

IVU Traffic Technologies AG

## Consolidated report for the first nine months of the financial year 2015 in line with IFRS

Berlin, 18 November 2015

### Key figures

	1/1 – 30/9/2015 in k€	1/1 – 30/9/2014 in k€	Change in k€
<b>Revenues</b>	33,453	27,141	+6,312
<b>Gross profit</b>	24,173	22,869	+1,304
<b>Personnel expenses</b>	18,130	17,391	+739
<b>EBIT</b>	-66	-61	-5
<b>Consolidated loss</b>	-721	-186	-535

## **Management report**

### **Financial performance**

In the first nine months of 2015, IVU improves its revenues to € 33,453 k (2014: € 27,141 k). The material costs increase to € 9,737 k (2014: € 4,938 k). Therefore, the gross profit, which reflects the value created by IVU, grows to € 24,173 k (2014: € 22,869 k).

On the costs side, personnel expenditure increases as planned to € 18,130 k (2014: € 17,391 k) and other operating expenses rise to € 5,238 k (2014: € 4,837 k). The EBIT of - € 66 k is nearly unchanged in regards to the previous year (2014: - € 61 k).

The slightly negative EBIT of the first nine months is in line with the seasonal business cycle familiar from previous years. The strong order book level confirms the expectations for 2015. Our attention is now focused on meeting deadlines for the completion of all orders by the end of the year.

### **Key projects in the third quarter of 2015**

#### **Berlin. Integrated resource planning for Abellio**

When the Abellio Rail Mitteldeutschland GmbH assumes operation of the Saale-Thüringen-Südharz network (STS) in December 2015, IVU.rail will assure optimal deployment of vehicles and staff. Abellio will be operating ten lines with a total length of 575 km between the German states of Saxony-Anhalt, Thuringia, Saxony, Lower Saxony and Hesse. A total of 35 new trains will provide transportation for approx. 8.5 million passengers per year. The IVU system assists planners and dispatchers in resource planning with numerous automation functions and a flexible rule engine. A mobile employee portal, which records and documents tasks and services centrally, ensures straightforward, paperless communication.

#### **Tel Aviv. New subsidiary to boost project work and sales activities**

IVU celebrated the official opening of its subsidiary in Israel along with representatives from the fields of politics and business. IVU has been operating in Israel for around five years. Its customers include the Jerusalem Transport Master Plan Team (JTMT) and private transport company Superbus Ltd. IVU products such as IVU.suite are fully adapted to Israeli requirements and support "Calypso", the nationwide e-ticketing standard.

#### **Stockholm. SJ AB to plan its resources with IVU.rail**

Swedish rail operator SJ AB is to use a software solution from IVU for all of its resource planning. IVU will provide its integrated standard system IVU.rail, which is tailored specifically to the needs of train operating companies. The IVU solution proved itself in an

international tender and will now be used to plan and dispatch all vehicles and employees. For the largest train operator in Sweden, a homogenous system environment is of utmost importance to ensure safe and convenient travel for almost 85,000 daily passengers at 440 stations.

### **Cologne. National Express opts for all-round solution from IVU**

From December onwards, National Express will be operating its first two lines in Germany. 35 brand-new trains and around 130 employees will ensure that passengers on the Rhein-Münsterland route reach their destination on time and in comfort. To ensure smooth planning, dispatching, operations control, passenger information and settlement processes, National Express has opted for the standard system of IVU.

### **Bad Kreuznach. Real-time information for buses in the RNN network area**

Thanks to IVU, a total of 210 vehicles of the Rhenus VENIRO Group have been fitted with a new ITCS (Intermodal Transport Control System) that can generate and process real-time bus data. The IVU system delivers the data to the state-wide data hub at the Verkehrsverbund Rhein-Neckar GmbH (VRN) in Mannheim. The data hub is being introduced in parallel to pass on the bundled real-time information from the different operations control systems to various information media and smartphone apps. The transport companies can also use the obtained real-time data to optimise their timetables.

