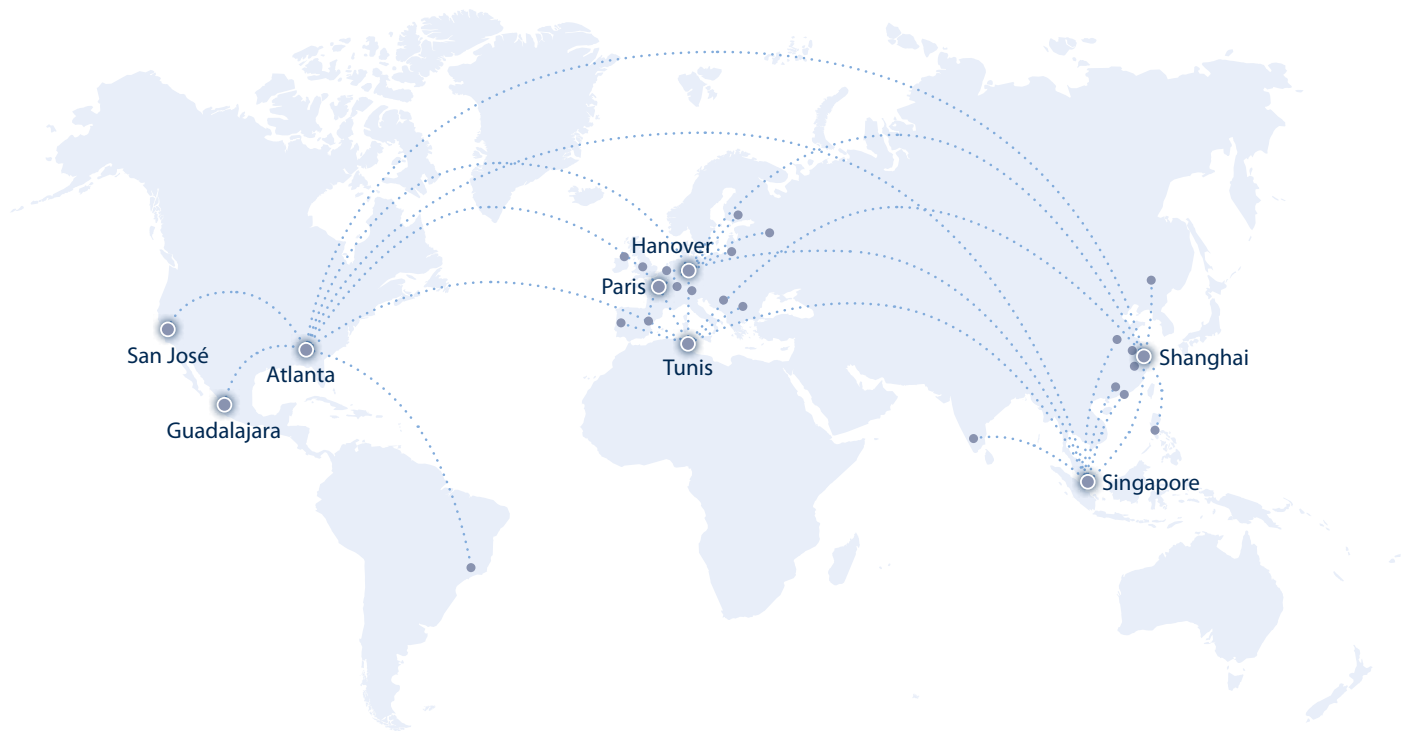
Shares

		6M 2020	6M 2019
Result per share	€	-0.45	0.15

Employees

		6M 2020	6M 2019
Employees on 30 June		479	483

VISCOM. VISION TECHNOLOGY.



Founded:

1984 by Dr. Martin Heuser and Volker Pape



Headquarters and production:

„Made in Germany“:
Hanover, Germany



Number of employees worldwide:

479



Subsidiaries:

Viscom France S.A.R.L., Paris, France
Viscom Tunisie S.A.R.L., Tunis, Tunisia
Viscom Inc., Atlanta, Georgia, United States
Viscom Machine Vision Pte Ltd., Singapore
Viscom Machine Vision Trading Co. Ltd.,
Shanghai, China



World Market Leader:

Viscom is the No. 1 solution provider for automatic optical inspection in the automobile industry.

FOREWORD BY THE EXECUTIVE BOARD

Dear Ladies and gentlemen,

Since the start of 2020, coronavirus has turned into a global pandemic. In order to slow the spread of the virus, virtually every country took measures that also slowed economic activity massively. Not even the Viscom Group was spared the effects of the COVID-19 pandemic. Our economic activities were severely restricted, which had a negative impact on our business. In the first half of the year, incoming orders and revenue fell by 36.8 % and 30.5 %, respectively, year on year. Supply chains broke away; customer orders were not placed or were postponed. Production at the Hanover site was driven down – in June, 254 of the 380 employees were working reduced hours to varying degrees. We nevertheless see light on the horizon. Our customers' and suppliers' production chains are slowly getting started again, and customer enquiries are increasing.

We have spent the last few months working hard to reorganize internally at the headquarters in Hanover. The reorganisation of Viscom AG includes the establishment of customer care teams for every product area. The new teams will provide our European customers with support and assistance in the selection of the right inspection solution, procurement, commissioning, training and maintenance. This is intended to reduce processing times and ensure that customer-specific requirements can be implemented comprehensively and as needed. We have therefore internally reorganized our customer interfaces and laid the groundwork for greater customer proximity and better service availability. The new customer care teams are made

up of specialists from the product areas AOI, AXI, MXI, Bond Inspection/IBV, SPI, CCI and from application areas such as battery inspection, 5G, e-mobility and consumer electronics. The teams cover specialist sales, project management, application and service as well as the hotline, in order to provide customers with expert and targeted guidance throughout the product life cycle. The new customer care teams replace the former SP and NP business areas, creating a streamlined, service-oriented and enduringly successful organisation. The sales organisation also contains direct sales, key account management and regional cooperation with European sales representatives, who remain key contacts for our customers. For their specialist customer support, the customer care teams will also draw on the expertise of our specialists in central service and product development. This realignment was the second step after the successful redesign of our product and software development, which is working at full speed on pioneering innovations so that Viscom can continue to enthrall with advanced inspection solutions of the highest quality. With this new direction, we have paved the way for strong and proficient teamwork at every level.

