

IVISYS AB PUBLISHES HALF YEAR REPORT FOR THE PERIOD JANUARY TO JUNE 2019

Press release
IVISYS AB
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IVISYS AB ('IVISYS') has today published the interim report for the period January to June 2019. Below is a summary of the report.

FIRST HALF YEAR (1 JANUARY 2019 TO 30 JUNE 2019)

- Revenue for the period was 2 626 (3 679) KSEK.
- Operating income was -9 168 (-2 354) KSEK.
- Earnings per share were -0.71 (-0.20) SEK.
- The equity ratio was 20,5 % (77,5 %).

SECOND QUARTER (1 APRIL 2019 TO 30 JUNE 2019)

- Revenue for the period was 1 688 (1 738) KSEK.
- Operating income was -4 445 (-1 752) KSEK.
- Earnings per share were -0.31 (-0.15) SEK.

Definitions

- Earnings per share: Earnings of the period divided by 12 488 214, as of 30 June 2019.
- Equity ratio: Equity divided by total assets.

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

IMPORTANT EVENTS DURING THE SECOND QUARTER OF 2019

- At IVISYS Annual General Meeting, a new Board of Directors was elected for the company, and IVISYS welcomed two new Board members: Fredrik Schultz and Daniel Nyhren. Both have extensive knowledge in the global manufacturing industry and will strengthen the company with their solid experience.
- At the AGM, it was also decided that IVISYS headquarters will be moved from Copenhagen to Stockholm. All our employees in Copenhagen have been offered a position in Stockholm.
- As Sedermera stopped offering support as a certified advisor to all its clients, IVISYS has replaced certified advisor. The new certified advisor is Svensk Kapitalmarknadsgranskning AB.
- During the quarter, a number of smaller orders were received from existing customers. These were both extensions of existing facilities, such as upgrades and larger service orders. Customers included Cromtryck AB, Norsk Lastbærer Pool AS, Gnosjö Automatsvarvning and TC Tech.

Significant events after the end of the period

- IVISYS has received a fourth repeat order worth approximately EUR 80,000 for an inspection system from Orkla Home Care, delivered together with a new production line from Östrand & Hansen which will be IVISYS customer for this delivery.
- During the quarter, our first Logistics Inspector was installed in Norway. The customer was Logevo (part of the Inter IKEA group), and further orders are expected.

IVISYS CEO Mikael Sjöholm comments:

The first half of 2019 has been a challenging period for IVISYS. We have had several challenges in our production which has had a negative impact on our earnings and we have had to revise our expectations and financial targets for 2019.

The production of our systems has now been moved and concentrated to our Stockholm office from previously being both in Copenhagen and Stockholm, which will improve our operations in terms of logistics and project planning.

During the past six months, we have been focusing on building up the core organization. By adding 6 new employees in the period, we have strengthened our team in production and development, sales, finance and marketing. At the same time, we have reformulated our strategy and undergone extensive work on structuring processes to achieve greater efficiency in production and sales. The focus is on the sale of our own developed standard products, which will mean less development costs, higher profitability and a well-developed customer offering. This, combined with an increased focus on continuous financial management, means that we are well on the way to becoming the company we want to be for our investors.

After the end of the period, liquidity has been strengthened through invoicing of deliveries and long-term loans, so that the company has secured financing until the end of the year, with the expectation of further improvement during the second half of 2019.

With increased sales efforts, among other things by hiring a new sales person, we have been able to significantly increase our offerings on our standard systems, which we expect will result in several orders during Q3 and Q4, where we have already received the first order regarding a repeat order to Orkla Home Care. Since May, almost 50 new quotes on standard solutions have been sent out, with a total value of close to SEK 50.0 million, which in turn offers opportunities for repeat orders. Current order backlog remains at the same level as communicated in our last report.

The rapid automation of the manufacturing industry today means that there is higher demands on the flexibility of our systems regarding the generation of statistical data, connection to SCADA systems, etc. Therefore we have started work on making our IVISYS Pro software more flexible and thus able to reduce the time from order to delivery. We expect the new platform to be included in our systems starting in Q3.

We have also started work on building our service organization in terms of both ground service and our new offline service platform IVISYS Cloud Mine, which is an AI-based monitoring system that will be able to monitor our customer systems around the clock, preliminary launch is expected in Q4.

During the period we also launched our new website. Our marketing department has created a new website that reflects the values of IVISYS: Competence, Innovative, while offering simple solutions. The new layout has already contributed to an increased number of visitors to the site.

In the last quarter, IVISYS was awarded the title "Top 10 Machine Vision Solution Supplier in Europe 2019" which, in addition to the honor, also entails marketing of IVISYS in the magazine 'Manufacturing Technology Insight'. Previously, such articles and prizes have contributed to contact with major global manufacturing companies that later has become clients.

All in all, we expect a very good payback on the work done over the past period and I am convinced that IVISYS now has what it takes to generate both growth and profitability with successive positive impact on earnings.

It has been a challenging and difficult period, but we now see that the conditions are in place to continue to achieve what we have been aiming for, an IVISYS that is growing in a growing market.

Finally, I would like to thank our competent staff for their valuable efforts during the past six months. They have worked hard, and I have great confidence in our team and our business.

Mikael Sjöholm, CEO of IVISYS AB

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

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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 26 August 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.

Elected as “TOP 10 Machine Vision solution provider in Europe 2019” by Technology Insights Manufacturing.