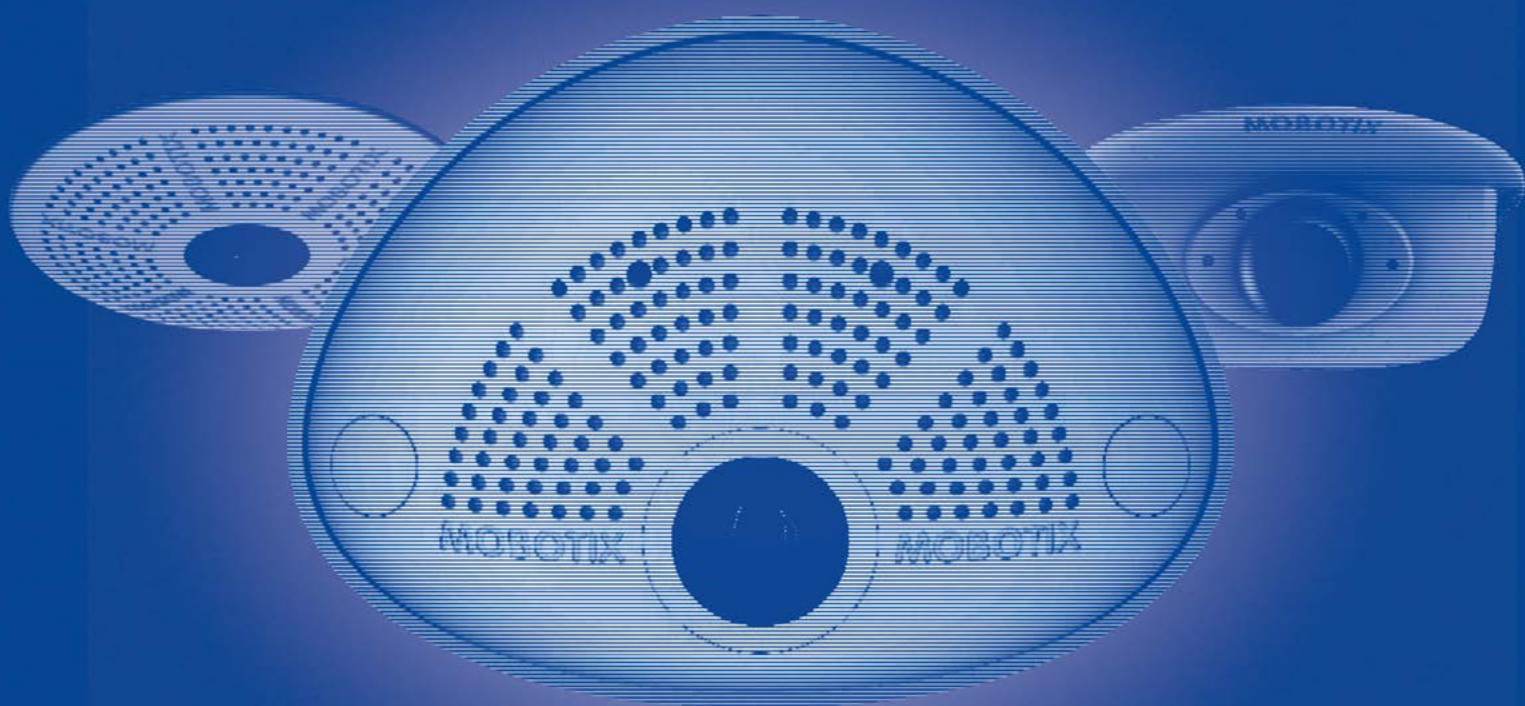


MOBOTIX AG

Annual Report

October 1, 2014 to September 30, 2015

Security-Vision-Systems



Approach Of Inst model



The new p25 6MP model is equipped with the brand-new 6-Megapixel Moonlight sensor technology, providing best low-light performance to cope with every indoor situation. The p25 is positioned extremely price competitive at 398€ and represents with all included MOBOTIX features and the latest in technology," says CEO of MO. MOBOTIX VMS MxMC, one of the most attractive security solutions in the market.



Reliable

M15D-Th

The new p25 is a ceiling camera with a manual pan/tilt functionality providing full installation flexibility. Equipped with the p25 can be directed the room, with a 90° field of view in the corner the p25 demonstrates its 6MP resolution. For Analytics is now available, too. For all single lens

MxAnalytics - Now Available in All MOBOTIX Single Lens Models



MOBOTIX AG as of 1st April 2015 with a new Chief Sales Officer

The Supervisory Board of MOBOTIX AG has appointed Dr. Tristan Haage as a new member of the Management Board for the area of Sales. With a PhD in physics, Dr. Haage comes from Kaiserslautern and will assume responsibility in the Management Board starting 1st April 2015. With Dr. Haage, MOBOTIX AG gains a leader with many years of management experience in international sales.

Dr. Haage is finishing his studies at the Kaiser-Friedrich University of Technology and completed his doctorate degree at the University of Stuttgart. Dr. Haage began his professional career in Munich. In addition to leading various projects, he helped build a global Account Management system at Siemens AG in the industrial division. Over ten years as Director of Sales and Marketing and as a member of the management at Steitz Security Systems, contributing to the growth of this medium-sized company. Most recently, he served as authorized officer of the international sales division at Frenzelit Werke, division seals and gaskets. Dr. Haage came to MOBOTIX AG in May 2014 and has been supporting the Management Board as a provider of digital security solutions.

The New Milestone of Video Management



The first release of MxMC is ready for download. MxMC MOBOTIX video

management software is a complete redevelopment that focuses on a unique and intuitive user experience. Single and double click drag&drop support of several screens and direct view of events and alarm messages are just some of the many advantages of the new software. Particularly outstanding: the newly developed research and player tools providing speed search and fastest results.

MOBOTIX AG Doubles Its Previous Year's EBIT

The first half of the 2014/15 financial year MOBOTIX AG saw a very large increase of product innovations. Technological 5-Megapixel cameras were replaced by highly light-sensitive 6-Megapixel Moonlight systems, which are around 100 times more light-sensitive than the 3-Megapixel cameras that were still being sold until a year ago. The Moonlight systems give MOBOTIX a significant competitive advantage in the market, even though the process of switching camera models to this new technology is due to be completed until the third quarter of the year.

MOBOTIX Corp. Continues To Prevail In Patent Dispute

MOBOTIX Corp.'s success story in the patent dispute against e-Watch Inc. continues. In August 2014, the USPTO had determined that U.S. Pat. No. 6,970,183 is not patentable. Shortly after this decision, a district court in Texas dismissed the patent infringement lawsuit filed by e-Watch Inc. against MOBOTIX Corp. Now three more patents owned by e-Watch Inc. have been successfully challenged by requesting inter partes review at the USPTO.

Although the three decisions had no relevance to the patent infringement lawsuit any

the completely redeveloped and extremely user-friendly video management software was not launched in the first half of the year as originally planned. However, the beta version which is already available to 2,000 registered users, is being described as a „game changer“ at all in the market.

SA

the Panorama Towers a premiere luxury condominium complex in Las Vegas, Nevada. The award-winning high-rise



... Letter To The Shareholders



Dear Shareholders,

The MOBOTIX Group achieved impressive revenue growth in the 2014/15 financial year. Although revenue declined by 9% in the first quarter and by 2% in the second quarter, we generated year-on-year revenue increases of 6% and 16% in the third and fourth quarters respectively. Consequently, we reached our target of double-digit revenue growth for the first time again in the second half of the year with an overall increase of 11%. September 2015 saw the highest revenue of any month in the Company's history.

The rises in total operating output, EBITDA, and profit for the year were even more substantial. Total operating output advanced by almost 19 percent, from €70.1 million in 2013/14 to €83.3 million in 2014/15. EBITDA climbed by 70% year-on-year to €8.8 million (prior year: €5.2 million), while profit for the year almost quadrupled to reach €4.1 million (prior year: €1.1 million).

Receivables, assets, and bank balances totaled €22.1 million (September 30, 2014: €22.4 million) and thus significantly exceeded the total liabilities of €15.7 million (September 30, 2014: €9.9 million). The equity ratio came to 65.5% as of September 30, 2015 (September 30, 2014: 70.9 percent).

Countless initiatives in sales and development contributed to this success. They are all aimed at enabling us to focus on our strengths as a manufacturer

of video management software and camera hardware systems and improving our competitiveness in our core business.

One highlight was the successful transition of all camera systems to the new, highly light-sensitive 6-megapixel sensors. When combined with the premium HD lenses, the latest camera systems set new standards for light sensitivity, motion blur, and image quality. These high standards are also met by the new i25, c25, and p25 indoor camera systems, which were a key factor in our fourth-quarter revenue growth. The indoor camera line, the outdoor camera line, and the thermal camera line, which has also been successfully launched, mean that the MOBOTIX Group now has a complete range of high-performance, decentralized camera systems.

The successful launch of the gesture-controlled and universally compatible MxManagementCenter video management software (VMS) – a brand-new development – is another milestone in the area of video security. The countless product innovations of the MxManagementCenter and in our camera software give us a significant competitive edge. We will extend our development work in this field even more.

Overall, the MOBOTIX Group is very well placed for the future. Retaining its double-digit rate of revenue growth, the MOBOTIX Group will continue to improve its net assets, financial position, and results of operations in the coming financial year.

On behalf of the entire Management Board and the employees, I would like to thank you for placing your trust in our Company.



Klaus Gesmann • CEO MOBOTIX AG

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... Or At A Glance

Financial year (October 1, 2014 to September 30, 2015)	2014/15	2013/14	Delta%
Financial performance	TEUR	TEUR	
Total operating output	83,324	70,138	+18.8
Revenue	80,140	78,491	+2.1
Of which outside Germany (%)	70.0	71.0	
Earnings before interest, tax, depreciation and amortization (EBITDA)	8,849	5,197	+70.3
EBITDA margin (EBITDA as percentage of total operating output)	10.6	7.4	
Earnings before interest and tax (EBIT)	6,583	2,295	+186.8
EBIT margin (EBIT as percentage of total operating output)	7.9	3.3	
Profit before tax	6,282	1,954	+221.5
Return on revenue (%) before tax	7.8	2.5	
Profit for the year	4,111	1,102	+273.1
Cash flow from operating activities	105	12,179	-99.1
Financial position	30.9.2015	30.9.2014	
Equity	40,350	40,402	-0.1
Equity ratio (equity as percentage of total assets)	65.5	70.9	
Total assets	61,628	56,945	+8.2
Non-current assets	20,512	21,907	-6.4
Current assets	40,122	34,075	+17.7
Of which cash and cash equivalents	1,600	7,609	-79.0
Employees			
Number of employees (reporting date)	404 ⁽¹⁾	409 ⁽¹⁾	-1.2
Revenue per employee	228 ⁽²⁾	222 ⁽³⁾	+2.7
EBITDA per employee	25 ⁽²⁾	15 ⁽³⁾	+66.7
EBIT per employee	19 ⁽²⁾	7 ⁽³⁾	+171.4
Key per-share figures (€)			
Dividend	0.50 ⁽⁴⁾	0.30	+66.7
DVFA/SG cash flow ⁽⁵⁾	0.49	0.30	+63.3

1) Including trainees, apprentices, temporary staff and three (prior year: two) members of the Management Board; headcount

2) Based on an average of 352 employees

3) Based on an average of 353 employees

4) Proposed

5) Based on an average of 13.143 million shares

Total Operating Output Revenue

€ 83.3m (+18.8%)

€ 80.1m (+2.1%)

Highlights 2014/15

- October 2014:** MOBOTIX wins in patent dispute. The chief judge at the US district court in San Antonio, Texas, dismissed the patent infringement suit brought by U.S. company e-Watch Inc., San Antonio, against MOBOTIX CORP, New York.
- November 2014:** Thanks to the PTMount-Thermal with an integrated thermal sensor, the thermal camera line now includes a dome-shaped mounting that can be manually adjusted in three axes.
- December 2014:** The new i25 indoor camera establishes itself in the market. The MxActivitySensor's hemispheric technology and integrated motion detector make the i25 ideal for securing indoor areas.
- January 2015:** MOBOTIX featured as a quality and technology leader in the Lexikon der deutschen Weltmarktführer ['lexicon of German global market leaders'].
- February 2015:** The S15 FlexMount wins the Innovation Award for Architecture & Technology, scoring well with the judges on criteria such as functional and design quality, authenticity of materials, and range of applications.
- March 2015:** The new c25 hemispheric indoor camera, in combination with the camera-integrated video analysis MxAnalytics, is the perfect solution for retailers.
- April 2015:** The T25 IP Video Door Station is crowned Best Innovation Product in the Access Control category at international security fair MIPS Moscow.
- May 2015:** With the latest version of the camera software, MxAnalytics image analysis tools are now available for all single-lens models.
- June 2015:** The first release of MxManagementCenter (MxMC) is now available as a free download. The video management software (VMS) is a brand-new development that focuses on being simple and intuitive to operate while offering maximum flexibility.
- July 2015:** The new p25 indoor camera rounds off the successful indoor camera line that began with the i25 and c25 camera models.
- August 2015:** With the indoor camera line, the outdoor camera line, and the thermal camera line, MOBOTIX Group now has a complete range of high-performance, decentralized camera systems, all featuring 6-megapixel Moonlight technology and setting new standards for light sensitivity, motion blur, and image quality.
- September 2015:** MOBOTIX adds thermal radiometry technology, including an industrial-grade, calibrated high-end thermal imaging sensor, to its thermal camera line.