The range of applications for our new AXI system kit has increased. The first battery inspection systems for testing round cells are to be delivered in the third quarter of 2020. A prototype for testing pouch cells, which are used in electric cars, smartphones and tablets, will also be built in the third quarter of 2020. Interested parties have also been found for the variant

for testing large and heavy assemblies in the electromobility segment. The first orders from Asia and the USA are expected here in the next few months.

This development goes hand in hand with the successful installation of new technology for the fast capture of visual information for planar computed tomography: In a much reduced period of time, a very large number of X-ray images is produced, which can now be used in real time for the tomographic analysis of solder joints, components and batteries. Both the established inline X-ray systems for assembly inspection and the variants of the X7059 are benefiting from this.

The Annual General Meeting of Viscom AG was held virtually on 4 August 2020. Of the company's share capital of € 9,020,000.00, divided into 9,020,000 no-par value shares, a total of 6,386,939 no-par value shares with the same number of votes, equating to 70.81 % of the registered share capital, were represented during the voting process. In addition, postal votes were received for 25,214 no-par value shares, so that altogether 6,412,153 no-par value shares were represented or there were voting ballots for them, equating to 71.09 % of the registered share capital. The Annual General Meeting approved the distribution

of a dividend of € 0.05 per share. Besides approving the actions of the Executive Board and Supervisory Board and electing the auditor, the Annual General Meeting also approved the authorisation for the purchase and use of treasury shares. Moreover, the Articles of Association were amended in line with the Second Shareholder Rights Directive (ARUG II).

We believe we are well positioned to return to sustainable and profitable growth after the crisis. We would ask you to continue to place your trust in us, and to stay healthy!

The Executive Board



Carsten Salewski



Peter Krippner



Dr. Martin Heuser



Dirk Schwingel

VISCOM'S SHARES

Basic information on Viscom's shares

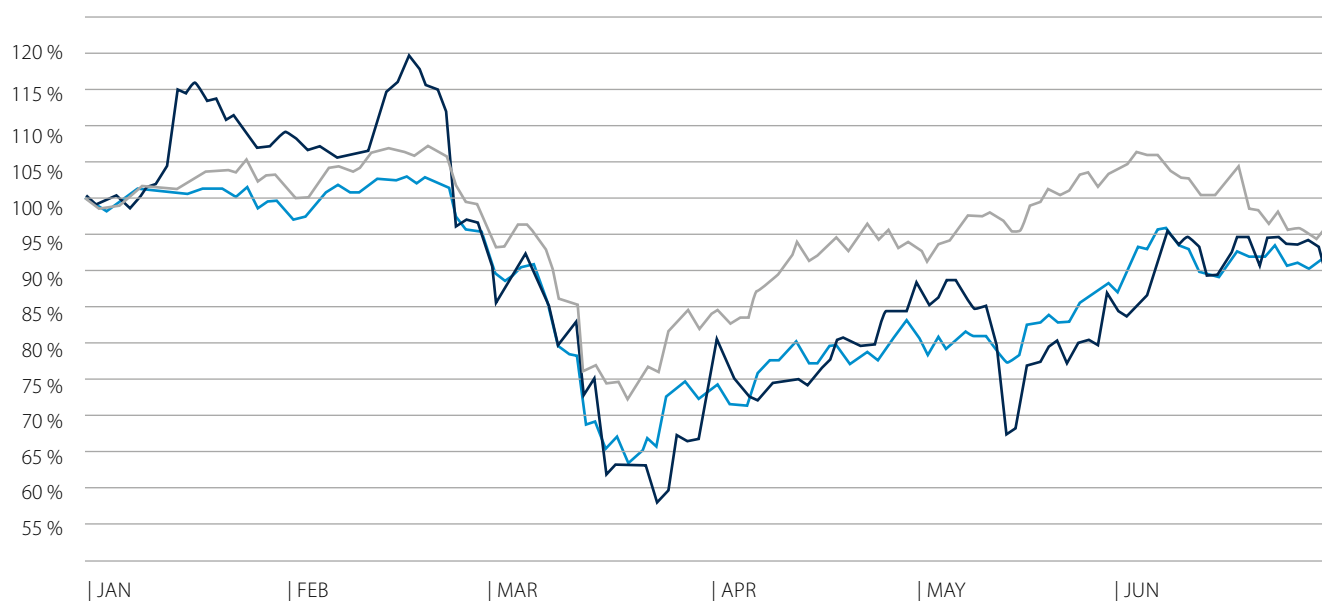
German Securities Code Number (WKN)	784686
ISIN	DE 000 7846867
Ticker symbol	V6C
Market segment	Regulated market (Prime Standard)
Type of shares	No-par value bearer shares
Share capital (€)	9,020,000
Share capital (units)	9,020,000
Number of voting shares	8,885,060
<hr/>	
Opening price on 2 January 2020	€ 9.10
Closing price on 30 June 2020 *	€ 8.34
<i>Percentage change</i>	-8.35 %
High on 17 February 2020 *	€ 11.26
Low on 23 March 2020 *	€ 5.39
Market capitalisation as at 30 June 2020	€ 75,226,800

