



Transformation  
**Strategy**

**2020**

INTERIM REPORT Q1

# Q1 2020 in figures

The Group	Q1 2018 EUR '000	Q1 2019 EUR '000	Q1 2020 EUR '000	Change vs. Q1 2019
Sales	13,196	13,620	<b>18,256</b>	+34.0%
Net margin (net result for the period)	1.2%	0.7%	<b>1.8%</b>	-
EBITDA	1,450	1,512	<b>1,996</b>	+32.0%
EBIT	370	291	<b>556</b>	+91.1%
EBT	274	128	<b>390</b>	+204.7%
Net result for the period	156	93	<b>323</b>	+247.3%
Earnings per share (diluted/basic in EUR)	0.04	0.02	<b>0.08</b>	+247.3%
Total cash flow	-1,183	-1,732	<b>-1,566</b>	-
Net cash flow for operating activities	1,222	-536	<b>-22</b>	-
Capital expenditure	1,954	559	<b>513</b>	-8.2%

	Mar 31, 2019 EUR '000	Dec 31, 2019 EUR '000	Mar 31, 2020 EUR '000	Change vs. Dec 31, 2019
Total assets	56,148	55,297	<b>53,406</b>	-3.4%
Equity	16,855	17,969	<b>16,304</b>	-9.3%
Equity ratio	30.0%	32.5%	<b>30.5%</b>	-
Number of employees incl. agency staff	713	601	<b>770</b>	+28.1%

The Stock	Q1 2019	2019	Q1 2020
Closing price (in EUR)	5.60	7.60	<b>4.76</b>
Period high (in EUR)	6.30	8.50	<b>8.50</b>
Period low (in EUR)	5.35	4.84	<b>3.80</b>
Market capitalisation at end of period (in EUR million)	24.01	32.58	<b>20.41</b>
Number of shares	4,287,000	4,287,000	<b>4,287,000</b>

The stock prices are closing prices on XETRA.



# Contents

<b>InTiCa Systems in the First Three Months of 2020</b>	<b>4</b>
Foreword by the Board of Directors	4
Board of Directors & Supervisory Board	6
<b>The Stock</b>	<b>7</b>
InTiCa Systems Stock	7
Key data, Share Price Performance & Shareholder Structure	8
<b>Interim Management Report of the Group</b>	<b>9</b>
Economic report	9
Earnings, Asset and Financial Position	10
Risks and Opportunities	11
Outlook	11
<b>Consolidated Interim Financial Statements Q1 2020</b>	<b>13</b>
Consolidated Balance Sheet	14
Consolidated Statement of P&L and Comprehensive Income	16
Consolidated Cash Flow Statement	17
Consolidated Statement of Changes in Equity	18
<b>Notes to the Consolidated Interim Financial Statements</b>	<b>19</b>
Other Information	20
Segment Report	22
Responsibility Statement	23
Financial Calendar	24



## Foreword by the Board of Directors

### Dear shareholders, employees and business associates,

The Covid-19 pandemic continues to dominate the headlines and our lives - from personal and public life to the economy. In their Joint Economic Forecast in spring 2020, the leading German economic institutes predict that German GDP will contract by 4.2%, with considerable downside risks if the pandemic recedes more slowly than expected or efforts to restart the economy do not go as smoothly as anticipated. For global trade, a drop of 7.4% is forecasted. The automotive industry is particularly badly hit because of its international interdependency. Year-on-year, new car registrations were down 38% in March and 60% in April.

This development had very little impact on InTiCa Systems in the first quarter. On the contrary, we were able to continue the previous year's strong performance: sales grew by around 34%, the EBIT margin increased from 2.1% in the first quarter of 2019 to 3.1% in the first quarter of this year, the consolidated net profit improved considerably and orders on hand stood at EUR 112.5 million. That is evidence of the excellent market position we have achieved in recent years.

However, as a result of production shutdowns in the automotive industry, starting in April some orders from InTiCa were put on hold and upcoming orders postponed to the second half of the year. To counter this situation, as published in our annual report on 2019, we decided to

introduce short-time working for staff in Passau until at least June. We have now extended this to the production facility in the Czech Republic and reduced the number of agency staff at this site. In Mexico, production had to be halted completely at the start of May to comply with government regulations, which are likely to remain in force until the end of the month. Until the forced shutdown, this site had been manufacturing products for customers in Asia on schedule and capacity utilization was good.

