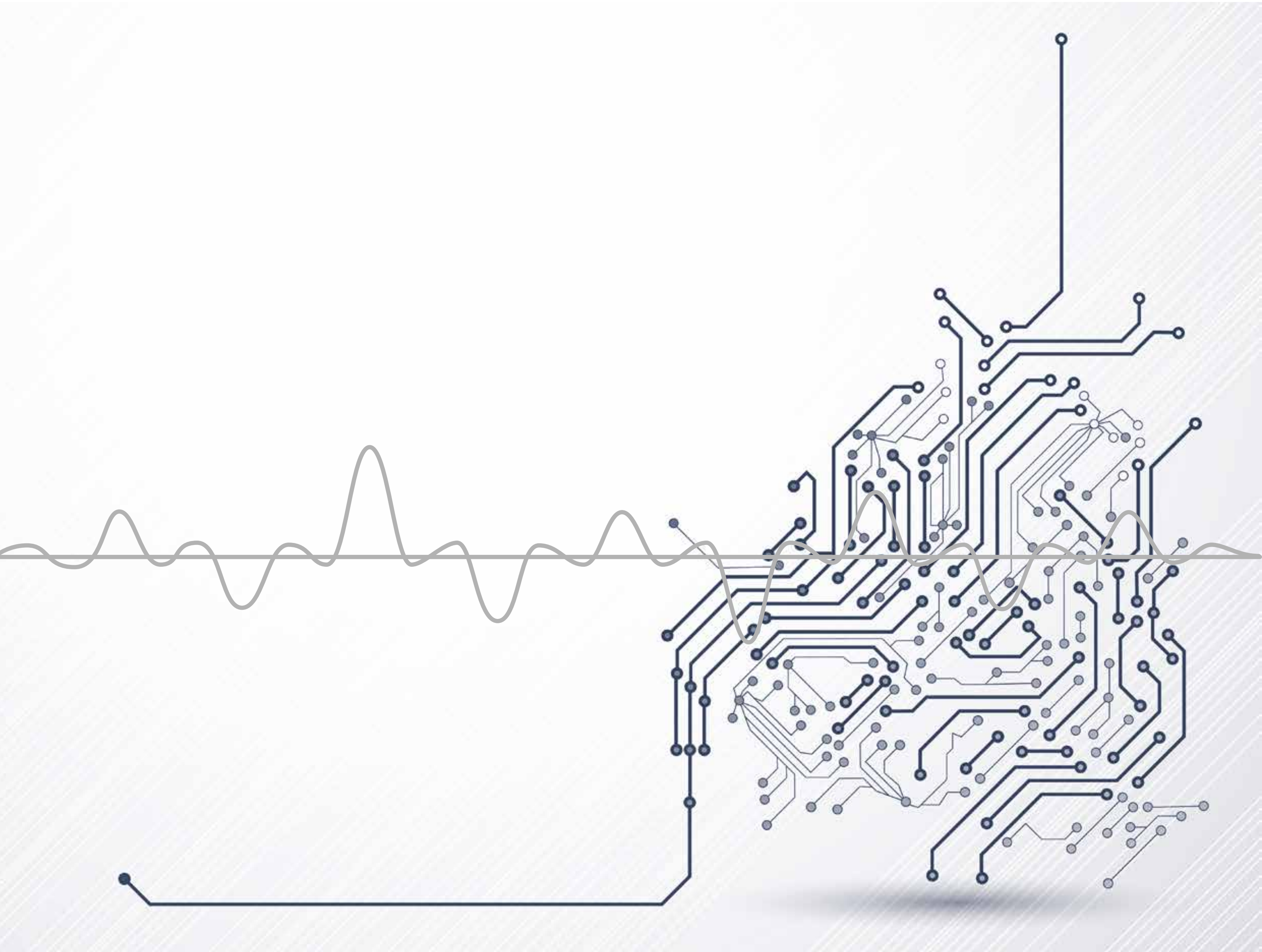
WE TAKE A CLOSER LOOK.

SOLUTIONS FOR ME.



INTERIM REPORT

as of 30 September 2018

CONTENT

OPERATING FIGURES

Profit and loss

		9M 2018	9M 2017
Revenues	K€	65,032	64,519
EBIT	K€	6,843	9,626
Net profit for the period	K€	5,256	7,014

Balance sheet and cashflow statement figures

		9M 2018	9M 2017
Total assets	K€	76,273	68,005
Equity ratio	%	74.3	80.5
CF from current business	K€	-2,312	7,961
CF from investment	K€	-3,497	-1,330
CF from financing	K€	-5,379	-3,999
End of period capital	K€	399	8,846

