Focus on E-Mobility

2018

INTERIM REPORT Q1

Technologies for growth markets!

InTiCa Systems

Q1 2018 in figures

The Group

The Group	Q1 2016 EUR ´000	Q1 2017 EUR ´000	**Q1 2018 EUR ´000**	Change vs. Q1 2017
Sales	11,310	12,275	**13,196**	+7,5%
Net margin (net result for the period)	0.7%	1.3%	**1.2%**	-
EBITDA	1,289	1,411	**1,450**	+2.8%
EBIT	177	358	**370**	+3.4%
EBT	61	248	**274**	+10.5%
Net result for the period	73	158	**156**	-1.3%
Earnings per share (diluted/basic in EUR)	0,02	0,04	**0,04**	-1.3%
Total cash flow	383	-2,597	**-1,183**	-
Net cash flow for operating activities	363	-1,126	**1,222**	-
Capital expenditure	981	1,051	**1,954**	+85.9%

	Mar 31, 2017 EUR ´000	Dec 31, 2017 EUR ´000	**Mar 31, 2018 EUR ´000**	Change vs. Dec 31, 2017
Total assets	43,999	43,249	**46,162**	+6.7%
Equity	17,004	18,122	**18,404**	+1.6%
Equity ratio	39%	42%	**40%**	-
Number of employees incl. agency staff	592	608	**615**	+1.2%

The Stock

The Stock	Q1 2017	2017	**Q1 2018**
Closing price (in EUR)	4.52	8.19	**6.95**
Period high (in EUR)	4.90	10.60	**8.45**
Period low (in EUR)	4.31	4.31	**6.50**
Market capitalisation at end of period (in EUR million)	19.38	35.11	**29.79**
Number of shares	4,287,000	4,287,000	**4,287,000**

The stock prices are closing prices on XETRA.

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Foreword by the Board of Directors

Dear shareholders, employees and business associates,

True to our motto “Technology for growth markets”, we are constantly addressing questions about the future. What will e-mobility look like? How will e-solutions affect our daily lives? How will these solutions be networked in the future? InTiCa Systems' expertise provides a broad basis to answer these questions. Inductive components will play an increasingly important role in vehicles, in future charging stations, in energy storage, and in distributed energy generation.

Both the automotive industry and industrial electronics are currently going through a period of massive and at times disruptive change. Energy storage, e-mobility, safety technology, connectivity, autonomous driving and energy management are the key technologies in this context. With our competent in-house team of developers and production technologists, we help our customers find the most efficient solutions for their individual needs and for new challenges, and transform ideas into innovative and marketable products. InTiCa Systems already serves four of these technologies with solutions for the storage of electrical energy, e-mobility, safety technology and energy management. We have therefore laid firm foundations for the future, so we can remain a step ahead of technological change.

We also see far-reaching opportunities in internationalization. A local presence and local supply offer important advantages for customers and business partners through higher momentum, more reliable supply and, above all, flexibility. At the moment, we supply our products to Europe, the Americas and Asia. We have production facilities in Europe and NAFTA. Initial analyses for a base in Asia are under way. In view of the challenges and the expense, realization is only planned after the ramp-up of production in Mexico. However, specific enquiries from customers show that a presence in Asia will be essential in the medium term.

Our business performance in the first quarter of 2018 was in line with our plans. Overall, Group sales grew 7.5% to EUR 13.2 million. In the Automotive Technology segment, sales declined slightly compared with the prior-year period. There were several reasons for this. British car manufacturers reduced order volumes as a result of the uncertainty caused by the still unclear impact of the UK’s exit from the EU. Similarly, the diesel scandal has had an impact on some car producers. In addition, the delays in the ramp-up of production in Mexico at the end of last year are continuing to affect production and call-off volumes in the first half of 2018.

Silao, Mexico

Nevertheless, we are confident that our Automotive Technology segment can achieve the forecast growth this year, especially as further large-scale serial production is scheduled to start at the Mexico site in the second half of the year. In addition, sales in the Industrial Electronics segment were significantly higher than in the prior-year period. As well as sustained high demand for inverters, this was driven by project revenues in the strategically important business with EMC filter technology. EMC filter solutions will also play an increasingly significant role in the Automotive Technology segment in the future.

As in recent years, in 2018 we plan to invest around EUR 4.5 million to extend our facilities in Mexico and the Czech Republic. The biggest items here are the new production lines in Mexico, already mentioned, and new production capacity for EMC filters and stators for hybrid and electric vehicles in the Czech Republic. Efficient processes that create value and the associated vertical integration are the basis for our competitively driven lean philosophy.

As you can see, we are continuing to pursue our intensive growth strategy and intend to drive forward internationalization, extend our established customer base and broaden value added. In this context, we place great importance on our reputation as a trusted, reliable and responsible partner, both for our customers and for our employees and shareholders.

Passau May, 2018

Yours,

Dr. Gregor Wasle
Spokesman of the
Board of Directors

Günther Kneidinger
Member of the
Board of Directors

Board of Directors

Gregor Wasle
Spokesman of the Board of Directors
Engineering graduate
Strategy, Finance, Human Resources, Production, Manufacturing Technology, IT, Investor and Public Relations

Günther Kneidinger
Member of the Board of Directors
Sales, R&D, Materials Management and Quality Management

Supervisory Board

Udo Zimmer
Chairman
Business administration graduate
Munich
- *Member of the Board of Management of REMA TIP TOP AG*

Werner Paletschek
Deputy Chairman
Business administration graduate
Fürstenzell
- *Managing director of OWP Brillen GmbH, Passau*

Christian Fürst
Member of the Supervisory Board
Business administration graduate
Thyrnau
- *Managing partner of ziel management consulting gmbh*
- *Chairman of the Supervisory Board of Electrovac Hacht & Huber GmbH*
- *Advisory Board of Eberspächer Gruppe GmbH & Co. KG*

The Stock

InTiCa Systems' share price performance[1)]

Following a very good performance in 2017, with a rise of 72.4%, shares in InTiCa Systems AG started the first quarter of 2018 at a price of EUR 8.19. The positive performance continued at first, bringing the share price to a year-to-date high on January 10, 2018. After that, the shares were unable to escape the negative market trend and the price dropped to a year-to-date low of EUR 6.50 on March 5, 2018. However, price rapidly rebounded to around EUR 7.00. The shares closed the first quarter of 2018 in Xetra trading at EUR 6.95. The sideways movement then continued and the closing price on May 15, 2018 was EUR 7.20. That was a decline of 12% since the start of the year, bringing InTiCa Systems' market capitalization to EUR 30.9 million.