As you can see, the situation as a whole remains very uncertain and is dominated by short-term decisions. A significant drop in sales in the Automotive Technology segment is expected in the remainder of the year and orders on hand are also expected to drop. It is still not possible to provide a specific forecast. At the moment, many automotive producers and OEMs do not have a clear picture of how the market will develop. However, the restart of some production lines in May provides at least some grounds for hope. From the present viewpoint, InTiCa can ramp up production relatively quickly. The main factors are the availability of production inputs and personnel. We consider that we are well-positioned in both respects, especially as we have appropriate stocks of critical raw materials. The liquidity situation is currently secured by state support programmes,



good collaboration with our principal banks and our decision to cut spending and investment.

Turning to our corporate calendar, we are currently examining whether the Covid situation and the associated restrictions will allow us to hold our Annual General Meeting in Passau on July 15 as planned with shareholders attending in person.

We would like to thank our employees for their understanding in the present difficult situation, our customers and business partners for their collaboration and our shareholders for their trust in us.

Passau, May 2020

Yours,

Dr. Gregor Wasle  
Chairman of the  
Board of Directors

Günther Kneidinger  
Member of the  
Board of Directors



## Company Boards

Left to right:  
Christian Fürst,  
Udo Zimmer,  
Werner Paletschek,  
Günther Kneidinger,  
Gregor Wasle

### Board of Directors

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#### Gregor Wasle

Chairman of the Board of Directors  
Engineering graduate  
*Strategy, investor relations, R&D,  
production, finance, human resources and  
IT*

#### Günther Kneidinger

Member of the Board of Directors  
*Sales, materials management,  
Logistics centre and quality*

### Supervisory Board

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#### Udo Zimmer

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

#### Werner Paletschek

Deputy Chairman  
Business administration graduate  
Fürstentzell  
*- Managing director of  
OWP Brillen GmbH*

#### Christian Fürst

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



## The Stock

### InTiCa Systems' share price performance<sup>1)</sup>

Having ended 2019 with a pleasing gain of around 22%, shares in InTiCa Systems AG started the new year at EUR 7.25. Initially, the upward trend continued. The share price rose to a year-to-date high of EUR 8.50 on 24 January 2020. However, the escalating coronavirus crisis and concern about its economic impact led to considerable turbulence on the financial markets and the world's leading indices fell. Between mid-February and mid-March, the DAX dropped by around 38%, falling from an absolute all-time high of over 13,780 points to below 8,500 points. Shares in InTiCa Systems AG were unable to buck this trend and fell considerably in this period. The year-to-date low was EUR 3.80 on March 16, 2020. The financial markets subsequently picked up again and shares in InTiCa Systems ended the first quarter of 2020 at EUR 4.76. The rally continued in the following weeks and the share price rose back above EUR 5.00. The closing price on May 15, 2020 was EUR 5.65, a drop of 22% since the start of the year, and InTiCa Systems' market capitalization was EUR 24.2 million.

In the first three months of 2020, we provided timely information for our shareholders and the general public on current business trends, specific events and the company's overall prospects. As in the past, the press conference to mark the publication of the annual report for 2019 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].

Turning to our corporate calendar, we are currently examining whether the restrictions imposed by the authorities as a result of the coronavirus pandemic will allow us to hold our Annual General Meeting in Passau on 15 July as planned with shareholders attending in person. In addition, InTiCa Systems AG once again plans to give a presentation for investors, analysts and financial journalists at this year's Munich Capital Markets Conference (MCK). MCK is the biggest capital market conference in southern Germany and will be held on December 8/9, 2020.