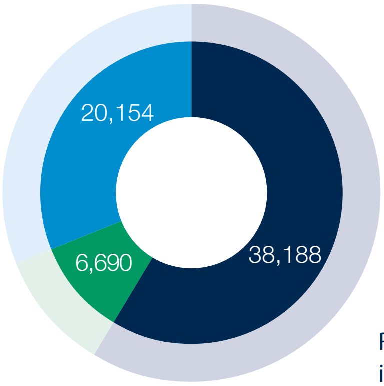
Shares

		9M 2018	9M 2017
Result per share	€	0.59	0.79

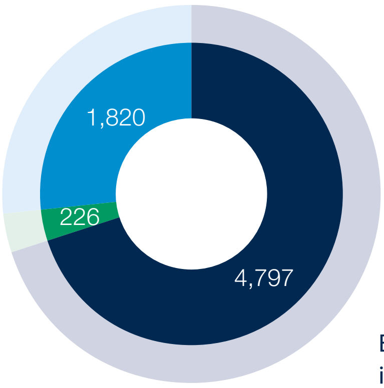
Employees

	9M 2018	9M 2017
Employees on 30 September	471	402

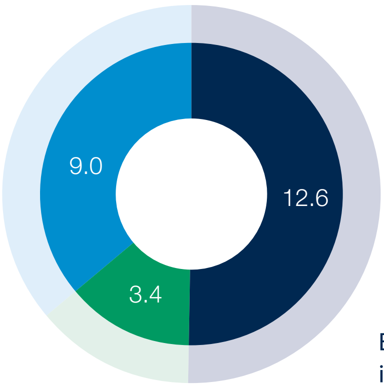
SEGMENT INFORMATION



Revenue
in K€



EBIT*
in K€



EBIT-Margin*
in %

■ Europe ■ Americas ■ Asia

* in consideration of consolidation differences

FIGURES 9M 2018

72,741
Incoming Orders
in K€

65,032
Revenue
in K€

6,843
EBIT
in K€

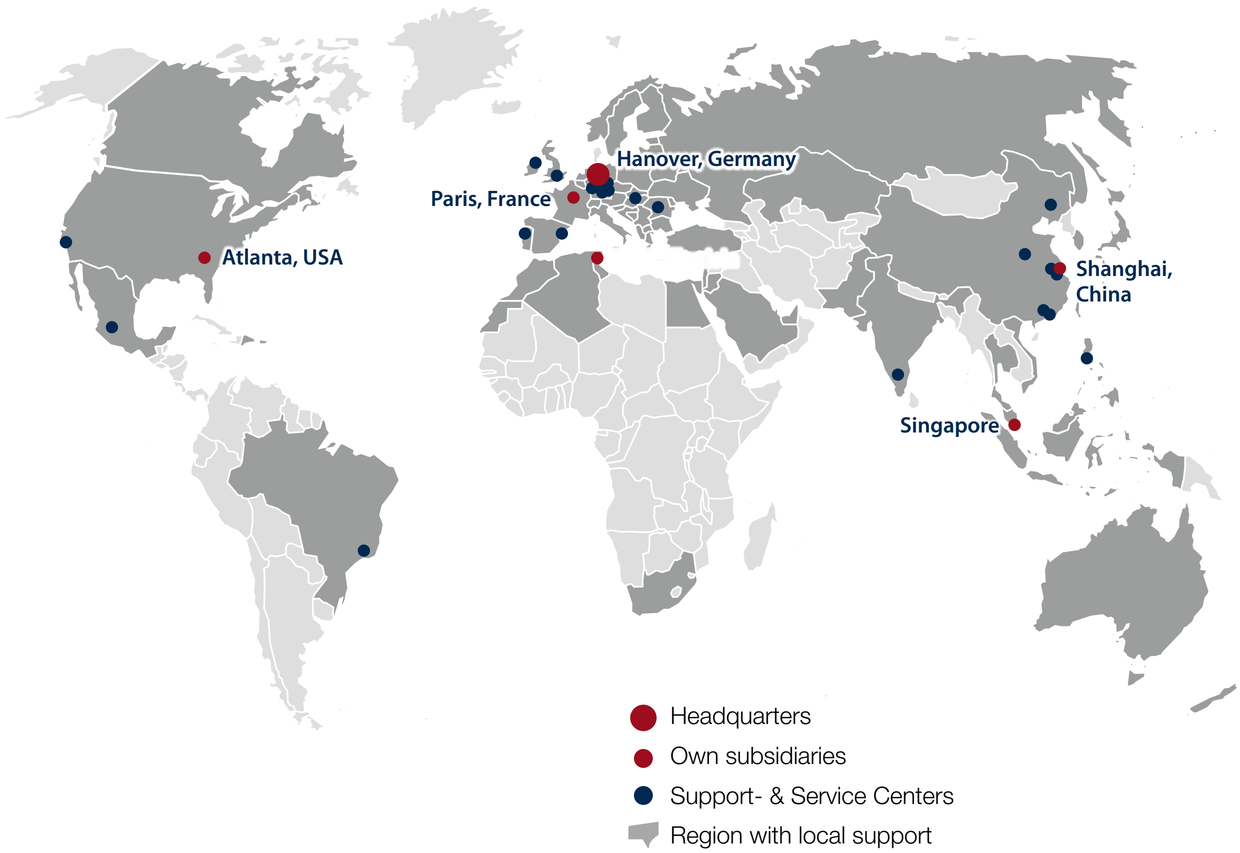
10.5
EBIT-Margin
in %

74.3
Equity Ratio
in %

VISCOM.
VISION TECHNOLOGY.

Viscom has been successfully represented on the market with its inspection solutions since 1984. From its origins as a pioneer in the field of industrial image processing, it has grown into a company with 471 employees and revenue of around € 65.0 million in the first nine months of the financial year 2018. Its portfolio focuses on high-quality inspection systems for the electronics industry, especially automated optical inspection systems, solder paste inspection and mounting and solder joint inspection, as well as X-ray inspection. The company is now one of the leading global providers and the European market leader in this area. With its core competency of component inspection, Viscom is a specialist for quality assurance in electronics production. The company offers series systems and customer-specific inspection solutions.

Viscom systems are leading-edge technological products that are used successfully around the world by high-profile companies across a wide range of industries.



FOREWORD FROM THE EXECUTIVE BOARD

Dear Ladies and Gentlemen,

The Viscom Group's positive business performance continued in the third quarter of 2018. After the first nine months of the current financial year, incoming orders were around 11 %, the order backlog as much as 42 % higher than the corresponding figure for the previous year. We continue to benefit from our customers' steadily growing interest, especially in 3D inspection. Our latest high-performance X-ray inspection system, the X7056-II, which was designed for the high-precision inspection of single- or double-sided electronic assemblies, has been very well received on the market. The revolutionary "xFastFlow" handling concept allows PCB changes in as little as four seconds, and the integrated Viscom Quality Uplink enables effective networking and process optimisation. Overall, 3D X-ray inspection has attracted a lot of attention from customers and more and more AXI systems are being provided with the "planar computer tomography" option, whereby tomographic scans allow analysis even under difficult conditions. Our technological developments and enhancements continue to meet with great interest on the market.

At around € 65 million, revenue reached the record level of the same period of the previous year. This revenue in the third quarter of 2018 was driven in particular by the strong performance of the serial products (SP) business area, with persistently strong system sales of the S3088 and X7056RS inspection system families.

Europe was our Group's strongest region by far, accounting for around 59 % of revenue. It generated revenue of around € 38 million in the first nine months of the 2018 financial year, which equates to an increase of around 17 % on the same period of the previous year. Revenue in Germany was even increased by a good 25 % to nearly € 19 million.

In contrast, the Americas region was again characterised by the investment restraint in Mexico in the third quarter. This is due to ongoing uncertainty concerning the future of free trade agreements, especially the North American Free Trade Agreement (NAFTA), and increased price pressure among the competition. The good demand in the USA and Canada partially compensated for the missing orders in Mexico. The slightly increased orders in the third quarter and the intensification of the service and replacement part business give reason to expect revenue to rise again in the fourth quarter, but these stimuli will not suffice for a return to the revenue level of the previous year in the final quarter.

