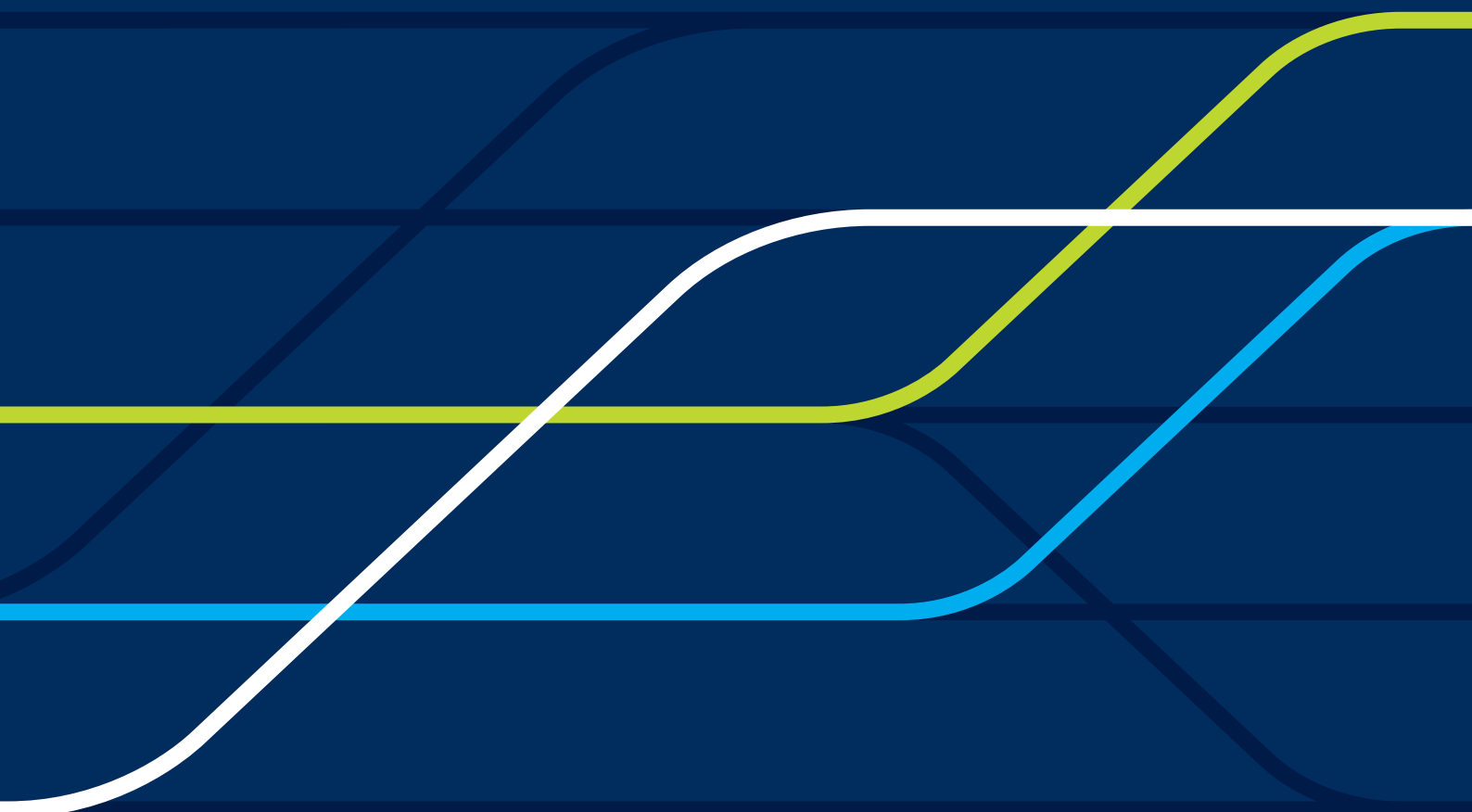


HALF-YEAR REPORT

1 JANUARY – 30 JUNE 2019



Performance

KEY FIGURES

	JAN-JUN 2019 € THOU.	JAN-JUN 2018 € THOU.	CHANGE € THOU.
Revenues	30,287	29,965	+322
Gross profit	23,112	20,673	+2,439
Personnel expenses	18,474	16,771	+1,703
EBIT	-67	-625	+558
Consolidated loss	-214	-911	+697

FINANCIAL PERFORMANCE

IVU continues to grow: Gross profit increases by 12% to €23,112 thousand (2018: €20,673 thousand). Due to lower hardware deliveries, however, revenue increased by only 1% year-on-year to €30,287 thousand (2018: €29,964 thousand).

IVU is also continuing to grow in terms of personnel. The number of employees will increase by 11% to 613 (2018: 552), personnel capacity by 6%. This growth has an impact on personnel costs, which will rise by 10% to €18,474 thousand (2018: €16,770 thousand).

