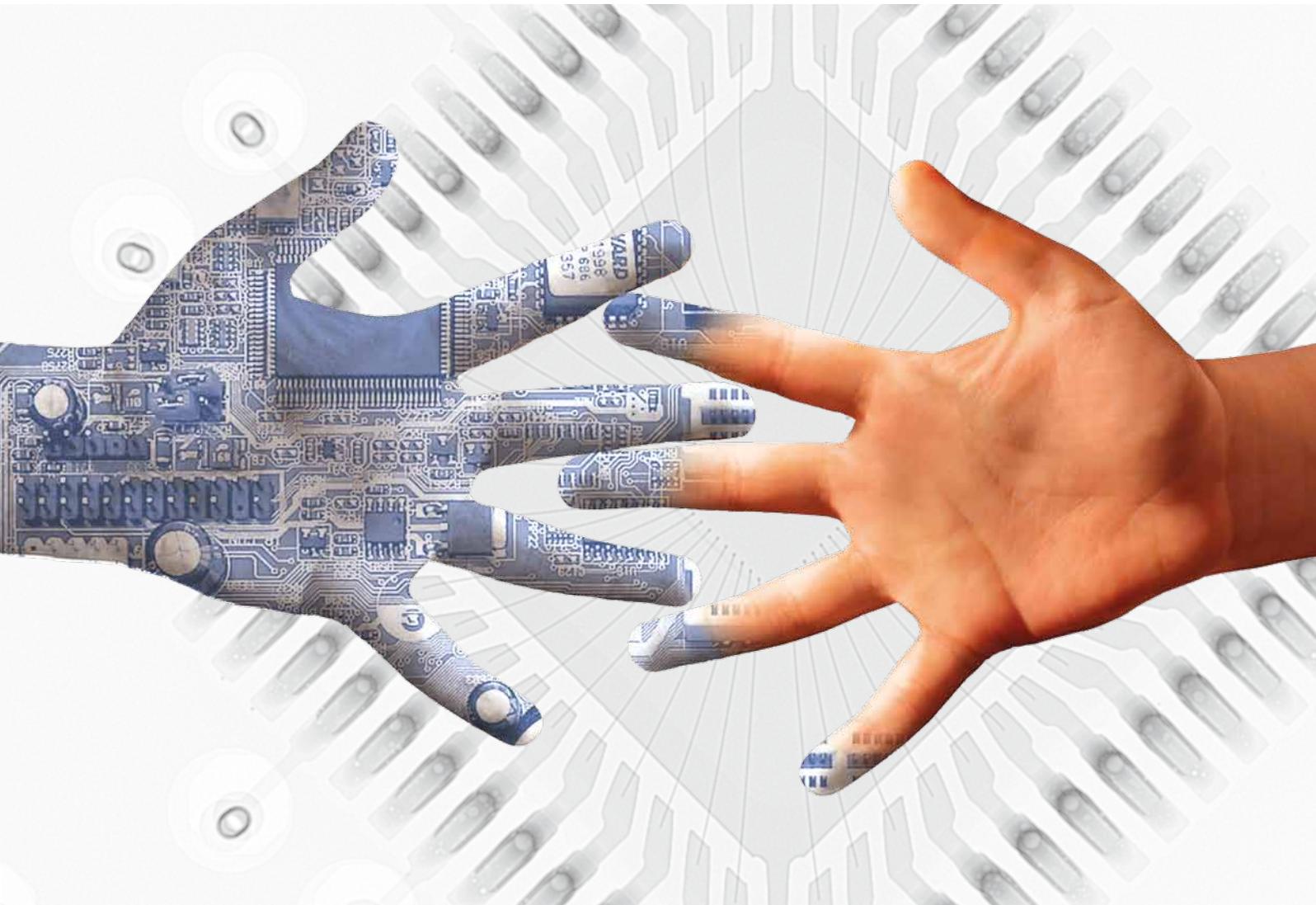


MAN. MACHINE. VISION.
WITH PASSION FOR TECHNOLOGY.