In the Asia region, segment revenue of € 20 million was generated in the first nine months of 2018. Customers' investment decisions for a system in this region are increasingly determined by the supplier's entire range of services and especially the degree of digitalisation. In addition to the data exchange between the machines on the production line, integration into existing production management systems is also becoming a competitive advantage.

The general business development is also reflected in operating profit. The revenue generated in the first nine months of the current financial year and the more pronounced change in inventories meant that the cost of materials was up on the previous year. Staff costs likewise increased as a result of the capacity expansion, as well as salary adjustments. Other operating expenses were higher than in the previous year due to higher general and administrative costs and temporary staff. In contrast, other own work capitalised increased. Group EBIT therefore amounted to around € 7 million in the reporting period. This corresponds to an EBIT-Margin of 10.5 %.

Overall, we remain positive about the future. Viscom AG is in a good technological and strategic position for further growth. The management of Viscom AG expects strong year-end business for the fourth quarter and therefore confirms the forecast for 2018 as a whole that was published previously, with revenue of between € 93 million and € 98 million and an EBIT-Margin of between 13 % and 15 %.

We thank you for the trust you have placed in Viscom AG and look forward to continuing our journey with you.

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)
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 22 January 2018 *	€	38.90
Low on 16 July 2018 *	€	19.00
Market capitalisation as at 30 September 2018	€ million	179.50
Earnings per share	€	0.59

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

Market conditions

The strong global economy and the continuing growth of corporate profits still had a very positive effect on the international stock markets at the start of 2018. Increased profit-taking and fears of tighter monetary policy on the part of the US Fed then put an abrupt end to the stock market rally. The smouldering trade dispute between the USA and China on the one hand the USA and the EU on the other led to uncertainty on the market. The majority of companies announced solid figures, although the extremely cautious forecasts disappointed many investors, who feared a slowdown in economic momentum over the course of the year. A sustainable recovery of the global stock markets in the first half of the year was also hindered by political and economic issues.

Investors were still reluctant at the beginning of the second half of the year, as the mood on the stock markets was dampened by concerns over an escalation of the USA's trade conflicts with China and the EU. The market situation was exacerbated by the government crisis in Germany. After a patchy start, the financial markets improved again as time went on. Signs of an easing of tension in the trade dispute between the USA and Europe, hopes of a strong reporting season and convincing economic data gave prices a boost. The rally among technology stocks led to new all-time highs; the TecDAX even reached a 17-year high. However, the euphoria on the financial markets again left them vulnerable to profit-taking. In the final trading days of July, disappointing figures for major technology stocks led to dramatic price losses on the tech exchanges, which had to shed most of the gains they had previously made. The euro had undergone a rollercoaster ride in July and ceased trading at USD 1.1691.

In August, the severe collapse of the Turkish lira of up to 20 % resulted in major price turmoil. The lira's downward slide was also exacerbated by the USA's announcement that it would double the punitive tariff on aluminium and steel imports from Turkey. The stock markets came under heavy pressure. In mid-August, the indices fell back to their lowest levels. Sentiment on the stock markets then brightened again thanks to the stabilisation of the Turkey crisis and hopes of rapprochement between the USA and China in the ongoing trade dispute. However, positive stimuli also came from the reporting season; technology stocks in particular counted among the top performers. There was also impressive economic data from Germany and the euro zone, which indicated further growth. The Fed also raised the growth outlook for the USA for 2018 and 2019 slightly. The agreement in the NAFTA trade conflict between Mexico and the USA likewise had a positive effect. In the final trading days, however, the mood was then dampened by the smouldering trade dispute and the currency crisis in the emerging economies. Profit-taking set in again after the hunt for records. The TecDAX impressed in August overall with growth of 4.49 %. In contrast, the German benchmark index, the DAX, dropped by a considerable 3.45 %. After more ups and downs, the euro closed out August down 0.76 % at USD 1.1602.

In September, the blue chips in the DAX recovered from their losses in the previous month and the technology stocks fell back again significantly after their rally. The smouldering trade dispute between the USA and China and the crisis in the emerging economies had an adverse effect, as did concerns over Brexit following fruitless negotiations between the UK and the EU. In addition to negative geopolitical factors, the economic data in Germany were also a disappointment. Both industrial production in the euro zone and German exports fell short of expectations. The retail sector also reported disappointing data from the summer months. The financial management of the new Italian government in heavily indebted Italy likewise caused concern. In contrast, the US stock markets were spurred on by the USA's positive economic data. Although there was also profit-taking in the technology sector, the US stock markets performed significantly better than their European counterparts. The European stock markets mostly posted losses in September. The euro closed September at USD 1.1604.

The final summary of the third quarter is therefore mixed. The TecDAX leads the field with growth of 4.5 %, followed by the MDAX with a gain of 0.5 %. DAX and SDAX, however, missed the jump into the profit zone and posted losses of 0.39 % and 0.68 % respectively.

Viscom's share price performance in the first nine months of 2018

After opening the year at € 29.90, Viscom's shares initially enjoyed positive price performance. On 22 January 2018, the share price reached a historic high of € 39.60 and closed the day at € 38.90. Viscom's share price performance largely reflects the development of the stock markets since the start of the year. The record rally reached its high point in January before more or less deflating over the following months. Technology stocks in particular saw above-average losses having previously belonged to the outperformers of the bull market. The view that this upward movement could not continue indefinitely then established itself on the financial markets, with various theories delivering momentum for the negative trend. All in all, the financial markets saw considerable volatility in the first half of the year, reflecting investor uncertainty with regard to geopolitical and economic developments. Profit-taking was the order of the day following brief phases of recovery. Viscom's shares were unable to escape this negative trend despite the Company's positive outlook, with prices ranging between € 19.00 and € 20.55 at the start of the third quarter. The share price did not rise perceptibly until August, when it climbed to a quarterly high of € 23.20. The improved sentiment on the financial markets supported this trend, and Viscom's shares initially stabilised at a high level. As a result of the profit-taking among technology stocks, the Viscom share price also came under increasing pressure at the end of the quarter and had to shed the profits it had made up to that point. The shares fluctuated around an average price of € 25.18 in the first nine months of the year and closed at € 19.90 on the final day of the quarter on 30 September 2018.