1) Price data based on Xetra, source: Bloomberg

## Key data on the share

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

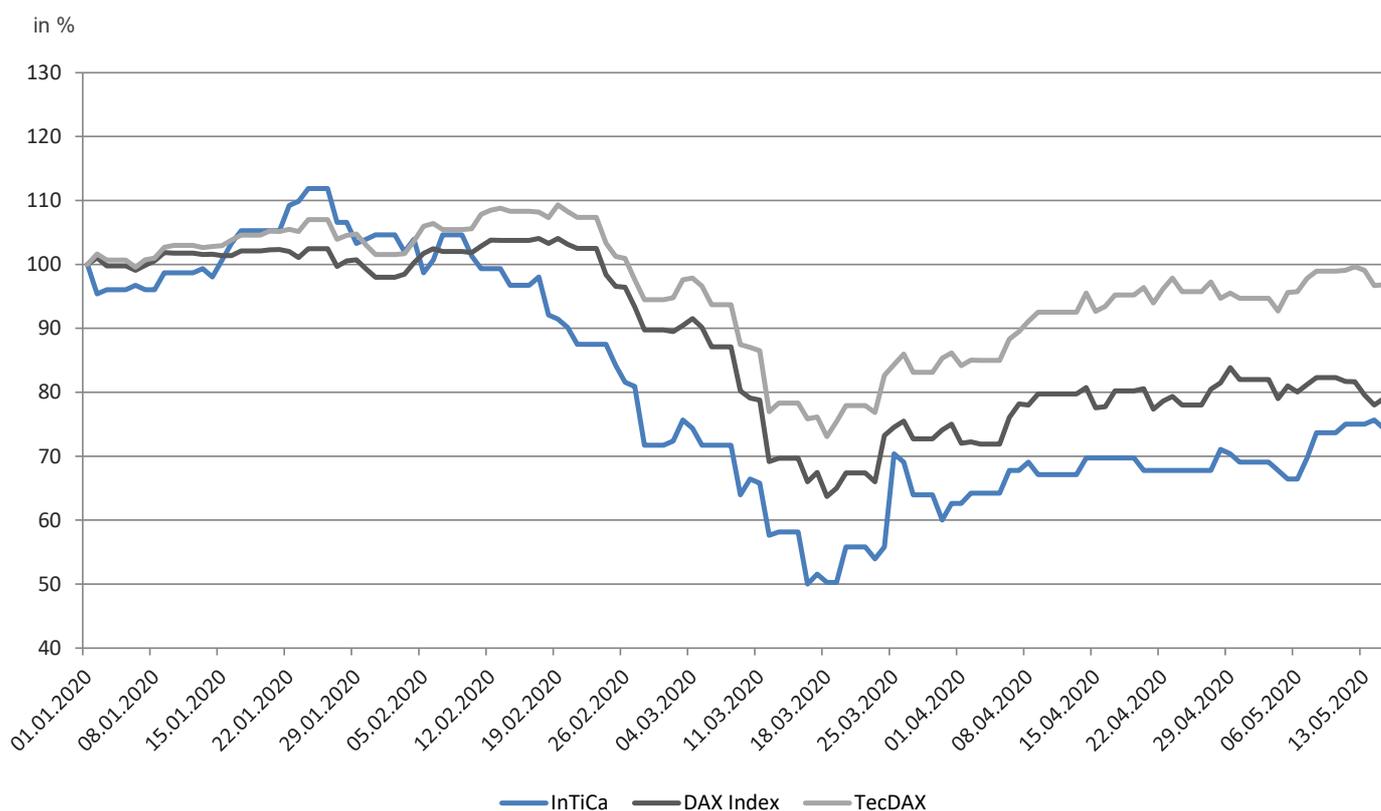
## Shareholder structure

Thorsten Wagner	over 25%
Dr. Dr. Axel Diekmann	over 25%
Tom Hiss	over 5%
Jürgen and Elisabeth Donath	over 3%
InTiCa Systems AG	1.5%
Management	less than 1%

As of May 15, 2020



## Share price performance





# Interim Management Report of the Group

for the period from January 1 to March 31, 2020

## Economic report

### General economic conditions

The title of the German economic institutes' Joint Economic Forecast in spring 2020 was "Economy in Shock - Fiscal Policy to Counteract". Germany is slumping dramatically as a result of the coronavirus pandemic. To slow the spread of the virus, central and regional governments have imposed enormous restrictions on public life and business activity. As a result, the experts expect GDP to contract by 4.2% in 2020 and anticipate that the recession will have a major impact on the labour market and public sector budgets. They assume that the unemployment rate will rise to 5.9%, with 2.4 million people on short-time working, and expect fiscal policy stabilization measures to result in a record budget deficit of EUR 159 billion this year. The experts expect the economy to recover gradually once the shutdown is over, followed by a strong increase in GDP of 5.8% next year. However, they also stress that there are considerable downside risks attached to their forecast, for example, if the pandemic recedes far more slowly than anticipated or if efforts to restart the economy are less successful than expected or trigger a second wave of infections. In view of the global pandemic, the economic institutes expect global output to drop by 2.5%, while global trade is expected to fall by 7.4% - a sharper recession than in 2009, the year after the start of the financial crisis.

The German Automotive Industry Association (VDA) estimates that there was a dramatic drop in order intake, production and exports in the first quarter of 2020. It reports that new car registrations in Germany were down 38% year-on-year in March 2020. That was the biggest monthly drop in the car market since German reunification. The VDA estimates that the spread of Covid-19 and the health policy measures it has necessitated, including massive restrictions on public life, the closure of dealerships and restrictions on the ability of registration offices to work were key factors in this. In the first quarter as a whole, new registrations in Germany dropped by 20% according to the VDA. It calculates that domestic order intake was around 22% lower than in the prior-year period, while foreign orders dropped by 18%. It also reports that measures to contain the pandemic have had a massive impact on car production. In Germany, output of cars was down 20% in the first quarter of 2020. In addition, 21% fewer cars were exported. Globally, the picture is similar: car sales in China, Europe and India halved in March 2020 and there was a double-digit drop in the USA and Brazil.