In the first three months of 2018, we provided timely information for our shareholders and the general public on current business trends, specific events and the company's prospects. As in the past, this year's press conference to mark the publication of the annual report for 2017 attracted considerable interest from analysts and investors. The presentation and speech given at the press conference can be accessed on the company's homepage at Investor Relations/Publications [available in German only].

This year's Annual General Meeting will be held in Passau on July 6, 2018. Shareholders will be given information on fiscal 2017 and the present situation at InTiCa Systems AG. In addition, InTiCa Systems AG plans to give a presentation for investors, analysts and financial journalists at this year's Munich Capital Markets Conference (MKK). MKK is the biggest capital market conference in southern Germany and will be held on December 11/12, 2018.

1) Price data based on Xetra, source: Bloomberg

Key data on the share

ISIN	DE0005874846	Designated Sponsor	BankM - biw AG
WKN	587484	Research Coverage	SMC Research
Stock market symbol	IS7	No. of shares	4,287,000
Trading segment	Regulated Market	Trading exchanges	XETRA®, Frankfurt, Hamburg, Berlin, München, Stuttgart, Düsseldorf
Transparency level	Prime Standard		

Shareholder structure

Thorsten Wagner	over 25%
Dr. Dr. Axel Diekmann	over 25%
Tom Hiss	over 5%
InTiCa Systems AG	1.5%
Management	less than 1%

As of May 15, 2018

Share price performance

Interim Management Report of the Group

for the period from January 1 to March 31, 2018

Economic report

General economic conditions

In their joint diagnosis for spring 2018, Germany's leading economic institutes conclude that the upswing in the German economy will continue. However, the gradual reduction in available capacity means that the economy is showing a slight drop in momentum. Nevertheless, the global economic upswing will continue to boost exports and the domestic economy should remain buoyant given the exceptionally favourable labour market situation. In addition, the economic institutes expect demand to be stimulated by the fiscal measures set out in the new government's coalition agreement. The experts therefore expect economic output to rise by an average of 2.2% over the year.

The German Automotive Industry Association (VDA) still assumes that the global car market developed positively in the first quarter of 2018. It calculates that new car registrations in Western Europe rose 1% to 4.3 million registered in first quarter, setting a new record for volume sales. Similarly, in the USA it was the strongest first quarter since 2001, with sales totalling 4.1 million light vehicles (+2 percent). In China, market volume rose 4 percent to 6.0 million vehicles sold and double-digit growth rates were registered in both Russia and Brazil. Unit sales only declined slightly in Japan.

The electrical and electronics industry is optimistic about 2018 with output, revenues and order intake all up significantly in January and February. According to the German Electrical and Electronic Manufacturers' Association (ZVEI), on a cumulative basis order intake in the German electrical and electronics sector was 5.4% higher in January and February than in the prior-year period. Price-adjusted output increased 5.2% year-on-year in this period and sector sales rose 8.1% to EUR 30.7 billion. Overall, the association expects real output to grow by 5.2% in 2018.

Significant events in the reporting period

There were no events of material significance for the company in the reporting period.

Earnings, asset and financial position

Sales were in line with the Board of Directors plans in the first quarter of 2018. In the Automotive Technology segment, sales slipped slightly year-on-year. However, the start-up of large-scale serial production in the second half of 2018 will enable this segment to meet the forecast full-year increase in growth. The Industrial Electronics segment reported a considerable increase in sales revenue compared with the prior-year period. Alongside sustained high demand for inverters, in the first quarter the segment booked project revenues in the strategically important EMC filter technology business.

EBITDA was EUR 1.5 million, which was slightly above the previous year's level (3M 2017: EUR 1.4 million), while the EBITDA margin was 11.0% (3M 2017: 11.5%). The ratio of material costs to total output was reduced, but the personnel expense ratio increased as a result of the rise in headcount. EBIT was EUR 0.4 million in the first quarter of 2018, and thus remained around the prior-period level. The EBIT margin was 2.8% (3M 2017: 2.9%). Group net income was EUR 156 thousand (3M 2017: EUR 158 thousand).

The cash flow from operating activities was EUR 1.2 million in the first three months of 2018 (3M 2017: cash outflow of EUR 1.1 million). As a result of further investment to extend and modernize production and scheduled loan repayments, there was a total cash outflow of EUR 1.2 million in the reporting period (3M 2017: outflow of EUR 2.6 million). The equity ratio declined slightly to 40% in the reporting period (December 31, 2017: 42%).

Earnings position

Group sales grew 7.5% year-on-year to EUR 13.2 million in the first quarter of 2018 (3M 2017: EUR 12.3 million). For various reasons demand in the Automotive Technology segment slipped 3.8% year-on-year to EUR 9.7 million (3M 2017: EUR 10.1 million). Overall, the Board of Directors expects full-year sales in the Automotive Technology segment to rise to between EUR 45 million and EUR 47 million due to start-up of new serial production in the second half of the year. In the Industrial Electronics segment, by contrast, sales grew 59.5% to EUR 3.5 million (3M 2017: EUR 2.2 million). Alongside constantly high demand for inverters, the positive development in the first quarter of 2018 was due to project revenues from EMC filters.

The ratio of material costs to total output was 54.1% in the reporting period, which was below the prior-year level (3M 2017: 55.2%). At the same time, the personnel expense ratio increased slightly from 22.4% to 22.8% due to the increase in headcount. Other expenses increased year-on-year from EUR 1.5 million to EUR 1.7 million. The other operating expenses include expenses of EUR 0.1 million (3M 2017: EUR 0.1 million) for agency staff.