### **Rome. International rail managers discuss efficient resource planning**

Over 25 top managers from prestigious European rail groups participated in this year's "IT for Rail" conference, which was organised by the Italian state railway, Trenitalia, and IVU as a joint effort. Key topics included the increasing digitalisation of the rail sector and the efficient deployment of fleet and staff with the help of integrated software solutions. During presentations, CIOs reported their experiences from their companies. Further discussions involved "Software as a Service", such as the IVU.cloud, which Trenitalia successfully uses for the planning and dispatch of their 14,000 employees, and modern mathematical methods for improved train schedules.

## Personnel

	2015	2014	Change
<b>Number of employees</b> as of 30 September	443	397	+12%
<b>Personnel capacity *</b> 1 January – 30 September (average)	347	333	+4%

\* Equivalent number of full-time employees (FTE)

In the first nine months of 2015 we have strengthened our team as planned. The personnel capacity has increased by 4% to 347 in comparison with the same period last year.

## Outlook

The good order book situation promises a continued positive business development. For 2015, we anticipate revenues of ca. € 50 million and a gross profit of € 39 million.

## Risks

The risks are described on pages 20 and 21 of the Annual Report 2014. No new risks have arisen. Neither have there been any changes in risk management.

## Transactions with related individuals

In the period covered by this report, there were no transactions with related individuals.

## Declaration in line with WpHG Section 37w, Para. 5 Sentence 6

This nine months report was not subjected to an auditor's inspection.

## Consolidated income statement in line with IFRS for the period 1 January to 30 September 2015

	Q3 2015	Q3 2014	1st nine months 2015	1st nine months 2014
	k€	k€	k€	k€
<b>Sales revenues</b>	<b>11,995</b>	<b>10,402</b>	<b>33,453</b>	<b>27,141</b>
Other operating revenues	85	195	457	666
Material costs	-3,581	-1,631	-9,737	-4,938
<b>Gross profit</b>	<b>8,499</b>	<b>8,966</b>	<b>24,173</b>	<b>22,869</b>
Personnel expenses	-5,410	-5,405	-18,130	-17,391
Depreciation of non-current assets	-290	-281	-871	-702
Other operating expenses	-1,951	-1,928	-5,238	-4,837
<b>Earnings before interest and taxes (EBIT)</b>	<b>848</b>	<b>1,352</b>	<b>-66</b>	<b>-61</b>
Financial revenues	1	10	2	11
Financial expenses	-49	-49	-183	-130
<b>Earnings before taxes (EBT)</b>	<b>800</b>	<b>1,313</b>	<b>-247</b>	<b>-180</b>
Income tax	74	-1	-65	-6
Deferred tax	-409		-409	
<b>Consolidated profit/loss</b>	<b>465</b>	<b>1,312</b>	<b>-721</b>	<b>-186</b>

## Consolidated statement of comprehensive income for the period 1 January to 30 September 2015

	1st nine months 2015	1st nine months 2014
	k€	k€
Consolidated profit/loss	-721	-186
Currency translations	-5	0
<b>Total consolidated earnings after taxes</b>	<b>-726</b>	<b>-186</b>

