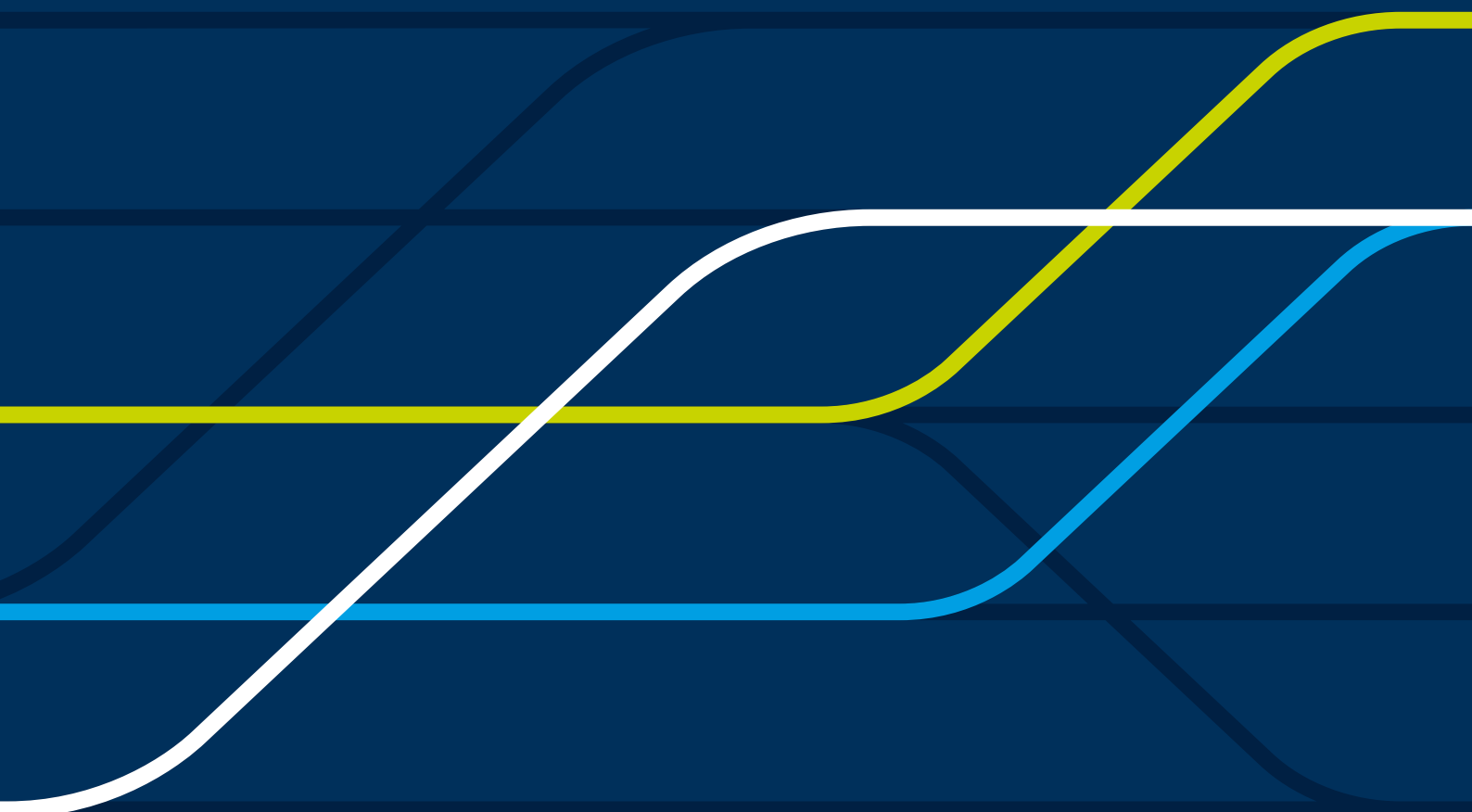


# HALF-YEAR REPORT

1 JANUARY – 30 JUNE 2020



# Performance

## KEY FIGURES

	JAN-JUN 2020 € THOU.	JAN-JUN 2019 € THOU.	CHANGE € THOU.
Revenues	35,755	30,287	+ 5,468
Gross profit	29,372	23,112	+ 6,260
Personnel expenses	21,821	18,474	+ 3,347
EBIT	2,261	-67	+ 2,328
Consolidated net results	1,530	-214	+ 1,744

## FINANCIAL PERFORMANCE

Despite the difficult general conditions, IVU is continuing its growth course. Compared to the same period of the previous year, revenues increased by 18% to €35,755 thousand (2019: €30,287 thousand). The gross profit of €29,372 thousand (2019: €23,112 thousand) is 27% above the same period of the previous year.

