

IVU Traffic Technologies AG

Consolidated report for the first three months of the financial year 2016 in line with IFRS

Berlin, 24 May 2016

Key figures

	1/1 – 31/3/2016 in € thousand	1/1 – 31/3/2015 in € thousand	Change in € thousand
Revenues	9,761	9,361	+400
Gross profit	7,387	7,335	+52
Personnel expenses	7,134	6,316	+818
EBIT	-1,812	-786	-1,026
Consolidated loss	-2,419	-855	-1,564

Management report

Financial performance

With an increase in revenue to EUR 9,761 thousand (2015: EUR 9,361 thousand) and a slight rise in gross profit to EUR 7,387 thousand (2015: EUR 7,335 thousand), IVU has begun the 2016 financial year confidently.

In terms of costs, staff costs increased by 13% compared to the previous year to EUR 7,134 thousand (2015: EUR 6,316 thousand) – in line with the growth in personnel capacity. Here we are continuing to invest in product development and international sales to expand our strong market position. Other operating expenses climbed slightly by EUR 198 thousand to EUR -1,724 thousand (2015: EUR -1,526 thousand). EBIT fell to EUR -1,812 thousand (2015: EUR -786 thousand).

The consolidated net loss of EUR -2,419 thousand (2015: EUR -855 thousand) is influenced by deferred taxes on work-in-process of EUR -559 thousand (2015: 0).

The first quarter performance is typical for IVU's seasonal business cycle, which is defined in particular by long-term projects. An extremely strong fourth quarter is usually followed by a weak start to the year. This does not affect the forecast result for 2016.

This is also backed by the good level of orders, which is up on the previous year and – at around EUR 47 million as at 30 April 2016 – already accounts for 85% of the planned annual revenues for the current financial year. In the months ahead we are anticipating further significant incoming orders from current tenders, particularly in the rail sector.

As predicted, the high level of trade receivables as at the end of the year was reduced in the first quarter. Cash and cash equivalents therefore rose by EUR 3,444 thousand to EUR 10,949 thousand as at 31 March 2016 (31 December 2015: EUR 7,505 thousand).

Key projects in the first quarter 2016

Bangkok. IVU provides planning system for Bangkok's Purple Line

In August, regular services are scheduled to start on the Purple Line in the Thai metropolis Bangkok. The first test trains have been running on the newly built line since December. IVU.rail will ensure efficient planning of the entire driving operations. The planning module of the IVU solution enables BEM to perform integrated planning of the network and timetable. It maps the routes between the network points down to the last detail and takes into account attributes such as the expected passenger volume. Since 2003, BEM has been performing all planning processes for the Blue Line, Bangkok's first metro railway service, with the IVU system.

Paris. IVU software for Paris metropolitan area

As the public transport authority for the Île-de France-region, STIF organises and finances all public transport in Paris and the surrounding area. In the future, the IVU software will facilitate administration significantly and help harmonise services of 1,100 lines, which are run by 70 private companies with more than 4,700 vehicles. IVU.plan will enable STIF to handle current timetabling, schedule-planning and staff-roster details of all bus operators centrally. The entire system will be hosted and maintained by IVU as part of IVU.cloud.

Berlin. New KKI assignment control system up and running

At Berlin-based Kompetenzzentrum Kritische Infrastrukturen GmbH (KKI), a new assignment control system – one that simplifies the task of dispatching on-call staff and ensures efficient processes – is now operational. The IVU.workforce solution serves as the basis for the assignment control system for managing assignments in the field. It took only about a year to go from the start of the project to the go-live date.

Karlsruhe. IVU showcases new solutions at the IT-Trans 2016

During the IT-Trans 2016, IVU presented new solutions for improved efficiency and service in the fields of passenger information, driver communication and hosting. IVU unveiled its new IVU.pad. This app turns the tablet into a full digital briefcase for drivers. IVU.cloud was also introduced, which allows transport companies to use most of the proven IVU solutions as software as a service, as well as the process IVU.xpress for short project lead times.