The MOBOTIX Concept

German System Manufacturer of Professional Video Management (VMS) and Smart IP Cameras

In short, MOBOTIX is a software company with own IP camera products, all made in Germany. In 2005, MOBOTIX launched its first professional video management system which is still being used in thousands of installations around the globe. These even include high-security applications like prisons, airports or soccer stadiums because MOBOTIX systems have no restrictions in terms of number of users or cameras. The

professional VMS and the video analysis are parts of the system offering and free of charge without any license fees.

In addition, software updates are free via download and transform every MOBOTIX product into a future-proof investment with one of the highest returns on investment. Since 2015, all MOBOTIX cameras have used 6MP "**Moonlight Sensor Technology**", which is very light sensitive and produces brilliant videos even in difficult low-light conditions without any motion blur.



Professional Software • Complete Video System • Robust and Reliable

Decentralized Architecture

Decentralized Architecture Increases Reliability and Reduces System Costs

Since 2000, MOBOTIX IP cameras have been known for their high-quality video performance and low bandwidth consumption thanks to their “**decentralized architecture**”. The cameras themselves execute video analysis & event detection **internally**, and manage their video ring buffer on a NAS or server by themselves. This reduces the workload of the VMS

workstation and network dramatically. Network fluctuations or longer interruptions are compensated by an onboard video buffer (SD card). As a result, MOBOTIX video systems are very reliable and need fewer servers, fewer workstations and less network infrastructure than other brands. This reduces the overall system costs as well as power consumption and the total energy bill. Encrypted recording by the camera itself guarantees data security and privacy.



Professional Software • Complete Video System • Robust and Reliable

The Perfect Solution for the Cloud is Decentralization

Since 2000, MOBOTIX IP cameras have been optimized for remote applications and cloud-based technology because the cameras can reduce the bandwidth of the video by scaling the size and the frame rate. Image details are still available thanks to the onboard virtual PTZ functionality. So the cameras store

high-resolution video onboard and deliver on demand low- bandwidth live images and also low-bandwidth playback. Additionally MOBOTIX cameras can manage an event-driven video ring buffer via network or Internet. The live channel and the recorded video are highly secured because the video encryption is already done **inside the camera**.



Designed for Remote Access • Very Low Bandwidth • 6MP Video Recording with MxPEG

MxManagementCenter

A New Milestone in Professional VMS Technology

In summer 2015, the new platform-independent professional VMS software “**MxManagementCenter**” was launched. This is a new milestone in the professional VMS industry because of its gesture and drag&drop user concept, which makes it very intuitive to use. The new MxManagementCenter (MxMC) has no system limits and can handle hundreds of cameras and users. It offers at the same time the integration of

third-party cameras using the ONVIF protocol. The MxMC can manage multiple monitors and video walls. Ultra-fast playback and post video search is implemented as well as a POS (Point-of-sale) interface. This allows to synchronize the recorded cashier data with video. A big part of the development was the new innovative configuration module that reduces the setup time for large camera systems by a factor of ten or more.



Innovative & Easy User Interface • Free of Charge • Unlimited Cameras & Users

MxPEG

The Optimized Video Codec for Security

Since 2003, MOBOTIX has used MxPEG, which is a video codec especially developed for security applications to ensure the validation of the recorded images. MxPEG is open, freely available and integrated in all main third-party professional VMS of the market. In contrast to H.264, it also offers the shortest reaction time between scene and screen and supports video resolutions of up to 6 megapixel and higher.



Standard Codec (e.g. H.264)

Motion blur, loss of details, license costs



MOBOTIX MxPEG

No motion blur, no loss of details, license free



Designed for Security • Open and License Free • Every Frame is Sharp

MxAnalytics

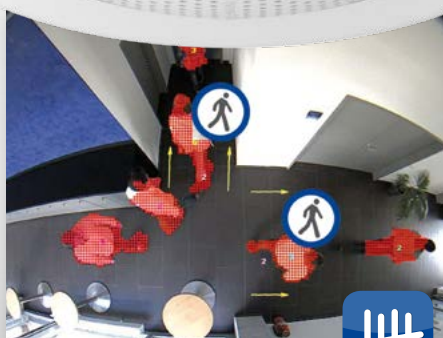
Video Analysis and Behavioral Detection

The hemispheric MOBOTIX cameras are perfectly suited to monitor stores and other retail environments. In 2012, MOBOTIX included a video analysis package **inside** the camera to produce heat maps and to count objects in user-definable corridors with automatic reports. It also analyzes

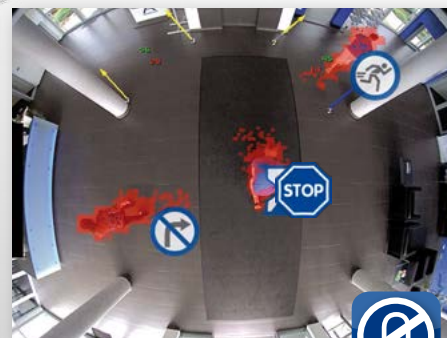
the behavior of moving objects and can generate automatic alarms if these objects for example stop, turn or reverse direction. For video analysis there is no workstation and no network load required because the processing is done onboard in each camera. This of course increases reliability and reduces the overall system costs.



Heat map with Hot Spots



Object or people statistics



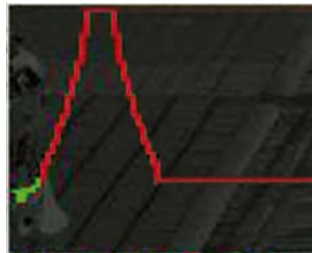
Multiple behavioral events

Designed for Retail • No Infrastructure Required • License Free

MxActivitySensor

Dramatic Reduction of Maintenance Cost by Prevention of False Alarms

In 2013, MOBOTIX introduced an innovative new onboard video sensor technology called "**MxActivitySensor**" that detects moving objects even in worst weather conditions like heavy rain and snow fall. Scene irritations like shaking trees and swaying camera poles caused by heavy wind are compensated as well. This new sensor is **self-configuring**, reduces false alarms dramatically and saves configuration and maintenance cost.

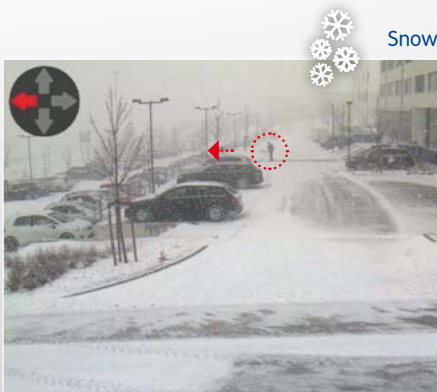


No false alarms,
most reliable detection



MxActivitySensor

Most reliable video sensor in most difficult situations



Weather Compensation • No Costs • Automatic Configuration

Thermal Imaging Technology

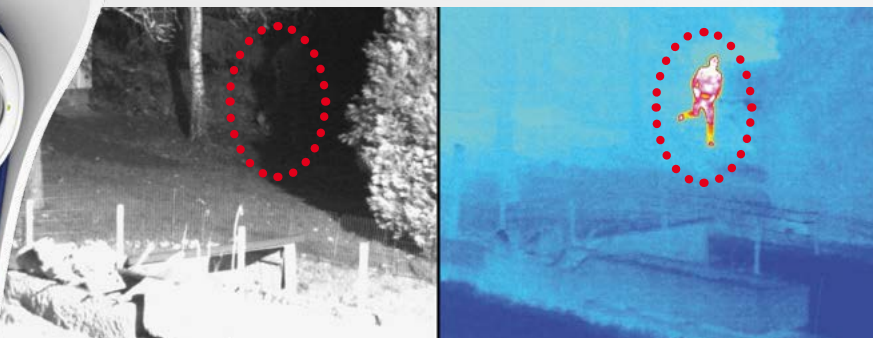
Inventor of Dual Thermal IP Cameras

In 2014, MOBOTIX launched thermal cameras for detecting objects and persons in complete darkness by thermal radiation over hundreds of meters. These cameras support all standard features of MOBOTIX IP cameras like automatic object detection, messaging via network and onboard or network recording. The dual lens thermal system supports additionally a second optical video sensor with 6-megapixel resolution. Together with the onboard video sensor "MxActivitySensor", the thermal camera

is the best tool to detect and report moving objects in complete darkness automatically. The thermal camera can activate automatic alarms and messages if the temperatures in user-defined areas differ from the default range. The thermal image can be overlayed on the visual image to localize the hot spot.



Overlay of Thermal Image on Visual Image



Combination of Thermal and Optical Sensor, incl. MxActivitySensor

Detection in Complete Darkness • Temperature Events • With Visual Verification

MOBOTIX Indoor Cameras

Competitive without Compromise

The new indoor cameras are especially designed to be very competitive and at the same time supporting all MOBOTIX features and functionalities including the new 6MP Moonlight technology. Due to short distances in indoor environments the new indoor camera line uses hemispheric technology to achieve 360° view without any blind spots. However, additional lens options are available for a complete room coverage or directed views. All indoor cameras

are available with optional audio package including microphone and loudspeaker for two-way-audio. Also included is the MOBOTIX Video Analysis software for objects or people statistics, heat map reporting and behavioral events without any extra costs, which is perfect for indoor locations like retail stores, hotels and restaurants, museums, health care, universities and schools.



6MP
Moonlight



Two-way
Audio Option



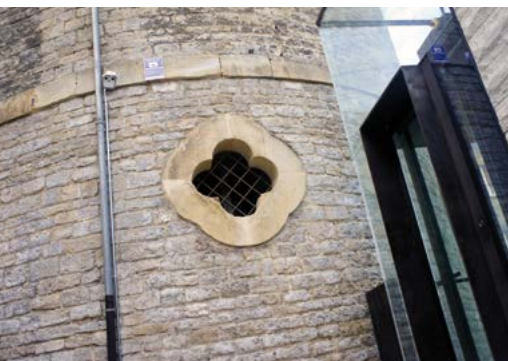
Video
Analysis

Discreet Installation • Video Analysis included • Supports all MOBOTIX Features

Worldwide Success ...

Cathedral of Santa María de Vitoria, Spain

The Cathedral of Santa María de Vitoria, often referred to as the Catedral Vieja ('old cathedral'), is a Catholic church in Vitoria-Gasteiz, the capital of Álava. It can be found at the very top of the hill on which this city was built. In 1994, Santa María was closed to the public for a complete renovation. The work was finally finished in June of this year, enabling church services to be held again after 20 years. The local council selected PCI Security Doctors as the company to operate the access control system, which is managed by the local police force. "We tested various cameras on the market, including analog and IP



cameras. In the end, we chose the cameras from MOBOTIX as we thought they were the most suitable," says Lorenzo González, Managing Director of PCI Security Doctors.

"The main reason for selecting them was the quality of the images, which is the best in the market, but also because you only need a few cameras to cover a large area."

The National Gallery of Australia, Canberra

Opening in 1982, the National Gallery of Australia has amassed an impressive collection for its modest years. The youngest National Gallery of Art in the world houses the largest collection of indigenous art globally, alongside significant holdings of twentieth-century European and American art, and art from the Indian subcontinent and the Asia-Pacific region. Protecting 4.7 billion Australian dollars' worth of art, as well as monitoring and ensuring the safety of hundreds of thousands of visitors each year, is a huge undertaking for a security operation. The hemispheric MOBOTIX cameras were deployed throughout the exhibition space and have allowed the control room to monitor the entire area with ease. Thanks to their sleek and compact design the cameras have had minimum impact aesthetically, an important consideration in a space dedicated to the visual arts.



German Reference Projects

BGU casualty hospital, Frankfurt • BIEBER + MARBURG Stahlhandel • Commerzbank AG • EON Wasserkraft • Fraport AG • Importhaus Wilms • Lohfeldener Rüssel motorway services, Kassel • MAN Logistics • Gas Station Group Roth • World Cultural Heritage Site Völklinger Hütte • Casino Mainz, Trier, Bad Ems GmbH & Co. KG • Mount Zugspitze Environmental Research Station • Schwimmstützpunkt des Landessportbund Hessen (LSBH) etc.

... 900,000 Units In Operation

Monitoring The Glaciers In Iceland

Iceland is full of beautiful, unspoiled landscapes, many of which are isolated and rather inaccessible. Having someone there full time is a practical impossibility, but by installing cameras in places such as the largest glacier in Europe, the employees at the Department of Civil Protection are better able to monitor the various natural forces which may impact the population. Cameras have also been installed in dangerous areas such as around active volcanoes. Places like these need to be monitored at all times, and thanks to the MOBOTIX cameras, the staff can watch the geothermal activities without putting themselves in harms way. "We are very satisfied with the MOBOTIX cameras, and we look



forward to installing more in remote places in Iceland," concludes Björn Oddsson, a geophysicist and project manager.