Analyst recommendations

Three financial analysts cover and comment on Viscom's shares on a regular basis. At 30 September 2018, the share had three buy recommendations.

Shareholder structure

The shareholder structure of Viscom AG is characterised by the high degree of involvement on the part of the Company founders Dr Martin Heuser and Volker Pape. 59.6 % of the shares are held by Dr Martin Heuser and Volker Pape, either directly or via HPC Vermögensverwaltung GmbH. 7.4 % of the shares are held by Allianz. Viscom AG holds 1.5 % of its own shares, which the Company repurchased in 2008/2009 as part of a share buyback programme. The 31.5 % 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.com.

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

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Investor Relations
Anna Borkowski
Carl-Buderus-Straße 9-15
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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, 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 Dr Martin Heuser and Volker Pape. 7.36 % 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 2018, Viscom AG held approximately 1.50 % of its own shares.

The Executive Board of Viscom AG consisted of four members as at 30 September 2018:

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 Michèle Morner (Chair)
Volker Pape (Deputy Chair)
Prof 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 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

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 2018. 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 Executive Board, all of the heads of the 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 further development of existing system solutions as well as the implementation of new market requirements in the field of optical and X-ray inspection processes. This area also focuses on the definition of new products and machines.

One particularly important aspect is new areas of software development such as artificial intelligence and deep learning. Examples of existing applications include translation and gaming software, where some of the results have been nothing short of astonishing. In the current financial year, Viscom will continue to launch a number of software projects aimed at examining the extent to which these methods can be used in automated PCB inspection. With regard to improving system operation, development is now prioritising support for operators in the verification of inspection results using artificial intelligence. Operators are supported by artificial intelligence at a verification station, where the defects identified by the inspection system are finally classified. The aim is that, in line with the dual-control principle, a notification is always displayed if the artificial intelligence comes to a different conclusion than the operator. In addition to software development, extensive training data must also be collected and processed over a lengthy period and the principle verified in a validation phase.

The corresponding future orientation of these activities is also described in detail on pages 28-30 of the Annual Report 2017 and did not change during the first three quarters of 2018.

Expenditure for research and development, excluding constructive changes for customer-specific adaptations, was slightly above the previous year's level. Development costs totalling € 1,794 thousand were capitalised in the first nine months of 2018 (previous year: € 835 thousand). Capitalised development costs were written down as scheduled in the amount of € 764 thousand (previous year: € 975 thousand).

ECONOMIC REPORT

Macroeconomic and sector development

Macroeconomic development

The global economy has continued to enjoy dynamic development, and the economic upturn remains intact. However, global economic growth has been palpably curbed by the ongoing dispute over the United States' new trade barriers and the high debt levels of many countries. The differences in economic momentum between the countries have grown larger again since the start of 2018. The upturn in the USA gained momentum thanks to strong stimulus from financial policy. In China, too, production again made significant gains. In contrast, the economy lost momentum in the euro zone, especially in France and Italy.

Germany is still experiencing an upswing. A key pillar is the domestic economy, which was stimulated by a sharp rise in employment and low interest rates. Private consumption likewise made a hefty contribution to the macroeconomic expansion. The utilisation of production capacity is very high. Nonetheless, the growth rates for the German economy are being reduced by the weaker global economy, as well as shortages on the domestic labour market and in the construction industry and a slight growth slowdown in the German sales markets. In addition, some German carmakers had to temporarily reduce or even cease their production in the summer months of 2018 due to the switch to the new WLTP emissions test procedure.

Sector development

The inspection of electronic assemblies is Viscom's main revenue segment. Consequently, 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. 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 employed primarily within the electronics industry. Producers of electronic components are the main customer segment, accounting for 79 % of revenue (previous year: 85 %). 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 21 % of revenue (previous year: 15 %) is attributable to manufacturers from other industries, such as medical technology. In addition, a substantial proportion of customers are from the entertainment and home electronics sector.

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 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 nine months of 2018, Viscom generated around 54 % of its revenue with its five largest customers (previous year: 58 %). A further 30 % of revenue was generated with 31 customers (previous year: 38 customers). The remaining revenue was generated with a total of 308 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, help 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

Orders totalling € 72,741 thousand (previous year: € 65,815 thousand) were received in the first nine months of 2018. This represents a significant year-on-year increase of 10.5 %.

The order backlog rose significantly to € 27,486 thousand as at 30 September 2018 (previous year: € 19,365 thousand), corresponding to full capacity utilisation for more than three months.

Revenue development

The relatively low level of revenue in the first quarter of 2018 was followed by a significant increase in the second quarter of 2018. Viscom generated consolidated revenue of € 22,140 thousand in the third quarter (previous year: € 24,624 thousand). In the first nine months of 2018, the Group achieved cumulative revenue of € 65,032 thousand, which was on a par with the high level of the same period of the previous year (€ 64,519 thousand).

Operating profit (EBIT) / EBIT-Margin

While operating profit (EBIT) in the first quarter of 2018 was negatively influenced by the Company's muted revenue development, the improved revenue situation in the second quarter meant that EBIT increased significantly as a result. EBIT amounted to € 2,241 thousand in the third quarter (previous year: € 3,925 thousand). Operating profit totalled € 6,843 thousand in the first nine months of 2018 (previous year: € 9,626 thousand). This corresponds to an EBIT-Margin of 10.5 % (previous year: 14.9 %). The revenue generated in the first nine months of the current financial year and the more pronounced change in inventories meant that the cost of materials rose by € 4,092 thousand year-on-year to € 29,527 thousand (previous year: € 25,435 thousand). The change in inventories amounted to € 5,762 thousand (previous year: € 2,232 thousand). Staff costs increased from € 20,699 thousand to € 23,764 thousand as a result of the capacity expansion, as well as salary adjustments. Other operating expenses increased year-on-year to € 12,732 thousand (previous year: € 11,692 thousand) due to higher general and administrative costs and temporary staff. In contrast, other own work capitalised increased from € 835 thousand to € 1,794 thousand.

Net profit for the period

Net profit for the period fell from € 7,014 thousand in the previous year to € 5,256 thousand. The effects discussed under operating profit above also had an impact on net profit for the period. Moreover, the reduced income tax expense as a result of the lower earnings and tax refunds for previous years was reflected in higher net profit.

The pre-tax return on sales was 10.5 % (previous year: 14.9 %).