INTERIM REPORT
as of 30 September 2017

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OPERATING FIGURES

Profit and loss

		9M 2017	9M 2016
Revenues	K€	64,519	50,775
EBIT	K€	9,626	4,110
Net profit for the period	K€	7,014	2,690

Balance sheet and cashflow statement figures

		9M 2017	9M 2016
Total assets	K€	68,005	59,994
Equity ratio	%	80.5	79.4
CF from current business	K€	7,961	-2,043
CF from investment	K€	-1,330	-1,436
CF from financing	K€	-3,999	-3,556
End of period capital	K€	8,846	4,806

Share

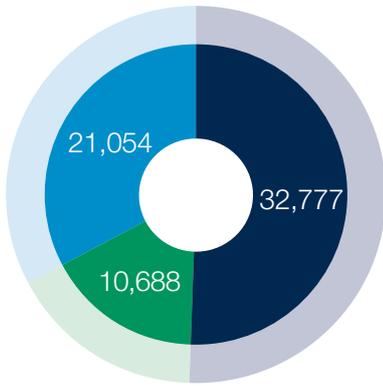
		9M 2017	9M 2016
Result per share	€	0.79	0.30

Employees

		9M 2017	9M 2016
Employees on 30 September		402	377

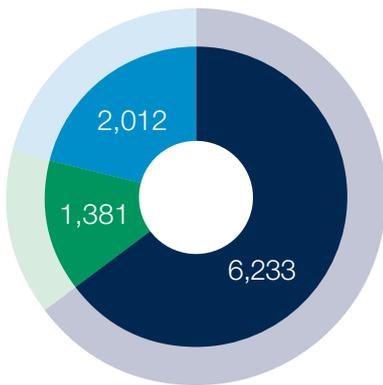
SEGMENT INFORMATION

FIGURES 9M 2017



Revenue
in K€

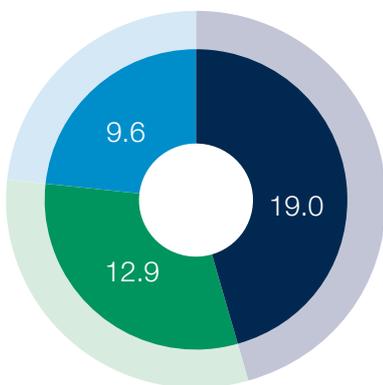
64,519
Revenue
in K€



EBIT*
in K€

65,815
Incoming orders
in K€

9,626
EBIT
in K€



EBIT-Margin*
in %

14.9
EBIT-Margin
in %

■ Europe ■ Americas ■ Asia

80.5
Equity Ratio
in %

* in consideration of consolidation differences

Dear Ladies and gentlemen,

The Viscom Group reported strong business performance in all sales regions in the first half of 2017, and this extremely positive development continued in the third quarter of the current financial year.

Incoming orders increased by 14.8 % year-on-year, while revenue reached a new record high of around € 65 million. This revenue growth in the third quarter was primarily driven by the strong performance of the serial products (SP) business area, with increased system sales of the X7056RS range of inspection systems and the S3088 product family in particular. This again underlines the fact that our developments, our product range and our Group's global positioning are continuing to win over the markets and satisfy our customers' requirements.

As a result of the Group's revenue growth and the positive contribution from all of its subsidiaries and divisions, operating profit increased by around 134 % compared with the same period of the previous year. This resulted in an EBIT-Margin of 14.9 %.

Turning our attention to the fourth and final quarter of the current year and our future development, an order backlog of around € 19 million as at 30 September 2017 will have to be processed over the coming months. This means our production capacity utilization is extremely high, and we are working on innovative products and components in a wide range of areas.

Under the motto „Solutions for me“, we will present our pioneering solutions for optical inspection systems using 3D technology at the world's leading trade fair, productronica, in Munich in November 2017. These new innovations focus on the challenges resulting from increasingly frequent product changeovers and higher production volumes, miniaturisation, and Industry 4.0.