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

Share price performance

as against the DAX and TecDAX in the first six months of 2020

■ Viscom (Xetra): 88.7 % ■ DAX (Xetra): 92.0 % ■ TecDAX (Perf.) (Xetra): 96.4 %



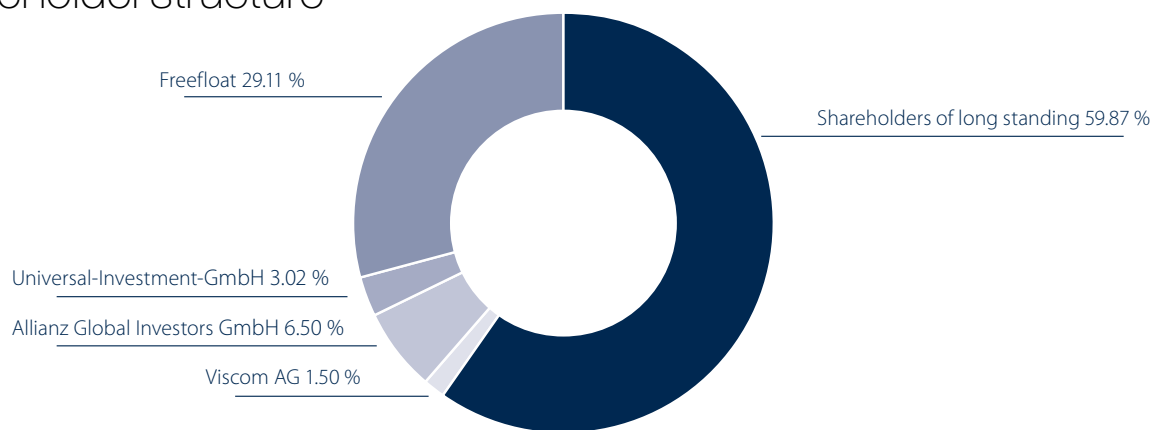
Share price performance

in the reporting period 1 January to 30 June 2020

Viscom AG's shares began the 2020 financial year at a price of € 9.10 on 2 January 2020, and initially performed positively in line with the optimistic market environment. The shares reached their high for the first half of the year at € 11.26 on 17 February 2020. However, Viscom's shares were also swept up in the uncertainty on the stock markets triggered by the coronavirus

crisis and the rapid downward trend that followed. The shares reached their lowest price for the first half of 2020 at € 5.39 on 23 March 2020. In the second quarter, the increasingly optimistic mood on the stock markets once again had a positive effect on Viscom's shares, which closed the first half of the year on 30 June 2020 at € 8.34.

Shareholder structure



At 59.87 %, the majority of the shares in Viscom AG are held by the company's founders, Dr. Martin Heuser and Volker Pape. The shares in the company are held either through HPC Vermögensverwaltung GmbH or directly by Dr. Heuser and Mr Pape.

The 29.11 % of shares in free float are primarily held by investors in Germany and other European countries. 6.50 % of the shares are held by Allianz Global Investors GmbH and 3.02 % by Universal-Investment-GmbH. Viscom AG holds 1.50 % of its own shares.

Investor Relations

The objective of our investor relations work is to enable all capital market participants to assess Viscom AG fairly. This is why we pursue a policy of continuous and transparent communication. Extensive information on Viscom's shares can be found in the Investor Relations section of the company's website at www.viscom.com.

Three financial analysts regularly cover and comment on Viscom's shares. On 30 June 2020, the share had two "buy" recommendations and one "neutral" recommendation.

You can also contact the Investor Relations department 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.: +49 511 94996-861
Fax: +49 511 94996-555

INTERIM GROUP 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, the Americas, Europe, and Africa that are directly or indirectly wholly owned by Viscom AG, the Group has an efficient, market-oriented organisational structure. All the companies are focused on their respective customer groups and their requirements. This enables them to act and respond quickly and flexibly. They also benefit from the advantages of belonging to a larger group, thus enabling the mutual sharing 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 level of quality 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, 59.87 % of which are held directly or indirectly through HPC Vermögensverwaltung GmbH by the company's founders Dr. Martin Heuser and Volker Pape. 6.50 % of the shares are held by Allianz Global Investors GmbH and 3.02 % by Universal-Investment-GmbH.

On 29 July 2008, the Executive Board, with the approval of the Annual General Meeting on 12 June 2008 and following consultation with the Supervisory Board, resolved to acquire up to 902,000 of the company's shares by 31 March 2009. The company had bought back 134,940 shares as at 31 March 2009. As at 30 June 2020, Viscom AG held approximately 1.50 % of its own shares.

The Executive Board of Viscom AG consisted of four members as at 30 June 2020:

Carsten Salewski: Sales
Peter Krippner: Operations
Dr. Martin Heuser: Development
Dirk Schwingel: Finance

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

Prof. Dr. Michèle Morner (Chairwoman)
Volker Pape (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, and 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 sales market of the Americas 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 that cultivates and serves the North African sales market, is allocated to the geographical segment Europe.

There were no changes in the Group's activities or structure in 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 focus on fundamental development work for future generations of inspection systems and project-specific development to adapt basic types of machinery 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, its Group companies and agents acting on the market as industry representatives for mechanical engineering firms.

High reliability is also one of the most important aspects when using an inspection system. This requires regular maintenance, repair and calibration. The Service business area supports Viscom customers with regard to these tasks. Fast reaction times are ensured thanks to the global presence of Viscom's 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

Coronavirus has increasingly spread around the world since the start of 2020. The World Health Organisation declared the pandemic a public health emergency of international concern on 30 January 2020. The specific impact of this pandemic on Viscom's financial position and financial performance has only

been taken into account in corporate planning on the basis of the known information available. Assessments of more extensive scenarios of a further dramatic spread and the possibility of a "second wave" and the associated impact on sales markets are not currently reliable enough. Please refer to the economic report below for more details on the development of the economy as a whole.

Management system

The key performance indicators by which the Viscom Group is essentially 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 and completed and partially completed systems.

In addition, they provide an overview of employee turnover, absence due to illness and per capita revenue, in addition to key indicators for project management, product development, production and logistics.

The statements contained in the monthly reports are analysed in regular meetings between the Executive Board, all heads of

business areas and the managing directors of the individual branches. Any action that may be necessary results in decisions which are usually implemented in the short term.

Research and development

Development activities mainly focus on the ongoing development of existing system solutions and 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.

The orientation of these activities is described in detail on pages 28 – 30 of Viscom AG's Annual Report 2019.

