

IVU Traffic Technologies AG

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

Berlin, 30 August 2016

Key figures

	1/1 – 30/6/2016 in € thousand	1/1 – 30/6/2015 in € thousand	Change in € thousand
Revenues	22,771	21,458	+1,313
Gross profit	17,494	15,674	+1,820
Personnel expenses	14,517	12,720	+1,797
EBIT	-1,586	-914	-672
Consolidated loss	-2,244	-1,186	-1,058

Management report

Financial performance

At € 22,771 thousand, IVU's revenues for the first six months of 2016 were 6% higher than for the same period in 2015 (€ 21,458 thousand). Due to the lower cost of materials of € 5,437 thousand (2015: € 6,156 thousand), the gross profit, which reflects the value created by IVU, has grown by as much as 12% to € 17,494 thousand (2015: € 15,674 thousand).

Personnel have increased by 14% to € 14,517 thousand (2015: € 12,720 thousand) in line with personnel capacity. Here we are investing primarily in product development and international sales. As a result, other operating expenses also rose by € 532 thousand to € 3,819 thousand (2015: € 3,287 thousand).

The negative EBIT of € -1,586 thousand (2015: € -914 thousand) in the first half of the year is in line with the seasonal business cycle familiar from previous years.

As of 30 June 2016 the level of orders for the current financial year accounts for more than 90% of the planned annual revenues. Our attention is now focused on meeting deadlines for the completion of all orders by the end of the year.

Cash and cash equivalents amount to € 8,383 thousand as at 30 June 2016 (31 December 2015: € 7,505 thousand).

Key projects in the first half of 2016

Stockholm. MTR optimises Stockholm commuter rail system with IVU.rail

A year after reallocation of the Pendeltågen network contract, MTR Pendeltågen AB is taking over operation of the Stockholm commuter rail system in December 2016. Like the previous operator Stockholmståg, the company will be using IVU.rail for planning, optimisation and dispatching of its trains and employees. MTR Pendeltågen AB is a subsidiary of the Hong Kong-based MTR Corporation, a multinational group that operates railway networks in countries including China, Australia and the UK. In Sweden, MTR already runs the Stockholm metro as well as the MTR Express high-speed rail link between Stockholm and Gothenburg.

Bern. IVU awarded contract from BLS for group-wide planning system

BLS, the largest independent private railway company in the country, has ordered the IVU.rail integrated planning system so as to deploy all its railway and shipping resources and its stationary personnel as effectively as possible. BLS is one of the leading railway companies in Switzerland and operates the standard gauge section of Bern's S-Bahn (commuter railway), the western section of the Lucerne S-Bahn, as well as multiple regional

transport lines in seven cantons. The company is also active in rail freight transport, operates an extensive bus network and navigation on Lake Thun and Lake Brienz. In future, BLS will be using the IVU standard solution to plan, optimise and dispatch a total of more than 550 railway vehicles, coaches and ships, as well as roughly 2,000 mobile and stationary employees.

Aarau. IVU.pad for AAR bus+bahn

The future is digital for drivers at AAR bus+bahn. All the drivers of the Swiss public transport company are set to be issued with tablets. In doing this, AAR bus+bahn aims to make information more accessible, while streamlining and accelerating work flows. This is enabled by the new IVU.pad. It contains all information that the approx. 170 bus and train drivers need for their duty. Along with new iPads, the first version of the IVU.pad is to be issued to all drivers in September 2016. As the rollout progresses, IVU will be gradually incorporating new functions in the system, and these will subsequently be available to all IVU.pad customers.

Neubrandenburg. Passenger ship controlled by IVU systems

Twice a day, the liner named 'Rethra' docks at the landing stages around Lake Tollensesee near Neubrandenburg. Everything runs strictly according to the timetable. The control centre of Neubrandenburger Verkehrsbetriebe (Neubrandenburg Public Transport) can always see whether the ship is on time. For just like the roughly thirty buses driving around in the town every day, the Rethra is connected to the central operational control system IVU.fleet. The necessary data is provided by the on-board computer IVU.ticket.box. Neubrandenburger Verkehrsbetriebe have been relying on the IVU.suite products for 16 years now.