The highlight of our appearance at the trade fair will be the automatic 3D X-ray inspection system X7056-II, which has been developed to meet the requirements of high-end electronics production. Offering extremely high throughput and outstanding image quality, this new AXI inline system can perform precise inspections of hidden solder joints and components in high-volume production, thereby ensuring high product quality. It is equipped with the xFastFlow transport module, which further

minimises PCB changing times. This allows up to three PCBs to be handled simultaneously. Another highlight of our appearance at the trade fair will be our multifaceted 3D AOI portfolio, from the S3088 *ultra gold* premium solution with its brilliant image quality, high resolution and unparalleled error recognition, through to the high-performance S3088 *ultra chrome*. These 3D AOI systems are based on a combination of intelligent software and an optimal camera concept for the 3D measurement of components and solder joints. The result is clear error identification and hence long-term quality assurance and process control.

For major global companies, Viscom is also meeting demand for the integration of its inspection systems into Industry 4.0 process lines – systems among each other and to master computers can be networked to various standards. With a view to big data, Viscom's systems provide large volumes of information for analysis of the whole production process. This valuable information can be used in concert with various Viscom systems. Viscom Open Interface 4.0 also allows products from other providers to be connected with Viscom systems in order to enable complete traceability and sustainable process optimisation.

Dear readers, the world is undergoing a process of rapid technological change. It is becoming quicker, more complex and more interconnected all the time. With the right technologies, structures and strategies, we are extremely well equipped for these challenges. We are confident that we will comfortably achieve our targets for the 2017 financial year. We are therefore confirming the forecasts for the year as a whole that were published previously, with revenue of between € 87 million and € 92 million and an EBIT-Margin of between 14 % and 16 %.

We would like to expressly thank you for accompanying us on our path to the future and for the confidence you have placed in Viscom AG.

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 29 September 2017 (*)	€ 30.64
Low on 3 January 2017 (*)	€ 13.85
Market capitalisation as at 30 September 2017	€ million 276.37
Earnings per share	€ 0.79

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

The DAX and the major US indices continued their positive year-to-date performance in July 2017. The euro rose to USD 1.1778 in the course of July, its highest level since January 2015. The strong euro had a negative impact on German exports, and hence on the German stock markets. News of scandals in the German automotive industry also led to uncertainty among investors, with automotive stocks suffering substantial losses and dragging the DAX down with them. In August, the stock markets were a great deal more volatile than in the previous month. Market activity in Europe was affected by geopolitical tensions involving North Korea and the strength of the euro. However, the positive sentiment in the German economy continued as a result of the positive reporting season with strong business data. GDP also increased further thanks to strong private consumption, government spending and other economic activity. In a lean period in terms of news, investors in early September looked to the EUR-USD exchange rate for guidance, with the markets moving accordingly. The continued tension concerning North Korea and the impact of Hurricane Irma in the Caribbean led to uncertainty on the global financial markets.

Extremely encouraging economic data from the USA and Europe also delivered positive momentum for the capital markets. Buying activity tailed off slightly around the time of the German parliamentary elections, with share prices consolidating at a high level. With the German growth forecast for 2017 being raised from 1.5 % to 1.9 % and the planned US tax reform looking like it would be implemented in the near future, the stock markets enjoyed a boost that transported the small and mid-cap indices in particular to new record highs. The DAX closed September up 6.4 %.

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

The positive performance recorded by Viscom's shares in the first half of the year continued in the third quarter. The ad hoc disclosure of Viscom AG's revenue and earnings figures for the first half of 2017 on 20 July and the raised forecast for the year as a whole boosted the share price in the third quarter. Viscom's shares closed the third quarter impressively, recording their

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

■ Viscom (Xetra): 225.1 % ■ DAX (Xetra): 110.6 % ■ TecDAX (Perf.) (Xetra): 132.2 %



highest share price of the year to date of € 30.64 on 29 September 2017, up around 120 % on the start of the year (3 January 2017: € 13.85). Viscom's shares fluctuated around an average price of € 19.02 in the first nine months of the year and recorded an average daily trading volume of 11,111 shares.

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 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.

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.de.

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

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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 at 30 September 2017, Viscom AG held approximately 1.50 % of its own shares.

The Executive Board of Viscom AG consisted of three members as at 30 September 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 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 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 nine months of 2017. 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 implementation of new market requirements in the field of optical and X-ray inspection processes and the further development of existing system solutions. This area also focuses on the definition of new products and machines.

The orientation of these activities was described on pages 5-6 of the Interim Report 6M/2017 and has not changed in the meantime.