The Mall at Short Hills, USA

The Mall at Short Hills is an upscale shopping center in Short Hills, N.J., that features more than 160 specialty stores. The 1.3-million-square-foot mall was built in the early



1960s and was transformed from an open-air shopping center into an enclosed structure in 1980. Nearly 75 MOBOTIX DualDome D15 megapixel cameras provide day and night surveillance capabilities as well as the flexibility for operators to pan, tilt and zoom to specific areas when needed. DualDome cameras feature two lenses for 360-degree surveillance, and The Mall at Short Hills has benefited from this feature because the lenses are designed to operate independently. Since each lens acts as a separate camera, the overall camera count was greatly reduced, not only helping maintain the aesthetic appeal of the mall, but resulting in significant cost savings. Better yet, each camera required only one wire run, which reduced wiring costs by 50%.

International Reference Projects

Ministry of Finance (Italy) • Iowa 80 Group (USA) • 2012 Olympic Games London (Great Britain) & 2014 Winter Olympics Sochi (Russia) • Pacific Place Mall Jakarta (Indonesia) • Panorama Tower, Las Vegas (USA) • Reykjavik Art Museum (Iceland) • University of Salamanca (Spain) • Vatican Apostolic Library (Vatican City) • London Underground • Transit Systems Australia • Hyatt Hotel Amsterdam etc.

Report Of The Supervisory Board

The 2014/15 Financial Year ...

Dear Shareholders,

Almost 122,000 cameras were sold in the 2014/2015 financial year, which ended on September 30, 2015. This represents year-on-year growth of 12% and the highest ever unit sales in the history of the Company. Having had to cope with falls in revenue of 9% in the first quarter and 2% in the second quarter, the Company saw its revenue rise by 6% and 16% in the third and fourth quarters respectively. The 11% increase in revenue for the second half of the year marked a return to double-digit growth. For the financial year as a whole, revenue advanced from €78 million to €80 million, while total operating output was up from €70 million to an impressive €83 million.

These figures indicate that the initiatives introduced last year, primarily in the sales and distribution organization and in development, have begun to take effect. The Supervisory Board believes that this positive trend is set to continue. The product portfolio's transition to the 6-megapixel Moonlight Technology was completed on July 1, 2015. In the same month, the first version of the new video management software (VMS) was officially released, as were the new light-sensitive 6-megapixel

sensors. MOBOTIX has therefore regained its great competitive strength. Its growth is being driven, above all, by the new line of indoor cameras, which are easy to install and affordable.

EBIT climbed by 187 percent, from €2.3 million to €6.6 million, and now amounts to roughly 8% of total operating output. EBITDA, which was around 11% of total operating output, returned to double figures. Profit for the year after taxes came to €4.1 million and had thus almost quadrupled year-on-year.

Total liabilities to banks fell to just €6.8 million due to the long-term funding of the Company's headquarters. With equity at approximately €40 million, the equity ratio was 65.5%. MOBOTIX AG is therefore on a very robust financial basis.

The main task and challenge for the new year remains the improvement of the sales and distribution structure. There are huge country-specific and regional differences in performance that now need to be addressed. For example, revenue is growing in countries such as Australia (up by 34 percent) and the United Kingdom (up by 24 percent), whereas other areas are registering sharp decreases,

Dr. Ralf Hinkel

Chairman Of The Supervisory Board And Founder

... Progressed Positively

for example Spain and Asia. Revenue in the United States is in decline and is not satisfactory.

In Germany, the Company has a few small but specialized distribution partners employing fewer than five people. Each partner generates revenue of €700,000 per year with MOBOTIX AG and has grown by up to 50% over the past three years. However, in some other countries the distributors earn less than half the revenue of these small German partners. This is where the sales and distribution structures need to be revised.

From a technological perspective, many product developments were successfully implemented. Development is now focused on extending the MxManagementCenter video management software. In the meantime, POS systems and barcode scanners can be integrated with the software using a database, enabling the video recordings for particular POS data to be found and played quickly. This software, combined with the inexpensive indoor cameras, thus offers a very competitive package for the lucrative retail-sector market.

Configuring the cameras and the overall system still remains time consuming and

complex. For those new to the equipment, it can be a challenge to use the full range of product features. That is why MOBOTIX has designed a new configuration tool that will soon be completed. It will reduce the time needed to configure the equipment to a tenth of the current time required. The Company has applied for patents for the underlying process. The clear goal is to make products as simple as possible and to assist installers in every way possible to ensure that products can be installed quickly and easily.

Another focus next year will be on reducing production costs and general costs. The competitive situation and pressure on prices make it essential to change the cost structures. Simple products are already built entirely by suppliers. The production of indoor models, where there is significant pressure on costs, is also to be completely outsourced. The biggest advantage of this approach is that it is very scalable because capital expenditure is not required inhouse in order to manufacture larger volumes. Where the range of products is small and the number of units is high, the plan is to use external logistics companies.

The Supervisory Board advised and monitored the Management Board during the reporting

Sabine Hinkel
Supervisory Board
Member

Willi A. Fallot-Burghardt
Supervisory Board
Member

New Technology ...

year by meeting in person on six occasions, focusing especially on the Company's sales and product development activities. In discharging its responsibilities as defined by law and in the Articles of Incorporation, the Supervisory Board always exercised the greatest possible care and diligence when monitoring and overseeing the Company's business operations. The close and trusting working relationship that it maintained with the Management Board at all times took the form of a collaborative and constructive partnership. The Management Board always involved the Supervisory Board promptly in all decision-making of fundamental importance.

The Supervisory Board therefore concurs with the Management Board's proposal to pay a dividend of €0.50 per share, to retain the remaining distributable profit as of September 30, 2015 and to propose to the Annual General Meeting that the Company's profit be appropriated accordingly.

Deliberation, Audit, And Control Methods

The Management Board regularly informed the Supervisory Board at its meetings about the Company's situation, focusing in particular on its technology strategy, product develop-

ment, its operating performance, its financial position, HR matters, and existing and new capital investment projects.

Outside these meetings, the Management Board also provided the Supervisory Board with regular reports on key financial trends as well as developments within the Company. Having examined and discussed the relevant matters in detail, the Supervisory Board also gave its consent to measures proposed by the Management Board for transactions requiring Supervisory Board approval. The Supervisory Board was convinced that the Company was being properly managed throughout the reporting year. No conflicts of interest arose on the Supervisory Board during the 2014/15 financial year.

The reports provided by the Management Board during the year conveyed a good impression of the Company's operating performance and were consistent with the picture presented by the financial statements for 2014/15. The Management Board also briefed the chairman of the Supervisory Board about all major developments and forthcoming decisions in regular discussions held between board meetings.

... And Growth

The Supervisory Board did not exercise its right to inspect the Company's books and records or to instruct special experts to perform specific tasks (section 111 (2) of the German Stock Corporation Act [AktG]) in respect of the reporting year. The Supervisory Board has not set up any committees to date because, given the Company's size and structure, they would not have helped to enhance its efficiency. The entire Supervisory Board was always involved in all matters to be discussed and all decisions to be made.

Main Subject Matters Discussed By The Supervisory Board

During the 2014/15 financial year the Supervisory Board met in person on a total of six occasions. If required, the Supervisory Board met in the absence of the Management Board, at least for part of meetings. All members of the Supervisory Board attended all the meetings except for the fifth one, which was held on April 17, 2015. The chairman of the Supervisory Board, Dr. Hinkel, was unable to attend on that date due to a customer event in the United States.

The subject matter discussed at the first two meetings in November 2014 was the audit and adoption of the separate and

consolidated financial statements for the 2013/14 financial year. On December 17, 2014, the Supervisory Board appointed Dr. Tristan Haage as a new member of the Management Board with responsibility for sales. Dr. Haage took over as Chief Sales Officer on April 1, 2015.

The Company's current performance, product development progress, and product launch plans were discussed throughout the year. The Supervisory Board also examined the issue of planning and budgeting for HR, funding, and liquidity purposes and the progress made on optimizing sales processes and structures.

Audit Of Separate And Consolidated Financial Statements For 2014/15

In accordance with the resolution adopted by the Annual General Meeting in December 2014, KPMG AG Wirtschaftsprüfungsgesellschaft, Saarbrücken, was engaged by the Supervisory Board to audit the Company's separate and consolidated financial statements for the 2014/15 financial year. A declaration of independence obtained in advance from the independent auditors gave no grounds for complaint.

Report Of The Supervisory Board

The independent auditors audited the separate financial statements and the management report of MOBOTIX AG prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements and group management report prepared in accordance with HGB for the financial year ended September 30, 2015 as well as the dependency report prepared in accordance with section 313 AktG and issued an unqualified opinion for each of them.

The Management Board's financial statements documentation and the independent auditors' reports were submitted to the Supervisory Board for review. The Supervisory Board examined and discussed at length the separate financial statements, the consolidated financial statements, the management reports for MOBOTIX AG and the MOBOTIX Group, the dependency report prepared in accordance with section 313 AktG, the Management Board's proposal for the appropriation of profit, and the independent auditors' report. The independent auditors took part in these discussions, were available to answer any questions, and reported on material findings of the audit.

Having completed its own review, the Supervisory Board endorsed the independent auditors' findings and stated that it had no reservations. At its meeting on November 4, 2015 the Supervisory Board adopted the separate financial statements prepared by the Management Board and approved the consolidated financial statements of MOBOTIX AG.

The Supervisory Board would like to thank all employees and the Management Board for their hard work in the 2014/15 financial year. We wish the management and staff of MOBOTIX AG every success in meeting the challenges facing us all over the coming year. We would like to express our heartfelt thanks to the Company's customers, partners, and shareholders for the goodwill and trust they have shown.

Winnweiler-Langmeil, November 4, 2015

On behalf of the Supervisory Board

Kind regards,



Dr. Ralf Hinkel



S15D dual thermographic camera with two weatherproof thermal sensors on sensor cables each measuring three meters

Business Activities ...

Basic Information On The Group

Technology And Products

MOBOTIX AG is a software company, with its own IP camera products, specializing in the area of digital, high-resolution, and network-based video security solutions. The Company focuses on the development of user-friendly, complete system solutions from a single source.

The video management system introduced in 2014/15, MxManagementCenter (MxMC), is a brand-new development for PC/Mac/Linux systems that focuses on being simple and intuitive to operate while offering maximum flexibility. MxMC can be deployed in projects and security installations of all sizes and with any number of cameras, door stations, accessories, storage media, etc.

The MOBOTIX Premium App is a mobile video management solution that enables MOBOTIX users to access their video security solutions at any time and from anywhere in the world via a mobile wireless or 4G internet connection. The stand-out features of the MOBOTIX Premium App are its bandwidth-optimized remote access to live images and recordings and its innovative operating concept.

The indoor camera line, the outdoor camera line, and the thermal camera line mean that MOBOTIX now has a complete range of high-performance, decentralized IP camera systems. All optical camera systems have new and highly light-sensitive 6-megapixel sensors and set new standards for light sensitivity, motion blur, and image quality.

The indoor camera line consists of the i25 (hemispheric wall camera), c25 (hemispheric ceiling camera), and p25 (ceiling camera) product lines.

The outdoor camera line comprises the M15 (allround dual camera), S15 (FlexMount as a mono or dual camera), D15 (DualDome camera), V15 (anti-vandalism camera), Q25 (hemispheric camera), M25 (allround camera), and D25 (MonoDome camera) product lines plus the T25 product line (IP-based door station).

The M15D-Thermal and S15D-Thermal product lines make up the thermal camera line. The dual thermographic camera systems are optionally available as thermal radiometry models that feature calibrated high-end thermal imaging sensors.

... And Market Conditions

MOBOTIX offers a wide range of accessories and high-performance software solutions for all its camera lines and for IP-based home automation.

Structure Of The MOBOTIX Group

The MOBOTIX Group consists of MOBOTIX AG, Winnweiler-Langmeil; MOBOTIX CORP, New York; MOBOTIX LIMITED, Nottingham; MOBOTIX DO BRASIL LTDA., São Paulo; MOBOTIX SINGAPORE PTE. LTD., Singapore; and MOBOTIX AUSTRALIA PTY LTD, Sydney. MOBOTIX LIMITED, Nottingham; MOBOTIX DO BRASIL LTDA., São Paulo; MOBOTIX SINGAPORE PTE. LTD., Singapore; and MOBOTIX AUSTRALIA PTY LTD, Sydney, are service companies and have not been included in the Company's consolidated financial statements.

All manufacturing and development of new products as well as the coordination of worldwide sales and distribution take place in Winnweiler-Langmeil.

The subsidiary MOBOTIX CORP is purely a distribution company for the American market. The executive director of MOBOTIX CORP, New York, United States, is Mr. Klaus Gesmann (CEO).

Sales And Distribution

In Germany the Company's products are sold through MOBOTIX-certified secure partners, IT retailers, electrical wholesalers, or directly – e.g. via the Company's web shop – to commercial and private customers.

Most of MOBOTIX's international product sales are made via distributors and their qualified systems integrators and resellers. These distributors are assisted in this process by a number of locally based business development managers and technical project engineers who are employed directly by the MOBOTIX Group.

In the United States the Company sells its products through its own distribution subsidiary MOBOTIX CORP.

The MOBOTIX Group's export ratio in the 2014/15 financial year was 70.0% (prior year: 71.0 percent). More than 900,000 IP camera systems from MOBOTIX are in use around the world.

Business Activities ...

Research And Development

The MOBOTIX Group employed 85 people (by headcount) in its Development department as of September 30, 2015. As in previous years, its development activities focused on the creation of new hardware and software products and on further optimizing product functionality.