Earnings per share

On the basis of 8,885,060 shares, earnings per share as at 30 September 2018 amounted to € 0.59 (diluted and basic) compared with € 0.79 in the previous year.

Financial result

Financial income amounted to € 14 thousand (previous year: € 1 thousand) and was largely attributable to interest on tax refunds. Financial expenses of € 64 thousand (previous year: € -1 thousand) resulted from the discounting of anniversary provisions and interest of € 48 thousand due to the utilisation of the available credit facilities.

Exchange rate effects

As it operates internationally, Viscom is exposed to exchange rate risks. The relatively low business volume denominated in foreign currency means that the existing level of exchange rate risk is considered acceptable. In the period under review, 6.4 % of total revenue was subject to a direct exchange rate effect (previous year: 10.2 %). Viscom reserves the right to perform exchange rate hedging in individual cases.

Employees

Viscom had 471 employees (excluding trainees) globally as at 30 September 2018, corresponding to a year-on-year increase of 69 (previous year: 402 employees). The workforce expansion related to all of the Company's business areas. The reason for this increase included the response to the upturn in incoming orders and the growth forecast for the Company.

As at 30 September 2018	Europe	Americas	Asia	**Total**
Total	**386**	**19**	**66**	**471**
of which full-time	350	18	66	**434**
of which part-time	36	1	0	**37**
plus: Trainees	**13**	**0**	**0**	**13**

Regional developments

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

in K€	Europe		Americas		Asia		Consolidation		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
External sales	38,188	32,777	6,690	10,688	20,154	21,054	0	0	65,032	64,519
Inter-segment sales	17,080	18,831	370	270	1,731	1,259	-19,181	-20,361	0	0
Total sales	55,268	51,608	7,060	10,958	21,885	22,313	-19,181	-20,361	65,032	64,519
Segment earnings	5,333	6,501	226	1,381	1,820	2,012	-536	-268	6,843	9,626

Europe

Europe was the Viscom Group's strongest region by some distance, generating revenue of € 38,188 thousand in the first nine months of the 2018 financial year (previous year: € 32,777 thousand) and accounting for around 59 % of total revenue. Revenue increased by around 17 % as against the previous year. This was primarily due to higher system sales, particularly in the area of series inspection systems. Revenue in Germany amounted to € 18,541 thousand (previous year: € 14,826 thousand).

Segment earnings in the Europe region totalled € 5,333 thousand (previous year: € 6,501 thousand), corresponding to an EBIT-Margin of 14.0 % (previous year: 19.8 %). This decrease was primarily attributable to the effects already discussed under operating profit.

Americas

Segment revenue in the Americas region declined considerably by around 37 % year-on-year to € 6,690 thousand (previous year: € 10,688 thousand). Segment earnings amounted to € 226 thousand (previous year: € 1,381 thousand), corresponding to an EBIT-Margin of 3.4 % (previous year: 12.9 %).

The propensity to invest among customers in Mexico was again restrained in the third quarter of 2018, due to uncertainty concerning the future of free trade agreements, especially the North American Free Trade Agreement (NAFTA), and increased price pressure among the competition. The good demand in the USA and Canada partially compensated for the missing orders in Mexico. The slightly increased level of orders in the third quarter and the intensification of the service and replacement part business give reason to expect revenue to rise again in the fourth quarter, but these stimuli will not suffice for a return to the previous year's level in the final quarter.

Asia

In the Asia region, segment revenue of € 20,154 thousand was generated in the first nine months of 2018 (previous year: € 21,054 thousand). The revenue quality in the third quarter was diminished by aggressive competition. At the same time, investments in new capacity in the consumer electronics segment were lower than expected, so consolidated revenue in the region was slightly below the previous year's figure. Due to the increased workforce, which was due to the substantial growth in the installation base, segment earnings fell slightly to € 1,820 thousand (previous year: € 2,012 thousand). The EBIT-Margin amounted to 9.0 % (previous year: 9.6 %).

Customers' investment decisions for a system are increasingly determined by the supplier's entire range of services and especially the degree of digitalisation. In addition to the data exchange between the machines on the production line, integration into existing production management systems is also becoming a competitive advantage.

Financial position

Capital structure / liquidity

Viscom was able to ensure the required liquidity at all times in the period under review. As at 30 September 2018, overdrafts in the form of available credit facilities were utilised in the amount of € 4,122 thousand (previous year: € 0 thousand) and reduced by € 3,422 as against the half-year figure. 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 € 4,521 thousand, the Company had positive net bank balances of € 399 thousand at the reporting date (previous year: € 8,846 thousand). The subsidiaries did not require any loans.

Investments

Investments in property, plant, and equipment and intangible assets totalled € 3,616 thousand in the first nine months of 2018 (previous year: € 1,356 thousand). € 1,794 thousand (previous year: € 835 thousand) of the investments related to own work capitalised, while € 1,822 thousand (previous year: € 521 thousand) was attributable to operating and office equipment, land, leasehold improvements, software, technical equipment and machinery.

Cash and cash equivalents / cash flow

Cash flow from operating activities was negative at € -2,312 thousand (previous year: € 7,961 thousand). This was primarily due to the increase in inventories, receivables and other assets, which was partially offset by the net profit for the period, depreciation and amortisation and the increase in liabilities.

Cash flow from investing activities amounted to € -3,497 thousand (previous year: € -1,330 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 € -5,379 thousand (previous year: € -3,999 thousand). This change was due to the dividend distribution for the 2017 financial year in June 2018.

Cash funds, which comprised cash and cash equivalents (€ 4,521 thousand; previous year: € 8,846 thousand) and current loans (€ 4,122 thousand; previous year: € 0 thousand), amounted to € 399 thousand as at 30 September 2018 (previous year: € 8,846 thousand) and hence were down on the end of the 2017 financial year (€ 11,506 thousand).

Net assets

Non-current assets

In the category of non-current assets, intangible assets included primarily own work capitalised. Intangible assets increased from € 8,913 thousand as at 31 December 2017 to € 9,991 thousand at the end of the first nine months of the 2018 financial year. The rise in property, plant and equipment from € 1,859 thousand to € 2,950 thousand was primarily due to the purchase of land and the parking areas constructed on this land, as well as the construction of an X-ray laboratory and the fitting out of additional office space.