Expenditure for research and development, excluding constructive changes for customer-specific adaptations, was down around 26 % on the previous year. Development costs totalling € 835 thousand were capitalised in the first nine months of 2017 (previous year: € 1,136 thousand). Capitalised development costs were written down as scheduled in the amount of € 975 thousand (previous year: € 827 thousand).

ECONOMIC REPORT

Macroeconomic and sector development

Macroeconomic development

The global economy has continued to consolidate and is enjoying solid development. Consumer spending is stable and is likely to remain a key growth driver. The USA and Japan are enjoying dynamic growth, while economic performance in the euro zone is surprisingly lively. The Chinese economy is in a phase of strong expansion. The upturn in the major economies has also stimulated economic activity in the emerging economies as a whole.

The German economy is currently enjoying a continuous and broad-based upturn. In addition to consumer spending and construction investment, investment in equipment is being further boosted by global demand for manufactured goods „made in Germany“. The economic upturn is built on solid internal foundations, capacity utilisation is at a high level and employment is continuing to rise.

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 85 % 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 15 % 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 38 customers (previous year: 24 customers). The remaining revenue was generated with a total of 283 different customers (previous year: 302 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 nine months of the year, orders totalling € 65,815 thousand were received (previous year: € 57,334 thousand). This strong increase of around 15 % was due to higher order volumes for series systems.

The order backlog rose to € 19,365 thousand as at 30 September 2017 (previous year: € 18,375 thousand), corresponding to full capacity utilisation for more than three months.

Revenue development

Viscom's revenue amounted to € 64,519 thousand in the first nine months of 2017, up 27 % on the same period of the previous year (€ 50,775 thousand). This development was driven in particular by a substantial upturn in system sales, particularly for the X7056RS range of inspection systems and the S3088 product family, as well as service business.

Operating profit (EBIT)/EBIT-Margin

Operating profit (EBIT) amounted to € 9,626 thousand (previous year: € 4,110 thousand). This corresponds to an EBIT-Margin of 14.9 % (previous year: 8.1 %). The increase was due in particular to the substantial revenue growth, positive changes in finished goods and work in progress and the below-average rise in personnel costs and other operating expenses as a proportion of revenue.

Net profit for the period

Net profit for the period increased significantly, from € 2,690 thousand in the previous year to € 7,014 thousand. The effects discussed under operating profit above also had an impact on net profit for the period. Tax expense developed positively as a result of the lower level of deferred taxes for capitalised development costs in particular.

The pre-tax return on sales was 14.9 % (previous year: 8.1 %).

Earnings per share

Earnings per share (diluted and undiluted) amounted to € 0.79 as at 30 September 2017 based on 8,885,060 shares; this compared with € 0.30 in the previous year.

Financial result

The financial result amounted to € 0 thousand (previous year: € 23 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, 10.2 % of total revenue was subject to a direct exchange rate effect (previous year: 8.2 %). 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. This meant that Viscom had 402 employees (excluding trainees) worldwide as at 30 September 2017 (previous year: 377 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 September 2017	Europe	Americas	Asia	Total
Total	328	20	54	402
of which full-time	294	18	54	366
of which part-time	34	2	0	36
plus: Trainees	13	0	0	13

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	32,777	33,174	10,688	7,228	21,054	10,373	0	0	64,519
Inter-segment sales	18,831	12,356	270	220	1,259	822	-20,361	-13,398	0	0
Total sales	51,608	45,530	10,958	7,448	22,313	11,195	-20,361	-13,398	64,519	50,775
Segment earnings	6,501	3,220	1,381	411	2,012	513	-268	-34	9,626	4,110

Europe

Europe was the Viscom Group's strongest region by some distance, generating revenue of € 32,777 thousand in the first nine months of the 2017 financial year (previous year: € 33,174 thousand) and accounting for around 51 % of total revenue. Revenue in the region remained largely unchanged year-on-year. Revenue in Germany amounted to € 14,826 thousand (previous year: € 13,837 thousand).