IVU continues to invest heavily in personnel growth. With 554 FTE, the personnel capacity in the first half of the financial year 2020 is 16% above the comparable period in the previous year (2019: 479). On 30 June 2020 IVU had a total of 709 employees (2019: 613). Correspondingly, the personnel costs increase by 18% to €21,821 thousand (2019: €18,474 thousand)

At €2,261 thousand, EBIT is significantly above the previous year's level (2019: €-67 thousand). The proceeds from the sale of IVU.elect GmbH more than compensated for the delays in the project caused by the coronavirus.

The operating cash flow of IVU in the first half of the financial year 2020 amounts to €7,996 thousand (2019: €9,753 thousand). The cash flow from financing activities considers the dividend payment of €2,812 thousand and the purchase of own shares of €1,952 thousand in the first half-year 2020. The liquidity portfolio was increased by €4,337 thousand compared to the end of 2019, mainly due to positive project cash flows.

## EFFECTS OF THE CORONAVIRUS

As expected, the effects of the coronavirus led to slight project delays and postponements in the first half of 2020, particularly in the hardware-related systems business. We expect that the situation will increasingly normalise in the second half of the year and that the delays will be largely made up again.

## OUTLOOK

The order backlog for 2020 of over €90 million fully covers the planned annual sales for the current financial year. The focus is on the on-schedule processing of all orders by the end of the year. We continue to expect a positive business development for 2020 with EBIT at over €12.5 million, gross profit of at least €67 million and revenues of more than €90 million.

# Important projects

## **BASLER VERKEHRS-BETRIEBE OPT FOR IVU.SUITE**

For planning and dispatching vehicles and personnel across the company, Basler Verkehrs-Betriebe (BVB) will be relying in future on IVU.suite. The IT specialist for public transport will take over both hosting and operation of the system in the IVU.cloud. In addition to Switzerland, the catchment area of BVB also includes neighbouring regions in Germany and France. As a result, BVB is globally the only urban public transport operator that connects three countries with its tram lines. Over 680 drivers are on the road around the clock with around 250 trams and buses – by 2027, with 100 percent renewable electrical energy. In future, BVB will use standard products of the IVU.suite for rostering, optimising and managing all resources. This will replace the existing individual solutions and allow BVB to have a consistent workflow across all operational areas – from timetable planning to final evaluation. The framework contract between BVB and IVU has a duration of 10 years with the option to extend. This involves a strategic partnership between the two companies in order to together create a fully integrated system landscape in the operational area.

## **SALE OF IVU.ELECT**

IVU subsidiary IVU.elect GmbH has found a new home. This will enable us to concentrate more on our core business with integrated IT solutions for the public transport sector. The buyer of IVU.elect is vote iT GmbH, an IT service provider that specialises in elections. As an expert in rostering, optimising and managing buses and trains, IVU helps leading transport operators and railway companies around the world to get the most out of their operational resources with its products IVU.suite and IVU.rail. With IVU.elect, IVU has also been developing a powerful software for efficient organisation and holding of elections since 2002. This software is now used by numerous electoral authorities at federal and state level and in municipalities. The system most recently supported the Bavarian local

elections in March. After the disincorporation of IVU.elect over the past year, the Aachen-based IT service provider vote iT GmbH has taken over all shares and employees from IVU on 19 May 2020. The parties have agreed to not disclose the purchase price.

## **FIRST VIRTUAL USER FORUM**

After we had to cancel this year's user forum in Berlin with a heavy heart, we offered some selected presentations remotely for our customers in May. A total of four webinars were held on the latest developments of IVU.suite and IVU.rail. This gave our customers the opportunity to find out about our product highlights and address their questions directly to our experts. The format was extremely successful: more than 300 registered participants from all over Germany, Europe and even New Zealand made the virtual user forum a special event and showed how important integrated IT systems are for public transport even in times of crisis.