The coronavirus pandemic has also had a clear impact on the electrical and electronics industry. According to the German Electrical and Electronic Manufacturers' Association (ZVEI), in March 2020, order intake was 9.2% lower than in the prior-

year period. Since January and February were not affected by the pandemic, the drop in order intake in the first quarter as a whole was still comparatively moderate at 5.1%. Domestic orders declined by 7.4% and export orders were down 3.2%. Overall, German electrical and electronics manufacturers reported a 3.4% drop in sales to EUR 45.3 billion in the first quarter of 2020, with domestic sales dropping 3.7% to EUR 21.4 billion and foreign sales falling 3.1% to EUR 23.9 billion.

### 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

InTiCa Systems' business performance in the first three months of 2020 was very good. Taking both segments together, sales rose by around 34%. EBITDA was EUR 2.0 million, which was well above the previous year's level (3M 2019: EUR 1.5 million), and the EBITDA margin was 10.9% (3M 2019: 11.1%). While the ratio of material costs to total output was higher than in the previous year, the personnel expense ratio (including agency staff) dropped considerably to 22.9% (3M 2019: 25.5%). EBIT was EUR 0.6 million in the first quarter of 2020 (3M 2019: EUR 0.3 million) and the EBIT margin improved to 3.1% (3M 2019: 2.1%). The net profit for the period was EUR 0.3 million (3M 2019: EUR 0.1 million).

Unlike the position in the prior-year quarter, the operating cash flow was positive at EUR 0.2 million in the first three months of 2020 (3M 2019: minus EUR 0.2 million). As a result of capital expenditures and scheduled repayment instalments, there was an overall cash outflow of EUR 1.6 million in the reporting period (3M 2019: outflow of EUR 1.7 million). The equity ratio declined to 30.5% in the reporting period (December 31, 2019: 32.5%).

### Earnings position

Overall, Group sales increased by 34.0% year-on-year to EUR 18.3 million in the first three months of 2020 (3M 2019: EUR 13.6 million). In the Automotive Technology segment, sales rose 38.0% year-on-year to EUR 14.1 million (3M 2019: EUR 10.3 million) while sales in the Industrial Electronics segment increased by 22.1% to EUR 4.1 million (3M 2019: EUR 3.4 million).

At 57.5%, the ratio of material costs to total output in the reporting period was well above the prior-year level (3M 2019: 53.9%). By contrast, the personnel expense ratio (including agency staff) decreased from 25.5% to 22.9%. At the same time, other expenses increased from EUR 1.9 million in the prior-year period to EUR 3.0 million. The other operating expenses include expenses of EUR 1.0 million (3M 2019: EUR 0.6 million) for agency staff.

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 1.4 million (3M 2019: EUR 1.2 million), and spending on research and development was EUR 0.6 million (3M 2019: EUR 0.7 million). Development work focused principally on the e-solutions business.

EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 32.0% in line with sales growth to EUR 2.0 million (3M 2019: EUR 1.5 million) with an EBITDA margin of 10.9%, roughly the same as in the first three months of 2019 (3M 2019: 11.1%). EBIT (earnings before interest and taxes) rose by 91.1% to EUR 0.6 million (3M 2019: EUR 0.3 million), so the EBIT margin improved from 2.1% to 3.1%. At segment level, Automotive Technology reported EBIT of EUR 0.4 million in the first three months of 2020 (3M 2019: EUR 0.3 million) and the Industrial Electronics segment reported EBIT of EUR 0.2 million (3M 2019: EUR 0.03 million).

The financial result was minus EUR 0.2 million in the reporting period (3M 2019: minus EUR 0.2 million), and tax expense was EUR 0.07 million (3M 2019: EUR 0.04 million). Group net income therefore amounted to EUR 0.3 million in the first three months (3M 2019: EUR 0.1 million). Earnings per share were EUR 0.08 (3M 2019: EUR 0.02).

As a result of currency translation losses of EUR 2.0 million (3M 2019: gains of EUR 2 thousand) from the translation of foreign business operations, total comprehensive income was minus EUR 1.7 million in the first three months of 2020 (3M 2019: EUR 0.1 million).

### Non-current assets

Non-current assets decreased to EUR 30.9 million as of March 31, 2020 (December 31, 2019: EUR 33.7 million). Intangible assets decreased slightly from EUR 4.8 million to EUR 4.7 million and property, plant and equipment declined from EUR 27.3 million to EUR 24.6 million. Deferred taxes were unchanged from December 31, 2019 at EUR 1.6 million.