Receivables

At € 21,925 thousand, trade receivables were down on the level recorded as at 31 December 2017 (€ 22,488 thousand). Valuation allowances on trade receivables decreased by € 326 thousand to € 914 thousand as at 30 September 2018.

Inventories

The carrying amount of inventories was € 32,972 thousand, an increase as against the end of the 2017 financial year (€ 24,521 thousand). This was due to the pre-production of partially completed and completed systems and the procurement of raw materials and supplies to satisfy the high order backlog and the expected volume of incoming orders.

Liabilities

Trade payables increased from € 2,609 thousand at the end of 2017 to € 4,026 thousand.

Contract liabilities in the amount of € 465 thousand (previous year: € 0 thousand) include delivery and performance obligations from contracts with customers in accordance with IFRS 15.

Shareholders' equity

Total shareholders' equity decreased slightly from € 56,760 thousand at the end of the 2017 financial year to € 56,656 thousand. This change was primarily due to the net profit for the period and the dividend distribution for the 2017 financial year. At 74.3 %, the equity ratio was lower than the figure as at 31 December 2017 (79.6 %). The equity ratio in the corresponding prior-year period was 80.5 %.

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

	30.09.2018 K€	31.12.2017 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions)	**-12,106**	**-298**
Tier 2 liquidity (tier 1 liquidity plus receivables and other assets less non-current liabilities)	**12,355**	**23,089**
Tier 3 liquidity (tier 2 liquidity plus inventories)	**45,327**	**47,610**
Current assets		
Cash and cash equivalents	4,521	11,506
Receivables and other assets	24,964	23,862
Inventories	32,972	24,521
	62,457	**59,889**
Liabilities and provisions		
Current liabilities and provisions	16,627	11,804
Non-current provisions	503	475
	17,130	**12,279**
Net debt		
Liabilities and provisions (-)	-17,130	-12,279
+ Cash and cash equivalents	4,521	11,506
+ Receivables and other assets	24,964	23,862
= Net debt	12,355	23,089
Working capital		
Current assets - liabilities and provisions	45,327	47,610
Equity ratio		
Shareholders' equity/total assets	74.3 %	79.6 %

	30.09.2018 K€	30.09.2017 K€
Cash flow		
Net profit for the period after taxes	5,256	7,014
+ Depreciation and amortisation expense	1,381	1,404
	6,637	**8,418**
Return on equity		
Net profit for the period/shareholders' equity	9.3 %	12.8 %
Return on Investment (ROI)		
Net profit for the period/total assets	6.9 %	10.3 %
Return on revenue		
EBT/revenue	10.4 %	14.9 %
Return on Capital Employed (ROCE)		
EBIT/(total assets - cash and cash equivalents - current liabilities and provisions)	12.4 %	20.0 %

REPORT ON POST-REPORTING DATE EVENTS

There were no significant events after the first nine months of the 2018 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 40 – 45 of the Company's Annual Report 2017.

REPORT ON FUTURE DEVELOPMENTS IN 2018 AND 2019

Economic conditions

The global economy is still growing, and the economic upturn is continuing. However, there remains major uncertainty over the progress of the global economy, and prospects have deteriorated noticeably. The outlook is being overshadowed by trade conflicts, while the financial conditions for emerging economies are getting worse and worse. The differences in economic momentum between the countries have grown larger again since the start of 2018. The upturn in the USA gained momentum thanks to strong stimulus from financial policy. In China, too, production again made significant gains. In contrast, the economy lost momentum in the euro zone, especially in France and Italy. The International Monetary Fund (IMF) is forecasting growth in the world economy of 3.7 % in 2018 and 2019.

The upswing in Germany is continuing while investment activities are losing pace, so the high growth rates of the boom year of 2017 will not be achieved again. The IMF expects growth of 1.9 % in Germany both this year and next year. The economic development is driven by private consumption, which is benefiting from rising employment and substantial income growth. Investment decisions continue to be encouraged by the favourable financing conditions, and the high capacity utilisation of many companies is indicative of an increase in production capacity. The German government's financial policy measures, which will come into effect at the start of 2019, are also expected to stimulate the German economy. The export industry is also benefiting from the continuingly good global economy. However, a ceasefire in the trade war between the USA and the EU and an orderly Brexit are essential prerequisites for further positive development in Germany.

According to its autumn forecast, the Joint Economic Forecast Project Group, a collaboration between DIW Berlin, ifo Institute, Kiel Institute for the World Economy (IfW Kiel), Halle Institute for Economic Research (IWH) and RWI – Leibniz Institute for Economic Research, expects the global economy to continue upwards. It expects macroeconomic production to expand by 3.3 % in 2018 and 3.0 % in 2019. The domestic economy will remain the driving force in most countries, while uncertainty over the future of the world trade order will be a detrimental factor. The increase in world trade is likely to fall to 3.4 % in 2018 and reach 3.0 % at best in 2019.

Results of operations

The development of incoming orders and revenue in 2018 will largely depend on the overall economic situation, particularly in the automotive industry. Based on the assumptions described, the forecast performance indicators remain unchanged compared with the end of the 2017 financial year. With budgeted revenue and incoming orders of € 93 to 98 million, Viscom still expects results of operations to be significantly positive in 2018.

The EBIT-Margin for the 2018 financial year is likely to be between 13 % and 15 %, corresponding to EBIT of between € 12.1 million and € 14.7 million.

Financial position

Liquidity for the remaining months of 2018 will be generated exclusively from the Company's own funds and available credit facilities. No long-term 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.-30.09.2018 K€	01.01.-30.09.2017 K€
Revenue	65,032	64,519
Other operating income	1,659	1,270
	66,691	**65,789**
Changes in finished goods and work in progress	5,762	2,232
Other own work capitalised	1,794	835
Cost of materials	-29,527	-25,435
Staff costs	-23,764	-20,699
Depreciation and amortisation	-1,381	-1,404
Other operating expenses	-12,732	-11,692
	-59,848	**-56,163**
Operating profit	**6,843**	**9,626**
Financial income	14	1
Financial expenses	-64	-1
Financial result	**-50**	**0**
Income taxes	-1,537	-2,612
Net profit for the period	**5,256**	**7,014**
Earnings per share (diluted and basic) in €	**0.59**	**0.79**
Other comprehensive income		
Currency translation differences	50	-589
Items that can be reclassified to profit or loss	**50**	**-589**
Other comprehensive income after taxes	**50**	**-589**
Total comprehensive income	**5,306**	**6,425**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