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 1.1 million, as in the prior-year period. Spending on research and development was up slightly year-on-year at around EUR 0.8 million (3M 2017: EUR 0.7 million). Development work focused principally on the Automotive Technology segment.

EBITDA (earnings before interest, taxes, depreciation and amortization) was slightly higher (+2.8%) than in the prior-year period at EUR 1.5 million (3M 2017: EUR 1.4 million). The EBITDA margin therefore declined from 11.5% to 11.0%. EBIT (earnings before interest and taxes) was EUR 0.4 million (3M 2017: EUR 0.4 million), and the EBIT margin declined slightly from 2.9% to 2.8%. At segment level, the Automotive Technology segment reported EBIT of EUR 0.1 million in the first three months of 2018 (3M 2017: EUR 0.2 million) and the Industrial Electronics segment reported EBIT of EUR 0.3 million (3M 2017: EUR 0.1 million).

As in the prior-year period, the financial result was minus EUR 0.1 million (3M 2017: minus EUR 0.1 million), while tax expense was EUR 0.1 million (3M 2017: EUR 0.1 million). Group net income was therefore EUR 0.2 million at the end of the first three months (3M 2017: EUR 0.2 million). Earnings per share were EUR 0.04 (3M 2017: EUR 0.04).

After taking into account currency translation gains of EUR 0.1 million (3M 2017: EUR 0.1 million) from the translation of foreign business operations, comprehensive income was EUR 0.3 million in the first three months of 2018 (3M 2017: EUR 0.3 million).

Non-current assets

Investment in property, plant and equipment and intangible assets in the reporting period exceeded the corresponding depreciation and amortization, so non-current assets increased to EUR 26.7 million as of March 31, 2018 (December 31, 2017: EUR 25.8 million). Property, plant and equipment amounted to EUR 21.0 million (December 31, 2017: EUR 20.1 million), intangible assets totalled EUR 4.7 million (December 31, 2017: EUR 4.6 million) and deferred taxes amounted to EUR 1.0 million (December 31, 2017: EUR 1.1 million).

Current assets

Current assets increased to EUR 19.5 million as of March 31, 2018 (December 31, 2017: EUR 17.5 million). Trade receivables rose from EUR 8.8 million to EUR 10.2 million in the reporting period. At the same time, inventories increased from EUR 8.1 million to EUR 8.2 million and other current receivables increased from EUR 0.4 million to EUR 0.7 million. Cash and cash equivalents totalled EUR 0.3 million on March 31, 2018 (December 31, 2017: EUR 0.1 million).

Liabilities

Current liabilities increased to EUR 15.6 million in the first quarter of 2018 (December 31, 2017: EUR 12.5 million). This was mainly due to an increase in current liabilities to banks from EUR 9.1 million to EUR 10.5 million and in trade payables from EUR 1.6 million to EUR 3.0 million.

Non-current liabilities decreased from EUR 12.6 million to EUR 12.2 million in the reporting period. While non-current liabilities to banks dropped from EUR 10.9 million to EUR 10.5 million due to scheduled repayment instalments, deferred taxes were EUR 1.7 million, unchanged from December 31, 2017.

Equity

Equity increased to EUR 18.4 million as of March 31, 2018 (December 31, 2017: EUR 18.1 million). The increase was due to the net profit for the period, which resulted in a decline in the negative items in the profit reserve, and to positive currency translation effects, which led to a corresponding reduction in the negative currency translation reserve. The capital stock of EUR 4.3 million, treasury stock of EUR 64 thousand and the capital reserve of EUR 15.4 million were constant in the reporting period. Total equity and liabilities increased to EUR 46.2 million at the end of the first quarter of 2018 (December 31, 2017: EUR 43.2 million) and the equity ratio dropped from 41.9% to 39.9% as a result.

Liquidity and cash flow statement

The net cash flow from operating activities was EUR 1.2 million in the first three months of 2018 (3M 2017: outflow of EUR 1.1 million). The clear year-on-year improvement was mainly due to the lower rise in inventories and the increase in trade payables. Excluding interest payments, cash flow from operating activities was EUR 1.3 million (3M 2017: outflow of EUR 1.0 million).

The net cash outflow for investing activities was EUR 2.0 million in the reporting period (3M 2017: outflow of EUR 1.1 million). Investment in intangible assets amounted to EUR 0.3 million (3M 2017: EUR 0.4 million) and investment in property, plant and equipment was EUR 1.6 million (3M 2017: EUR 0.7 million). Capital expenditures for property, plant and equipment of around EUR 4.5 million are planned for 2018 as a whole. The biggest items relate to further expansion of the site in Mexico and an increase in production capacity at the facilities in the Czech Republic in response to new customer orders. Further modernization to raise efficiency will support the progress with the lean philosophy.

The net cash outflow for financing activities was EUR 0.5 million in the first quarter of 2018 (3M 2017: outflow of EUR 0.4 million). The only cash outflow in the reporting period comprised EUR 0.5 million for the repayment of loans (3M 2017: EUR 0.4 million).

That resulted in a total cash outflow of EUR 1.2 million in the reporting period (3M 2017: outflow of EUR 2.6 million). Cash and cash equivalents (less overdrafts) were minus EUR 6.9 million as of March 31, 2018 (March 31, 2017: minus EUR 9.3 million). As of the reporting date InTiCa Systems AG had assured credit facilities which could be drawn at any time totalling EUR 10.35 million.

Employees

The headcount was 615 on March 31, 2018 (March 31, 2017: 592). 88 of these employees were agency staff (March 31, 2017: 38). On average, the Group had 619 employees in the reporting period (3M 2017: 591), including agency staff in both cases.

Risks and opportunities

The management report in the annual report for 2017 provides full details of risk factors that could affect the business performance of InTiCa Systems in section 4 "Risk management and risk report", while business potential is discussed in section 5 "Opportunities and management of opportunities". There was no material change in the risk/opportunity profile of InTiCa Systems AG in the reporting period.