### Current assets

Current assets increased to EUR 22.5 million as of March 31, 2020 (December 31, 2019: EUR 21.6 million). Trade receivables rose from EUR 7.1 million to EUR 9.6 million in the reporting period and other financial assets increased from EUR 0.4 million to EUR 0.7 million. At the same time, inventories decreased from EUR 10.3 million to EUR 9.5 million and other current receivables from EUR 3.1 million to EUR 2.4 million. Cash and cash equivalents totalled EUR 0.14 million on March 31, 2020 (December 31, 2019: EUR 0.74 million).

## Liabilities

Current liabilities slightly increased to EUR 20.9 million in the first quarter of 2020 (December 31, 2019: EUR 20.4 million). This was mainly attributable to the increase in trade payables from EUR 5.9 million to EUR 6.2 million. As of March 31, 2020, other current provisions amounted to EUR 1.9 million (December 31, 2019: EUR 1.7 million), tax liabilities were EUR 0.1 million (December 31, 2019: EUR 0.1 million), financial liabilities were EUR 10.9 million (December 31, 2019: EUR 10.8 million), other financial liabilities were EUR 1.4 million (December 31, 2019: EUR 1.4 million) and other current liabilities were EUR 0.4 million (December 31, 2019: EUR 0.5 million).

Non-current liabilities decreased slightly, from EUR 16.9 million to EUR 16.2 million as of March 31, 2020. Non-current liabilities to banks declined from EUR 9.8 million to EUR 9.6 million and other non-current liabilities from EUR 5.2 million to EUR 4.7 million. Deferred taxes were unchanged from December 31, 2019 at EUR 1.8 million.

## Equity

Equity decreased to EUR 16.3 million as of March 31, 2020 (December 31, 2019: EUR 18.0 million). This was attributable to the increase of the negative currency translation reserve from minus EUR 0.7 million to minus EUR 2.7 million. The profit for the period reduced the negative profit reserve from minus EUR 0.9 million to minus EUR 0.6 million. The capital stock of EUR 4.3 million, treasury stock of EUR 64 thousand and the general capital reserve of EUR 15.4 million were constant in the reporting period. Total assets decreased to EUR 53.4 million at the end of the first quarter of 2020 (December 31, 2019: EUR 55.3 million). The equity ratio declined from 32.5% to 30.5%.

## Liquidity and cash flow statement

The net cash outflow for operating activities was EUR 22 thousand in the first three months of 2020 (3M 2019: outflow of EUR 0.5 million). The year-on-year improvement was mainly due to the higher net profit and the reduction in inventories. Excluding tax expense and interest payments, the cash flow from operating activities was EUR 0.2 million (3M 2019: outflow of EUR 0.2 million).

The net cash outflow for investing activities was EUR 0.5 million in the reporting period (3M 2019: outflow of EUR 0.6 million). Investment in intangible assets amounted to EUR 0.3 million (3M 2019: EUR 0.3 million) and investment in property, plant and equipment was EUR 0.2 million (3M 2019: EUR 0.3 million). The investment of around EUR 3.5 million in property, plant and equipment planned for 2020 will be roughly halved. The planned investments mainly relate to power electronics products and product start-ups for EMC filters, including extended customer requirements, principally to build up and expand production lines for e-mobility.

The net cash outflow for financing activities was EUR 1.0 million in the first quarter of 2020 (3M 2019: outflow of EUR 0.6 million). The cash outflow in the reporting period included EUR 0.8 million for loan repayments (3M 2019: EUR 0.5 million) and EUR 0.2 million for lease payments (3M 2019: EUR 0.1 million).

This resulted in a total cash outflow of EUR 1.6 million in the reporting period (3M 2019: outflow of EUR 1.7 million). Cash and cash equivalents (less overdrafts) were minus EUR 8.3 million (March 31, 2019: minus EUR 11.7 million). As of the reporting date, InTiCa Systems AG also had assured credit facilities which could be drawn at any time totalling EUR 12.0 million.

## Employees

The headcount was 770 on March 31, 2020 (March 31, 2019: 713). 292 of these employees were agency staff (March 31, 2019: 229). On average, the Group had 761 employees in the reporting period (3M 2019: 697), including agency staff in both cases.

## Risks and opportunities

The management report in the annual report for 2019 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

At the end of the first quarter of 2020, orders on hand were well above the prior-year level at EUR 112.5 million (March 31, 2019: EUR 88.0 million). 76% of orders were for the Automotive Technology segment (3M 2019: 83%). At the present state of the pandemic, it is not possible to estimate the extent of order uptake by customers in the course of the year. However, the Board of Directors expects it to decline considerably in the remainder of the year.