# Personnel

## PERSONNEL

IVU has come through the pandemic well so far. In the first half of 2020, a large part of our employees worked on projects and products and looked after customers from home. In the course of the increasing relaxation, we too have adapted to the “new normality.”

For us, this means remaining flexible. Appointments at our office are possible again, as are business trips, and on-site visits to customers. At the same time, we will continue to use all the possibilities of digital working. Our employees work alternately from home or in the office, ensuring that personal meetings can take place again whilst still maintaining the necessary distance.

As part of a long-term planned incentive programme for all IVU employees, a total of 12,995 shares were issued in the first half of the year. This corresponds to 0.07% of the share capital

The personnel capacity has increased by 16% in comparison with the same period in the previous year to 554 FTE. We are planning to further invest in additional employees in the areas of product development and project management, in order to further strengthen our market position.

	2020	2019	CHANGE
<b>Number of employees</b> as of 30 June	709	613	+16%
<b>Personnel capacity *</b> 1 January – 30 June	554	479	+16%

<sup>1</sup> Equivalent number of full-time employees (FTE).

## SHARE BUY-BACK

IVU carried out three share buy-back programmes in the period from 28 January to 30 June 2020, during which a total of 174,934 own shares were acquired at a total price of €1,952 thousand. This corresponds to 0.99% of the share capital of IVU Traffic Technologies AG.

The resolution was based on the authorisation granted by the Annual General Meeting on 29 May 2019 to acquire shares in the company for any purpose permitted under section 71 (1) no. 8 of the AktG by 28 May 2024. This includes the use of the shares to service Executive Board compensation and employee stock option plans.

The shares were acquired by a bank commissioned by the company exclusively via the stock exchange (XETRA trading). Detailed information is available on the company's website [www.ivu.de](http://www.ivu.de) under the heading Investor Relations/Share.

## RISKS

The risks are described on pages 34 and 35 of the Annual Report 2019. No new risks have arisen. Regarding the effects of the coronavirus, we continue to assume an overall low risk for the business development of IVU.

## CONSOLIDATED INCOME STATEMENT

1 JANUARY TO 30 JUNE 2020

	Q2-2020 € THOU.	Q2-2019 € THOU.	JAN-JUN 2020 € THOU.	JAN-JUN 2019 € THOU.
<b>Sales revenues</b>	<b>18,425</b>	<b>17,094</b>	<b>35,755</b>	<b>30,287</b>
Other operating income	5,194	16	5,479	61
Cost of materials	-6,322	-4,205	-11,862	-7,236
<b>Gross profit</b>	<b>17,297</b>	<b>12,905</b>	<b>29,372</b>	<b>23,112</b>
Personnel expenses	-11,939	-10,065	-21,821	-18,474
Depreciation and amortisation on non-current assets	-619	-491	-1,177	-1,003
Other operating expenses	-1,796	-1,912	-4,113	-3,702
<b>Operating results (EBIT)</b>	<b>2,943</b>	<b>437</b>	<b>2,261</b>	<b>-67</b>
Financial income	7	1	40	1
Financial expenses	-92	-80	-163	-149
Result from investments accounted for using the equity method	0	0	-157	0
<b>Pre-tax profit (EBT)</b>	<b>2,858</b>	<b>358</b>	<b>1,981</b>	<b>-215</b>
Income taxes	-176	319	-203	63
Deferred taxes	-110	-31	-248	-62
<b>CONSOLIDATED NET RESULTS</b>	<b>2,572</b>	<b>646</b>	<b>1,530</b>	<b>-214</b>

Earnings per share (basis and diluted)	0.09	-0.01
Average shares outstanding (in thousand shares)	17,577	17,719

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 JANUARY TO 30 JUNE 2020

	JAN-JUN 2020 € THOU.	JAN-JUN 2019 € THOU.
<b>Consolidated net results</b>	<b>1,530</b>	<b>-214</b>
Currency translation	10	5
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>10</b>	<b>5</b>
<b>Other comprehensive results after taxes</b>	<b>10</b>	<b>5</b>
<b>CONSOLIDATED TOTAL COMPREHENSIVE RESULTS AFTER TAXES</b>	<b>1,540</b>	<b>-209</b>