Outlook

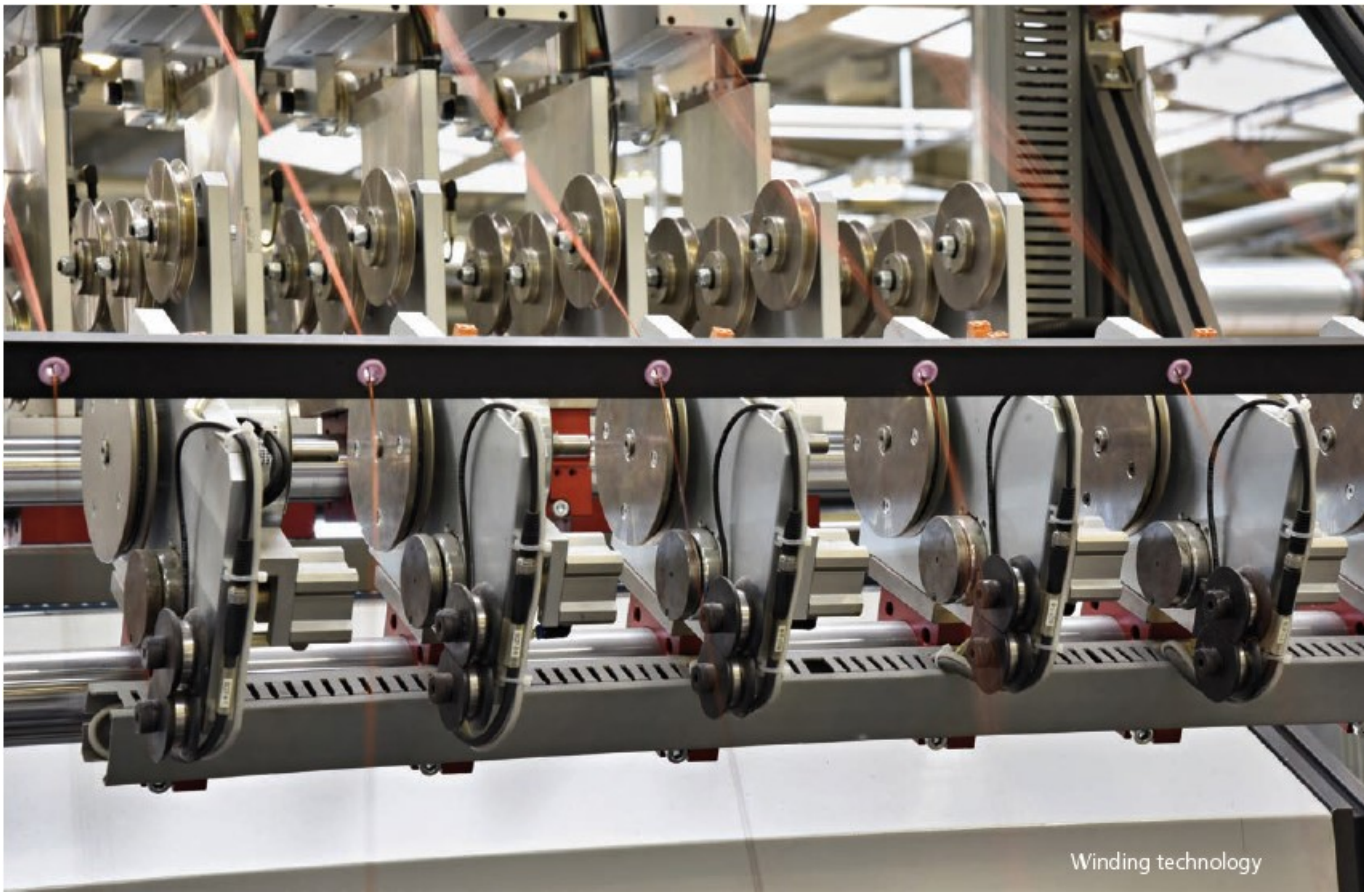
Business performance in the first three months was in line with the Board of Directors' expectations so it is retaining its outlook for fiscal 2018.

The Automotive Technology segment will remain the most important element in InTiCa Systems' business activities in 2018, as in previous years. The Industrial Electronics segment should stabilize further, even though business conditions remain challenging. Product innovations and further internationalization should open the door to new markets in both segments. Special challenges in 2018 are the investment and industrialization projects to prepare for contracts that will generate sales revenues in subsequent years, access to raw materials in the light of specific international shortages, resulting in longer delivery times, and the availability of skilled personnel to meet order commitments. Continuous progress will be made in 2018 thanks to permanent optimization of corporate processes and production workflows. The Board of Directors nevertheless sees further scope for optimization.

At the end of the first quarter of 2018, orders on hand were well above the prior-year level at EUR 59.8 million (March 31, 2017: EUR 47.9 million). 88% of orders were for the Automotive Technology segment (March 31, 2017: 83%). Overall, the Board of Directors expects orders on hand to rise in the Automotive Technology segment and the Industrial Electronics segment.

At present, the Board of Directors assumes that, given a stable economic environment, Group sales will rise to around EUR 53 million to EUR 56 million in 2018 and the EBIT margin will improve to around 3.0% to 3.5%. The material cost ratio should drop further in both segments and the equity ratio should be held stable.

Further information on the segments can be found in the annual report for 2017 in section 6 "Outlook".