While the first quarter was hardly affected, sales and earnings will decline significantly in the second quarter compared to both planning and first quarter figures. Currently, orders are increasingly being postponed until the second half of the year. To counter this, the Board of Directors decided to introduce short-time working for staff in Passau until at least the end of June. Short-time working has now also been introduced at the production facility in the Czech Republic and the number of agency staff has been cut. Production in Mexico continued as scheduled until the end of April. Since the start of May, however, production has been halted by a government decree. At present, the Board of Directors expects this shutdown to last until the end of May.

In Germany, automotive companies gradually restarted their production lines in May. InTiCa can respond comparatively

fast to this situation and has adequate inventories, especially of critical raw materials. Despite the first signs of normalization, there is still enormous uncertainty about how the market will develop. Therefore, at present it is still not possible to give a stable and reasonably reliable forecast for the present fiscal year based on target ranges in line with past practice. Accordingly, at this time the Board of Directors is not able to issue specific guidance for the 2020 fiscal year. However, we have to assume that if the present extraordinary situation continues, sales and earnings will decline significantly, and possibly be below last year's level. As soon as the economic situation stabilizes and reliable planning for the 2020 fiscal year is possible, InTiCa Systems AG will publish a detailed forecast for the 2020 fiscal year.

Further information on the segments can be found in the annual report for 2019 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, 2020, 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 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 on 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, 2020

# Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS  
as of March 31, 2020

Assets	Mar 31, 2020 EUR '000	Dec 31, 2019 EUR '000
<b>Non-current assets</b>		
Intangible assets	4,717	4,782
Property, plant and equipment	24,623	27,317
Deferred taxes	1,583	1,579
<b>Total non-current assets</b>	<b>30,923</b>	<b>33,678</b>
<b>Current assets</b>		
Inventories	9,524	10,296
Trade receivables	9,647	7,124
Tax assets	33	34
Other financial assets	705	352
Other current receivables	2,437	3,077
Cash and cash equivalents	137	736
<b>Total current assets</b>	<b>22,483</b>	<b>21,619</b>
<b>Total assets</b>	<b>53,406</b>	<b>55,297</b>

Equity and liabilities	Mar 31, 2020 EUR '000	Dec 31, 2019 EUR '000
<b>Equity</b>		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	-605	-929
Currency translation reserve	-2,703	-714
<b>Total equity</b>	<b>16,304</b>	<b>17,969</b>
<b>Non-current liabilities</b>		
Interest-bearing non-current liabilities	9,628	9,847
Other liabilities	4,742	5,159
Deferred taxes	1,845	1,887
<b>Total non-current liabilities</b>	<b>16,215</b>	<b>16,893</b>
<b>Current liabilities</b>		
Other current provisions	1,877	1,650
Tax payables	97	121
Interest-bearing current financial liabilities	10,947	10,819
Trade payables	6,215	5,909
Other financial liabilities	1,391	1,392
Other current liabilities	360	544
<b>Total current liabilities</b>	<b>20,887</b>	<b>20,435</b>
<b>Total equity and liabilities</b>	<b>53,406</b>	<b>55,297</b>
Equity ratio	30.5%	32.5%

# 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, 2020

	Jan 1 - Mar 31, 2020 EUR '000	Jan 1 - Mar 31, 2019 EUR '000	Change 2020 vs. 2019
<b>Sales</b>	<b>18,256</b>	<b>13,620</b>	<b>+34.0%</b>
Other operating income	327	363	-9.9%
Changes in finished goods and work in process	-83	-1,014	-
Other own costs capitalized	247	272	-9.2%
Material expense	10,584	6,946	+52.4%
Personnel expense	3,175	2,846	+11.6%
Depreciation and amortization	1,440	1,221	+17.9%
Other expenses	2,992	1,937	+54.5%
<b>Operating profit (EBIT)</b>	<b>556</b>	<b>291</b>	<b>+91.1%</b>
Cost of financing	166	163	+1.8%
Other financial income	0	0	-
<b>Profit before taxes</b>	<b>390</b>	<b>128</b>	<b>+204.7%</b>
Income taxes	67	35	+91.4%
<b>Net profit for the period</b>	<b>323</b>	<b>93</b>	<b>+247.3%</b>
<b>Other comprehensive income</b>			
Exchange differences from translating foreign business operations	-1,988	2	-
<b>Other comprehensive income, after taxes</b>	<b>-1,988</b>	<b>2</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-1,665</b>	<b>95</b>	<b>-</b>
Earnings per share (diluted/basic in EUR)	0.08	0.02	+247.3%
<b>EBITDA</b>	<b>1,996</b>	<b>1,512</b>	<b>+32.0%</b>