Most development work is performed inhouse. Development activities are outsourced on a small scale only in the areas of tool engineering, lens design, and PC board layout.

In the 2014/15 financial year, MOBOTIX successfully launched numerous product innovations:

- One highlight was the successful transition of all camera systems to the new, highly light-sensitive 6-megapixel sensors. When combined with the premium HD lenses, the latest camera systems set new standards for light sensitivity, motion blur, and image quality.
- Also of note is the introduction of the new video management software MxManagementCenter. This is a brand-new devel-

opment that focuses on being simple and intuitive to operate while offering maximum flexibility.

- The introduction of the MxAnalytics video analysis software, which is integrated into the camera itself, extends the range of powerful free software solutions available. Using MxAnalytics, it is possible to collect and analyze statistical data on the behavior of people and objects.
- The existing product portfolio consisting of the outdoor and thermal camera lines has been extended to include a newly developed indoor camera line. The i25 indoor wall camera, the c25 indoor ceiling camera, and the p25 indoor ceiling camera, which has a manual tilt function, are the smallest, lightest, and most affordable complete video systems by MOBOTIX specially designed for indoor use.
- Three variants of the S15D camera system were added to the thermal camera line. With these high-quality, weatherproof pan-tilt brackets (PTMount Thermal) for the integrated, highly-sensitive thermal sensors, MOBOTIX now offers compact and discreet dome-shaped mountings that can be

... And Market Conditions

manually adjusted in three directions.

- In September 2015, MOBOTIX also began offering thermal cameras with thermal radiometry technology and an industrial-grade, calibrated high-end thermal imaging sensor for automated temperature detection.

A number of other significant development projects were continued or initiated successfully.

Financial Report

Macroeconomic And Sector-Specific Conditions

MOBOTIX operates in the market for video security systems. This is usually described as the closed circuit television (CCTV) market. Today's market for video security systems comprises analog video security systems, network camera systems, video management software, and accessories. The market segment of relevance to MOBOTIX is the network camera systems segment.

The competitive environment is relatively homogeneous throughout the world, with roughly 80% of the major rivals showing similarities in all global sub-markets. A market survey from June 2013 by market research company IHS Research concluded that the total revenue generated by the network camera systems market worldwide was set to grow by an annual average of around 25% between 2012 and 2017. The growth potential in all sub-markets around the globe (Americas, Asia, EMEA) is predicted to be fairly high and is not limited to just a few regional markets.

Current conditions in the market for network camera systems are slightly weaker than those forecast by IHS Research. Nonetheless, we expect the global network camera systems market to remain buoyant and stable.

Business Activities

In the 2014/15 financial year, the MOBOTIX Group achieved an increase in revenue of 2.1% compared with the previous year. The year-on-year revenue comparison improved substantially from quarter to quarter. Although revenue initially declined by 9% in the first quarter and 2% in the second quarter, the third and fourth quarters of the year saw

Results Of Operations, Net assets ...

increases of 6% and 16% respectively. For the second half of the year, the Company thus achieved double-digit year-on-year revenue growth once again with a figure of 11%. September 2015 saw the highest revenue of any month in the Company's history.

The rises in total operating output (revenue, increase/decrease in inventories of finished goods and work in progress), EBITDA, and profit for the year were even more substantial. Total operating output advanced by almost 19 percent, from €70.1 million in 2013/14 to €83.3 million in 2014/15. EBITDA climbed by 70% year-on-year to €8.8 million (prior year: €5.2 million), while profit for the year improved by €3.0 million to €4.1 million (prior year: €1.1 million). Numerous initiatives in sales and development contributed to this encouraging business performance.

Net Assets, Financial Position, And Results Of Operations

Results of operations

The revenue generated by the MOBOTIX Group went up by 2.1% from €78.5 million in the prior year to €80.1 million in 2014/15. This increase was largely attributable to the introduction of the new 6-megapixel Moonlight technology in all optical camera systems and the launch of the new indoor camera line.

The MOBOTIX Group's overall export ratio in the 2014/15 financial year was 70.0% (prior year: 71.0 percent). Revenue generated in Germany rose by 5.6% year-on-year from €22.8 million to €24.1 million. The revenue earned in the rest of Europe (excluding Germany) came to €25.4 million (prior year: €26.2 million). The revenue reported for the rest of the world advanced by 3.8% from €29.5 million in 2013/14 to €30.6 million in the reporting year.

Prices for camera models with 5-megapixel sensors were lowered in the 2014/15 financial year. Adjustments were made to the price list for the North American and Canadian market to reflect the changed US dollar/euro exchange rate and the prices were also reduced. Moreover, camera systems in the

Number Of Employees

404 (Incl. Members of the Management Board, trainees and temporary staff)

... And Financial position

indoor camera line are far cheaper than the camera systems in the outdoor and thermal camera lines. The increase in revenue is thus largely attributable to a sharp rise in the number of camera systems sold.

Total operating output (revenue, increase/decrease in inventories of finished goods and work in progress) climbed by 18.8% year-on-year from €70.1 million to €83.3 million in the 2014/15 financial year. This was mainly due to the increase in revenue and the growth in finished goods resulting from the introduction of the new indoor camera line in the 2014/15 financial year.

The cost-of-materials ratio (material costs as percentage of revenue, adjusted for changes in inventories and impairment losses) grew from 33.5% in the prior year to 35.2% in 2014/15 due to the introduction of the new indoor camera line and the reductions in price.

The decline in the staff costs ratio (staff costs as percentage of total operating output) to 29.5% in the reporting year (prior year: 34.3 percent) was primarily attributable to the rise in total operating output. The staff costs for 2014/15 increased by €0.6 million year-on-year.

Depreciation, amortization expense, and impairment losses decreased to €2.3 million in the 2014/15 financial year (prior year: €2.9 million). This was largely due to the recognition of an impairment charge of €0.4 million in the prior year for a non-compete agreement.

At €20.0 million, other operating expenses were virtually unchanged year-on-year. Other operating expenses included marketing expenses and, in particular, travel costs and revenue-related expenses. They also contained legal and consultancy costs incurred in connection with fending off patent trolls and for patent cancellation proceedings in the United States.

EBITDA (10.6% of total operating output; earnings before interest, tax, depreciation, and amortization) amounted to €8.8 million (prior year: €5.2 million). EBIT (7.9% of total operating output; earnings before interest and tax) stood at €6.6 million (prior year: €2.3 million). Profit for the 2014/15 financial year came to €4.1 million (prior year: €1.1 million), and the return on revenue was 5.1%.

Results Of Operations, Net assets ...

Net assets

Non-current assets decreased by €1.4 million, or 6.4 percent, to €20.5 million. The capital expenditure of €1.3 million on non-current assets was more than offset by depreciation and amortization of €2.2 million. Most of this spending related to investment in plant and machinery and in office furniture and equipment. The capital expenditure on plant and machinery mainly comprised investment in injection molding tools and IT equipment.

Owing to the introduction of the new indoor camera line and the strategic increase in finished goods, inventories grew from €11.6 million to €18.1 million.

Trade receivables as of September 30, 2015 had declined by €5.9 million compared with the beginning of the financial year to €16.1 million. This was because the volume of business in September 2015 was higher than it had been a year earlier.

Other assets totaling €4.4 million (September 30, 2014: €4.6 million) included gold reserves with a carrying amount of €3.6 million and advance payments of €0.3 million.

Cash and cash equivalents as of September 30, 2015 had decreased by €6.0 million compared with the beginning of the financial year to €1.6 million (September 30, 2014: €7.6 million).

Equity stayed at the prior-year level of €40.4 million owing to the distribution in 2014/15 of a total dividend payout of €3.9 million for the 2013/14 financial year and profit for the year of €4.1 million. With total assets up by €4.7 million or 8.2% to €61.6 million (September 30, 2014: €56.9 million), the equity ratio sank from 70.9% to 65.5%. MOBOTIX held a total of 128,134 treasury shares as of September 30, 2015.

Provisions for taxes fell by €0.9 million to €1.1 million as of September 30, 2015 as a result of tax payments for the 2013 assessment period (September 30, 2014: €2.0 million).

The decrease in liabilities to banks was attributable to scheduled repayments of €1.2 million in connection with long-term loans to fund the Company's headquarters.

EBITDA

€ 8.8m (+70.3%)

EBIT

€ 6.6m (+186.8%)

... And Financial position

Trade payables grew by €6.8 million from €1.4 million as of September 30, 2014 to €8.2 million as of the reporting date. This rise results from the increase in inventories in 2014/15.

Financial position

Operating cash flow before changes in working capital came to €8.7 million in the 2014/15 financial year (prior year: €3.9 million), primarily due to the improvement in profit for the year before income taxes.

Cash flow from operating activities was €0.1 million (prior year: €12.2 million). With cash flow from operating activities before changes to working capital amounting to €8.7 million, the main factors in this reduction were the increase in inventories (minus €6.4 million), the rise in trade receivables (minus €5.9 million), and income tax payments (minus €3.0 million). There was a countervailing effect from an increase in trade payables (plus €6.8 million).

The net cash used by investing activities came to minus €0.9 million (prior year: minus €1.1 million) and was largely accounted for by capital expenditure on property, plant and equipment.

The net cash used by financing activities came to minus €5.3 million (prior year: minus €11.3 million) and was due, above all, to the dividend distribution of €3.9 million and the scheduled repayment of €1.2 million for the long-term loan taken out when the Company's headquarters were built.

The changes in these individual cash flows resulted in total cash and cash equivalents of €1.6 million as of September 30, 2015 (September 30, 2014: €7.6 million).

The Company's solvency was secure at all times during the 2014/15 financial year. A number of financing options continue to be available to the Company as a result of its credit standing. The MOBOTIX Group currently has credit lines totaling €6.0 million from several banks at its disposal that were unutilized as of the balance sheet date.

Non-current liabilities decreased by €1.2 million year-on-year to €5.5 million as of September 30, 2015. As a proportion of the MOBOTIX Group's total assets, non-current liabilities fell from 12.0% to 8.9%. Current liabilities accounted for 25.6% of total assets as of the reporting date compared with 17.1% as of September 30, 2014.

Export Ratio
70.0%

Results Of Operations, Net assets ...

Overall Assessment Of The MOBOTIX Group's Net Assets, Financial Position, And Results Of Operations

The MOBOTIX Group's net assets, financial position, and results of operations in 2014/15 did not fully reflect the management's expectations for the performance of business during this financial year.

The projected revenue growth of approximately 12% year-on-year was not achieved due to delays in the launch of some of the new products and changes to the sales and distribution organization in the first half of the financial year. Taking account of the smaller increase in revenue of 2.1 percent, the Company's earnings performance was largely in line with expectations.

Nonetheless, the MOBOTIX Group's financial position as of September 30, 2015 was satisfactory given its equity ratio of just under 65 percent, its equity of €40.4 million, and its cash, cash equivalents, and gold reserves of €5.2 million.

Events After The Reporting Period

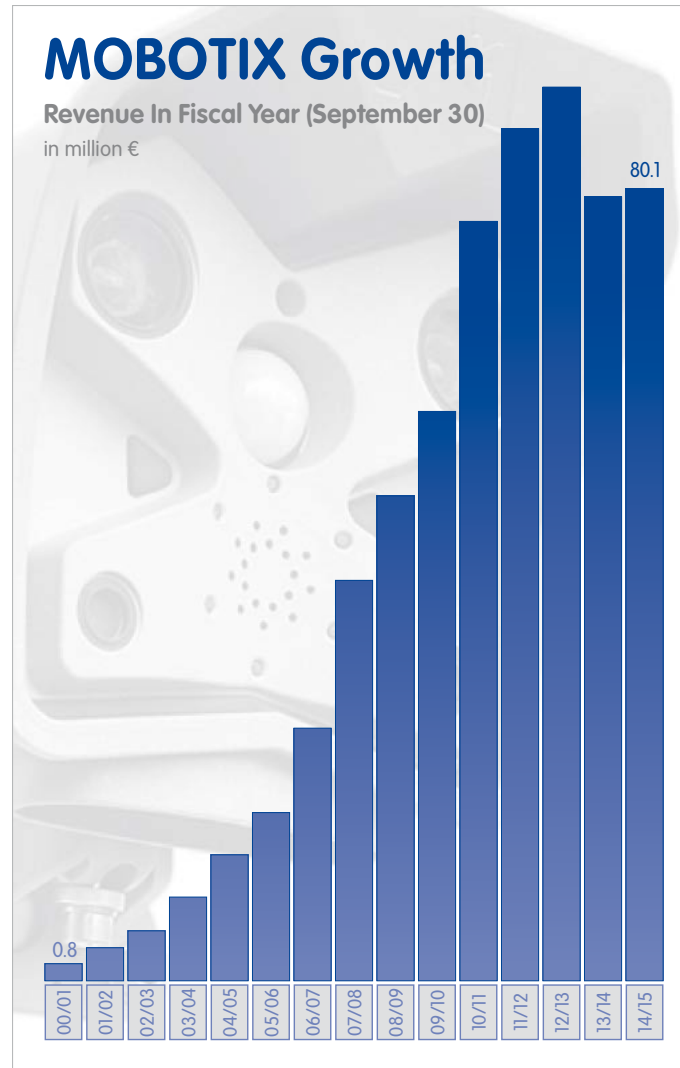
No events of particular significance occurred after the end of the 2014/15 financial year.