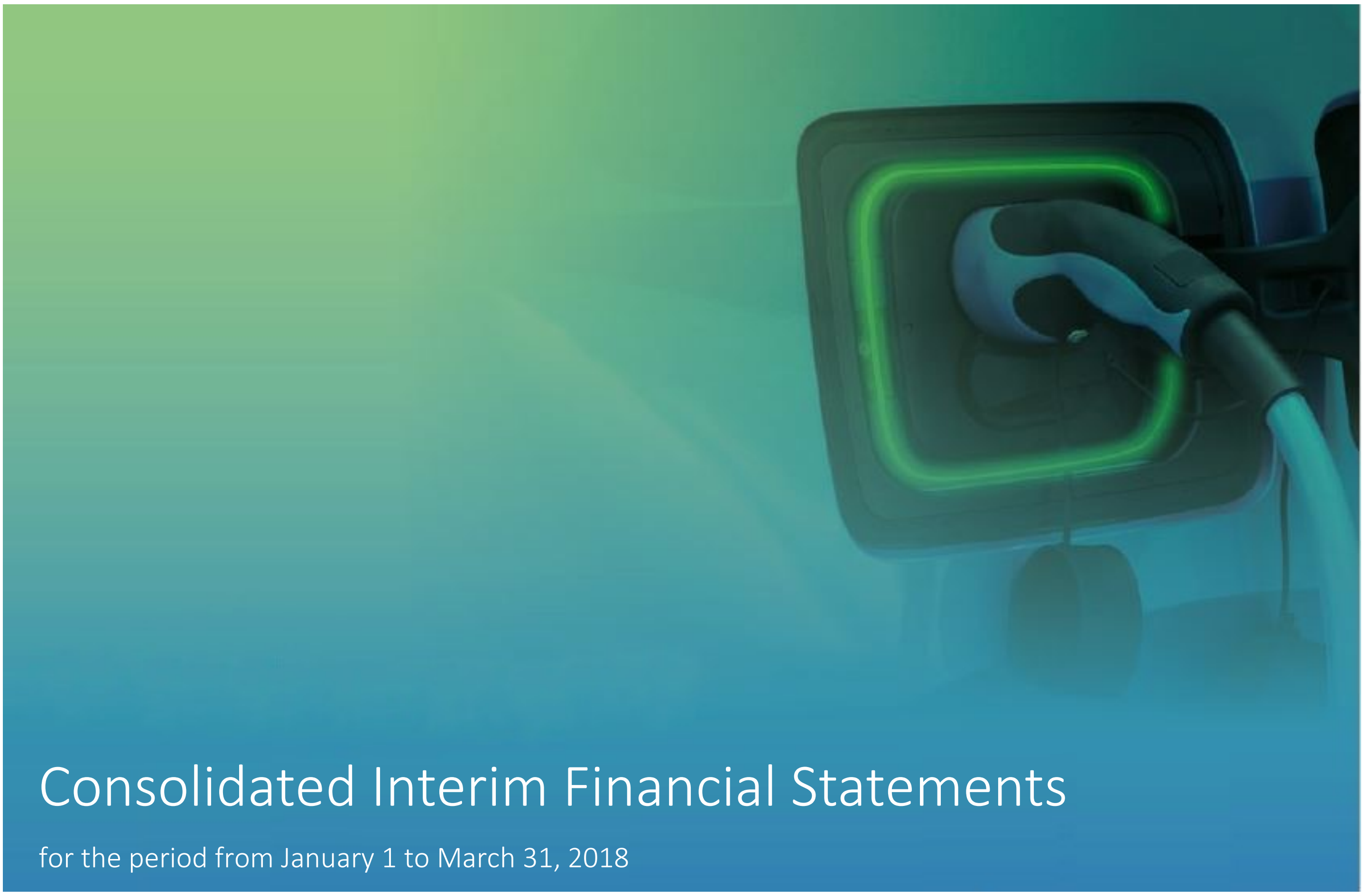


Consolidated interim financial statements in accordance with IFRS

The unaudited consolidated interim financial statements for InTiCa Systems AG and its subsidiaries as of March 31, 2018, have been drawn up in accordance with the International Financial Reporting Standards (IFRS), as applicable for use in the European Union, and the supplementary commercial law regulations set out in sec. 315a paragraph 1 of the German Commercial Code (HGB). No audit review has been conducted of the consolidated interim financial statements.

Forward-looking Statements and Predictions

This quarterly report contains statements and forecasts referring to the future development of InTiCa Systems AG, which are based on current assumptions and estimates by the management that are made using information currently available to them. If the underlying assumptions do not materialize, the actual figures may differ substantially from such estimates. Future performance and developments depend on a wide variety of factors which contain a number of risks and unforeseeable factors and are based on assumptions that may prove incorrect. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.



Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2018

Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS as of March 31, 2018

Assets	Mar 31, 2018 EUR ´000	Dec 31, 2017 EUR ´000
Non-current assets		
Intangible assets	4,657	4,593
Property, plant and equipment	21,039	20,109
Deferred taxes	954	1,054
Total non-current assets	**26,650**	**25,756**
Current assets		
Inventories	8,247	8,099
Trade receivables	10,202	8,802
Tax assets	2	3
Other financial assets	30	53
Other current receivables	715	395
Cash and cash equivalents	316	141
Total current assets	**19,512**	**17,493**
Total assets	**46,162**	**43,249**

Equity and liabilities

	Mar 31, 2018 EUR ´000	Dec 31, 2017 EUR ´000
Equity		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	-588	-744
Currency translation reserve	-620	-746
Total equity	**18,404**	**18,122**
Non-current liabilities		
Interest-bearing non-current liabilities	10,491	10,928
Deferred taxes	1,695	1,676
Total non-current liabilities	**12,186**	**12,604**
Current liabilities		
Other current provisions	1,266	1,074
Tax payables	113	116
Interest-bearing current financial liabilities	10,479	9,106
Trade payables	2,995	1,592
Other financial liabilities	413	328
Other current liabilities	306	307
Total current liabilities	**15,572**	**12,523**
Total equity and liabilities	**46,162**	**43,249**
Equity ratio	40%	42%

Consolidated Statement of Profit and Loss and other Comprehensive Income

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to March 31, 2018

	Jan 1 - Mar 31, 2018 EUR ´000	Jan 1 - Mar 31, 2017 EUR ´000	Change 2018 vs. 2017
Sales	**13,196**	**12,275**	**+7.5%**
Other operating income	84	84	0.0%
Changes in finished goods and work in process	-304	-120	-
Other own costs capitalized	301	300	+0.3%
Material expense	7,140	6,872	+3.9%
Personnel expense	3,003	2,751	+9.2%
Depreciation and amortization	1,080	1,053	+2.6%
Other expenses	1,684	1,505	+11.9%
Operating profit (EBIT)	**370**	**358**	**+3.4%**
Cost of financing	96	110	-12.7%
Other financial income	0	0	-
Profit before taxes	**274**	**248**	**+10.5%**
Income taxes	118	90	+31.1%
Net profit for the period	**156**	**158**	**-1.3%**
Other comprehensive income			
Exchange differences from translating foreign business operations	126	119	+5.9%
Other comprehensive income, after taxes	**126**	**119**	**+5.9%**
Total comprehensive income for the period	**282**	**277**	**+1.8%**
Earnings per share (diluted/basic in EUR)	0.04	0.04	-1.3%
EBITDA	**1,450**	**1,411**	**+2.8%**