The first-time application of the new accounting standard IFRS 16 leads to an increase in depreciation and amortisation of €603 thousand and in financial expenses of €59 thousand compared with the same period in the previous year; at the same time, other operating expenses are reduced by €605 thousand. Adjusted for this effect, other operating expenses increased by €371 thousand due to growth and special expenses in connection with the implementation of the one-third co-determination agreement.

At €-67 thousand, EBIT for the first half of the year was €556 thousand higher than in the previous year (2018:

€-625 thousand) and corresponds to the seasonal business trend typical of IVU.

IVU's cash provided by operating activities amounted to €9,753 thousand in the first half of the year (2018: €10,616 thousand). After deducting the cash flow from investing activities of €376 thousand (2018: €438 thousand) and financing activities of €2,674 thousand (2018: €1,772 thousand), which includes the dividend payment of €2,126 thousand, cash and cash equivalents increased by €6,703 thousand compared to year-end 2018.

OUTLOOK

The order backlog for 2019 of €80 million (2018: €68 million) is well above the previous year's figure and already covers 100% of the planned annual sales for the current fiscal year. The focus is now on the on-schedule processing of all orders by the end of the year.

We therefore continue to expect revenue of over €80 million, gross profit of at least €55 million and operating earnings (EBIT) of around €7 million for 2019.

Important projects

OLTEN. SBB CARGO PLANS IN IVU.CLOUD

SBB Cargo transports over 200,000 tonnes of freight by rail right across Switzerland every day. This is handled by around 320 locomotives and 2,200 employees, planned, dispatched and deployed by the transport company via IVU.rail. For a little while now, SBB Cargo has been hosting the system entirely in the IVU.cloud. With its simple scalability, the IVU.cloud can be flexibly adapted to the respective computing requirements of SBB Cargo. Linked via a secure connection, up to 150 people work simultaneously on the high-availability servers provided by Amazon Web Services. All details of technical operations management from user administration to error handling are closely coordinated with SBB Cargo. IVU engineers have direct access to the IVU.cloud so that they can regularly import updates and new releases, thus keeping the system constantly up to date.

COPENHAGEN. IVU.SUITE FOR NEW SUBURBAN RAILWAY

A new suburban railway for the Greater Copenhagen area: The Letbane på Ring 3 is scheduled to be transporting approximately 14 million passengers a year by 2025. Siemens AG is supplying 29 Siemens Avenio trams for the network and as the general contractor, the company is responsible for all project coordination and execution. IVU has been tasked with installing a complete system for fleet management. Over the course of the project, all trams will be fitted with an IVU.box.touch on-board computer. Together with the control software IVU.cockpit, this computer supports the driver by providing important information on the trip course, establishes a connection to the control centre and supplies information to passengers. The ITCS IVU.fleet in turn continuously processes vehicle location data, which helps the dispatch managers to react quickly and appropriately to changes in the traffic situation.

STOCKHOLM. UITP SUMMIT 2019

“The Art of Public Transport” – this was the slogan of the 2019 UITP Summit, which took place in Stockholm from 9 to 12 June. In Hall A, Booth 3054, the IVU presented its contribution to this work of art: complex algorithms that create optimal deployment plans to deploy electric buses efficiently or to react quickly to disruptions in the rail network. Among the new features were numerous functions of IVU.suite, which now helps public transport operators to make optimum use of electric buses. In addition, IVU.rail, the leading resource planning system for railways, now also offers complete disruption management directly in the dispatch function. IVU’s powerful optimisation algorithms were also at the UITP Summit. Transport and railway companies use these algorithms to deploy personnel and vehicles efficiently in compliance with regulations.

LONDON. IT FOR RAIL MANAGEMENT CONFERENCE

IVU’s own management conference ‘IT for Rail’ was held for the fourth time on 16 and 17 May in London. Around 30 top managers from renowned railway companies accepted the joint invitation from Arriva UK, MTR Crossrail and IVU. This time, the importance of integrated IT solutions for efficient rail services was the focus of the two-day event. With the conference, IVU has created a successful platform for international decision-makers in the rail industry to discuss current opportunities and challenges in exclusive company.

Personnel

NEW SUPERVISORY BOARD

IVU's growth is also reflected in its structures: Now that the company permanently has over 500 employees, one-third of its Supervisory Board members are required to be employee representatives. In order to meet the increased requirements, the company expands the size of the Supervisory Board.