Assets	30.09.2018 K€	31.12.2017 K€
Current assets		
Cash and cash equivalents	4,521	11,506
Trade receivables	21,925	22,488
Current income tax assets	729	109
Inventories	32,972	24,521
Other financial receivables	98	145
Other assets	2,212	1,120
Total current assets	**62,457**	**59,889**
Non-current assets		
Property, plant and equipment	2,950	1,859
Intangible assets	9,991	8,913
Financial assets	6	6
Loans originated by the Company	104	15
Deferred tax assets	765	660
Total non-current assets	**13,816**	**11,453**
Total assets	**76,273**	**71,342**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities and shareholders' equity	30.09.2018 K€	31.12.2017 K€
Current liabilities		
Trade payables	4,026	2,609
Contract liabilities	465	0
Current loans	4,122	0
Advance payments received	162	220
Provisions	1,505	1,719
Current income tax liabilities	767	1,088
Other financial liabilities	2,737	3,575
Other current liabilities	2,843	2,593
Total current liabilities	**16,627**	**11,804**
Non-current liabilities		
Non-current provisions	503	475
Deferred tax liabilities	2,487	2,303
Total non-current liabilities	**2,990**	**2,778**
Shareholders' equity		
Issued capital	9,020	9,020
Capital reserve	21,321	21,321
Retained earnings	25,851	26,005
Exchange rate differences	464	414
Total shareholders' equity	**56,656**	**56,760**
Total shareholders' equity and liabilities	**76,273**	**71,342**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	01.01.-30.09.2018 K€	01.01.-30.09.2017 K€
Cash flow from operating activities		
Net profit for the period after interest and taxes	5,256	7,014
Adjustment of net profit for income tax expense (+)	1,537	2,612
Adjustment of net profit for interest expense (+)	64	1
Adjustment of net profit for interest income (-)	-14	-1
Adjustment of net profit for depreciation and amortisation expense (+)	1,381	1,404
Increase (+)/decrease (-) in provisions	-189	48
Gains (-)/losses (+) on the disposal of non-current assets	-71	30
Increase (-)/decrease (+) in inventories, receivables and other assets	-10,033	308
Increase (+)/decrease (-) in liabilities	1,432	-1,418
Income taxes repaid (+)/paid (-)	-1,675	-2,037
Net cash used in/from operating activities	**-2,312**	**7,961**
Cash flow from investing activities		
Proceeds (+) from the disposal of non-current assets	137	26
Acquisition (-) of property, plant and equipment and intangible assets	-1,821	-521
Capitalisation of development costs (-)	-1,794	-835
Disbursements of loans granted (-)	-36	0
Receipts from the repayment of loans granted (+)	4	0
Interest received (+)	13	0
Net cash used in investing activities	**-3,497**	**-1,330**
Cash flow from financing activities		
Dividend payment (-)	-5,331	-3,998
Interest paid (-)	-48	-1
Net cash and cash equivalents from financing activities	**-5,379**	**-3,999**
Changes in cash and cash equivalents due to changes in exchange rates	81	-303
Cash and cash equivalents		
Change in cash and cash equivalents	-11,188	2,632
Cash and cash equivalents as at 1 January	11,506	6,517
Cash and cash equivalents as at 30 September	**399**	**8,846**

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 01.01.2017	9,020	21,321	1,021	20,930	52,292
Net profit for the period	0	0	0	9,073	9,073
Other comprehensive income	0	0	-607	0	-607
Total comprehensive income	**0**	**0**	**-607**	**9,073**	**8,466**
Dividends	0	0	0	-3,998	-3,998
Shareholders' equity at 31.12.2017	9,020	21,321	414	26,005	56,760
Remeasurement as per IFRS 9 and IFRS 15	0	0	0	-79	-79
Shareholders' equity at 01.01.2018	9,020	21,321	414	25,926	56,681
Net profit for the period	0	0	0	5,256	5,256
Other comprehensive income	0	0	50	0	50
Total comprehensive income	**0**	**0**	**50**	**5,256**	**5,306**
Dividends	0	0	0	-5,331	-5,331
Shareholders' equity at 30.09.2018	9,020	21,321	464	25,851	56,656

SELECTED EXPLANATORY NOTES

Declaration of compliance

The present consolidated interim financial statements for 2018 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 2018.

Changes or additions to IFRS and changes to reporting, recognition or measurement as a result

Compared with the consolidated financial statements dated 31 December 2017, the following standards and interpretations have changed or become mandatory as a result of their adoption under EU law or following the effective date of the provisions:

<u>IFRS 9 – Financial Instruments</u>
The standard published by the IASB on 24 July 2014 is a three-phase project superseding IAS 39 -Financial Instruments: Recognition and Measurement and was adopted under EU law with the announcement in the EU official gazette on 22 November 2016; application is mandatory for financial years beginning on or after 1 January 2018. Viscom applied the standard retroactively according to the simplified transition method and recognised the cumulative effect of the first-time application as at 1 January 2018 as an adjustment of the opening carrying amount of retained earnings. The following changes were made to recognition and measurement:

Financial instruments (financial assets and financial liabilities) within the meaning of IAS 32 and IFRS 9 are divided into the following categories:

- Measurement at amortised cost (AC)
- Measurement at fair value through other comprehensive income (FVtOCI)
- Measurement at fair value through profit or loss (FVtPL)

The classification of a financial asset essentially depends on two criteria:

- Business model test: classification is contingent on the nature of the business model in which the financial instrument is held.
- Cash flow characteristics test: classification is determined by the characteristics of the contractual cash flows.

The Company determines the classification of financial assets on initial recognition.

These financial assets and liabilities are carried on initial recognition at their fair value as at the trade date, with the exception of trade receivables without a significant financing component, which are measured at their transaction price. After initial recognition, different measurement methods apply to the various categories of financial assets and liabilities. These are described in the accounting policies for the respective statement of financial position items. Foreign currency items are translated at the middle rate prevailing at the reporting date. Gains and losses due to changes in the fair value of financial instruments are recognised in profit or loss.

Financial assets are derecognised when the Company loses control of the contractual rights underlying the respective asset. Financial liabilities are derecognised when the corresponding contractual obligations are met or cancelled or they expire.