Consolidated Cash Flow Statement

of InTiCa Systems AG in accordance with IFRS
for the period from January 1 to March 31, 2018

	Jan 1 - Mar 31, 2018 EUR ´000	Jan 1 - Mar 31, 2017 EUR ´000
Cash flow from operating activities		
Net profit for the period	156	158
Income tax expenditures / receipts	118	90
Cash outflow for borrowing costs	96	110
Income from financial investments	0	0
Depreciation and amortization of non-current assets	1,081	1,053
Other non-cash transactions		
Net currency gains/losses	33	123
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	-148	-1,018
Trade receivables	-1,400	-1,353
Other assets	-297	-330
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	192	185
Trade payables	1,403	-42
Other liabilities	41	-10
Cash flow from operating activities	**1,275**	**-1,034**
Cash outflow for income taxes	0	1
Cash outflow for interest payments	-53	-93
Net cash flow from operating activities	**1,222**	**-1,126**
Cash flow from investing activities		
Cash inflow from interest payments	0	0
Cash outflow for intangible assets	-317	-361
Cash outflow for property, plant and equipment	-1,637	-690
Net cash flow from investing activities	**-1,954**	**-1,051**
Cash flow from financing activities		
Cash inflow from loans	0	0
Cash outflow for loan repayment installments	-451	-420
Cash outflow for liabilities under finance leases	0	0
Net cash flow from financing activities	**-451**	**-420**
Total cash flow	**-1,183**	**-2,597**
Cash and cash equivalents at start of period	-5,721	-6,674
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	-12	7
Cash and cash equivalents at end of period	**-6,916**	**-9,264**

Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to March 31, 2018

	Capital stock EUR ´000	Treasury stock EUR ´000	Paid-in capital EUR ´000	Retained earnings EUR ´000	Currency translation reserve EUR ´000	Total equity EUR ´000
As of January 1, 2017	**4,287**	**-64**	**15,389**	**-1,471**	**-1,414**	**16,727**
Net result for Q1 2017	0	0	0	158	0	158
Other comprehensive income, after taxes Q1 2017	0	0	0	0	119	119
Total comprehensive income for Q1 2017	0	0	0	158	119	277
As of March 31, 2017	**4,287**	**-64**	**15,389**	**-1,313**	**-1,295**	**17,004**
As of January 1, 2018	**4,287**	**-64**	**15,389**	**-744**	**-746**	**18,122**
Net result Q1 2018	0	0	0	156	0	156
Other comprehensive income, after taxes Q1 2018	0	0	0	0	126	126
Total comprehensive income for Q1 2018	0	0	0	156	126	282
As of March 31, 2018	**4,287**	**-64**	**15,389**	**-588**	**-620**	**18,404**

Notes to the Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2018

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems AG as of March 31, 2018, prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”, use the same accounting policies and valuation methods as the consolidated financial statements for fiscal 2017, which were drawn up in accordance with the International Financial Reporting Standards valid as of the reporting date, as applicable for use in the European Union, and the relevant Interpretations. The consolidated interim financial statements have been prepared for the three-months period ending on March 31, 2018. Comparative data refer to the consolidated financial statements as of December 31, 2017, or the consolidated interim financial statements as of March 31, 2017. The consolidated interim financial statements do not contain all information that would be required for a full set of annual financial statements. A detailed overview of the accounting and valuation principles applied can be found in the notes to the consolidated financial statements in the annual report for 2017. This is available at Investor Relations/Publications on the company’s website at www.intica-systems.com/en.

The currency used to prepare the consolidated interim financial statements is the euro (EUR). Amounts are stated in thousands of euros (EUR ’000), except where otherwise indicated.

Scope of consolidation

In addition to the parent company, InTiCa Systems AG, Passau, Germany, the InTiCa Systems s.r.o., Prachatice, Czech Republic, and the Sistemas Mecatrónicos InTiCa S.A.P.I. de C.V., Silao, Mexico are included in the consolidated financial statements. The Czech subsidiary is a wholly owned company, while InTiCa Systems AG holds 99% of shares in the Mexican company and InTiCa Systems s.r.o. holds 1%. The annual financial statements and interim financial statements of the Group companies are drawn up as of the last day of the Group’s fiscal year or the interim reporting period. Compared with Q1 2017, there has been no change in the scope of consolidation of InTiCa Systems AG.

Currency translation

When preparing the financial statements for each individual Group company, business transactions in currencies other than the functional currency of that company (foreign currencies) are translated at the exchange rates applicable on the transaction date.

When preparing the consolidated interim financial statements, the assets and liabilities of the Group's foreign business operations are translated into euros (EUR) at the exchange rate applicable on the reporting date. Income and expenses are translated using the weighted average exchange rate for the fiscal year.

