

# IVISYS AB announces year-end report for January-December 2018

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Press release  
IVISYS AB  
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**IVISYS AB ('IVISYS') has today published its interim report for the period January to December 2018. Below is a summary of the report. The full report is available in Swedish on the company website.**

## **Full year (2018-01-01 – 2018-12-31)**

- Revenue for the period was 6 726 (2 349) KSEK.
- Operating income was -12 400 (-7 754) KSEK.
- Earnings per share were -1,02 (-0,77) SEK.
- The equity ratio was 29,5 (90) %.

## **Fourth quarter (2018-10-01 – 2018-12-31)**

- Revenue for the period was 1 127 (32) KSEK.
- Operating income was -7 037 (-2 967) KSEK.
- Earnings per share were -0,56 (-0,26) SEK.

### Definitions

Earnings per share: Earnings for the period divided by average number of share during period, which was 10 540 608 shares for full year and 11 123 875 shares for fourth quarter 2018.

Equity ratio: Equity divided by total assets.

Figures in parentheses are numbers for the corresponding quarter the previous year.

**Operating income increased by almost 300% compared to 2017. Earnings and sales were negatively affected by, among other things, changed principles for income statement for ongoing orders and development costs, etc. in connection with the incorporation of IVISYS Sweden AB. Even though IVISYS reports a negative result for the period of -7,037 KSEK, liquidity has only changed by -1,075 KSEK in the same period.**

## **Target 2019:**

**Net turnover of at least SEK 20.0 million in 2019**

**Profit before depreciation (EBITDA) of 4.0 MSEK**

**Order backlog (inbound order for invoicing) including LOI as of February 4<sup>th</sup> worth approx.. 10 MSEK**

## **IMPORTANT EVENTS AFTER THE END OF THE PERIOD**

- IVISYS announces that as of February 4, 2019, the Company has received orders for invoicing (including LOI) of just over 10.0 MSEK for delivery evenly throughout the year 2019. Then 10.0 MSEK of further orders remains to reach previously published targets of SEK 20.0 million for the full year 2019 .

- IVISYS receives a first order combined with a letter of intent worth more than SEK 5.0 million. IVISYS will deliver a number of installations to Nobel Biocare together with Goodtech AB, an automation company selected as Nobel Biocare's supplier for a number of automated inspection cells.
- IVISYS receives a repeat order for an Implant Inspector for Nobel Biocare, similar to the two already installed systems at Nobel's manufacturing plant in Karlskoga. The order value is over 40,000 Euro and will affect Q1 of 2019.

## IMPORTANT EVENTS DURING THE FOURTH QUARTER OF 2018

- IVISYS receives an order from Gnosjö Automatsvarning for an upgrade of an existing IVISYS system to increase production capacity by approximately 50 percent.
- IVISYS announces that additional service agreements from existing customers mean that service revenues now amount to more than SEK 1 million per year.
- IVISYS announces its financial target for 2019. The target is a minimum turnover of SEK 20.0 million in 2019, with an associated profit of SEK 4.0 million before depreciation.
- IVISYS announces that CTO Moatasem Chehaiber leaves his position as CTO in IVISYS. The reason is that he wants to engage in new development projects. Moatasem Chehaiber will remain on the IVISYS board.

## IVISYS CEO MIKAEL SJÖHOLM COMMENTS

'Firstly I would like to express that I am far from satisfied with the financial outcome during the second half of 2018. The challenge in integrating IVISY's unique software with IVISYS Sweden's AOI expertise while at the same time having to complete a number of very complex, development projects has been greater than we were able to imagine. In addition, we have taken the opportunity to clear our balance sheet in order to give IVISYS the best opportunities to show quarterly profits going forward and not to drag historical development costs with us. We have also taken the opportunity to take necessary integration costs as a merger of two related but different technological platforms have required, including the personnel adjustments that have been natural.

During the autumn, we have employed highly skilled personnel within AI and developed important components within AI, so that our unique solutions in the future will also be offered with "deep learning" and "machine learning" functionality. This is in demand as an essential component for the industry where investments in digitization and Industry 4.0 are in focus. Our first dedicated delivery of an AI solution is based on deep learning and will be part of an upgrade of an existing system, to a customer in Denmark this March.

During fourth quarter of 2018, we have also focused on expanding our production capacity in terms of workspace and personnel, so we will be ready to deliver the coming serial production of primarily our Implant inspector, but also other standard products. In order to support the sale of standard systems, we have started building test facilities, so we can show potential customers Tray Inspector, Shape Inspector

and Pallet Inspector running in our showroom. These are products where we see great interest in the market (for example, we currently have 16 Tray Inspector systems in production at customers in the Nordic countries).

To take advantage of the increased demand for service agreements, we have developed automated monitoring systems, so that we can follow the customers' systems remotely, provide feedback, collect data etc. Therefore, we have already employed and will hire additional dedicated service personnel to support our service activities.

In addition to these many initiatives in development and integration, IVISYS has taken several important steps forward during the year, both through the acquisition of the subsidiary ICS Image Control Systems AB (renamed IVISYS Sweden AB) which has contributed with several major deals and by strengthening the Company's finances through a loan from capital-strong Swedish investors.

With the acquisition of IVISYS Sweden AB, IVISYS was strengthened on several levels, for example through increased production capacity, a larger customer base, new competencies and experiences, and sales with strong growth potential. In connection with the acquisition, the undersigned also took up the position as the new CEO of the Group, while Jakob Kesje took over as new Chairman of the Board. The focus since the acquisition has been to increase the Group's sales and we have entered into agreements on a number of major transactions.

The success of 2018 means that we have set new targets for 2019. The objective is for the Group to generate a turnover of at least SEK 20 million in 2019, with a profit before depreciation of SEK 4 million. As of February 4, 2019, IVISYS has determined the value of orders received to just over SEK 10.0 million for delivery evenly throughout the year 2019. It remains to be secured at least SEK 10 million in orders for invoicing before the end of 2019 to keep previously published turnover target, which remains as the lowest stated objective. I look optimistic about the goals and they confirm our view of the market size and development as well as the product portfolio we offer.

I look forward to the coming fiscal year and I am optimistic that in 2019 we will achieve our goals and in a successful way strengthen the Group's growth. Thanks to all the shareholders who follow our journey!

Mikael Sjöholm, CEO IVISYS AB

For a full interim report (only in Swedish), please see: <https://www.ivisys.com/investor/financial-reports/>

#### CERTIFIED ADVISER

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*This information is information that IVISYS AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above on 25 February 2019.*

## ABOUT IVISYS

IVISYS is combining the knowledge of two engineering companies, one with a superior patented image processing software and the other with a unique superior command of Image acquisition. The unique product offering of IVISYS with the IVISYS Pro software suite, the use of artificial intelligence (AI) and outstanding quality in light and sensor knowledge is giving the Industry automated vision inspection solutions that are reliable, fast and flexible. With a portfolio of standard solutions that can be integrated in almost all industrial productions the market accessible to IVISYS is global, large in volume, and growing at the rate of the industry automation, currently strongly driven by the industry 4.0 approach. The solutions offered are available to most industrial manufacturers due to the short ROI, when comparing to existing manual control widely used in the industry today.

Winner of Frost & Sullivan's entrepreneurial price in Europa 2017.