In addition, the range of applications for the new AXI system kit has increased. The first battery inspection systems for testing round cells are to be delivered in the third quarter of 2020. A prototype for testing pouch cells, which are used in electric cars, smartphones and tablets, will also be built in the third quarter of 2020. Interested parties have also been found for the

variant for testing large and heavy assemblies in the electromobility segment. The first orders from Asia and the USA are expected here in the next few months. This development goes hand in hand with the successful installation of new technology for the fast capture of visual information for planar computed tomography: In a much reduced period of time, a very large number of X-ray images is produced, which can now be used in real time for the tomographic analysis of solder joints, components and batteries. Both the established inline X-ray systems for assembly inspection and the above-mentioned variants of the X7059 are benefiting from this.

Expenditure for research and development, not including design changes for customer-specific adaptations, remained at the previous year's level. Development costs totalling € 1,409 thousand were capitalised in the first six months of 2020 (previous year: € 923 thousand). Capitalised development costs were amortised in the amount of € 803 thousand (previous year: € 738 thousand).

ECONOMIC REPORT

Macroeconomic and sector development

Macroeconomic development

The coronavirus pandemic has taken hold of the global economy like nothing seen before. It has hit national economies harder, faster and more widely than earlier economic crises. Every country is suffering as a result of multiple disruptions to supply and demand – it is a global economic crisis.

The beginning of the second quarter of 2020 posed an unprecedented challenge for German industry. While production declined by 11 % from February to March, it fell by another 22 % from March to April 2020. The slump in these two months alone was therefore deeper than during the entire financial market crisis of 2008/2009. The downturn was particularly steep in the automotive industry, where production in April 2020 was down 75 % on March. In contrast to earlier economic crisis, which were only industry crises in Germany, the coronavirus lockdown also affected broad swathes of the service sector.

The German Mechanical Engineering Industry Association (VDMA) reported that the sharp decline in incoming orders in the German mechanical engineering industry continued in May. Orders fell by 28 % year on year in real terms. Incoming orders had already shrunk by 31 % year on year in April.

Sector development

The inspection of electronic assemblies is Viscom's main revenue segment. Viscom is therefore predominantly 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 only be tested reliably using automated inspection systems. The automotive electronics sector is the main market for Viscom's products.

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.

Target sectors, target markets and target customers

The inspection systems manufactured by Viscom are mainly used in the electronics industry. Producers of electronic components are the main customer segment, accounting for 65 % of revenue (previous year: 79 %). 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. These supplier parts are integrated into vehicles as end products such as motor controllers. The remaining 35 % of revenue (previous year: 21 %) relates to manufacturers from other industries, such as medical technology, battery production and consumer electronics.

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, airbags, or sensors for autonomous driving, are typically inspected using systems such as those offered by Viscom.

As a result of rising technological demands, including in the consumer goods industry, quality pressure is also far higher than in previous years. However, the emphasis is being placed more on process quality, as a stable process improves the delivery quality and, in particular, results in 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

In the first six months of 2020, Viscom generated around 41 % of its revenue with its five largest customers (previous year: around 42 %). A further 30 % of revenue was generated with 14 customers (previous year: 17 customers). The remaining revenue was generated with a total of 255 different customers (previous year: 283 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, its main customers are companies who make product safety a top priority. 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

Measures to slow the spread of coronavirus were taken in virtually every country in the first half of this year – measures which have also slowed economic activities massively. A number of countries experienced restrictions on movement and an extensive shutdown of public life. Major manufacturers halted production in their plants in Germany and all over the world, and the Viscom Group was likewise hit hard by the effects of the coronavirus pandemic in the second quarter. The economic activities of the Viscom Group have been greatly restricted as well. Efforts to combat the global pandemic have disrupted supply chains and caused orders to be delayed.

Orders totalling € 25,304 thousand (previous year: € 40,044 thousand) were received in the first six months of 2020. This was a decline of 36.8 % on the same period of the previous year and reflects the current economic situation and the associated investment restraint on the part of Viscom's customers.

The order backlog fell to € 11,775 thousand as at 30 June 2020 (previous year: € 22,619 thousand), corresponding to full capacity utilisation for less than two months.

Revenue development

In the second quarter of 2020, revenue of € 13,852 thousand was recognised. This was therefore 11.3 % lower than the figure in the first quarter of 2020 (€ 15,616 thousand). Viscom's revenue amounted to € 29,468 thousand in the first half of 2020, 30.5 % lower than the previous year's figure (€ 42,395 thousand).

Operating profit (EBIT) / EBIT-Margin

Operating profit (EBIT) amounted to € -3,873 thousand in the first half of 2020 (previous year: € 1,611 thousand). This corresponded to an EBIT-Margin of -13.1 % (previous year: 3.8 %). The main

reason for the change from the previous year was low total operating revenue (total operating revenue defined as revenue plus the change in finished goods and work in progress and other own work capitalised). Total operating revenue declined by € 15,071 thousand to € 29,959 thousand (previous year: € 45,030 thousand). Accordingly, the cost of materials decreased by € 5,364 thousand to € 12,932 thousand (previous year: € 18,296 thousand). Various cost-reduction measures were introduced in response to the considerable decline in total operating revenue. In addition to the € 1,968 thousand decline in staff costs, the result of reducing working hours, using up holiday and overtime and not filling vacant positions (€ 15,116 thousand; previous year: € 17,084 thousand), earnings benefited in particular from the € 1,615 thousand decline in other operating expenses, due mainly to the reduction in temporary workers and reduced costs for travel, trade fairs, advertising, events and maintenance (€ 4,849 thousand; previous year: € 6,464 thousand), and the increase in other operating income due to compensation for reduced working hours (€ 1,655 thousand; previous year: € 905 thousand).

Net finance costs

Financial income amounted to € 1 thousand (previous year: € 355 thousand); the prior-year figure had been largely due to interest on tax refunds. Financial expenses of € 123 thousand (previous year: € 141 thousand) resulted from interest on lease and bank liabilities. The financial result was negative at € -122 thousand (previous year: € 214 thousand).