Segment report as of March 31, 2018
Segment sales and segment earnings

Segment	Automotive Technology		Industrial Electronics		Total	
In EUR ´000	**Q1 2018**	Q1 2017	**Q1 2018**	Q1 2017	**Q1 2018**	Q1 2017
Sales	**9,704**	10,086	**3,492**	2,189	**13,196**	12,275
EBIT	**64**	228	**306**	130	**370**	358

Key financial figures	Q1 2018 EUR ´000 or %	Q1 2017 EUR ´000 or %	Change 2018 vs. 2017
EBITDA	**1,450**	1,411	+2.8%
Net margin	**1.2%**	1.3%	
Pre-tax margin	**2.1%**	2.0%	
Material cost ratio (in terms of total output)	**54.1%**	55.2%	
Personnel cost ratio	**22.8%**	22.4%	
EBIT margin	**2.8%**	2.9%	
Gross profit margin	**45.9%**	45.5%	

The following exchange rates were used for the consolidated financial statements:

Segment information

Closing rates

	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25,430	CZK 25,540	CZK 27,030
USA	USD 1,232	USD 1,199	USD 1,068
Mexico	MXN 22,655	MXN 23,693	MXN 20,075

Average rates

	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25,402	CZK 26,330	CZK 27,020
USA	USD 1,229	USD 1,130	USD 1,065
Mexico	MXN 22,921	MXN 21,316	MXN 21,643

The notes to the consolidated financial statements in the annual report for 2017 contain a detailed overview of the assets allocated to each segment. There has not been any material change in the assets allocated to the segments since December 31, 2017.

Consolidated income statement

Group sales rose to EUR 13,196 thousand in Q1 2018, up from EUR 12,275 thousand in Q1 2017. Sales declined slightly in the Automotive Technology segment but rose significantly in the Industrial Electronics segment. EBITDA rose from EUR 1,411 thousand to EUR 1,450 thousand. Group net income was EUR 156 thousand in the reporting period, compared with EUR 158 thousand in the first quarter of the previous year.

Consolidated balance sheet and cash flow statement

The capital stock of InTiCa Systems AG is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares with a theoretical pro rata share of the capital stock of EUR 1.00 per share. The equity ratio of around 40% as of March 31, 2018 (December 31, 2017: 42%) shows that the company is still soundly financed.

The net cash flow for operating activities was EUR 1,222 thousand in the first three months of 2018 (3M 2017: minus EUR 1,126 thousand). The total cash outflow in the reporting period was EUR 1,183 thousand (3M 2017: minus EUR 2,597 thousand). Cash and cash equivalents therefore declined from minus EUR 5,721 thousand as of December 31, 2017 to minus EUR 6,916 thousand as of March 31, 2018. Equity and liabilities changed as follows in the reporting period: equity increased to EUR 18,404 thousand (December 31, 2017: EUR 18,122 thousand), non-current liabilities dropped to EUR 12,186 thousand (December 31, 2017: EUR 12,604 thousand) due to planned repayment instalments, and current liabilities increased to EUR 15,572 thousand (December 31, 2017: EUR 12,523 thousand), mainly because of the increase in non-current liabilities to banks). On the assets side of the balance sheet, non-current assets increased to EUR 26,650 thousand (December 31, 2017: EUR 25,756 thousand), while current assets increased to EUR 19,512 thousand (December 31, 2017: EUR 17,493 thousand) as a result of the increase in inventories and trade receivables.

Events after the reporting date

No reportable events have occurred since the reporting date, March 31, 2018.

German Corporate Governanace Code and declaration of conformance

In compliance with sec. 161 of the German Companies Act (AktG), the Board of Directors and Supervisory Board have made their current declaration of conformity with the German Corporate Governance Code and the declaration on corporate management pursuant to sec. 289a of the German Commercial Code (HGB) available permanently to shareholders on the company's website at www.intica-systems.com/en, Investor Relations/Corporate Governance.

Related party transactions

No material transactions were conducted with related parties in the reporting period.

Other information

The capital stock of InTiCa Systems AG is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares, which constitute a theoretical pro rata share of the capital stock of EUR 1.00 per share. All shares have the same voting rights and dividend claims. The only exceptions are shares held by the company (treasury shares), which do not confer any rights on the company. The rights and obligations of the shareholders are set out in detail in the German Companies Act (AktG), in particular in sec. 12, sec. 53a et seq., sec. 118 et seq. and sec. 186.

Restrictions on the voting rights of shares could result from statutory provisions (sec. 71b and sec. 136 AktG). The Board of Directors is not aware of any other restrictions on the exercise of voting rights or the transfer of shares.

Under the provisions of German securities trading legislation, every investor whose proportion of the voting rights in the company reaches, exceeds or falls below certain thresholds as a result of the purchase or sale of shares or in any other way must notify the company and the Federal Financial Supervisory Authority (BaFin) thereof. The lowest threshold for such disclosures is 3%. Mr. Thorsten Wagner (Germany) and Mr. Dr. Dr. Axel Diekmann (Germany) have direct and indirect interests in the company's capital exceeding 10% of the voting rights.

There are no shares in InTiCa Systems AG with special rights according rights of control.

InTiCa Systems AG has not issued any shares that allow direct exercise of control rights.

The appointment and dismissal of members of the Board of Directors is governed by sec. 84 and sec. 85 of the German Companies Act (AktG) and sec. 5 of the articles of incorporation. Pursuant to the statutory provisions (sec. 179 paragraph 1 AktG) any amendment to the articles of incorporation requires a resolution of the General Meeting. Resolutions of the General Meeting are adopted on the basis of a simple majority vote except for amendments for which the German Companies Act stipulates a larger majority. Under sec. 8 paragraph 4 of the company's articles of incorporation, the Supervisory Board may make amendments to the articles of incorporation, providing these are merely editorial.