The Annual General Meeting elected the following investor representatives to the Supervisory Board:

- Prof Herbert Sonntag (Chairman), born 1946, Professor emeritus of Traffic Logistics and Head of the Traffic Logistics Research Group at the Wildau Technical University of Applied Sciences
- Ute Witt (Deputy Chairwoman), born 1956, Managing Partner of FinTax policy advice GmbH
- Dr Heiner Bente, born 1956, Senior Advisor at civity Management Consultants
- Prof Barbara Lenz, born 1955, Director of the Institute of Transport Research at the German Aerospace Centre

The employees elected the following representatives to the Supervisory Board of IVU:

- Axel Zimmermann, born 1961, working at IVU since 1997, initially as developer for ticketing and currently as quality manager
- Roman Benedikt Woelki, born 1978, working at IVU since 2008, initially as a working student in the field of waste disposal logistics and currently as support account manager IVU.suite for Germany, Hungary and Southeast Asia

With these new members, IVU has gained proven experts for mobility and public transport who will actively support the company in its further development. The constituent meeting of the Supervisory Board took place on July 24.

PERSONNEL

Compared to the previous year, personnel capacity increased by 6% to 479 FTE. In order to further expand our market position, we will continue to invest in additional employees in the current fiscal year, in particular for product development and project work.

	2019	2018	CHANGE
Number of employees as of 30 June	613	552	+11%
Personnel capacity * 1 January – 30 June	479	451	+6%

¹ Equivalent number of full-time employees (FTE).

RISKS

The risks are described on pages 35 and 36 of the Annual Report 2018. No new risks have arisen.

CONSOLIDATED INCOME STATEMENT

1 JANUARY TO 30 JUNE 2019

	Q2-2019 € THOU.	Q2-2018 € THOU.	JAN-JUN 2019 € THOU.	JAN-JUN 2018 € THOU.
Sales revenues	17,094	15,972	30,287	29,965
Other operating income	16	337	61	487
Cost of materials	-4,205	-5,331	-7,236	-9,779
Gross profit	12,905	10,978	23,112	20,673
Personnel expenses	-10,065	-8,510	-18,474	-16,771
Depreciation and amortisation on non-current assets	-491	-285	-1,003	-591
Other operating expenses	-1,912	-2,124	-3,702	-3,936
Operating results (EBIT)	437	59	-67	-625
Financial income	1	0	1	0
Financial expenses	-80	-54	-149	-109
Pre-tax profit (EBT)	358	5	-215	-734
Income taxes	319	-23	63	-64
Deferred taxes	-31	-56	-62	-113
CONSOLIDATED NET LOSS	646	-74	-214	-911
Earnings per share (basis and diluted)			-0.01	-0.05
Average shares outstanding (in thousand shares)			17,719	17,719

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 JANUARY TO 30 JUNE 2019

	JAN-JUN 2019 € THOU.	JAN-JUN 2018 € THOU.
Consolidated net loss	-214	-911
Currency translation	5	-4
Items that may be reclassified subsequently to profit or loss	5	-4
Other comprehensive income after taxes	5	-4
CONSOLIDATED TOTAL COMPREHENSIVE INCOME AFTER TAXES	-209	-915

Balance sheet

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2019

ASSETS	30 JUN 2019 € THOU.	31 DEC 2018 € THOU.
A. Current assets		
1. Cash and cash equivalents	28,001	21,298
2. Current trade receivables	9,814	24,590
3. Contract assets	17,941	13,135
4. Inventories	2,056	2,146
5. Other current assets	4,089	3,873
Total current assets	61,901	65,042
B. Non-current assets		
1. Property, plant and equipments	1,068	1,043
2. Intangible assets	11,590	11,596
3. Rights of use	6,931	0
4. Non-current trade receivables	0	37
5. Deferred taxes	1,599	1,661
Total non-current assets	21,188	14,337
TOTAL ASSETS	83,089	79,379

LIABILITIES	30 JUN 2019 € THOU.	31 DEC 2018 € THOU.
A. Current liabilities		
1. Current trade payables	1,789	3,273
2. Contract liabilities	12,888	7,865
3. Provisions	918	1,235
4. Provisions for taxes	97	1,714
5. Other current liabilities	9,549	12,110
Total current liabilities	25,241	26,197
B. Non-current liabilities		
1. Leasing liabilities	6,988	0
2. Provisions for pensions	4,817	4,804
Total non-current liabilities	11,805	4,804
C. Equity		
1. Share capital	17,719	17,719
2. Retained earnings	2,500	2,500
3. Other reserves	-980	-985
4. Balance sheet profit	26,804	29,144
Total equity	46,043	48,378
TOTAL LIABILITIES	83,089	79,379

Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 JANUARY 2018 TO 30 JUNE 2019