Berlin. Research projects completed

The m4guide research project was geared towards safe door-to-door travel assistance for people with blindness or visual impairment. Funded by the German Federal Ministry for Economic Affairs and Technology (BMWi), scientific and industrial project partners developed a navigation solution for smartphones. The final presentation of results was held at the Berlin's city hall (Rotes Rathaus) in April. In addition, the DYNAMO research project also came to an end. It has laid the technical groundwork for routing from door to door with any means of transportation and in buildings as well. Between 2013 and 2016, project partners from the fields of science and business developed joint solutions in order to turn this scenario into reality.

Personnel

	2016	2015	Change
Number of employees as of 30 June	472	435	+9%
Personnel capacity * 1 January – 30 June (average)	388	345	+12%

* Equivalent number of full-time employees (FTE)

In the first half of 2016 we strengthened our team as planned. The personnel capacity has increased by 12% in comparison with the same period in the previous year to 388.

Outlook

The good order-book situation promises a continued positive business development. For 2016, we therefore 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 six-month report was not subjected to an auditor's inspection.

Consolidated income statement in line with IFRS for the period 1 January to 30 June 2016

	Q2 2016 € thousand	Q2 2015 € thousand	1st half 2016 € thousand	1st half 2015 € thousand
Sales revenues	13,009	12,097	22,771	21,458
Other operating income	118	193	160	372
Cost of materials	-3,020	-3,951	-5,437	-6,156
Gross profit	10,107	8,339	17,494	15,674
Personnel expenses	-7,383	-6,404	-14,517	-12,720
Depreciation of non-current assets	-403	-302	-744	-581
Other operating expenses	-2,095	-1,761	-3,819	-3,287
Operating result (EBIT)	226	-128	-1,586	-914
Financial revenues	0	1	0	1
Financial expenses	-36	-66	-73	-134
Pre-tax profit (EBT)	190	-193	-1,659	-1,047
Income tax	-15	-138	-585	-139
Consolidated net profit/loss	175	-331	-2,244	-1,186
			€	€
Earnings per share basis and diluted)			-0.13	-0.07
Average shares outstanding (in thousands)			17,719	17,719

Consolidated statement of comprehensive income for the period 1 January to 30 June 2016

	1st half 2016 € thousand	1st half 2015 € thousand
Consolidated net profit/loss	-2,244	-1,186
Currency translations	2	-3
Other comprehensive income after taxes	2	-3
Consolidated total comprehensive income after taxes	-2,242	-1,189

Consolidated balance sheet in line with IFRS as at 30 June 2016

ASSETS	30/06/2016	31/12/2015
	€ thousand	€ thousand
A. Current assets		
1. Liquid funds	8,383	7,505
2. Current trade receivables	9,853	18,013
3. Current receivables from construction contracts	14,833	13,351
4. Inventories	3,439	3,226
5. Other current assets	3,715	3,685
Total current assets	40,223	45,780
B. Non-current assets		
1. Fixed assets	1,692	1,681
2. Intangible assets	12,031	12,170
3. Non-current trade receivables	29	514
4. Deferred tax assets	1,708	2,234
Total non-current assets	15,460	16,599
Total assets	55,683	62,379
LIABILITIES AND EQUITY	30/06/2016	31/12/2015
	€ thousand	€ thousand
A. Current liabilities		
1. Current trade payables	1,172	3,533
2. Liabilities from construction contracts	4,491	7,136
3. Provisions	478	484
4. Tax accruals	89	61
5. Other current liabilities	7,862	7,273
Total current liabilities	14,092	18,487
B. Non-current liabilities		
1. Pension provisions	4,583	4,557
2. Others	9	94
Total non-current liabilities	4,592	4,651
C. Equity		
1. Subscribed capital	17,719	17,719
2. Capital reserves	1,991	1,991
3. Retained earnings	-935	-935
4. Consolidated balance sheet profit	18,171	20,415
5. Currency translations	53	51
Total equity	36,999	39,241
Total liabilities and equity	55,683	62,379