Net profit for the period

Net profit for the period fell from € 1,322 thousand in the previous year to € -3,957 thousand. The effects in operating profit discussed above and the financial result also affected net profit for the period. Moreover, income taxes had a positive impact on this item due to tax refunds for previous years.

The pre-tax return on sales was -13.6 % (previous year: 4.3 %).

Earnings per share

On the basis of 8,885,060 shares, earnings per share as at 30 June 2020 amounted to € -0.45 (basic and diluted) as against € 0.15 in the previous year.

Exchange rate effects

Viscom is exposed to exchange rate risks as it operates internationally. The relatively low business volume denominated in foreign currency means that the existing level of exchange rate risk is considered acceptable. 16.7 % of total revenue was subject to direct exchange rate effects (previous year: 8.4 %). Viscom reserves the right to hedge exchange rates in individual cases.

Employees

Viscom had 479 employees (not including trainees) worldwide as at 30 June 2020, a year-on-year increase of four people (previous year: 483).

As at 30 June 2020	Europe	Americas	Asia	Total
Total	389	19	71	479
of which full-time	344	19	71	434
of which part-time	45	0	0	45
plus: Trainees	15	0	0	15

380 people were employed at the Hanover site at the end of the first half of the year, 254 of whom were working reduced hours to varying degrees in June.

Regional developments

Information on the Group's geographical segments by sales market as at 30 June

in K€	Europe		Americas		Asia		Consolidation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
External sales	21,277	27,330	4,632	5,838	3,559	9,227	0	0	29,468	42,395
Inter-segment sales	6,472	11,544	355	161	863	448	-7,691	-12,153	0	0
Total sales	27,749	38,874	4,987	5,999	4,422	9,675	-7,691	-12,153	29,468	42,395
Segment earnings	-3,654	1,372	451	180	34	5	-704	54	-3,873	1,611

Europe

Measures to slow the spread of coronavirus were taken in virtually every country in the first half of this year – measures which have also slowed economic activities massively. A number of countries experienced restrictions on movement and an extensive shutdown of public life. Major manufacturers halted production in their plants in Germany and all over the world, and the Viscom Group was likewise hit hard by the effects of the coronavirus pandemic in the second quarter. The economic activities of the Viscom Group have been greatly restricted as well.

Efforts to combat the global pandemic have disrupted supply chains and caused orders to be delayed.

Europe was the Viscom Group's strongest region by some margin, accounting for around 72 % of total revenue. It generated revenue of € 21,277 thousand in the first six months of the 2020 financial year (previous year: € 27,330 thousand) and was about 22.1 % below the previous year's level. Revenue in Germany amounted to € 12,067 thousand (previous year: € 15,399 thousand).

Segment earnings in the Europe region totalled € -3,654 thousand (previous year: € 1,372 thousand), corresponding to a margin of -17.2 % (previous year: 5.0 %). This decrease was largely due to the effects already discussed under operating profit.

Americas

In the Americas region – like in all industrialised nations – the market was influenced by uncertainties over the COVID-19 pandemic. Even in the age of coronavirus, however, interest in inspection systems is unabated in all industries and regions of the USA and Canada. The service business performed somewhat better again.

Segment revenue in the region decreased by around 21 % from € 5,838 thousand to € 4,632 thousand. Due to higher intersegment revenue and cost savings realised among the other operating expenses, segment earnings amounted to € 451 thousand (previous year: € 180 thousand), corresponding to a margin of 9.7 % (previous year: 3.1 %).

Asia

With Chinese New Year falling early in January, and being followed almost immediately by the COVID-19 lockdown in China, demand for products from Viscom's customers – cars especially – crashed in the first quarter. In the Asia region, Viscom used the second quarter to compensate for the negative segment earnings of the first quarter by way of savings measures, slightly improved business – especially in the People's Republic of China – and higher intersegment revenue. Revenue in the Asia region amounted to € 3,559 thousand (previous year: € 9,227 thousand) with an operating segment result of € 34 thousand (previous year: € 5 thousand), equivalent to an EBIT-Margin of 1.0 % (previous year: 0.1 %).

Demand for services, such as production-supporting measures for launching products and start-up phases for large customers, is growing in China in particular.

Financial position

Capital structure / liquidity

Viscom was able to ensure the required liquidity at all times in the period under review. As at 30 June 2020, overdrafts in the form of available credit facilities were utilised in the amount of € 903 thousand (previous year: € 6,640 thousand). Viscom is taking advantage of the low interest rate environment to refinance outstanding liabilities in its operating business. Taking into account cash and cash equivalents of € 5,288 thousand, the company had positive bank balances of € 4,385 thousand as at the end of the reporting period (31 December 2019: positive balance of € 1,039 thousand). In addition, there were liabilities of € 1,722 thousand from a long-term bank loan from 2019 as at 30 June 2020. The subsidiaries did not require any loans.

Investments

Investments in property, plant, and equipment and intangible assets totalled € 3,479 thousand in the first six months of 2020 (previous year: € 2,449 thousand). € 1,409 thousand (previous year: € 923 thousand) of investment related to own work capitalised, while € 132 thousand (previous year: € 415 thousand) was attributable to operating and office equipment, leasehold improvements, advance payments and construction in progress and software. This item also included additions to right-of-use assets of € 1,938 thousand (previous year: € 1,111 thousand).

Cash and cash equivalents / cash flow

Cash flow from operating activities amounted to € 6,437 thousand (previous year: € 2,136 thousand). This was largely due to the decrease in inventories, receivables and other assets, the adjustment of net profit for depreciation and amortisation expense and income tax refunds. This was offset by the decline in liabilities.

Cash flow from investing activities amounted to € -1,513 thousand (previous year: € -2,009 thousand) and essentially resulted from the capitalisation of development costs.

Cash flow from financing activities amounted to € -1,572 thousand (previous year: € -3,435 thousand). This was largely on account of the repayment of bank loans and lease liabilities as well as interest paid.