<u>IFRS 15 – Revenue from Contracts with Customers</u>
The standard published by the IASB on 28 May 2014 supersedes the existing standards on revenue, IAS 18 and IAS 11, and was adopted under EU law with the announcement in the EU official gazette on 22 September 2016; application is mandatory for financial years beginning on or after 1 January 2018. In accordance with IFRS 15.C3(b), Viscom applied the standard retroactively according to the simplified transition method and recognised the cumulative effect of the first-time application as at 1 January 2018 as an adjustment of the opening carrying

amount of retained earnings. The following changes were made to recognition and measurement:

- Subsequent work

After the delivery of a system, subsequent work is often required in order to integrate the system for the customer as ordered. The services are part of the system delivery, but are performed after control over the system is passed to the customer. Previously, the full revenue for the system delivery including subsequent work was recognised after control over the system had passed to the customer. For the outstanding subsequent work, a provision for the expected future expenses was recognised for each system. According to IFRS 15, the portion of the revenue attributable to the subsequent work is now recognised over the time of the subsequent work and in the event of earlier invoicing carried as a contract liability. The partial revenue comprises the expected expenses for the subsequent work – on the basis of past experience – and an average margin. The provision for subsequent work of € 276 thousand as at 31 December 2017 is recognised as a contract liability of € 359 thousand as at 1 January 2018.

- Deferred revenue

Previously, payments for services under contracts with customers received before the reporting date that constituted income for a specific period after this date were recognised as other current liabilities. According to IFRS 15, they are now reported as a contract liability, provided they relate to revenue in accordance with IFRS 15 (as at 1 January 2018: € 106 thousand).

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 interim Group management report.

Apart from the changes described below, the same accounting policies were applied as in the 2017 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 due to the first-time application of IFRS 9 and IFRS 15

Trade receivables

Viscom applies the simplified approach for expected credit losses according to IFRS 9, which allows the recognition of full lifetime expected losses for all trade receivables. To measure the expected credit losses, the trade receivables were grouped according to shared credit risk characteristics and days past due. The expected credit losses also include forward-looking information.

Value adjustments on trade receivables developed as follows:

	K€
As at 31 December 2017 (IAS 39)	**1,240**
Adjustment of retained earnings	34
As at 1 January 2018 (IFRS 9)	**1,274**
Addition to value adjustments on receivables	20
Reversal of value adjustments no longer required	-380
As at 30 September 2018	**914**

Contract liabilities

This item includes delivery and performance obligations from contracts with customers in accordance with IFRS 15.

Reconciliation of adjusted items of the statement of financial position (IFRS 9 and IFRS 15)

Retained earnings decreased by € 79 thousand to € 25,926 thousand as at 1 January 2018 as a result of first-time application (31 December 2017: € 26,005 thousand).

K€	31.12.2017	Reclassification	Evaluation	01.01.2018	Change in retained earnings
Trade receivables	22,488	0	-34	22,454	-34
Other current liabilities	2,593	-106	0	2,487	0
Provisions	1,719	-276	0	1,443	0
Contract liabilities	0	382	83	465	-83
Deferred tax assets	660	0	27	687	27
Deferred tax liabilities	2,303	0	-11	2,292	11

If IFRS 15 had not been applied, the figures for the current reporting period would have been as follows:

- As at 30 September 2018, the application of IFRS 15 made no difference to revenue, other operating expenses or income taxes and thus no difference to EBIT or net profit for the period.
- Deferred tax assets would have amounted to € 792 thousand (with IFRS 15: € 765 thousand).
- There would have been no contract liabilities as at 30 September 2018 (with IFRS 15: € 465 thousand), while provisions would have been higher (€ 1,781 thousand; with IFRS 15: € 1,505 thousand), as would other current liabilities (€ 2,949 thousand; with IFRS 15: € 2,843 thousand).
- Shareholders' equity would have amounted to € 56,712 thousand as at 30 September 2018 (with IFRS 15: € 56,656 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group's revenue can be broken down as follows:

Revenue	30.09.2018 K€	30.09.2017 K€
Construction and delivery of machines	50,996	49,547
Services/replacement parts	13,625	14,296
Rentals	411	676
Total	**65,032**	**64,519**

The categories "Construction and delivery of machines" and "Services / replacement parts" are revenue from contracts with customers as per 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.

At the date of first-time application, 1 January 2018, the Group's financial instruments were reclassified as follows in accordance with IFRS 9:

01.01.2018 in K€	Measurement category		Carrying amount			Fair Value		
	IAS 39	IFRS 9	IAS 39	IFRS 9	Difference	IAS 39	IFRS 9	Difference
Assets								
Financial assets and other receivables	LaR	AC	327	327	0	327	327	0
Trade receivables	LaR	AC	22,488	22,454	-34	22,488	22,454	-34
Cash and cash equivalents	LaR	AC	11,506	11,506	0	11,506	11,506	0
			34,321	**34,287**	**-34**	**34,321**	**34,287**	**-34**
Liabilities and shareholders' equity								
Trade payables	FL	AC	2,609	2,609	0	2,609	2,609	0
Other financial liabilities	FL	AC	3,476	3,476	0	3,476	3,476	0
			6,085	**6,085**	**0**	**6,085**	**6,085**	**0**

The categories and measurement of financial assets and liabilities as at 30 September 2018 are shown in the following table:

30.09.2018 in K€	Measurement category	Carrying amount	Fair Value
Assets			
Financial assets and other receivables	AC	1,591	1,591
Trade receivables	AC	21,925	21,925
Cash and cash equivalents	AC	4,521	4,521
Liabilities and shareholders' equity			
Current loans	AC	4,122	4,122
Trade payables	AC	4,026	4,026
Other financial liabilities	AC	2,677	2,677

Please refer to pages 97–100 of Viscom AG's Annual Report 2017 for more information on financial instruments.

Events after the reporting date

There were no significant events after the first nine months of 2018.

Audit

As was the case for the previous consolidated interim financial statements, the consolidated interim report as at 30 September 2018 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, 13 November 2018

Carsten Salewski   Peter Krippner

Dr. Martin Heuser   Dirk Schwingel

FINANCIAL CALENDAR 2018

13 November 2018	**Interim Report 9M/2018**	Hanover
27 November 2018	**German Equity Forum 2018**	Frankfurt/Main

VISCOM STRUCTURE

Supervisory Board	Prof. Michèle Morner (Chair) Volker Pape (Deputy Chair) 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

LEGAL NOTICE

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