Consolidated statement of cash flows in line with IFRS for the period 1 January to 30 June 2016

	1st half 2016	1st half 2015
	€ thousand	€ thousand
1. Operating activities		
Group earnings before tax of the period	-1,659	-1,047
Depreciation and amortisation on non-current assets	744	581
Change in provisions	20	-15
Net interest income	73	134
Other non-cash expenses/income	2	-3
	-820	-350
Change of items of working capital and borrowings		
Inventories	-213	-67
Receivables and other assets	7,133	40
Liabilities (without provisions)	-4,419	-4,356
	1,681	-4,733
Interest paid	-73	-134
Income taxes paid	-145	-139
Cash flow from operating activities	1,463	-5,006
2. Investing activities		
Outflows for investments in non-current assets	-585	-708
Interest received	0	1
Cash flow from investing activities	-585	-707
3. Financing activities		
Payment of dividends	0	-886
Cash flow from financing activities	0	-886
4. Liquid funds		
Change in cash and cash equivalents	878	-6,599
Cash and cash equivalents at beginning of period	7,505	14,667
Cash and cash equivalents at end of period	8,383	8,068

(+ = cash inflow / - = cash outflow)

Consolidated statement of changes in equity in line with IFRS for the period 1 January to 30 June 2016

	Subscribed capital	Capital reserves	Retained earnings	Currency translations	Balance sheet profit	Total
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
As of 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 of 31 December 2015	17,719	1,991	-935	51	20,415	39,241
As of 1 January 2016	17,719	1,991	-935	51	20,415	39,241
Consolidated loss 1 January - 30 June 2016	0	0	0	0	-2,244	-2,244
Other comprehensive income, net of tax	0	0	0	2	0	2
Consolidated recognised results after tax	0	0	0	2	-2,244	-2,242
As of 30 June 2016	17,719	1,991	-935	53	18,171	36,999

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

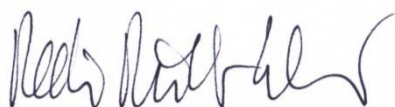
Operating segments	Public Transport		Logistics		Central services		Consolidated	
	1st half 2016	1st half 2015	1st half 2016	1st half 2015	1st half 2016	1st half 2015	1st half 2016	1st half 2015
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Total sales revenues	20,811	19,233	1,885	2,146	87	83	22,783	21,462
Inter-segment sales	0	0	0	4	12	0	12	4
Sales to external customers	20,811	19,233	1,885	2,142	75	83	22,771	21,458
Segment gross profit	15,791	13,603	1,622	1,906	81	165	17,494	15,674
Expenses	-13,396	-10,507	-1,745	-1,659	-3,939	-4,422	-19,080	-16,588
EBIT	2,395	3,096	-123	247	-3,858	-4,257	-1,586	-914
Financial expenses, net					-73	-134	-73	-134
EBT							-1,659	-1,047
Income tax					-585	-139	-585	-139
Consolidated net profit/loss							-2,244	-1,186
Segment assets	46,993	46,755	4,318	5,283	2,664	2,602	53,975	54,640
Investment expenditure	480	283	72	135	66	290	618	708
Impairments	582	134	91	29	77	418	750	581

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 August 2016

The Executive Board

A handwritten signature in black ink, appearing to read 'Martin Müller-Elschner'.

Martin Müller-Elschner

A handwritten signature in black ink, appearing to read 'Dr. Helmut Bergstein'.

Dr Helmut Bergstein

Financial calendar 2016

21 November 2016	German Equity Forum, analyst conference, Frankfurt
23 November 2016	Nine-months report as at 30 September

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