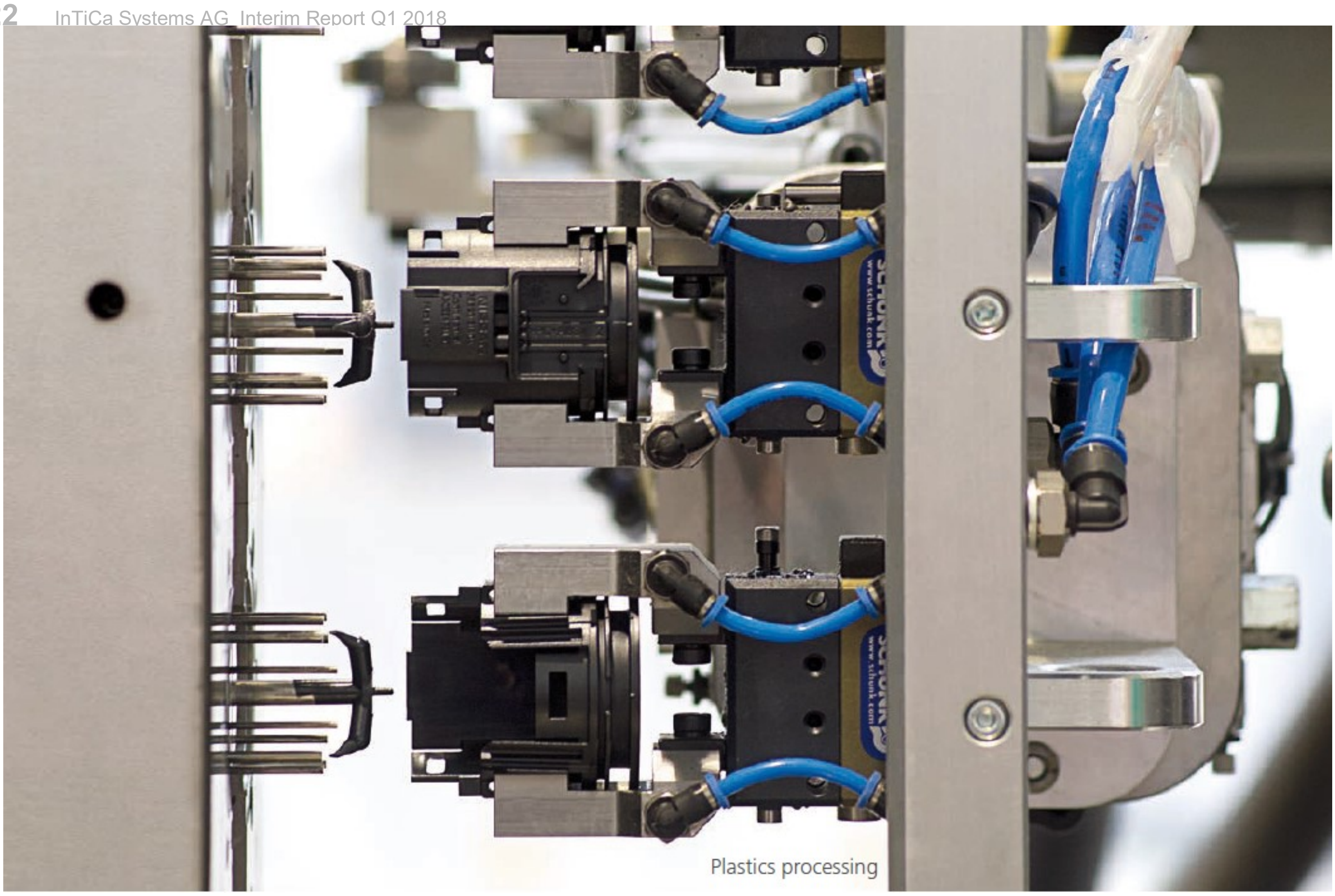
In addition, under sec. 3 paragraph 3 of the articles of incorporation, the Supervisory Board may alter the articles of incorporation in the event of a capital increase out of the authorized capital 2017/I to bring them into line with the extent of the capital increase and may make any other amendments associated with this provided that these are merely editorial.

Under sec. 3 paragraph 3 of the articles of incorporation, the Board of Directors is authorized, until July 5, 2017, to increase the company's capital stock, with the consent of the Supervisory Board, by up to EUR 2,143,500.00 by issuing new shares for cash or contributions in kind in one or more tranches (authorized capital 2012/I). Further details are given in sec. 3 paragraph 3 of the company's articles of incorporation, which can be downloaded from the company's website at Company/Downloads [available in German only].

The Board of Directors is authorized to increase the capital stock with the Supervisory Board's consent, up to July 20, 2022, by a total of up to EUR 2,143,500.00 in return for cash or contributions in kind under exclusion of shareholders' subscription rights (authorized capital 2017/I). Further details are given in sec. 3 paragraph 3 of the company's articles of incorporation, which can be downloaded from the company's website at Company/Downloads [available in German only].

On the basis of the resolution of the Annual General Meeting of May 29, 2008, the company was authorized, until November 28, 2009, to repurchase up to 10% of the capital stock of 428,700 shares at the date of the resolution. This resolution was used to purchase 263,889 shares in the company. As of March 31, 2018, InTiCa Systems AG still had treasury stock amounting to 64,430 shares (March 31, 2017: 64,430).

On the basis of a resolution adopted by the Annual General Meeting on July 21, 2017, the company is authorized, up to


Plastics processing

July 20, 2022, to purchase its own shares, in one or more tranches, up to a total of 10% of the capital stock at the time of adoption of this resolution or, if the capital stock is lower when this authorization is utilized, of the capital stock at the time when it is utilized. The company has not yet used this authorization.

InTiCa Systems has loans amounting to EUR 5.0 million which give the lender a right of termination in the event of a change in the borrower’s shareholder or ownership structure such that the shareholders or owners relinquish control over the borrower during the term of the loans or a person or group of persons acting jointly acquire more than 50% of the voting rights and/or more than 50% of the capital of the borrower, unless the prior consent of the lender is obtained.

In addition, the creditor of a EUR 2 million overdraft facility has an extraordinary right to terminate this facility. This right takes effect if one other person acquires at least 30% of the borrower's voting rights and the parties cannot reach agreement on new terms.

There are no compensation agreements with either members of the Board of Directors or employees relating to a takeover bid.

Responsibility Statement

We hereby declare that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated interim financial statements are prepared in accordance with the principles of proper book-keeping, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the interim management report for the Group 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.

Passau, May 23, 2018

The Board of Directors

Dr. Gregor Wasle
Spokesman of the
Board of Directors

Günther Kneidinger
Member of the
Board of Directors

Financial Calendar 2018

May 24, 2018	Publication of Interim Financial Statements for Q1 2018
July 06, 2018	Annual General Meeting in Passau
August 23, 2018	Publication of Interim Financial Statements for H1 2018
November 22, 2018	Publication of Interim Financial Statements for Q3 2018
December 11/12, 2018	Presentation at the Munich Capital Market Conference 2018

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