# Consolidated Cash Flow Statement

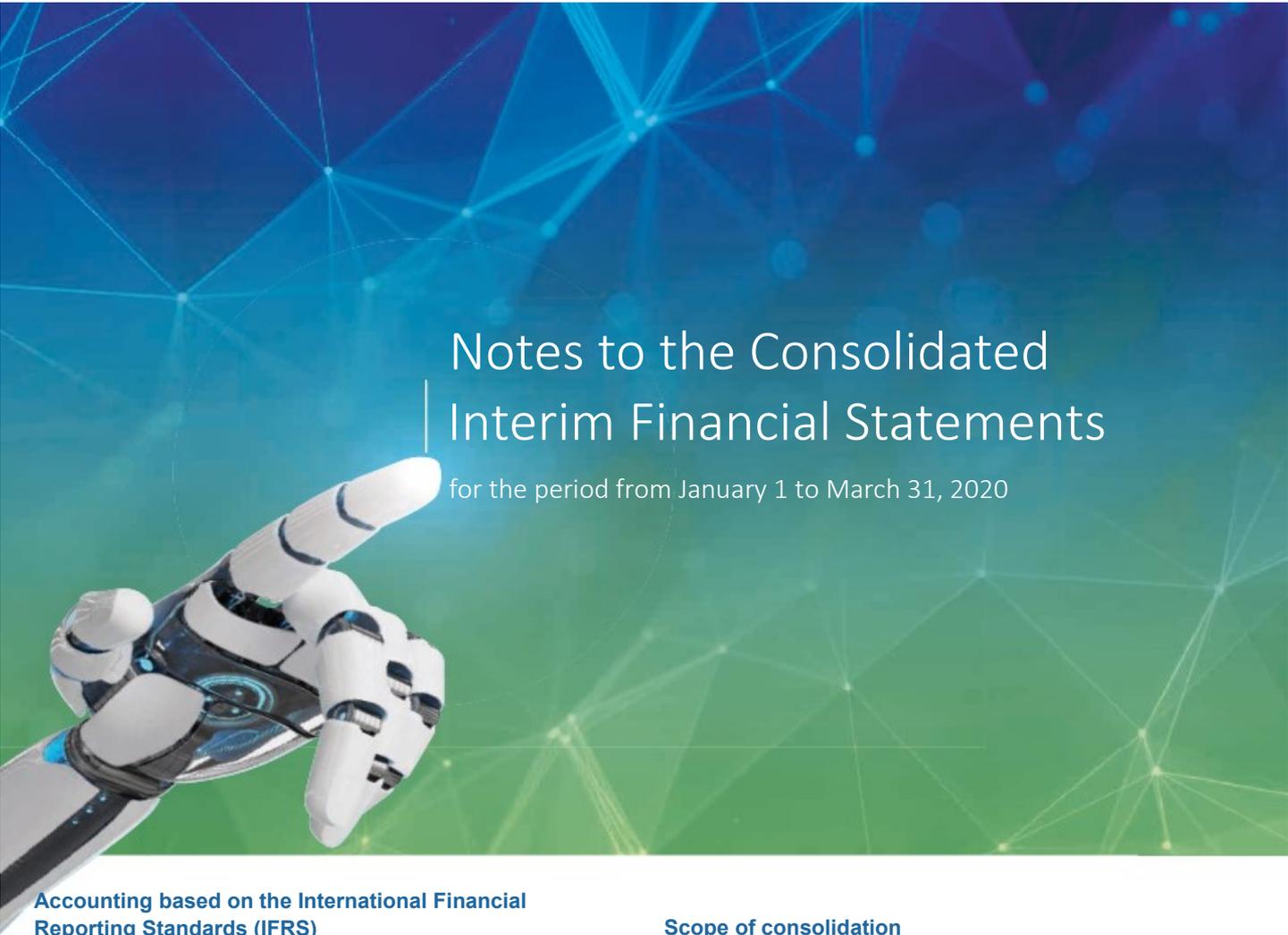
of InTiCa Systems AG in accordance with IFRS  
for the period from January 1 to March 31, 2020