Cash and cash equivalents amounted to € 4,385 thousand (previous year: € -940 thousand), up € 3,346 thousand on the figure as at the end of 2019 (€ 1,039 thousand).

Net assets

Non-current assets

Within non-current assets, intangible assets essentially comprised capitalised development costs. Intangible assets increased from € 12,544 thousand as at 31 December 2019 to € 13,111 thousand in the first six months of the 2020 financial year. Property, plant and equipment increased to € 13,017 thousand (31 December 2019: € 12,778 thousand) and predominantly included rights of use for leased assets at € 10,287 thousand (31 December 2019: € 9,857 thousand).

Receivables

At € 17,582 thousand, trade receivables were down on the figure as at 31 December 2019 (€ 27,663 thousand). Write-downs on trade receivables matched the figure as at 31 December 2019 at € 979 thousand (€ 955 thousand).

Inventories

The carrying amount of inventories was € 28,718 thousand, a decrease as against the end of the 2019 financial year (€ 29,131 thousand). This was due to the current business development in the first half of the year.

Liabilities

Trade payables fell from € 2,856 thousand at the end of 2019 to € 1,465 thousand.

Contract liabilities amounted to € 963 thousand, up on the figure as at the end of the financial year (€ 758 thousand), and included delivery and performance obligations from contracts with customers in accordance with IFRS 15.

Other current financial liabilities included short-term lease liabilities of € 2,500 thousand (31 December 2019: € 2,496 thousand).

At € 1,479 thousand (31 December 2019: € 1,601 thousand), other non-current financial liabilities included the non-current portion of a bank loan of originally € 2,000 thousand and € 7,842 thousand in long-term lease liabilities (31 December 2019: € 7,416 thousand).

Equity

Total equity decreased from € 58,499 thousand at the end of the 2019 financial year to € 54,493 thousand. This change was due to the net loss for the period. The equity ratio was 67.4 %, up on the figure as at 31 December 2019 (65.7 %) owing to the lower total assets. The figure for the same period of the previous year was 62.7 %.

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

	30.06.2020	31.12.2019
	K€	K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions)	-6,900	-12,982
Tier 2 liquidity (tier 1 liquidity plus receivables and other assets less non-current liabilities)	2,674	6,958
Tier 3 liquidity (tier 2 liquidity plus inventories)	31,392	36,089
Current assets:		
Cash and cash equivalents	5,288	3,922
Receivables and other assets	19,652	29,704
Inventories	28,718	29,131
	53,658	62,757
Liabilities and provisions:		
Current liabilities and provisions	12,188	16,904
Non-current liabilities and provisions	10,078	9,764
	22,266	26,668
Net debt		
Liabilities and provisions (-)	-22,266	-26,668
+ Cash and cash equivalents	5,288	3,922
+ Receivables and other assets	19,652	29,704
= Net debt	2,674	6,958
Working capital		
Current assets – current liabilities and provisions	41,470	45,853
Equity ratio		
Equity / total assets	67.4 %	65.7 %
	30.06.2020	30.06.2019
	K€	K€
Cash flow		
Net profit for the period after taxes	-3,957	1,322
+ Depreciation and amortisation expense	2,590	2,480
	-1,367	3,802
Return on equity		
Net profit for the period / equity	-7.3 %	2.3 %
Return on investment (ROI)		
Net profit for the period / total assets	-4.9 %	1.5 %
Return on revenue		
EBT / revenue	-13.6 %	4.3 %
Return on capital employed (ROCE)		
EBIT / (total assets - cash and cash equivalents - current liabilities and provisions)	-6.1 %	2.5 %

REPORT ON POST-REPORTING DATE EVENTS

There were no significant events after the first six months of the 2020 financial year.

REPORT ON OPPORTUNITIES AND RISKS

The information on risks and opportunities presented in the Group management report still applies. Please refer to pages 40 to 44 of the Viscom AG's 2019 annual report.

REPORT ON FUTURE DEVELOPMENTS IN 2020

Economic conditions

Alongside the considerable long-standing negative effects – trade conflicts, global economic weakness, the structural change in automotive construction – there is still coronavirus as well, with its momentous repercussions for the general economy.

The International Monetary Fund (IMF) expects the coronavirus crisis to result in a pronounced recession, both worldwide and in Germany. The IMF expects global economic output to fall by 4.9 % in 2020. In the IMF's view, industrialized nations will be particularly affected by the coronavirus crisis. For the countries of the euro zone, the IMF expects an economic downturn of 10.2 % this year. The IMF forecasts a much sharper fall of more than 12 % each for France, Italy and Spain this year. For the USA, the world's biggest economy, the IMF is forecasting a drop of 8 %. A decline of 10.2 % is expected for the UK. In Europe, France, Italy and Spain are also heavily affected, with forecast declines of nearly 13 % each. Significant minuses are also projected for Russia, Brazil and India. China, as the world's second-largest economy, where the epidemic first arose and was contained earlier, is likely to grow by 1.0 % in 2020 and then 8.2 % next year. In Germany, gross domestic product (GDP) is expected to contract by 7.8 %. The IMF expects a recovery next year. It says the global economy should grow by 5.4 % in 2021. The countries of the euro zone are set to grow by 6 %, Germany's economy by 5.4 %.

The German Council of Economic Experts has likewise issued a gloomy forecast for the German economy this year and expects the coronavirus pandemic to cause the sharpest downturn in the German economy in the history of the Federal Republic. The Council forecasts that German GDP will shrink by 6.5 % in 2020. Like many other economists, institutes and associations, however, the German Council of Economic Experts is also confident that Europe's largest national economy will return to a growth trajectory next year. For 2021, the Council forecasts growth of 4.9 %. However, a return to the GDP level before the pandemic is not expected before 2022. The German government wants to boost the economy with a stimulus package running into the billions. The CDU and SPD have agreed to temporarily cut value-added tax and pay a higher purchase incentive for electric cars. There are also cash injections for families and local authorities.