IVU User Forum. Future Mobility

During early March 2016, over 500 representatives of transport companies from all over the world met once again in Berlin. In presentations, expert discussions and an accompanying exhibition, the participants discussed the use of IT systems and found out about the latest solutions from IVU. After the opening keynote, presented by Dirk Flege, Managing Director of the German Pro-Rail Alliance, several presentations devoted themselves to innovation and trends in public transport. The international speakers shed light on their companies' operations and described their experience with IVU's products. IVU engineers also provided insight into the new features of the systems as well as the latest product innovations.

Personnel

	2016	2015	Change
Number of employees as of 31 March	465	422	+10%
Personnel capacity * 1 January – 31 March	384	341	+13%

* Equivalent number of full-time employees (FTE)

The personnel capacity has increased significantly in comparison with the same period in the previous year. The numerous new hires in 2015 have come into full effect, as well as further enhancing our team as planned in the first quarter of 2016. Focal points were product development and international sales .

Outlook

The good order-book situation promises a continued positive business development. For 2016, we anticipate at least revenues of EUR 55 million and a gross profit of EUR 42 million.

Risks

The risks are described on pages 20 and 21 of the Annual Report 2015. 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 three-months report was not subjected to an auditor's inspection.

Consolidated income statement in line with IFRS for the period 1 January to 31 March 2016

	1st three months 2016	1st three months 2015
	€ thousand	€ thousand
Sales revenues	9,761	9,361
Other operating income	43	179
Cost of materials	-2,417	-2,205
Gross profit	7,387	7,335
Personnel expenses	-7,134	-6,316
Depreciation of non-current assets	-341	-279
Other operating expenses	-1,724	-1,526
Operating result (EBIT)	-1,812	-786
Financial expenses	-37	-68
Pre-tax profit (EBT)	-1,849	-854
Income tax	-11	-1
Deferred taxes	-559	0
Consolidated net profit/loss	-2,419	-855
	€	€
Earnings per share (basis and diluted)	-0.14	-0.05
Average shares outstanding (in thousands)	17,719	17,719

Consolidated statement of comprehensive income for the period 1 January to 31 March 2016

	1st three months 2016	1st three months 2015
	€ thousand	€ thousand
Consolidated net profit/loss	-2,419	-855
Currency translation	1	-1
Other comprehensive income after taxes	1	-1
Consolidated total comprehensive income after taxes	-2,418	-856

Consolidated balance sheet in line with IFRS as at 31 March 2016

ASSETS	31/03/2016	31/12/2015
	€ thousand	€ thousand
A. Current assets		
1. Cash and cash equivalents	10,949	7,505
2. Current trade receivables	11,007	18,013
3. Current receivables from contract manufacturing	14,893	13,351
4. Inventories	3,413	3,226
5. Other current assets	3,609	3,685
Total current assets	43,871	45,780
B. Non-current assets		
1. Property, plant, and equipment	1,655	1,681
2. Intangible assets	12,178	12,170
3. Non-current trade receivables	7	514
4. Deferred tax assets	1,675	2,234
Total non-current assets	15,515	16,599
Total assets	59,386	62,379
LIABILITIES AND EQUITY	31/03/2016	31/12/2015
	€ thousand	€ thousand
A. Current liabilities		
1. Current trade payables	1,700	3,533
2. Liabilities from contract manufacturing	5,977	7,136
3. Provisions	478	484
4. Provisions for taxes	61	61
5. Other current liabilities	9,762	7,273
Total current liabilities	17,978	18,487
B. Non-current liabilities		
1. Provisions for pensions	4,570	4,557
2. Other	15	94
Total non-current liabilities	4,585	4,651
C. Equity		
1. Share capital	17,719	17,719
2. Capital reserves	1,991	1,991
3. Retained earnings	-935	-935
4. Unappropriated surplus	17,996	20,415
5. Foreign exchange reconciling item	52	51
Total equity	36,823	39,241
Total liabilities and equity	59,386	62,379