	SHARE CAPITAL € THOU.	RETAINED EARNINGS € THOU.	OTHER COMPRE- HENSIVE INCOME € THOU.	FOREIGN EXCHANGE RECONCIL- ING ITEM € THOU.	UNAPPRO- PRIATED SURPLUS € THOU.	TOTAL € THOU.
As at 1 January 2018	17,719	0	-932	38	27,175	44,000
Consolidated net income 2018	0	0	0	0	6,159	6,159
Transfer to retained earnings	0	2,500	0	0	-2,500	0
Other comprehensive income, net of tax	0	0	-82	-9	82	-9
Dividend distribution (€0.10 per share)	0	0	0	0	-1,772	-1,772
Consolidated recognised results after tax	0	2,500	-82	-9	1,969	4,378
AS AT 31 DECEMBER 2018	17,719	2,500	-1,014	29	29,144	48,378
As at 1 January 2019	17,719	2,500	-1,014	29	29,144	48,378
Consolidated loss 1 Jan–30 Jun 2019	0	0	0	0	-214	-214
Other comprehensive income, net of tax	0	0	0	5	0	5
Dividend distribution (€0.12 per share)	0	0	0	0	-2,126	-2,126
Consolidated recognised results after tax	0	0	0	5	-2,340	-2,335
AS AT 30 JUNE 2019	17,719	2,500	-1,014	34	26,804	46,043

Cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS

1 JANUARY TO 30 JUNE 2019

	JAN-JUN 2019 € THOU.	JAN-JUN 2018 € THOU.
1. Operating activities		
Group earnings before tax of the period	-215	-734
Depreciation on non-current assets	1,003	591
Change in provisions	-304	-183
Net interest income	148	109
Other non-cash expenses/income	5	-4
Change of items of working capital and borrowings und des Fremdkapitals		
Inventories	90	-1,314
Receivables and other assets	10,242	11,005
Liabilities (without provisions)	978	1,255
Interest paid / Guarantee commissions	-149	-109
Income taxes paid	-2,045	0
Cash flow from operating activities	9,753	10,616
2. Investing activities		
Outflows for investments in non-current assets	-377	-438
Interest received	1	0
Cash flow from investing activities	-376	-438
3. Financing activities		
Change in current and non-current lease liabilities	-548	0
Payment of dividends	-2,126	-1,772
Cash flow from financing activities	-2,674	-1,772
4. Cash and cash equivalents		
Change in cash and cash equivalents	6,703	8,406
Cash and cash equivalents at beginning of period	21,298	11,521
CASH AND CASH EQUIVALENTS AT END OF PERIOD	28,001	19,927

Remarks

ACCOUNTING AND VALUATION PRINCIPLES

With the exception of the first-time application of IFRS 16, the accounting and valuation principles applied for the half-year report as of 30 June 2019 correspond to the methods applied in the preparation of the consolidated financial statements for the 2018 financial year.

When IFRS 16 is applied for the first time to leasing and rental agreements, the right of use for the leased asset is generally measured at the amount of the lease liability. In accordance with IFRS 16.C7, the comparative information for the 2018 financial year will not be adjusted in the 2019 financial year.

SEASONALITY OF BUSINESS OPERATIONS

The operative business dealings of the IVU Group 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.

DECLARATION IN LINE WITH WPHG SECTION 37W, PARA. 5 SENTENCE 6

This half-year report was not subjected to an auditor's inspection.

TRANSACTIONS WITH RELATED INDIVIDUALS

Martin Müller-Elschner, Chairman of the Executive Board, acquired 7,500 shares on the market in the period under review and as of 30 June 2019 held 232,500 IVU shares.

Matthias Rust, Member of the Executive Board, acquired 5,500 shares on the market in the period under review and as of 30 June 2019 held 12,300 IVU shares.

Leon Struijk, Member of the Executive Board, acquired 5,000 shares on the market in the period under review and as of 30 June 2019 held 15,000 IVU shares.

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, 28 August 2019

THE EXECUTIVE BOARD



Martin Müller-Elschner



Matthias Rust



Leon Struijk

FINANCIAL CALENDAR 2019

WEDNESDAY, 28 AUGUST 2019

Half-year financial report 2019 as at 30 June

WEDNESDAY, 20 NOVEMBER 2019

Quarterly report as at 30 September.

WEDNESDAY, 27 NOVEMBER 2019

German Equity Forum, Frankfurt/Main

THURSDAY, 26 MARCH 2020

Annual Report 2019

WEDNESDAY, 27 MAY 2020

Quarterly report as at 31 March

THURSDAY, 28 MAY 2020

Annual General Meeting 2020

THURSDAY, 27 AUGUST 2020

Half-year financial Report 2020 as at 30 June

THURSDAY, 19 NOVEMBER 2020

Quarterly report as 30 September

The half-year financial report of IVU AG complies with the applicable requirements of the German Securities Trading Act (WpHG) and contains condensed interim consolidated financial statements, an interim consolidated report and a responsibility statement in accordance with § 115 of the German Securities Trading Act (WpHG). The half-year financial report should be read in conjunction with the 2018 Annual Report, which provides a comprehensive description of the business activities of IVU AG and explains the key financial figures used.

IMPRINT

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This report can be downloaded as PDF file at www.ivu.com.

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