For the euro zone, the German Council of Economic Experts expects real GDP to decline by 8.5 % in 2020 and to grow by 6.2 % in 2021. With the coronavirus lockdowns being relaxed since May 2020, the economy is gradually getting back into gear. Furthermore, the aid packages and economic stimulus enacted by politicians ought to have a positive effect.

Results of operations

As described in detail above, the development of incoming orders and revenue in 2020 will largely depend on the overall economic situation, particularly in the automotive industry, and the ongoing development of the coronavirus crisis. Viscom anticipates target revenue and incoming orders of between € 65 million and € 80 million in 2020.

The EBIT-Margin for the 2020 financial year is likely to be between -7.7 % and +2.5 %, with EBIT of between € -5.0 million and € +2.0 million.

The Executive Board and the Supervisory Board of Viscom AG are continuing to work intensively on adapting Viscom's business model to emerge profitably from the current situation. This explicitly includes the reduction of staff costs by reducing

working hours, not filling vacant positions, using up holiday and overtime, and reducing costs for temporary workers, travel, trade fairs, advertising, events and maintenance. These cost-saving measures are accompanied by the restructuring in relation to the customer care teams, which will reduce processing times and ensure that customer-specific requirements are implemented comprehensively and as needed.

Financial position

Liquidity for the remaining months of 2020 will be generated from the company's own funds and the credit facilities available. Any additional requirements or measures depend to a significant degree on the changing general conditions. If required, state support or aid packages in connection with the COVID-19 pandemic will continue to be examined and utilised if necessary.

OTHER DISCLOSURES

Related party disclosures

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

Viscom AG also has 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.

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

IFRS INTERIM CONSOLIDATED FINANCIAL STATEMENTS / CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	01.01.-	01.01.-	01.04.-	01.04.-
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	K€	K€	K€	K€
Revenue	29,468	42,395	13,852	22,680
Other operating income	1,655	905	1,131	279
	31,123	43,300	14,983	22,959
Changes in finished goods and work in progress	-918	1,712	-1,657	-896
Other own work capitalised	1,409	923	754	457
Cost of materials	-12,932	-18,296	-5,319	-8,110
Staff costs	-15,116	-17,084	-6,820	-8,699
Depreciation and amortisation	-2,590	-2,480	-1,290	-1,246
Other operating expenses	-4,849	-6,464	-2,060	-3,202
	-34,996	-41,689	-16,392	-21,696
Operating profit	-3,873	1,611	-1,409	1,263
Financial income	1	355	0	157
Financial expenses	-123	-141	-63	-75
Net finance costs	-122	214	-63	82
Income taxes	38	-503	93	-164
Net profit for the period	-3,957	1,322	-1,379	1,181
Earnings per share (basic and diluted) in €	-0.45	0.15	-0.16	0.13
Other comprehensive income				
Currency translation differences	-49	70	-154	-164
Items that can be reclassified to profit or loss	-49	70	-154	-164
Other comprehensive income after taxes	-49	70	-154	-164
Total comprehensive income	-4,006	1,392	-1,533	1,017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

Assets	30.06.2020 K€	31.12.2019 K€
Current assets		
Cash and cash equivalents	5,288	3,922
Trade receivables	17,582	27,663
Income tax assets	199	733
Inventories	28,718	29,131
Other financial receivables	538	202
Other assets	1,333	1,106
Total current assets	53,658	62,757
Non-current assets		
Property, plant and equipment	13,017	12,778
Intangible assets	13,111	12,544
Financial assets	6	6
Loans originated by the company	93	119
Deferred tax assets	982	844
Total non-current assets	27,209	26,291
Total assets	80,867	89,048

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: EQUITY AND LIABILITIES

Equity and liabilities	30.06.2020 K€	31.12.2019 K€
Current liabilities		
Trade payables	1,465	2,856
Contract liabilities	963	758
Current loans	1,146	3,124
Advance payments received	150	234
Provisions	1,540	1,557
Income tax liabilities	452	358
Other current financial liabilities	4,733	5,310
Other current liabilities	1,739	2,707
Total current liabilities	12,188	16,904
Non-current liabilities		
Non-current provisions	757	747
Other non-current financial liabilities	9,321	9,017
Deferred tax liabilities	4,108	3,881
Total non-current liabilities	14,186	13,645
Equity		
Issued capital	9,020	9,020
Capital reserves	21,321	21,321
Retained earnings	23,555	27,512
Exchange rate differences	597	646
Total equity	54,493	58,499
Total equity and liabilities	80,867	89,048

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	01.01.-30.06.2020 K€	01.01.-30.06.2019 K€
Cash flow from operating activities		
Net profit for the period after interest and taxes	-3,957	1,322
Adjustment of net profit for income tax expense (+)	-38	504
Adjustment of net profit for interest expense (+)	123	141
Adjustment of net profit for interest income (-)	-1	-355
Adjustment of net profit for depreciation and amortisation expense (+)	2,590	2,480
Increase (+)/decrease (-) in provisions	-7	52
Gains (-)/losses (+) on the disposal of non-current assets	7	1
Increase (-)/decrease (+) in inventories, receivables and other assets	9,931	1,377
Increase (+)/decrease (-) in liabilities	-3,013	-2,951
Income taxes repaid (+) / paid (-)	802	-435
Net cash used in/from operating activities	6,437	2,136
Cash flow from investing activities		
Proceeds (+) from the disposal of non-current assets	1	-2
Acquisition (-) of property, plant and equipment and intangible assets	-132	-1,531
Capitalisation of development costs (-)	-1,409	-923
Disbursements of loans granted (-)	0	-130
Receipts from the repayment of loans granted (+)	26	24
Interest received (+)	1	553
Net cash used in investing activities	-1,513	-2,009
Cash flow from financing activities		
Dividend payment (-)	0	-3,998
Interest paid (-)	-125	-74
Borrowing of other financial liabilities (+)	0	2,000
Repayment of other financial liabilities (-)	-1,447	-1,363
Net cash and cash equivalents from financing activities	-1,572	-3,435
Changes in cash and cash equivalents due to changes in exchange rates	-6	11
Cash and cash equivalents		
Change in cash and cash equivalents	3,352	-3,308
Cash and cash equivalents as at 1 January	1,039	2,357
Cash and cash equivalents as at 30 June	4,385	-940