Changes To The Management Board

On December 17, 2014 the Supervisory Board of MOBOTIX AG appointed Dr. Tristan Haage as a new member of the Management Board with responsibility for sales. Dr. Haage, who has a doctorate in physics, took over as Chief Sales Officer (CSO) on April 1, 2015.

Cash Flow From Operating Activities
€ 12.2m (+83.9%)

... And Financial position



Risk Management ...

Risk Report

Risk Management In The Group

The MOBOTIX Group has implemented a risk management system as part of corporate management to ensure that risk is identified and dealt with at an early stage. The system comprises early identification of risks, control and planning processes, reporting, and an internal control system. The principles and decisions relating to the risk management system have been documented in a risk management handbook. The system is enhanced and optimized on an ongoing basis.

The purpose of the Group's risk management system is to identify, monitor, and manage any risks assumed. In addition to risks to the Company's survival as a going concern, the system records activities, events, and developments that could have a significant impact on future business performance. The risk management process involves identifying and managing operational opportunities and risks over a period of between one and three years. A longer forecasting period is used for strategic opportunities and risks.

The risk to earnings is analyzed using a risk matrix that indicates the probability of occurrence and the potential level of losses. If risks are not quantifiable, their impact is estimated in qualitative terms.

Probability of occurrence

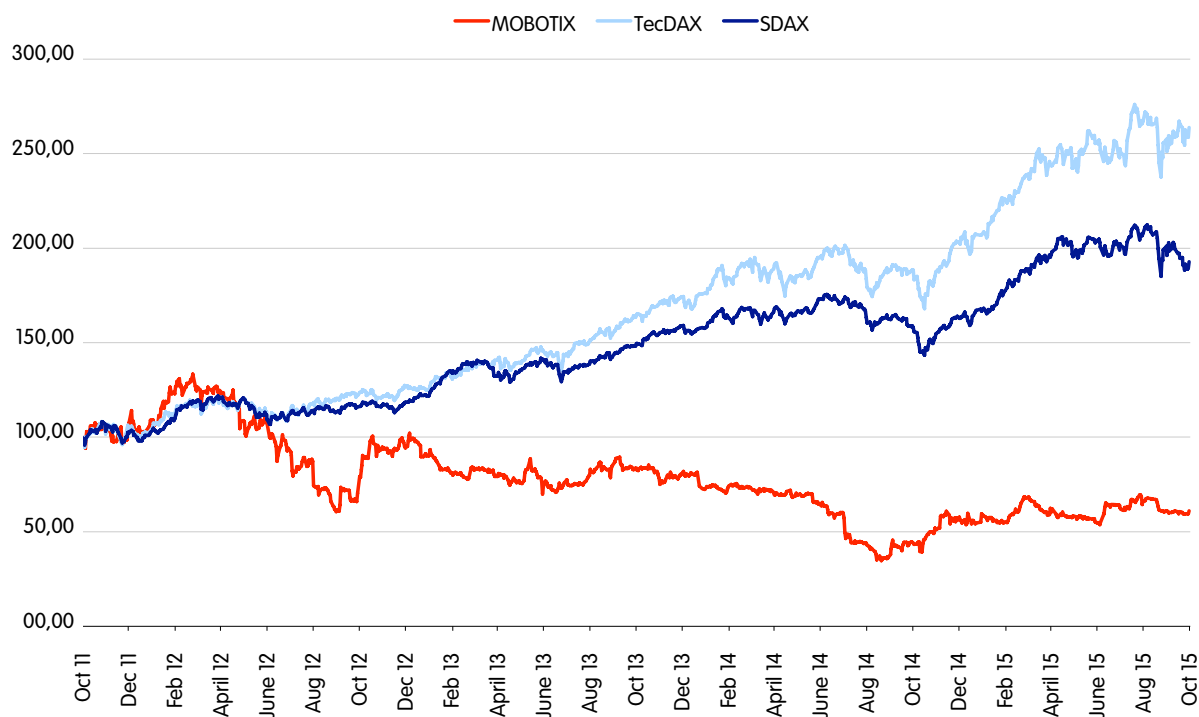
Low	Less than 25%
Medium	25% – 50%
High	50% – 75%
Very high	More than 75%

Possible impact (€)

Low	Less than 0.4 Mio. €
Medium	0.4 Mio. €– 1.2 Mio. €
High	1.2 Mio. €– 4.0 Mio. €
Very high	More than 4.0 Mio. €

We have set up the internal control system described below to manage the business risks that are typical for the MOBOTIX Group and that could have a material impact on the Group's net assets, financial position, and results of operations.

Based on the information currently available, the MOBOTIX Group currently does not face any dominant individual risks that, by themselves, could jeopardize the MOBOTIX Group's survival as a going concern.



Master data for MOBOTIX shares

Securities identification number (WKN)	521830
ISIN	DE0005218309
Ticker symbol	MBQ
Bloomberg	MBQ:GR
Reuters Instrument Code	MBQGn.DE
Market segment	Open Market (Entry Standard)
Prime Branche	Technology
Industry Group	Electronic Components & Hardware
Stock exchange	Frankfurt
Share capital	13.271.442 €
Shares outstanding	13.271.442 Stück

Risk Management ...

Internal Control System

The MOBOTIX Group has an extensive system of process controls. The control system's aim is to detect possible deficiencies in the Company's processes at different process levels, to initiate appropriate countermeasures, and to ensure and continuously improve the effectiveness of the risk identification and analysis methods by conducting regular reviews. The tasks in the control system are carried out by members of the management team and by employees working centrally in the organization department who assume some of the duties of an internal audit function. The employees in the organization department report directly to the Management Board. Their role as advisors to the various departmental managers enables them to monitor the internal control system's integrity and other aspects. A major element of this task is monitoring the proper compliance with, and implementation of, guidelines. Recommendations (categorized according to their importance) and any need for changes are reported directly to those in charge of the units under review and to the Management Board.

Ad-hoc audits are carried out in order to identify and investigate current issues promptly. If required, these result in immediate process changes aimed at continuously improving the quality of processes. Afterwards, follow-up audits are conducted so that progress on implementing the process changes can be reviewed. The Management Board is notified of any discrepancies without delay.

The internal control system is an integral element of risk monitoring in the Group. It is based not only on defined control mechanisms for prevention and monitoring – such as automated and manual reconciliation processes – but also on predefined approval processes, separation of functions, and compliance with guidelines. Another important measure is ensuring that the actions of individuals are verified by a second person. By rigorously applying the principles and instructions laid down in the risk policy, the majority of risks can be avoided or their impact can at least be mitigated.

... And Material Risks

Material Risks

	Probability of occurrence	Possible impact
Market risk		
Sales risk/competitive situation	Medium	Medium
Procurement risk	Low	Medium
Financial risk		
Default risk	Low	Low
Currency risk	Medium	Low
Political, legal, and social risk		
Statutory and regulatory risk	Medium	Medium
Risk from patent disputes	Medium	Medium
Operational risk		
Human resources risk	Low	Low
Warranty risk	Low	Medium

Market risk

MOBOTIX products are now used in a wide variety of professional contexts, e.g. public security (train stations, airports, urban security, prisons, ports, highways) and, due to their compactness and ability to cope with a wide range of temperatures, mobile security (police, trains, buses, transport of valuable loads, logistics). The Management Board expects the Company to grow further over the coming years in view of the market's current buoyancy. Product innovation will continue to play a key role going forward.

External market studies confirm the expectation that the market for digital IP video security systems will continue to enjoy high growth rates in future years. The **market environment** therefore remains highly attractive.

In recent months, the attractiveness of the market environment has led to increasingly fierce **competition** in the segment for IP video security solutions. Other suppliers of IP video security solutions, IP video cameras, and IP video management systems have become established besides MOBOTIX. Moreover, some suppliers of analog security systems have switched to digital technology.

MOBOTIX differentiates itself from its competitors with its range of system solutions. It has a complete portfolio of IP video hardware (including accessories) and video management software solutions. The IP video security solutions offer the benefits of a decentralized concept. This sets the Company apart from some of its competitors and it is able to offer complete projects from a single source. Furthermore, the range of software offered free of charge by MOBOTIX restricts the market for pure-play vendors of IP video management software.

Political, Legal ...

The Management Board views the **procurement market risk** as typical for the industry. Market volatility can lead to changes in the availability of components. This results in the risk of longer delivery periods, which the Company mitigates by maintaining increased inventories of components and finished goods. There are currently no procurement bottlenecks impacting on product availability, but they cannot be ruled out entirely.

The sudden unavailability of critical suppliers, e.g. processor suppliers, which would lead to considerable disruptions to production, continues to be regarded as unlikely.

Financial risk

Due to the Company's excellent credit standing and existing credit commitments, there are currently no material **funding risks**. **Currency risk** largely arises in connection with operations in the United States and MOBOTIX AG's purchasing requirements in the US dollar area. There is currently no material **interest-rate risk**. The existing borrowing was taken out with a fixed interest rate. **Default risk** is contained by means of efficient receivables management (including payment reminders and collections), combined with

a restrictive policy on payment terms for customers.

Political, legal, and social risk

Public attitudes toward video surveillance have continued to become far more favorable. The presence of video surveillance boosts people's feeling of security, which is why it is enjoying increasing public acceptance. A growing number of political initiatives are emerging that are aimed at improving the quality of surveillance systems in public areas. If high-resolution systems increasingly become the norm in the public security segment, MOBOTIX will benefit as a major manufacturer of such systems.

The number of patent disputes in the video security industry is rising considerably. The action brought by ComCam International, Inc., Exon, United States, against MOBOTIX CORP was settled in the financial year. The Management Board believes that the plaintiff's patents are invalid and has applied to the United States Patent and Trademark Office (USPTO) to have the patent examined.

... And Other Risks

There remains a possibility that the MOBOTIX Group will become involved in other patent infringement proceedings or that these could have a substantial financial impact.

Operational risk and other risks

The MOBOTIX Group has grown significantly since it was founded. Organizational changes have to be made constantly owing to the rapid **pace of this growth**. This presents fundamental risks, which the Company tackles by adjusting the level of personnel resources available and adapting the management systems and infrastructure on an ongoing basis.

The production and sale of technical products entails **warranty risks**. These are reflected in the financial statements by recognizing appropriate provisions. The Company has also taken out product liability insurance to safeguard against possible losses and risks.

If trends in the global financial markets and the real economy result in a widespread, global recession, this would naturally have a marked effect on the markets relevant to the MOBOTIX Group.

The Company has not identified any current or future risks to its survival as a going concern or that would have a material impact on its development. Technological innovation and the continued expansion of sales are highly important to the sustained success of the Group.

Opportunity Report

The benign market environment – with strong growth rates over the medium and long terms – provides the basis for the Company's continued success. This growth will be driven both by the increasing need for security and by the shift from analog to digital technologies. If the shift to the new technologies takes place faster than expected, additional opportunities may arise for the MOBOTIX Group. The factors that could accelerate this shift include political initiatives aimed at improving the quality of surveillance systems in public areas.

The Management Board anticipates that the technological driving forces in the market, such as higher resolution video systems, cloud-based installations, and more complex security installations, will reinforce the advantages of a decentralized technology concept.

Opportunities And Outlook

The introduction of hemispheric technology has made this particularly clear. There are now various companies selling hemispheric cameras. However, their products are of poorer quality or perform less well because these competitors generally have a centralized system architecture. This strengthens the MOBOTIX Group's competitive position and puts pressure on competitors to act.

In the coming months, MOBOTIX will boost its competitiveness with further product innovations in the field of IP-based video security solutions. To this end, it will focus on developing cameras and video management software because this is where its strengths lie. Moreover, being a manufacturer of complete IP camera and video management software systems is what makes MOBOTIX stand out from the competition.

MOBOTIX is already represented by partners worldwide. The targeted expansion of the partner network will continue to be of key importance to the Company in the future. Successful expansion of the sales structures will provide considerable growth opportunities. MOBOTIX's very strong global market position, particularly in the high-resolution network cameras sub-segment, provides a sound foundation for this expansion.

Outlook

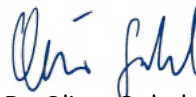
Provided market conditions in the sector remain positive and the economy as a whole does not deteriorate significantly, the Management Board anticipates revenue growth of approximately 10% on the back of the measures initiated in 2014/15 to improve the sales structures and the product innovations that have been launched so far in 2015/16. Provided that revenue does grow, EBIT will increase slightly. The forward-looking statements made above are predictions.

Winnweiler-Langmeil, October 30, 2015

The Management Board



Klaus Gesmann • CEO MOBOTIX AG



Dr. Oliver Gabel • CTO MOBOTIX AG



Dr. Tristan Haage • CSO MOBOTIX AG



Klaus Gesmann



Dr. Oliver Gabel



Dr. Tristan Haage





Security-Vision-Systems
MOBOTIX

Consolidated Financial Statements

Balance Sheet ...