Segment earnings in the Europe region totalled € 6,501 thousand (previous year: € 3,220 thousand), corresponding to a margin of 19.8 % (previous year: 9.7 %). This increase was primarily attributable to the effects already discussed under operating profit. At an encouraging € 39,422 thousand, incoming orders were up on the prior-year level (€ 37,600 thousand).

Americas

The positive development in the Americas region in the first half of 2017 continued in the third quarter. Revenue increased by around 48 % year-on-year to € 10,688 thousand in the period under review (previous year: € 7,228 thousand). The revenue growth was attributable to sustained positive business performance in the automotive electronics sector, particularly in Mexico, and strong demand from the consumer, computer and communications and aerospace sectors.

This encouraging development is also reflected in incoming orders, which amounted to a strong € 10,657 thousand (previous year: € 8,224 thousand).

At € 1,381 thousand, segment earnings in the Americas region more than trebled compared with the previous year (€ 411 thousand). This was attributable to the substantial revenue growth and the below-average increase in cost items in comparison. The EBIT-Margin amounted to 12.9 % (previous year: 5.7 %).

Asia

The Asia region reported a record level of segment revenue of € 21,054 thousand (previous year: € 10,373 thousand) thousand in the first three quarters of 2017. This was due in particular to customer demand for 3D inspection technologies for the modernisation of their production lines. However, increased international competition is also being observed in this region.

Segment earnings increased almost fourfold to € 2,012 thousand (previous year: € 513 thousand). This was due 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 9.6 % (previous year: 4.9 %).

Incoming orders in this region increased by around 37 % year-on-year to € 15,736 thousand in the first nine months of the current financial year (previous year: € 11,510 thousand).

Financial position

Capital structure/liquidity

Viscom was able to provide the required liquidity from its own funds as at 30 September 2017. There were no liabilities to banks. 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 € 1,356 thousand in the first nine months of 2017 (previous year: € 1,515 thousand). At € 835 thousand (previous year: € 1,136 thousand), the majority of the investments related to own work capitalised, while € 521 thousand (previous year: € 379 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 € 7,961 thousand (previous year: € -2,043 thousand). This was primarily attributable to the net profit for the period, as well as the positive adjustment of net profit for income tax expense and the decrease in inventories, receivables and other assets and liabilities.

Cash flow from investing activities amounted to € -1,330 thousand (previous year: € -1,436 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 € -3,999 thousand (previous year: € -3,556 thousand) and resulted from the dividend payment in June 2017.

Cash and cash equivalents amounted to € 8,846 thousand (previous year: € 4,806 thousand), an increase of € 2,329 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 € 7,834 thousand at the end of the first nine months of the 2017 financial year.

Receivables

At € 22,922 thousand, trade receivables were down significantly on the level recorded as at 31 December 2016 (€ 26,202 thousand). Valuation allowances on trade receivables increased from € 812 thousand to € 875 thousand as at 30 September 2017.

Inventories

The carrying amount of inventories was € 24,632 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 decreased slightly from € 2,582 thousand at the end of 2016 to € 2,450 thousand.

Shareholders' equity

Total shareholders' equity increased from € 52,292 thousand at the end of the 2016 financial year to € 54,719 thousand. This change was primarily due to the net profit as at 30 September 2017 and the dividend distribution for the 2016 financial year. At 80.5 %, 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 79.4 %.

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

	30.09.2017 K€	31.12.2016 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions)	-2,287	-5,530
Tier 2 liquidity (tier 1 liquidity plus receivables and other assets less non-current liabilities)	21,694	21,095
Tier 3 liquidity (tier 2 liquidity plus inventories)	46,326	43,917
Current assets		
Cash and cash equivalents	8,846	6,517
Receivables and other assets	24,447	27,044
Inventories	24,632	22,822
	57,925	56,383
Liabilities and provisions		
Current liabilities and provisions	11,133	12,047
Non-current provisions	466	419
	11,599	12,466
Net debt		
Liabilities and provisions (-)	-11,599	-12,466
+ Cash and cash equivalents	8,846	6,517
+ Receivables and other assets	24,447	27,044
= Net debt	21,694	21,095
Working capital		
Current assets - liabilities and provisions	46,326	43,917
Equity ratio		
Shareholders' equity/total assets	80.5 %	78.5 %