STATEMENT OF CHANGES IN EQUITY

Equity	Issued capital K€	Capital reserves K€	Exchange rate differences K€	Retained earnings K€	Total K€
Equity as at 1 January 2019	9,020	21,321	548	28,409	59,298
Net profit for the period	0	0	0	3,101	3,101
Other comprehensive income	0	0	98	0	98
Total comprehensive income	0	0	98	3,101	3,199
Dividends	0	0	0	-3,998	-3,998
Equity as at 31 December 2019	9,020	21,321	646	27,512	58,499
Equity as at 1 January 2020	9,020	21,321	646	27,512	58,499
Net profit for the period	0	0	0	-3,957	-3,957
Other comprehensive income	0	0	-49	0	-49
Total comprehensive income	0	0	-49	-3,957	-4,006
Dividends	0	0	0	0	0
Shareholders' equity at 30 June 2020	9,020	21,321	597	23,555	54,493

SELECTED EXPLANATORY NOTES

Declaration of compliance

The present consolidated interim financial statements for 2020 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 2020.

Principles of preparation

The IFRS interim consolidated financial statements have been prepared in euro. Figures are typically presented in thousands of euro (€ thousand). The segment report is included in the interim Group management report.

The same accounting policies were applied as in the 2019 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 in 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.

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue breaks down as follows:

Revenue	30.06.2020 K€	30.06.2019 K€
Construction and delivery of machines	22,781	32,962
Services/replacement parts	6,503	9,079
Rentals	184	354
Total	29,468	42,395

The categories "Construction and delivery of machines" and "Services / replacement parts" are revenue from contracts with customers in accordance with IFRS 15.

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.

30.06.2020 in K€	Measure- ment category	Carrying amount	Fair value
Assets			
Financial assets and other receivables	AC	457	457
Trade receivables	AC	17,582	17,582
Cash and cash equivalents	AC	5,288	5,288
		23,327	23,327
Equity and liabilities			
Current loans	AC	1,146	1,146
Trade payables	AC	1,465	1,465
Other current financial liabilities	AC	4,064	4,064
Other non-current financial liabilities	AC	9,321	9,321
		15,996	15,996

31.12.2019 in K€	Measure- ment category	Carrying amount	Fair value
Assets			
Financial assets and other receivables	AC	545	545
Trade receivables	AC	27,663	27,663
Cash and cash equivalents	AC	3,922	3,922
		32,130	32,130
Equity and liabilities			
Current loans	AC	3,124	3,124
Trade payables	AC	2,856	2,856
Other current financial liabilities	AC	5,166	5,166
Other non-current financial liabilities	AC	9,016	9,016
		20,162	20,162

Please refer to pages 104 to 109 of Viscom AG's 2019 annual report for more information on financial instruments.

Events after the end of the reporting period

The Annual General Meeting of Viscom AG was held virtually on 4 August 2020. Of the company's share capital of € 9,020,000.00, divided into 9,020,000 no-par value shares, a total of 6,386,939 no-par value shares with the same number of votes, equating to 70.81 % of the registered share capital, were represented during the voting process. In addition, postal votes were received for 25,214 no-par value shares, so that altogether 6,412,153 no-par value shares were represented or there were voting ballots for them, equating to 71.09 % of the registered share capital. The Annual General Meeting approved the distribution of a dividend

of € 0.05 per share. Besides approving the actions of the Executive Board and Supervisory Board and electing the auditor, the Annual General Meeting also approved the authorisation for the purchase and use of treasury shares. Moreover, the Articles of Association were amended in line with the Second Shareholder Rights Directive (ARUG II).

There were no other significant events after the end of the first six months of 2020.

Audit of the financial statements

As was the case for the previous consolidated interim financial statements, the consolidated interim report as at 30 June 2020 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 interim consolidated 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 development of the Group for the remaining months of the financial year.”

Hanover, 12 August 2020

The Executive Board



Carsten Salewski



Peter Krippner



Dr. Martin Heuser



Dirk Schwingel

FINANCIAL CALENDAR 2020



12.08.2020	Interim Report H1/2020	Hanover
12.11.2020	Interim Report 9M/2020	Hanover
17.11.2020	German Equity Forum	Virtual

VISCOM STRUCTURE

Supervisory Board	Prof. Michèle Morner (Chairwoman) Volker Pape (Deputy Chairman) Prof. Ludger Overmeyer
Executive Board	Carsten Salewski Peter Krippner Dr. Martin Heuser Dirk Schwingel
Registered office	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

IMPRINT

PUBLISHER	Viscom AG, Carl-Buderus-Straße 9 - 15, 30455 Hanover, Germany Tel.: +49 511 94996-0, Fax: +49 511 94996-900 info@viscom.de, www.viscom.com
	Registration: Hanover District Court HR B 59616
RESPONSIBLE	Viscom AG, represented by the Executive Board
EDITORIAL STAFF	Carsten Salewski (Member of the Executive Board) Peter Krippner (Member of the Executive Board) Dr. Martin Heuser (Member of the Executive Board) Dirk Schwingel (Member of the Executive Board) Anna Borkowski (Investor Relations) Sandra M. Liedtke (Investor Relations) Alexander Heigel (Accounting)
LAYOUT AND DESIGN	CL*GD – corinna.lorenz.grafik.design, www.clgd.de
COPYRIGHT	All photographs and content are protected by copyright. Reproduction in any form requires the written permission of Viscom AG.



Headquarters:

Viscom AG

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

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

info@viscom.de

Contact Investor Relations:

Viscom AG, Anna Borkowski

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

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

investor.relations@viscom.de

Visit our website to find international subsidiaries and representatives in Europe, USA and Asia:

WWW.VISCOM.COM