## Consolidated balance sheet in line with IFRS as of 30 September 2015

ASSETS	30/09/2015	31/12/2014
	k€	k€
<b>A. Current assets</b>		
1. Liquid funds	8,832	14,667
2. Current trade receivables	10,385	15,098
3. Current receivables from construction contracts	14,733	9,587
4. Inventories	3,859	3,296
5. Other current assets	4,190	4,652
<b>Total current assets</b>	<b>41,999</b>	<b>47,300</b>
<b>B. Non-current assets</b>		
1. Fixed assets	1,564	1,489
2. Intangible assets	12,237	12,289
3. Non-current trade receivables	0	10
4. Deferred tax assets	2,600	3,009
<b>Total non-current assets</b>	<b>16,401</b>	<b>16,797</b>
<b>Total assets</b>	<b>58,400</b>	<b>64,097</b>
<b>LIABILITIES AND EQUITY</b>	<b>30/09/2015</b>	<b>31/12/2014</b>
	k€	k€
<b>A. Current liabilities</b>		
1. Current trade payables	1,938	5,111
2. Liabilities from construction contracts	9,910	9,417
3. Provisions	797	832
4. Tax accruals	14	373
5. Other current liabilities	6,074	6,828
<b>Total current liabilities</b>	<b>18,733</b>	<b>22,561</b>
<b>B. Non-current liabilities</b>		
1. Pension provisions	5,046	5,016
2. Others	48	335
<b>Total non-current liabilities</b>	<b>5,094</b>	<b>5,351</b>
<b>C. Equity</b>		
1. Subscribed capital	17,719	17,719
2. Capital reserves	3,696	3,696
3. Retained earnings	-1,272	-1,272
4. Consolidated balance sheet profit	14,388	15,995
5. Currency translations	42	47
<b>Total equity</b>	<b>34,573</b>	<b>36,185</b>
<b>Total liabilities and equity</b>	<b>58,400</b>	<b>64,097</b>

## Consolidated statement of cash flows in line with IFRS for the period 1 January to 30 September 2015

	1st nine months 2015 k€	1st nine months 2014 k€
<b>1. Operating activities</b>		
Consolidated earnings before income and taxes of the period	-246	-180
Depreciation of fixed assets	871	702
Changes to provisions	-5	-68
Earnings from interest	181	119
Other non-cash income and expenses	-5	0
	<b>796</b>	<b>573</b>
Change of items of current assets and current borrowed funds		
Inventories	-563	-732
Receivables and other assets	39	5,994
Liabilities (without provisions)	-3,917	-1,886
	<b>-3,645</b>	<b>3,949</b>
Interest payments	-183	-130
Income taxes paid	-225	
<b>Cash flow from operating activities</b>	<b>-4,053</b>	<b>3,819</b>
<b>2. Investing activities</b>		
Payments for investments in property, plant and equipment	-898	-761
Interest received	2	11
<b>Cash flow from investing activities</b>	<b>-896</b>	<b>-750</b>
<b>3. Financing activities</b>		
Dividend paid out	-886	0
<b>Cash flow from financing activities</b>	<b>-886</b>	<b>0</b>
<b>4. Liquid funds</b>		
Effective change in liquid funds	-5,835	3,069
Liquid funds at the beginning of the period	14,667	10,668
<b>Liquid funds at the end of the period</b>	<b>8,832</b>	<b>13,737</b>

+ = cash inflow / - = cash outflow

## Consolidated statement of changes in equity in line with IFRS for the period 1 January to 30 September 2015

	Subscribed capital	Capital reserves	Retained earnings	Currency translations	Balance sheet profit	Total
	k€	k€	k€	k€	k€	k€
<b>As of 1 January 2014</b>	<b>17,719</b>	<b>3,696</b>	<b>-450</b>	<b>46</b>	<b>11,630</b>	<b>32,641</b>
Consolidated profit 2014	0	0	0	0	4,365	4,365
Other income after taxes	0	0	-822	1	0	-821
<b>Total consolidated profit/loss after taxes</b>	<b>0</b>	<b>0</b>	<b>-822</b>	<b>1</b>	<b>4,365</b>	<b>3,544</b>
<b>As of 31 December 2014</b>	<b>17,719</b>	<b>3,696</b>	<b>-1,272</b>	<b>47</b>	<b>15,995</b>	<b>36,185</b>
<b>As of 1 January 2015</b>	<b>17,719</b>	<b>3,696</b>	<b>-1,272</b>	<b>47</b>	<b>15,995</b>	<b>36,185</b>
Consolidated loss 1 January - 30 September 2015	0	0	0	0	-721	-721
Other income after taxes	0	0	0	-5	0	-5
<b>Total consolidated loss after taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>-721</b>	<b>-726</b>
Dividend paid out	0	0	0	0	-886	-886
<b>As of 30 September 2015</b>	<b>17,719</b>	<b>3,696</b>	<b>-1,272</b>	<b>42</b>	<b>14,388</b>	<b>34,573</b>