# Balance sheet

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2020

<b>ASSETS</b>	<b>30 JUN 2020</b> € THOU.	31 DEC 2019 € THOU.
<b>A. Current assets</b>		
1. Cash and cash equivalents	32,338	29,254
2. Current trade receivables	14,669	30,111
3. Current receivables from joint ventures	0	295
4. Current contract assets	16,348	14,756
5. Inventories	4,507	2,692
6. Other current assets	16,476	4,676
<b>Current assets, total</b>	<b>84,338</b>	<b>81,784</b>
<b>B. Non-current assets</b>		
1. Tangible fixed assets	1,471	1,237
2. Intangible assets	11,514	11,480
3. Rights of use	498	0
4. Non-current trade receivables	6,541	7,198
5. Deferred taxes	3,336	3,553
<b>Non-current assets, total</b>	<b>23,360</b>	<b>23,468</b>
<b>ASSETS, total</b>	<b>107,698</b>	<b>105,252</b>

<b>LIABILITIES</b>	<b>30 JUN 2020</b> € THOU.	31 DEC 2019 € THOU.
<b>A. Current liabilities</b>		
1. Current trade accounts payable	1,452	7,567
2. Contractual liabilities	24,584	9,129
3. Current leasing liabilities	1,179	1,206
4. Provisions	5,931	6,044
5. Provisions for taxes	149	329
6. Other current liabilities	9,460	12,897
<b>Total current liabilities</b>	<b>42,755</b>	<b>37,172</b>
<b>B. Non-current liabilities</b>		
1. Leasing liabilities	5,522	6,102
2. Deferred taxes	0	15
3. Provisions for pensions	5,154	5,160
<b>Non-current liabilities, total</b>	<b>10,676</b>	<b>11,277</b>
<b>C. Equity</b>		
1. Share capital	17,719	17,719
2. Additional paid-in capital	411	198
3. Revenue reserve	38,928	40,098
4. Other components of equity	-1,202	-1,212
5. Own shares	-1,589	0
<b>Equity, total</b>	<b>54,267</b>	<b>56,803</b>
<b>LIABILITIES, total</b>	<b>107,698</b>	<b>105,252</b>

# Equity

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 JANUARY 2019 TO 30 JUNE 2020

	SHARE CAPITAL € THOU.	CAPITAL RESERVE € THOU.	REVENUE RESERVE € THOU.	OTHER RESERVES € THOU.	FOREIGN EXCHANGE RECONCILI- ING ITEM € THOU.	OWN SHARES AT ACQUI- SION COST € THOU.	TOTAL € THOU.
<b>As at 1 January 2019</b>	<b>17,719</b>	<b>0</b>	<b>31,644</b>	<b>-1,014</b>	<b>29</b>	<b>0</b>	<b>48,378</b>
Consolidated net income 2019	0	0	10,580	0	0	0	10,580
Addition to share-based Executive Board remuneration	0	198	0	0	0	0	198
Other comprehensive income, net of tax	0	0	0	-234	7	0	-227
<b>Consolidated recognised results after tax</b>	<b>0</b>	<b>198</b>	<b>10,580</b>	<b>-234</b>	<b>7</b>	<b>0</b>	<b>10,551</b>
Dividend distribution (€0.12 per share)	0	0	-2,126	0	0	0	-2,126
<b>AS AT 31 DECEMBER 2019</b>	<b>17,719</b>	<b>198</b>	<b>40,098</b>	<b>-1,248</b>	<b>36</b>	<b>0</b>	<b>56,803</b>
<b>As at 1 January 2020</b>	<b>17,719</b>	<b>198</b>	<b>40,098</b>	<b>-1,248</b>	<b>36</b>	<b>0</b>	<b>56,803</b>
Consolidated net results 1 Jan-30 Jun 2020	0	0	1,530	0	0	0	1,530
Addition to share-based Executive Board remuneration	0	170	0	0	0	0	170
Other comprehensive income, net of tax	0	0	0	0	10	0	10
<b>Consolidated recognised results after tax</b>	<b>0</b>	<b>170</b>	<b>1,530</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>1,710</b>
Acquisition of own shares	0	0	0	0	0	-1,952	-1,952
Issue of own shares	0	43	0	0	0	363	406
Dividend distribution (€0.16 per share)	0	0	-2,812	0	0	0	-2,812
Changes in the scope of consolidation	0	0	112	0	0	0	112
<b>AS AT 30 JUNE 2020</b>	<b>17,719</b>	<b>411</b>	<b>38,928</b>	<b>-1,248</b>	<b>46</b>	<b>-1,589</b>	<b>54,267</b>