	30.09.2017 K€	30.09.2016 K€
Cash flow		
Net profit for the period after taxes	7,014	2,690
+ Depreciation and amortisation expense	1,404	1,289
	8,418	3,979
Return on equity		
Net profit for the period/shareholders' equity	12.8 %	5.6 %
Return on Investment (ROI)		
Net profit for the period/total assets	10.3 %	4.5 %
Return on revenue		
EBT/revenue	14.9 %	8.1 %
Return on Capital Employed (ROCE)		
EBIT/(total assets - cash and cash equivalents - current liabilities and provisions)	20.0 %	9.2 %

REPORT ON POST-REPORTING DATE EVENTS

There were no significant events after the first nine months of the 2017 financial year.

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 has continued to consolidate and is enjoying solid development. Consumer spending is stable and is likely to remain a key growth driver. The USA and Japan are enjoying dynamic growth, while economic performance in the euro zone is surprisingly lively. The Chinese economy is in a phase of strong expansion. The upturn in the major economies has also stimulated economic activity in the emerging economies as a whole.

Despite various geopolitical and economic risks, the outlook for the development of the world economy is positive. The International Monetary Fund (IMF) is forecasting growth in global GDP of 3.5 % in 2017 and 3.6 % in 2018. The OECD is forecasting the same growth rates for the world economy as the IMF. The European Commission expects GDP to increase by 3.4 % in 2017 and 3.6 % in 2018.

The German economy is currently enjoying a continuous and broad-based upturn. In addition to consumer spending and construction investment, investment in equipment is being further boosted by global demand for manufactured goods „made in Germany“. The economic upturn is built on solid internal foundations, capacity utilisation is at a high level and employment is continuing to rise. According to its autumn forecast, the German Federal Government expects GDP for the current year to increase by 2.0 % year-on-year in real terms. This would be the highest growth rate for six years. The German Federal Government also expects the upturn in the German economy to continue in the coming years.

The German Mechanical Engineering Industry Association (VDMA) is forecasting growth in production in the German mechanical engineering sector of 3.0 % in 2017 and a further 3.0 % in 2018. A slowdown in exports to China and a downturn in deliveries to the United Kingdom are expected to be offset by significant growth on the domestic market in 2018. The current pace of growth in terms of exports to the rest of Europe and the USA is expected to remain essentially unchanged.

Viscom is optimistic with regard to developments in the remaining months of 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. With budgeted revenue and incoming orders of € 87 to 92 million, Viscom expects its results of operations to improve significantly in 2017.

The EBIT-Margin for the 2017 financial year is forecast at between 14 % and 16 %; this would correspond to EBIT of between € 12.2 million and € 14.7 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.-30.09.2017

01.01.-30.09.2016

K€

K€

	01.01.-30.09.2017	01.01.-30.09.2016
	K€	K€
Revenue	64,519	50,775
Other operating income	1,270	1,196
	65,789	51,971
Changes in finished goods and work in progress	2,232	1,125
Other own work capitalised	835	1,136
Cost of materials	-25,435	-19,568
Staff costs	-20,699	-18,575
Depreciation and amortisation	-1,404	-1,289
Other operating expenses	-11,692	-10,690
	-56,163	-47,861
Operating profit	9,626	4,110
Financial income	1	25
Financial expenses	-1	-2
Financial result	0	23
Income taxes	-2,612	-1,443
Net profit for the period	7,014	2,690
Earnings per share (diluted and undiluted) in €	0.79	0.30
Other comprehensive income		
Currency translation differences	-589	-170
Items that can be reclassified to profit or loss	-589	-170
Other comprehensive income after taxes	-589	-170
Total comprehensive income	6,425	2,520

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

Assets	30.09.2017 K€	31.12.2016 K€
Current assets		
Cash and cash equivalents	8,846	6,517
Trade receivables	22,922	26,202
Current income tax assets	144	10
Inventories	24,632	22,822
Other financial receivables	106	115
Other assets	1,275	717
Total current assets	57,925	56,383
Non-current assets		
Property, plant and equipment	1,455	1,470
Intangible assets	7,834	7,923
Financial assets	7	7
Loans originated by the Company	3	16
Deferred tax assets	781	838
Total non-current assets	10,080	10,254
Total assets	68,005	66,637