## Explanatory Notes

### (1) Interim financial statements in accordance with IAS 34

The condensed consolidated interim financial statements meet the requirements in IAS 34. The consolidated interim financial statements do not include all of the information and explanatory notes required for complete financial statements for year-end reporting purposes. They should be read in conjunction with the consolidated financial statements of the annual report 2014.

### (2) Accounting and valuation principles

The accounting and valuation principles as applied in the consolidated interim financial statements correspond to those pertaining to the consolidated financial statements for the financial year 2014.

### (3) Seasonality of business operations

The operative business dealings of the IVU Group, in particular in the Public Transport segment, are affected by seasonal effects. These relate both to the presentation of maintenance invoices in the first quarter and to the increased invoicing of project costs in the fourth quarter of the financial year.

## Group segment reporting

Operating segments	Public Transport		Logistics		Central services		Consolidated	
	1st nine months		1st nine months		1st nine months		1st nine months	
	2015	2014	2015	2014	2015	2014	2015	2014
	k€	k€	k€	k€	k€	k€	k€	k€
<b>Total sales revenues</b>	<b>29.903</b>	<b>23.628</b>	<b>3.415</b>	<b>3.460</b>	<b>150</b>	<b>53</b>	<b>33.468</b>	<b>27.141</b>
Inter-segment sales	-11		-4				-15	
Sales to external customers	29.892	23.628	3.411	3.460	150	53	33.453	27.141
<b>Segment gross profit</b>	<b>20.978</b>	<b>19.763</b>	<b>3.030</b>	<b>3.011</b>	<b>165</b>	<b>95</b>	<b>24.173</b>	<b>22.869</b>
Expenses*	-15.173	-14.065	-2.354	-2.528	-6.712	-6.337	-24.239	-22.930
<b>EBIT</b>	<b>5.805</b>	<b>5.698</b>	<b>676</b>	<b>483</b>	<b>-6.547</b>	<b>-6.242</b>	<b>-66</b>	<b>-61</b>
Financial expenses, net					-181	-119	-181	-119
<b>EBT</b>	<b>5.805</b>	<b>5.698</b>	<b>676</b>	<b>483</b>	<b>-6.728</b>	<b>-6.361</b>	<b>-247</b>	<b>-180</b>
Income tax					-65	-6	-65	-6
Deferred tax					-409		-409	
<b>Consolidated profit/loss</b>	<b>5.805</b>	<b>5.698</b>	<b>676</b>	<b>483</b>	<b>-7.202</b>	<b>-6.367</b>	<b>-721</b>	<b>-186</b>
<b>Segment assets</b>	<b>46.877</b>	<b>45.858</b>	<b>5.437</b>	<b>6.739</b>	<b>3.486</b>	<b>2.539</b>	<b>55.800</b>	<b>55.136</b>
Investment expenditure	694	628	112	113	92	104	898	845
Impairments	673	522	109	94	89	86	871	702

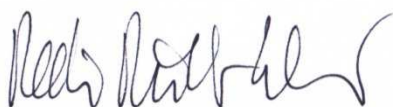
\* Segment division partially adapted

## Responsibility statement

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

Berlin, in November 2015

The Executive Board



Martin Müller-Elschner



Dr Helmut Bergstein

## Financial calendar 2015

25 March 2015	Annual Report 2014
29 May 2015	Three-months report as at 31 March
3 June 2015	Annual General Meeting
26 August 2015	Six-months report as at 30 June
18 November 2015	Nine-months report as at 30 September
24 November 2015	German Equity Forum, analyst conference, Frankfurt

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