Consolidated statement of cash flows in line with IFRS for the period 1 January to 31 March 2016

	1st three months 2016 € thousand	1st three months 2015 € thousand
1. Operating activities		
Consolidated earnings before income and taxes of the period	-1,849	-854
Depreciation of fixed assets	341	279
Changes to provisions	7	-3
Earnings from interest	37	68
Other non-cash income and expenses	0	-1
	-1,464	-511
Change of items of current assets and current borrowed funds		
Inventories	-187	-475
Receivables and other assets	6,047	2,026
Liabilities (without provisions)	-580	-1,700
	3,816	-660
Interest payments	-37	-68
Income taxes paid	-11	-1
Cash flow from operating activities	3,768	-729
2. Investing activities		
Payments for investments in property, plant and equipment	-324	-202
Cash flow from investing activities	-324	-202
3. Liquid funds		
Effective change in liquid funds	3,444	-931
Liquid funds at the beginning of the period	7,505	14,667
Liquid funds at the end of the period	10,949	13,736

(+ = cash inflow / - = cash outflow)

Consolidated statement of changes in equity in line with IFRS for the period 1 January to 31 March 2016

	Subscribed capital	Capital reserves	Retained earnings	Currency translations	Balance sheet profit	Total
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
As at 1 January 2015	17,719	3,696	-1,272	47	15,995	36,185
Consolidated net income 2015	0	0	0	0	3,601	3,601
Other comprehensive income, net of tax	0	0	337	4	0	341
Payment of dividends (EUR 0.05 per share)	0	0	0	0	-886	-886
Offsetting	0	-1,705	0	0	1,705	0
Consolidated recognised results after tax	0	-1,705	337	4	4,420	3,056
As at 31 December 2015	17,719	1,991	-935	51	20,415	39,241
As at 1 January 2016	17,719	1,991	-935	51	20,415	39,241
Consolidated loss 1 January - 31 March 2016	0	0	0	0	-2,419	-2,419
Other comprehensive income, net of tax	0	0	0	1	0	1
Consolidated recognised results after tax	0	0	0	1	-2,419	-2,418
As at 31 March 2016	17,719	1,991	-935	52	17,996	36,823

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 2015.

(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 2015.

(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 three months 2016	1st three months 2015	1st three months 2016	1st three months 2015	1st three months 2016	1st three months 2015	1st three months 2016	1st three months 2015
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Total sales revenues	8,890	8,169	884	1,192	0	0	9,774	9,361
Inter-segment sales	12	0	0	0	0	0	12	0
Sales to external customers	8,878	8,169	883	1,192	0	0	9,761	9,361
Segment gross profit	6,645	6,172	769	1,133	-27	30	7,387	7,335
Expenses	-3,610	-3,056	-897	-851	-4,692	-4,214	-9,199	-8,121
EBIT	3,035	3,116	-128	282	-4,719	-4,184	-1,812	-786
Financial expenses, net					-37	-68	-37	-68
EBT							-1,849	-854
Deferred taxes					-570	-1	-570	-1
Consolidated net profit/loss							-2,419	-855
Segment assets	48,981	48,162	5,380	7,028	3,350	3,338	57,711	58,528
Investment expenditure	251	81	38	37	35	84	324	202
Impairments	367	64	44	12	35	206	446	282

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 May 2016

The Executive Board



Martin Müller-Elschner



Dr Helmut Bergstein

Financial calendar 2016

18 March 2016	Annual Report 2015
24 May 2016	Three-months report as at 31 March
25 May 2016	Annual General Meeting
30 August 2016	Six-months report as at 30 June
21 November 2016	German Equity Forum, analyst conference, Frankfurt
23 November 2015	Nine-months report as at 30 September

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