# Cash flows

## CONSOLIDATED STATEMENT OF CASH FLOWS 1 JANUARY TO 30 JUNE 2020

	JAN-JUN 2020 € THOU.	JAN-JUN 2019 € THOU.
<b>1. Operating activities</b>		
Group earnings before tax of the period	1,981	-215
Depreciation of fixed assets	1,177	1,003
Change in provisions	43	-304
Net interest income	123	148
Equity-settled share-based payment	576	0
Non-cash recognition of leases (rights of use and leasing liabilities)	50	0
Other non-cash expenses/income	10	5
Share of profit of associates and joint ventures	157	0
Disposal of shares in consolidated subsidiaries	-2,598	0
<b>Change of items of working capital and borrowings und des Fremdkapitals</b>		
Inventories	-1,815	90
Receivables and other assets	1,647	10,242
Liabilities (without provisions)	6,854	978
Interest paid / Guarantee commissions	-105	-149
Income taxes paid	-104	-2,045
<b>Cash flow from operating activities</b>	<b>7,996</b>	<b>9,753</b>
<b>2. Investing activities</b>		
Payments made for investments in fixed assets	-797	-377
Payments for the acquisition of shares in associated companies	-655	0
Remuneration for the sale of shares in consolidated subsidiaries less cash and cash equivalents sold	1,933	0
Interest received	40	1
<b>Cash flow from investing activities</b>	<b>521</b>	<b>-376</b>
<b>3. Financing activities</b>		
Acquisition of own shares	-1,952	0
Payments for the repayment of leasing liabilities	-669	-548
Change in current and non-current lease liabilities	-2,812	-2,126
<b>Cash flow from financing activities</b>	<b>-5,433</b>	<b>-2,674</b>
<b>4. Cash and cash equivalents</b>		
Change in cash and cash equivalents	3,084	6,703
Cash and cash equivalents at beginning of period	29,254	21,298
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>32,338</b>	<b>28,001</b>

# Remarks

## ACCOUNTING AND VALUATION PRINCIPLES

The accounting and valuation principles applied for the half-year financial report as of 30 June 2020 correspond to the methods applied in the preparation of the consolidated financial statements for 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 PURSUANT TO §115 PARA. 5 SENTENCE 6 WPHG

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

## TRANSACTIONS WITH RELATED INDIVIDUALS

Ute Witt, Member of the Supervisory Board, acquired 1,000 shares on the market in the period under review and as of 30 June 2020 held 2,000 IVU shares.

Prof. Barbara Lenz, Member of the Supervisory Board, acquired 1,200 shares on the market in the period under review and as of 30 June 2020 held 1,200 IVU shares.

Martin Müller-Elschner, Chairman of the Executive Board, sold 10,000 shares on the market in the period under review and as of 30 June 2020 held 233,634 IVU shares.

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the half-year financial report gives 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, 27 August 2020

### THE EXECUTIVE BOARD

Martin Müller-Elschner

Matthias Rust

Leon Struijk

## FINANCIAL CALENDAR

### THURSDAY, 27 AUGUST 2020

Half-year financial Report 2020 as at 30 June

### THURSDAY, 19 NOVEMBER 2020

Quarterly report as 30 September

### WEDNESDAY, 24 MARCH 2021

Annual Report 2020

### WEDNESDAY, 26 MAY 2021

Quarterly Report Q1-2021

### THURSDAY, 27 MAY 2021

Annual General Meeting 2021

### THURSDAY, 26 AUGUST 2021

Half-year Financial Report 2021

### THURSDAY, 18 NOVEMBER 2021

Quarterly Report Q3-2021

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 2019 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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IVU Traffic Technologies AG

This report can be downloaded as PDF file at [www.ivu.com](http://www.ivu.com).

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