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: SHAREHOLDERS' EQUITY AND LIABILITIES

Liabilities and shareholders' equity	30.09.2017 K€	31.12.2016 K€
Current liabilities		
Trade payables	2,450	2,582
Advance payments received	25	0
Provisions	1,833	1,847
Current income tax liabilities	888	876
Other financial liabilities	2,741	3,613
Other current liabilities	3,196	3,129
Total current liabilities	11,133	12,047
Non-current liabilities		
Non-current provisions	466	419
Deferred tax liabilities	1,687	1,879
Total non-current liabilities	2,153	2,298
Shareholders' equity		
Issued capital	9,020	9,020
Capital reserve	21,321	21,321
Retained earnings	23,946	20,930
Exchange rate differences	432	1,021
Total shareholders' equity	54,719	52,292
Total shareholders' equity and liabilities	68,005	66,637

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	01.01.-30.09.2017 K€	01.01.-30.09.2016 K€
Cash flow from operating activities		
Net profit for the period after interest and taxes	7,014	2,690
Adjustment of net profit for income tax expense (+)	2,612	1,443
Adjustment of net profit for interest expense (+)	1	2
Adjustment of net profit for interest income (-)	-1	-25
Adjustment of net profit for depreciation and amortisation expense (+)	1,404	1,289
Increase (+) / decrease (-) in provisions	48	198
Gains (-) / losses (+) on the disposal of non-current assets	30	-30
Increase (-) / decrease (+) in inventories, receivables and other assets	308	-3,139
Increase (+) / decrease (-) in liabilities	-1,418	-2,452
Income taxes repaid (+) / paid (-)	-2,037	-2,019
Net cash used in/from operating activities	7,961	-2,043
Cash flow from investing activities		
Proceeds (+) from the disposal of non-current assets	26	56
Acquisition (-) of property, plant and equipment and intangible assets	-521	-378
Capitalisation of development costs (-)	-835	-1,136
Interest received (+)	0	22
Net cash used in investing activities	-1,330	-1,436
Cash flow from financing activities		
Dividend payment (-)	-3,998	-3,554
Interest paid (-)	-1	-2
Net cash and cash equivalents from financing activities	-3,999	-3,556
Changes in cash and cash equivalents due to changes in exchange rates	-303	-27
Cash and cash equivalents		
Change in cash and cash equivalents	2,632	-7,035
Cash and cash equivalents as at 1 January	6,517	11,868
Cash and cash equivalents	8,846	4,806

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	7,014	7,014
Other comprehensive income	0	0	-589	0	-589
Total comprehensive income	0	0	-589	7,014	6,425
Dividends	0	0	0	-3,998	-3,998
Shareholders' equity at 30 September 2017	9,020	21,321	432	23,946	54,719

SELECTED EXPLANATORY NOTES

Declaration of compliance

The present consolidated interim financial statements 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 September 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
30.09.2017							
in K€							
Financial assets and other receivables	LaR	811	811	0	0	811	811
Trade receivables	LaR	22,922	22,922	0	0	22,922	22,922
Cash and cash equivalents	LaR	8,846	8,846	8,846	8,846	0	0
Total		32,579	32,579	8,846	8,846	23,733	23,733

Liabilities and shareholders' equity

	Measurement category	Total		Amortised cost	
		Carrying amount	Fair value	Financial liabilities (FL)	
				Carrying amount	Fair value
30.09.2017					
in K€					
Trade payables	FL	2,450	2,450	2,450	2,450
Other financial liabilities	FL	2,680	2,680	2,680	2,680
Total		5,130	5,130	5,130	5,130

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 first nine months of 2017.

Audit

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

Hanover, 14 November 2017

Dr. Martin Heuser

Volker Pape

Dirk Schwingel



FINANCIAL CALENDAR 2017

14 November 2017 **Interim Report 9M/2017, Analyst Telephone Conference**

Hanover

28 November 2017 **German Equity Forum 2017**

Frankfurt/Main

VISCOM STRUCTURE

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Executive Board	Dr. Martin Heuser Volker Pape Dirk Schwingel
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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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