€'000	Note	Sep. 30, 2015	Sep. 30, 2014
NON-CURRENT ASSETS			
Intangible assets	(1)		
Purchased industrial property rights and similar rights and assets as well as licences for such rights and assets		94	98
Property, plant and equipment	(1)		
Land and buildings, including buildings on third-party land		14,783	15,661
Plant and machinery		3,748	2,779
Office furniture and equipment		1,845	2,120
Advances paid and assets under construction		38	1,245
		20,414	21,805
Financial assets	(2)		
Investments in affiliated companies		4	4
		20,512	21,907
CURRENT ASSETS			
Inventories			
Materials and supplies		10,781	7,543
Work in progress		1,236	767
Finished goods		6,048	3,333
		18,065	11,643
Receivables and other assets	(3)		
Trade receivables		16,089	10,183
Receivables from affiliated companies		7	0
Other assets		4,361	4,640
		20,457	14,823
Cash on hand and bank balances		1,600	7,609
		40,122	34,075
PREPAID EXPENSES	(4)	829	700
DEFERRED TAX ASSETS	(5)	165	263
ASSETS		61,628	56,945

Profit For The Year
€ 61.6m (+8.2%)

€'000	Note	Sep. 30, 2015	Sep. 30, 2014
EQUITY	(6)		
Subscribed capital		13,271	13,271
minus notional value of treasury shares		-128	-128
Issued capital		13,143	13,143
Capital reserves		1,250	1,250
Statutory reserve		77	77
Currency translation adjustment		-281	-61
Retained earnings		26,161	25,993
		40,350	40,402
PROVISIONS			
Provisions for taxes		1,059	2,021
Other provisions	(7)	4,531	4,637
		5,590	6,658
LIABILITIES	(8)		
Liabilities to banks		6,809	7,973
Advances received for orders		2	2
Trade payables		8,207	1,384
Liabilities to affiliated companies		33	0
Other liabilities		633	521
		15,684	9,880
DEFERRED TAX LIABILITIES	(9)	4	5
EQUITY AND LIABILITIES		61,628	56,945

Equity
€ 40.3m (-0.1%)

Consolidated Financial Statements

Income Statement ...

€'000	Note	Oct. 1, 2014- Sep. 30, 2015	Oct. 1, 2013- Sep. 30, 2014
Revenue	(10)	80,140	78,491
Increase/decrease in inventories of finished goods and work in progress		3,184	-8,353
Other operating income	(11, 13)	1,580	1,034
Cost of materials		31,414	21,913
a) cost of materials and supplies and of goods purchased and held for resale		29,507	21,381
b) cost of purchased services		1,907	532
Staff costs		24,618	24,054
a) wages and salaries		21,433	20,915
b) social security contributions and pension expenses of which: for pensions €83 thousand (prior year: €67 thousand)		3,185	3,139
Depreciation, amortization expense and impairment losses		2,266	2,902
Other operating expenses	(11, 13)	20,023	20,008
Other interest and similar income		6	9
Interest expense and similar charges		272	316
Profit from ordinary activities		6,317	1,988
Income taxes	(14)	2,171	852
a) current taxes		2,074	701
b) deferred taxes	(5, 9)	97	151
Other taxes		35	34
Profit for the year		4,111	1,102
Profit carried forward		22,050	24,891
Retained earnings		26,161	25,993

Profit from ordinary activities
€ 6.3m (+217.8%)

... Cash Flow Statement

€'000	Note	Oct. 1, 2014- Sep. 30, 2015	Oct. 1, 2013- Sep. 30, 2014
Profit before tax		6,282	1,954
+ Net interest income/expense		266	307
+ Depreciation, amortization expense and impairment losses		2,266	2,902
- Decrease in other provisions		-107	-1,277
+ Loss on disposal of non-current assets		2	40
Operating profit before changes in working capital		8,709	3,926
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities		-12,514	16,111
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities		6,946	-6,583
Cash flow from operating activities before tax		3,141	13,454
- Income tax paid		-3,036	-1,275
Cash flow from operating activities		105	12,179
- Cash paid for purchases of property, plant and equipment		-1,165	-1,017
- Cash paid for purchases of intangible assets		-110	-97
+ Cash received from disposals of property, plant and equipment		415	7
+ Interest received		6	9
Cash flow from investing activities		-854	-1,098
- Dividends paid	(18)	-3,943	-9,857
- Cash paid for the redemption of loans		-1,164	-1,164
- Interest paid		-213	-282
Cash flow from financing activities		-5,320	-11,304
Net change in cash and cash equivalents		-6,069	-223
Effect of exchange rate on cash and cash equivalents		60	62
Cash and cash equivalents at the beginning of the reporting period		7,609	7,770
Cash and cash equivalents at the end of the reporting period	(16)	1,600	7,609

Cash and cash equivalents correspond to the balance sheet line item 'Cash on hand and bank balances'.

Operating profit before changes
in working capital

€ 8.7m (+121.8%)

Consolidated Financial Statements

Statement Of Changes In Equity

€'000	Subscribed capital	Treasury shares	Capital reserves	Statutory reserve	Currency translation adjustment	Retained earnings	Group equity
Balance as of Oct. 1, 2013	13,271	-128	1,250	77	45	34,748	49,263
Dividends paid						-9,857	-9,857
Profit for the year						1,102	1,102
Currency translation gains/losses					-105		-105
Total comprehensive income/loss					-105	1,102	997
Balance as of Sep. 30, 2014	13,271	-128	1,250	77	-60	25,993	40,402
Balance as of Oct. 1, 2014	13,271	-128	1,250	77	-60	25,993	40,402
Dividends paid						-3,943	-3,943
Profit for the year						4,111	4,111
Currency translation gains/losses					-221		-221
Total comprehensive income/loss					-221	4,111	3,890
Balance as of Sep. 30, 2015	13,271	-128	1,250	77	-281	26,161	40,350

Equity
€ 40.3m

Equity Ratio
65.5%

Notes To The Consolidated Financial Statements For The Financial Year 2014/15

1. General Information

The financial year used by MOBOTIX AG covers the period from October 1 of each year to September 30 of the following year.

The consolidated financial statements of MOBOTIX AG have been prepared in accordance with the stipulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Assets and liabilities have been recognized and measured on the assumption that the Company will continue as a going concern.

As in the prior year, we have used the nature-of-expense method to prepare the income statement.

The presentation of figures in thousands of euros (€ thousand) and the associated rounding of such figures may give rise to discrepancies of plus or minus one unit (euros or per cent).

Basis Of Consolidation

MOBOTIX CORP, New York, United States (formerly MOBOTIX Ltd. Liability Company, Columbia, South Carolina), was established as a subsidiary in 2003 with the aim of entering the American market. MOBOTIX CORP was fully consolidated as part of the MOBOTIX Group as of the opening balance sheet date. MOBOTIX DO BRASIL SERVICOS EM SISTEMAS DE SEGURANCA LTDA. was founded in São Paulo, Brazil, on September 4, 2012 as a service company for Brazil. MOBOTIX SINGAPORE PTE. LTD. was established in Singapore on December 30, 2013 as a service company for Singapore. MOBOTIX AUSTRALIA PTY LTD was established in Sydney on December 23, 2014 as a service company for Australia. MOBOTIX LIMITED, Nottingham, United Kingdom; MOBOTIX DO BRASIL LTDA., São Paulo, Brazil; MOBOTIX Singapore PTE. LTD., Singapore; and MOBOTIX AUSTRALIA PTY LTD, Sydney, Australia, have not been included in these consolidated financial statements because they are not material to the presentation of a true and fair view of the MOBOTIX Group's net assets, financial position, and results of operations.

Consolidated Financial Statements

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2. Principles Of Consolidation

The separate financial statements of the companies included in the consolidated financial statements of MOBOTIX AG have been prepared in accordance with uniform groupwide accounting policies as of the balance sheet date of September 30, 2015.

Consolidation Of Subsidiaries

MOBOTIX CORP was first consolidated as of July 1, 2005 (the opening balance sheet date).

It has been consolidated in accordance with section 301 HGB. To this end, the subsidiary's equity as of the opening balance sheet date has been offset against the carrying amount of the parent company's long-term equity investment in the subsidiary.

Consolidation Of Receivables And Liabilities; Intra-Group Profits And Losses; Consolidation Of Income And Expenses

Intra-group receivables and liabilities between consolidated companies as well as any income and expenses arising from intra-group transactions are offset. Intra-group transactions are based both on market prices and on arm's-length transfer prices. Intra-group profits and losses between consolidated companies are also eliminated as part of the consolidation process.

Company	Registered office	Shareholding	
		Sep. 30, 2015	Sep. 30, 2014
MOBOTIX CORP	New York, USA	100.0%	100.0%
MOBOTIX LIMITED	Nottingham, GB	100.0%	100.0%
MOBOTIX SINGAPORE PTE. LTD.	Singapore, SG	100.0%	100.0%
MOBOTIX AUSTRALIA PTY LTD	Sydney, AU	100.0%	-
MOBOTIX DO BRASIL SERVICOS EM SISTEMAS DE SEGURANCA LTDA.	São Paulo, BR	100.0%	100.0%

Currency Translation

Assets and liabilities denominated in foreign currency are translated at the middle spot exchange rate as of the balance sheet date.

The balance sheet line items in financial statements prepared in foreign currency are translated into euros at the relevant middle spot exchange rate as of the balance sheet date; the exception here is equity, which is translated into euros at historical rates. The line items on the income statement are translated into euros at average rates. Any resultant exchange differences are recognized directly in equity as a currency translation adjustment.

Deferred Taxes

Deferred tax assets and liabilities are recognized in respect of differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income reported in HGB financial statements and the corresponding carrying amounts reported in the tax accounts, provided that these differences are likely to be reversed in future financial years. The resultant tax expenses and tax benefits are not netted.

3. Information On Accounting Policies

Accounting Principles

Intangible Assets, Property, Plant And Equipment, And Financial Assets

Purchased intangible assets are measured at cost less straight-line amortization based on an estimated useful life of between one and five years.

Property, plant and equipment are measured at cost less straight-line depreciation based on an estimated useful life of between three and 33 years. Grants and subsidies received are deducted from the carrying amounts of these assets.

The manufacturing cost of internally generated property, plant and equipment includes the direct cost of materials and production as well as an appropriate proportion of the necessary materials and production overheads incurred, including production-related depreciation.

Notes ...

Investments in affiliated companies are measured at cost. If the value of such investments is permanently impaired, their carrying amount is written down to their fair value. If the reasons for such write-downs cease to apply, the impairment losses are reversed in accordance with section 253 (5) HGB.

Inventories

The materials and supplies reported under inventories are recognized at their average price, taking account of their realisable value on the balance sheet date and the lower-of-cost-and-market principle. Work in progress and finished goods are measured at their manufacturing cost in accordance with the lower-of-cost-and-market principle. Manufacturing costs include the direct cost of materials and production as well as an appropriate proportion of the materials and production overheads incurred and production-related depreciation of non-current assets.

Receivables And Other Assets

Receivables and other assets are carried at their principal amounts and adjusted to take account of all identifiable risks.

Discounts

Discounts are released on a straight-line basis over the fixed-interest period of the loans concerned.

Provisions

Other provisions take appropriate account of all identifiable risks and contingent liabilities; they are recognized at the settlement amount dictated by prudent business practice. Future price and cost increases are factored in if there is sufficiently objective evidence to suggest that they will materialise. Provisions with a residual maturity of more than one year are discounted using the maturity-matched average market interest rate for the previous seven financial years.

Liabilities

Liabilities are carried at their settlement amount.

4. Individual Balance Sheet And Income Statement Disclosures

(1) Intangible Assets And Property, Plant And Equipment

The changes in the non-current intangible assets and property, plant and equipment reported on the balance sheet are presented in the statement of changes in non-current assets (annex to the notes to the consolidated financial statements).

(2) Financial Assets Shareholdings

Name and registered office of the company	Percentage of capital	Equity	Profit/loss in 2013/14
MOBOTIX LIMITED, Nottingham, United Kingdom*	100.0	1 Brit. Pfund	0 Brit. Pfund
MOBOTIX DO BRASIL SERVICOS EM SISTEMAS DE SEGURANCA Ltda., São Paulo, Brazil	100.0	-55 TBrasil. Real	-57 TBrasil. Real
MOBOTIX SINGAPORE PTE. LTD., Singapore	100.0	32 TSGD	23 TSGD
MOBOTIX AUSTRALIA PTY LTD, Sydney, Australia	100.0	295 AUD	195 AUD

* Not operationally active

(3) Trade Receivables And Other Assets

As in the prior year, trade receivables and other assets have a residual maturity of less than one year. The Company's gold reserves are measured at their weighted average acquisition cost. If the market price of this gold falls, its carrying amount is written down to its fair value.

Notes ...

(4) Prepaid Expenses

Prepaid expenses include discounts of €131 thousand on five loans (prior year: €165 thousand).

(5) Deferred Tax Assets

Deferred tax assets have been recognized in respect of the elimination of intra-group profits and losses arising from transactions between MOBOTIX AG and MOBOTIX CORP. The recognition of deferred tax assets on inventories is based on a tax rate of 28.6%.

Deferred tax assets on tax relief entitlements in the United States, which are expected to arise from the anticipated use of existing loss carryforwards (€2.986 million) in future years, are not being recognized at present owing to the uncertainty surrounding the recovery of tax benefits.

(6) Equity

The subscribed capital corresponds to the share capital of MOBOTIX AG as of the relevant balance sheet date.

As of the balance sheet date the Company had issued 13,271,442 ordinary shares, of which 13,143,308 were in circulation. It held 128,134 shares as treasury shares as of

September 30, 2015. These no-par-value shares each represent €1.00 of the Company's share capital, which is fully paid-up.

The Annual General Meeting of MOBOTIX AG, Winnweiler-Langmeil, held on December 18, 2013 adopted a resolution to pay a dividend of €0.30 per share for the 2013/14 financial year. This constituted a total dividend payout of €3,943 million. The treasury shares held by the Company do not carry dividend rights. The dividend was distributed on December 19, 2014.

The Annual General Meeting held on December 20, 2013 adopted a resolution to authorise the Management Board once again – subject to compliance with the principle of equal treatment (section 53a AktG) – to acquire treasury shares up to a total of 10% of the Company's existing share capital on or before December 19, 2018. The shares acquired under this authorisation – in conjunction with other of the Company's shares which the Company has already acquired or still possesses or which are attributable to it pursuant to sections 71d and 71e AktG – must at no time account for more than 10% of the Company's share capital.

On July 15, 2010 the Management Board of MOBOTIX AG adopted a resolution to utilise the authorisation granted by the Annual General Meeting on September 30, 2009 to acquire treasury shares pursuant to section 71 (1) no. 8 AktG by purchasing up to 45,000 shares. The buy-back programme commenced on July 19, 2010.

Furthermore, the Management Board of MOBOTIX AG adopted a resolution on October 5, 2010 to amend the terms and conditions of the current share buy-back programme so that up to 150,000 shares can be acquired.

On May 4, 2012 the Management Board of MOBOTIX AG adopted a resolution to resume the repurchase of shares at up to a price of €24 under the share buy-back programme which had been approved on July 15, 2010 and then expanded on October 5, 2010.

The shares may be purchased through the stock exchange or by means of a public purchase offer made to all shareholders. If the number of shares offered for sale in a public purchase offer exceeds the total number of shares that the Company intends to purchase, the shareholders' tender rights may – in order to simplify the purchase procedure

– be disappplied in proportion to the number of shares offered for sale in each case.

This procedure is further simplified by the option – which also disappplies shareholders' tender rights – to preferentially purchase small numbers of up to 300 shares offered for sale by each shareholder.

Furthermore, the Management Board is also authorised to use the treasury shares acquired under this authorisation – subject to the consent of the Supervisory Board – for purposes for which the shareholders' pre-emption rights are disappplied.

The Company did not purchase any treasury shares in the 2014/15 financial year. Its treasury shares account for €128 thousand of its share capital.

The capital reserves consist of share premiums received from various capital increases in the past.

The statutory reserve required by section 150 (1) AktG totals €77 thousand; this amount has been allocated in previous years in accordance with section 150 (2) AktG.

The distributable profit comprises accrued retained profits.

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(7) Provisions

Other provisions essentially comprise the following types of provision:

	€'000
Provisions for outstanding invoices	1,910
Provisions for annual bonuses and sales commissions	807
Provisions for customer bonuses and credits	579
Provisions for Christmas bonuses	382

(8) Liabilities

The table below shows the residual maturities and security interests of the liabilities reported on the balance sheet (€ thousand; prior-year figures in brackets).

Other liabilities include social security payments of €53 thousand (prior year: €48 thousand) and taxes of €242 thousand (prior year: €255 thousand).

(9) Deferred Tax Liabilities

The deferred tax liabilities of €4 thousand (prior year: €5 thousand) represent the difference between the useful lives recognized for non-current assets in the tax accounts and those recognized in the financial statements. The recognition of deferred tax liabilities is based on a tax rate of 28.6%.

	Total	Maturity period			Secured Amount
		Up to 1 year	1 to 5 years	Over 5 years	
Liabilities to banks	6,809 (7,973)	1,315 (1,164)	4,983 (5,753)	511 (1,056)	5,009* (6,173*)
Liabilities relating to advances received for orders	2 (2)	2 (2)	0 (0)	0 (0)	0 (0)
Trade payables	8,207 (1,384)	8,207 (1,384)	0 (0)	0 (0)	0 (0)
Liabilities to affiliated companies	33 (0)	33 (0)	0 (0)	0 (0)	0 (0)
Other liabilities	633 (521)	633 (521)	0 (0)	0 (0)	0 (0)
Total	15,684 (9,880)	10,190 (3,071)	4,983 (5,753)	511 (1,056)	5,009* (6,173*)

* Land charges

(10) Revenue

Of the total revenue reported, €24.079 million (prior year: €22.799 million) was generated in Germany, €25.427 million (prior year: €26.182 million) relates to the rest of Europe and €30.634 million (prior year: €29.510 million) is accounted for by the rest of the world.

(11) Income And Expenses From Other

Reporting Periods

Other operating income includes income of €133 thousand (prior year: €29 thousand) from other reporting periods, while other operating expenses include expenses of €149 thousand (prior year: €367 thousand) from other periods.

(12) Other Financial Obligations

Other financial obligations relate solely to payments for rents, leases and materials within the scope of the Company's ordinary business activities.

(13) Currency Translation Income And Expenses

Other operating income includes income of €974 thousand (prior year: €611 thousand) from currency translation, while other

operating expenses include expenses of €291 thousand (prior year: €137 thousand) arising from currency translation.

(14) Income Taxes

The table below reconciles the income taxes derived from profit before tax with the income taxes actually reported in the financial statements:

Reconciliation of taxes	Financial year
	Oct. 1, 2014- Sep. 30, 2015
Profit before tax	6,282
Income taxes derived from profit before tax	1,797
Loss carryforwards not capitalized/utilized	271
US tax rate differential	-98
Other non-deductible expenses	99
Taxes from previous years	97
Other	5
Income taxes reported	2,171

(15) Miscellaneous

The contractual relationship with the general contractor working on the new building (construction phase II) in Langmeil was summarily terminated in 2009 prior to completion. The general contractor submitted its final invoice for the sum of €2.262 million (net) in 2009. MOBOTIX is contesting this invoice because it has counterclaims arising

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from penalties, defects and deficiencies of at least the same amount. Legal proceedings are currently pending in the court of first instance. As in 2013/14, this situation was reflected in the financial statements – in line with the Management Board's risk assessment – by the recognition of an item of property, plant and equipment on the assets side of the balance sheet and the reporting of a corresponding provision on the liabilities side. Consequently, the unrecognized final payment did not give rise to any outflow of cash.

5. Other Mandatory Disclosures

(1) Average Number of People Employed By The Company During The Reporting Year (Full-Time Equivalents)

The following groups of employees (excluding the Management Board, trainees, apprentices and temporary staff) worked for the Company during the 2014/15 financial year:

Full-time employees	338.0
Part-time employees	13.6

The total average number of employees during the reporting year was therefore 351.6 (prior year: 352.6).

(2) Independent Auditors' Fees

MOBOTIX AG incurred the following expenses for its independent auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, in 2013/14 in accordance with section 314 (1) no. 9 HGB:

in TEUR	Financial year 2014/15	Financial year 2013/14
Audit of annual financial statements		
From provisions	64	64
Other attestation services		
Invoiced	22	19
From provisions	8	3
Total	94	86

The other attestation services include reviewing the Company's quarterly and half-yearly financial statements.

(3) Management Board Of MOBOTIX AG

Members Of The Management Board

- Klaus Gesmann,
Diplom-Wirtschaftsingenieur, Höringen
(Chief Executive Officer)
- Dr. Oliver Gabel, Diplom-Ingenieur,
Reichenbach-Steegen
(Chief Technology Officer).
- Dr. Tristan Haage, Diplom-Physiker,
Bolanden (Chief Sales Officer
since April 1, 2015)

Management Board members'

Remuneration

The total remuneration paid to the members of the Management Board amounted to €650 thousand (prior year: €606 million) and consisted entirely of short-term remuneration.

(4) Supervisory Board Of MOBOTIX AG

Members Of The Supervisory Board

- Dr. Ralf Hinkel, Diplom-Informatiker, Höringen, (chairman)
- Sabine Hinkel, Diplom-Betriebswirtin (BA), Höringen
- Willi A. Fallot-Burghardt, Bank- und Versicherungskaufmann, company director, Kaiserslautern

Supervisory Board Members' Remuneration

Each member of the Supervisory Board receives fixed annual remuneration of EUR 10 thousand for his or her work. In addition, each member of the Supervisory Board receives for his or her work variable remuneration amounting to EUR 75.00 for each EUR 0.01 of the Company's earnings per share as shown in the HGB consolidated financial

statements and calculated in accordance with the principles of the Society of Investment Professionals in Germany (DVFA) (based on share capital of EUR 13,271,442.00 divided into 13,271,442 no-par-value shares, each representing EUR 1.00 of the share capital). The Chairman of the Supervisory Board receives twice the amount of the fixed and variable remuneration.

The total remuneration paid to the members of the Supervisory Board in the 2014/15 financial year amounted to €50 thousand (prior year: €43 thousand).

(5) Official Notifications Pursuant To Section 20 (1) And (6) AktG

Dr. Ralf Hinkel, Germany, notified us in a letter dated April 1, 2008 in accordance with section 21 (1a) of the German Securities Trading Act (WpHG) that he held 50.14% of all voting rights (representing 2,218,134 voting rights) in MOBOTIX AG on March 28, 2008.

Dr. Ralf Hinkel Holding GmbH, Am Stundenstein 2, 67722 Winnweiler, Germany, notified us on June 29, 2010 in accordance with section 21 (1) WpHG that its share of the voting rights in MOBOTIX AG, Winnweiler-

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Langmeil, Germany, ISIN DE0005218309, WKN 521830, exceeded the thresholds of 3, 5, 10, 15, 20, 25, 30 and 50% of the voting rights on June 29, 2010 and amounted to 50.14% (representing 2,218,134 voting rights) on this date.

Dr. Ralf Hinkel Holding GmbH, Winnweiler, Germany, notified us on 8 July 2010 in accordance with section 27a (1) WpHG that its share of the voting rights in MOBOTIX AG, Winnweiler-Langmeil, Germany, ISIN DE0005218309, WKN 521830, exceeded the thresholds of 3, 5, 10, 15, 20, 30 and 50% of the voting rights on 29 June 2010 and amounted to 50.14% (representing 2,218,134 voting rights) on this date.

Dr. Ralf Hinkel Holding GmbH issued the following notifications in respect of the objectives being pursued through the reported acquisition of voting rights as well as the origin of the funds used to acquire these voting rights:

"1. We aim to maintain a long-term strategic investment in MOBOTIX AG. Our acquisition of shares constituted an internal restructuring by the majority shareholder Dr. Ralf Hinkel

which did not alter this investment's long-term strategic focus.

2. As things stand, we do not intend to obtain any further voting rights in MOBOTIX AG – either through acquisition or by any other means – within the next twelve months.

3. At present we are not seeking to exert any influence over the composition of the Supervisory Board of MOBOTIX AG. We do, however, intend to transfer to Dr. Ralf Hinkel Holding GmbH the right enshrined in the Company's Articles of Incorporation for Dr. Hinkel himself or for companies either controlled by him or under his management to appoint one member of MOBOTIX AG's Supervisory Board. This will require the Company's Articles of Incorporation to be amended, and the Annual General Meeting of MOBOTIX AG will then have to approve this amendment.

4. We are not seeking to materially alter MOBOTIX AG's capital structure – especially with regard to its leverage – or its dividend policy.

5. These voting rights were acquired without payment of any consideration.

The background to the transaction was an internal restructuring by the majority shareholder Dr. Hinkel and the associated transfer of MOBOTIX AG shares held personally by Dr. Hinkel to Dr. Ralf Hinkel Holding GmbH at their carrying amount by way of a formation by non-cash capital contribution. Dr. Hinkel is the sole shareholder in Dr. Ralf Hinkel Holding GmbH.”

The amendment of the right enshrined in the Company’s Articles of Incorporation for Dr. Hinkel himself or for companies either controlled by him or under his management to appoint a Supervisory Board member – as mentioned in no. 3 of the above notifications – was adopted at the Annual General Meeting held on October 28, 2010.

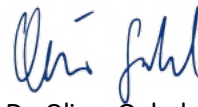
Dr. Ralf Hinkel Holding GmbH notified the Company on December 23, 2013 that it is currently disposing of some of its shares, its shareholding has fallen below the reporting threshold of 50%, and it plans to sell further shares.

Winnweiler-Langmeil, October 30, 2015

The Management Board



Klaus Gesmann • CEO MOBOTIX AG



Dr. Oliver Gabel • CTO MOBOTIX AG



Dr. Tristan Haage • CSO MOBOTIX AG

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€'000	Balance as of Oct. 1, 2014	Additions	Disposals	Reclassified	Exchange differences	Balance as of Sep. 30, 2015
Cost						
Intangible assets						
Purchased industrial property rights and similar rights and assets as well as licences for such rights and assets	1,281	110	0	0	2	1,393
Total intangible assets	1,281	110	0	0	2	1,393
Property, plant and equipment						
Land and buildings, including buildings on third-party land	18,464	16	339	37	0	18,178
Plant and machinery	10,542	834	0	1,128	0	12,504
Office furniture and equipment	7,555	277	1	3	36	7,870
Advances paid and assets under construction	1,350	38	78	-1,168	0	142
Total property, plant and equipment	37,911	1,165	418	0	36	38,694
Financial assets						
Investments in affiliated companies	4	0	0	0	0	4
Total financial assets	4	0	0	0	0	4
Accumulated depreciation, amortization and impairment						
Intangible assets						
Purchased industrial property rights and similar rights and assets as well as licences for such rights and assets	1,184	114	0	0	1	1,299
Total intangible assets	1,184	114	0	0	1	1,299
Property, plant and equipment						
Land and buildings, including buildings on third-party land	2,803	592	0	0	0	3,395
Plant and machinery	7,763	993	0	0	0	8,756
Office furniture and equipment	5,435	567	0	0	23	6,025
Advances paid and assets under construction	104	0	0	0	0	104
Total property, plant and equipment	16,105	2,152	0	0	23	18,280

€'000	Balance as of Oct. 1, 2014	Additions	Disposals	Reclassified	Exchange differences	Balance as of Sep. 30, 2015
Financial assets						
Investments in affiliated companies	0	0	0	0	0	0
Total financial assets	0	0	0	0	0	0
Net carrying amount						
Intangible assets						
Purchased industrial property rights and similar rights and assets as well as licences for such rights and assets	98					94
Total intangible assets	98					94
Property, plant and equipment						
Land and buildings, including buildings on third-party land	15,661					14,783
Plant and machinery	2,779					3,748
Office furniture and equipment	2,120					1,845
Advances paid and assets under construction	1,245					38
Total property, plant and equipment	21,805					20,414
Financial assets						
Investments in affiliated companies	4					4
Total financial assets	4					4

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Independent Auditors' Report

We have audited the consolidated financial statements – comprising the balance sheet, the income statement, the notes to the consolidated financial statements, the cash flow statement and the statement of changes in equity – and the group management report prepared by MOBOTIX AG for the financial year from October 1, 2014 to September 30, 2015.

The preparation of the consolidated financial statements and the group management report in accordance with German generally accepted accounting principles is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 of the German Commercial Code (HGB) and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors in Germany). Those standards

require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with German generally accepted accounting principles and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the

group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the statutory provisions and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German generally accepted accounting principles. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Saarbrücken, November 3, 2015

KPMG AG

Wirtschaftsprüfungsgesellschaft

Geis-Sändig

Palm

Wirtschaftsprüfer

Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)

Technical Glossary ...

CCD image sensor	Charged-coupled device image sensor; a light-sensitive hardware component
CIF	Common intermediate format; an image compression format
CMOS image sensor	Complementary metal-oxide semiconductor image sensor; a light-sensitive hardware component
Control centre computer	The computer at a central control centre that enables the information supplied by the camera to be processed
CPU	Central processing unit
DVR	Digital video recorder
Fixdome	Camera without any mechanical moving parts inside a dome housing
HDTV	High-definition television
HiRes	High resolution
IP network	Data network based on the Internet Protocol
IP standard	Standard network protocol
JPEG format	A lossy image data format that reduces the file size by compressing the same or similar image content
LAN	Local area network
Megapixel	Image size of more than 1 million pixels
MPEG format	Video format for creating data streams for streaming images, defined by the Motion Picture Experts Group
SD card	A secure digital (SD) memory card is a digital memory device – such as a USB stick – that works according to the principle of flash memory

Financial Glossary ...

TCP/IP	Transmission Control Protocol / Internet Protocol
Video server	Central storage unit for video images or video streams
VoIP	Voice over internet protocol; standard for transmitting voice over IP networks
EBITDA	Earnings before interest, tax, depreciation and amortization
EBITDA margin	EBITDA divided by total operating output multiplied by 100 (the higher the percentage, the greater the profitability)
EBIT	Earnings before interest and tax
EBIT margin	EBIT divided by total operating output multiplied by 100 (the higher the percentage, the greater the profitability)
Equity ratio	Total equity as of the reporting date divided by total assets multiplied by 100 (the higher the ratio, the lower the leverage)
Gross profit	Total operating output minus cost of materials
Total operating output	Revenue plus/minus changes in inventories plus other own work capitalized

Disclaimer ...

Disclaimer

This financial report contains MOBOTIX AG statements and information that relate to future periods. These forward-looking statements use formulations such as 'plan', 'expect', 'intend', 'endeavour', 'will', 'estimate', 'believe', 'aim to' and similar expressions. Such statements are made based on the current situation and latest expectations and may occasionally differ significantly – either on the upside or downside – from actual developments. Some of the factors that may give rise to uncertainties are changes in domestic or international macroeconomic conditions, changes in the underlying political situation, the introduction of new products or technologies by other companies, changes in investment behaviour in MOBOTIX AG's key markets, movements in exchange rates or interest rates, and the integration of acquired companies. MOBOTIX AG undertakes no obligation – over and above the existing legal requirements – to revise or update forward-looking statements.

This is an English translation of the German original. Only the German version is binding. The financial reports from MOBOTIX AG are available as pdf files on the homepage (www.mobotix.com).

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... Financial Calendar And Contact

Financial Calendar 2015/16

Annual General Meeting for the 2014/15 financial year	Thursday, December 17, 2015
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Publication of the 2015/16 half-year report	Thursday, June 23, 2016
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Contact Details

Klaus Gesmann

Chief Executive Officer

Tel.: +49 (0)6302 9816 111

Fax: +49 (0)6302 9816 190

Email: klaus.gesmann@mobotix.com

MOBOTIX AG

Investor Relations

Kaiserstrasse

67722 Winnweiler-Langmeil, Germany

Email: investor@mobotix.com

Approach Of Inst model



The new p25 6MP model is equipped with the brand-new 6-Megapixel Moonlight sensor technology, providing best low-light performance to cope with every indoor situation. The p25 is positioned extremely price competitive at 398€ and represents with all included MOBOTIX features and the latest in technology," says CEO of MO. MOBOTIX VMS MxMC, one of the most attractive security solutions in the market.



Reliable

M15D-Th

The new p25 is a ceiling camera with a manual pan/tilt functionality providing full installation flexibility. Equipped with the p25 can be directed the room, with a 90° field of view in the corner the p25 demonstrates its 6MP resolution. For Analytics is now available, too. For all single lens

MxAnalytics - Now Available in All MOBOTIX Single Lens Models



allows counting of people moving through corridors in different directions and can generate heat maps to indicate areas of highest activities of movements. All data can be automatically sent to a camera itself via daily or weekly email. An excellent tool to measure the behavior of people, for example in a retail shop.

MOBOTIX AG as of 1st April 2015 with a new Chief Sales Officer

The Supervisory Board of MOBOTIX AG has appointed Dr. Tristan Haage as a new member of the Management Board for the area of Sales. With a PhD in physics, Dr. Haage comes from Kaiserslautern and will assume responsibility in the Management Board starting 1st April 2015. With Dr. Haage, MOBOTIX AG gains a leader with many years of management experience in international sales.

Dr. Haage is finishing his studies at the Kaiser-Friedrich-Gesamthochschule University of Technology and completed his doctorate degree at the University of Stuttgart. Dr. Haage began his professional career as a research assistant in the Institute for Microsystems in Munich. In addition to leading research projects, he helped build a global Account Management system at Siemens AG in the Industrial division. Over ten years he worked as Director of Sales and Marketing and contributed to the growth of this medium-sized company. Most recently, he served as authorized officer of the international sales division of Frenzelit Werke, division seals and gaskets. Dr. Haage came to MOBOTIX AG in May 2014 and has been supporting the Management Board as a provider of digital security solutions.

The New Milestone of Video Management



The first release of MxMC is ready for download. MxMC MOBOTIX video

management software is a complete redevelopment that focuses on a unique and intuitive user experience. Single and double click drag&drop support of several screens and direct view of events and alarm messages are just some of the many advantages of the new software. Particularly outstanding: the newly developed research and player tools providing speed search and fastest results.

MxMC is perfectly designed in combination with MOBOTIX cameras representing the optimized concept at its best. MxMC allows controlling all cameras directly.

MOBOTIX AG Doubles Its Previous Year's EBIT

The first half of the 2014/15 financial year MOBOTIX AG saw a very large increase of product innovations. Technological 5-Megapixel cameras were replaced by highly light-sensitive 6-Megapixel Moonlight systems, which are around 100 times more light-sensitive than the 3-Megapixel cameras that were still being sold until a year ago. The Moonlight systems give MOBOTIX a significant competitive advantage in the market, even though the process of switching camera models to this new technology is due to be completed until the third quarter of the year.

MOBOTIX Corp. Continues To Prevail In Patent Dispute

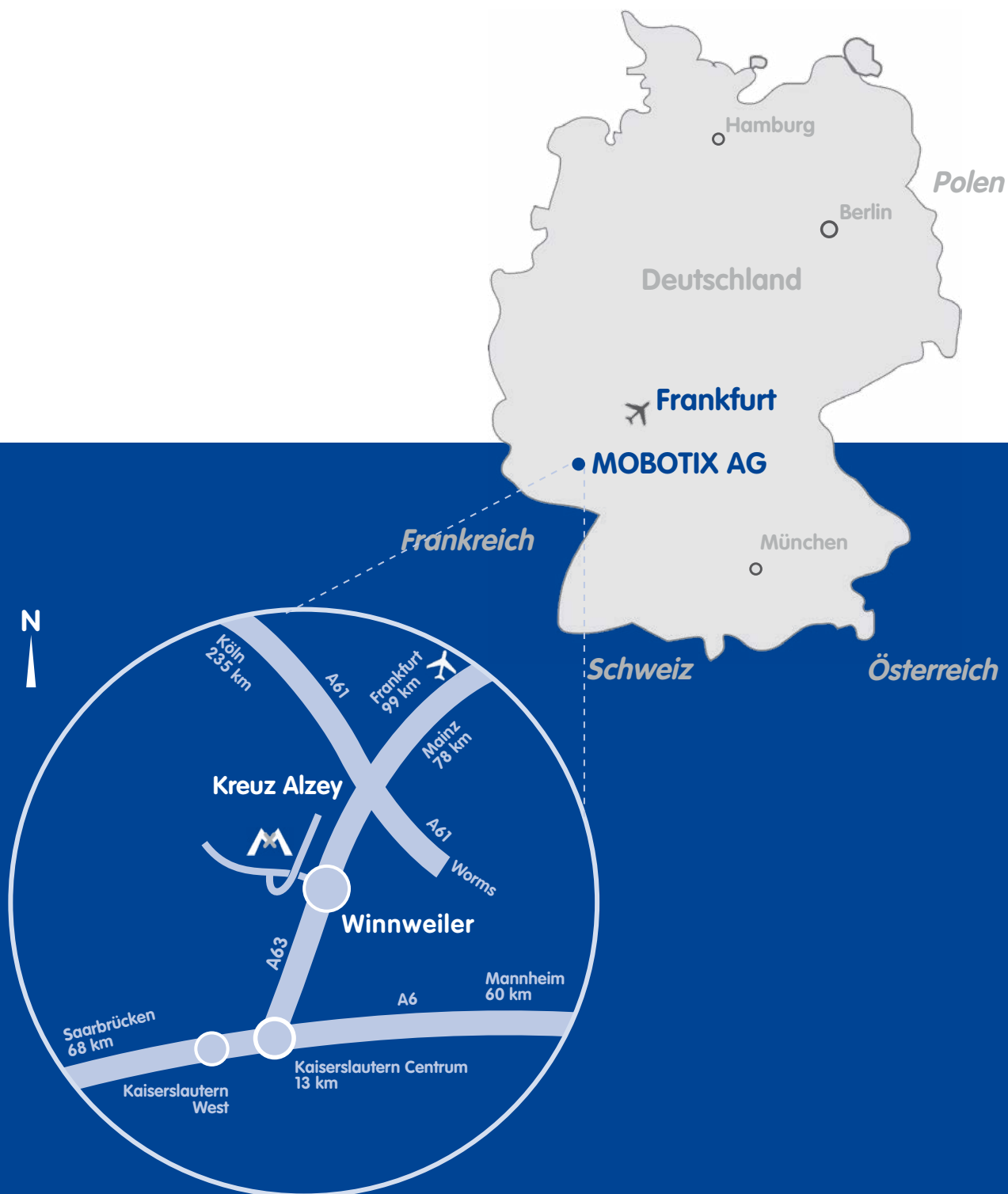
MOBOTIX Corp.'s success story in the patent dispute against e-Watch Inc. continues. In August 2014, the USPTO had determined that U.S. Pat. No. 6,970,183 is not patentable. Shortly after this decision, a district court in Texas dismissed the patent infringement lawsuit filed by e-Watch Inc. against MOBOTIX Corp. Now three more patents owned by e-Watch Inc. have been successfully challenged by requesting inter partes review at the USPTO.

The completely redeveloped and extremely user-friendly video management software was not launched in the first half of the year as originally planned. However, the beta version which is already available to 2,000 registered users, is being described as a „game changer“ at all in the market.

SA

The Panorama Towers, a premiere luxury condominium complex in Las Vegas, Nevada. The award-winning high-rise





MOBOTIX AG
 Security-Vision-Systems
 Kaiserstrasse
 D-67722 Winnweiler-Langmeil
 Tel.: +49 6302 9816-0
 Fax: +49 6302 9816-190
 E-Mail: investor@mobotix.com
www.mobotix.com

Sat-Nav address: Am Stundenstein 2, 67722 Winnweiler

Security-Vision-Systems



MOBOTIX AG
Security-Vision-Systems
Kaiserstrasse
D-67722 Winnweiler-Langmeil
Tel.: +49 6302 9816-0
Fax: +49 6302 9816-190
E-Mail: investor@mobotix.com
www.mobotix.com