	Jan 1 - Mar 31, 2020 EUR '000	Jan 1 - Mar 31, 2019 EUR '000
<b>Cash flow from operating activities</b>		
<i>Net profit for the period</i>	323	93
Income tax expenditures / receipts	67	35
Cash outflow for borrowing costs	166	163
Income from financial investments	0	0
Depreciation and amortization of non-current assets	1,440	1,221
<i>Other non-cash transactions</i>		
Net currency gains/losses	-689	-4
<i>Increase/decrease in assets not attributable to financing or investing activities</i>		
Inventories	772	-355
Trade receivables	-2,523	-2,172
Other assets	287	-623
<i>Increase/decrease in liabilities not attributable to financing or investing activities</i>		
Other current provisions	227	149
Trade payables	306	1,475
Other liabilities	-175	-209
<b>Cash flow from operating activities</b>	<b>201</b>	<b>-227</b>
Cash outflow for income taxes	-70	-192
Cash outflow for interest payments	-153	-117
<b>Net cash flow from operating activities</b>	<b>-22</b>	<b>-536</b>
<b>Cash flow from investing activities</b>		
Cash inflow from interest payments	0	0
Cash outflow for intangible assets	-275	-287
Cash outflow for property, plant and equipment	-238	-272
<b>Net cash flow from investing activities</b>	<b>-513</b>	<b>-559</b>
<b>Cash flow from financing activities</b>		
Cash inflow from loans	0	0
Cash outflow for loan repayment installments	-805	-502
Cash outflow for liabilities under finance leases	-226	-135
<b>Net cash flow from financing activities</b>	<b>-1,031</b>	<b>-637</b>
<b>Total cash flow</b>	<b>-1,566</b>	<b>-1,732</b>
Cash and cash equivalents at start of period	-6,959	-9,933
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	240	14
<b>Cash and cash equivalents at end of period</b>	<b>-8,285</b>	<b>-11,651</b>

# Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS  
for the period from January 1 to March 31, 2020

	Capital stock EUR '000	Treasury stock EUR '000	Paid-in capital EUR '000	Retained earnings EUR '000	Currency trans- lation reserve EUR '000	Total equity EUR '000
<b>As of January 1, 2019</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>-2,058</b>	<b>-794</b>	<b>16,760</b>
Net result for Q1 2019	0	0	0	93	0	93
Other comprehensive income, after taxes Q1 2019	0	0	0	0	2	2
<b>Total comprehensive income for Q1 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>2</b>	<b>95</b>
<b>As of March 31, 2019</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>-1,965</b>	<b>-792</b>	<b>16,855</b>
<b>As of January 1, 2020</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>-929</b>	<b>-714</b>	<b>17,969</b>
Net result Q1 2020	0	0	0	323	0	323
Other comprehensive income, after taxes Q1 2020	0	0	0	0	-1,988	-1,988
<b>Total comprehensive income for Q1 2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>323</b>	<b>-1,988</b>	<b>-1,665</b>
<b>As of March 31, 2020</b>	<b>4,287</b>	<b>-64</b>	<b>15,389</b>	<b>-606</b>	<b>-2,702</b>	<b>16,304</b>



# Notes to the Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2020

## Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems AG as of March 31, 2020, 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 2019, 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-month period ending on March 31, 2020. Comparative data refer to the consolidated financial statements as of December 31, 2019, or the consolidated interim financial statements as of March 31, 2019. 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 2019. This is available at Investor Relations/Publications on the company's website at <http://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, InTiCa Systems s.r.o., Prachatice, Czech Republic, and 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 2019, 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.

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

	Closing rates		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 27.325	CZK 25.410	CZK 25.800
USA	USD 1.095	USD 1.123	USD 1.123
Mexico	MXN 25.798	MXN 21.154	MXN 21.756

	Average rates		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.631	CZK 25.672	CZK 25.682
USA	USD 1.103	USD 1.120	USD 1.136
Mexico	MXN 22.040	MXN 21.580	MXN 21.966

### Segment information

The notes to the consolidated financial statements in the annual report for 2019 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, 2019.

### Consolidated income statement

Group sales rose to EUR 18,256 thousand in the first three months of 2020, up from EUR 13,620 thousand in Q1 2019. There was a clear increase in sales increased in both the Automotive Technology segment and the Industrial Electronics segment. EBITDA improved from EUR 1,512 thousand to EUR 1,996 thousand. Group net income was EUR 323 thousand in the reporting period, compared with EUR 93 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 30.5% as of March 31, 2020 (December 31, 2019: 32.5%) shows that the company is still soundly financed.

The net cash outflow for operating activities was EUR 22 thousand in the first three months of 2020 (3M 2019: outflow of EUR 536 thousand). The total cash outflow in the reporting period was EUR 1,566 thousand (3M 2019: outflow of EUR 1,732 thousand). Cash and cash equivalents therefore declined from minus EUR 6,959 thousand as of December 31, 2019 to minus EUR 8,285 thousand as of March 31, 2020. Equity and liabilities changed as follows in the reporting period: equity decreased to EUR 16,304 thousand (December 31, 2019: EUR 17,969 thousand) and non-current liabilities to EUR 16,215 thousand (December 31, 2019: EUR 16,893 thousand). Meanwhile, current liabilities increased to EUR 20,887 thousand (December 31, 2019: EUR 20,435 thousand). On the assets side of the balance sheet, non-current assets declined to EUR 30,923 thousand (December 31, 2019: EUR 33,678 thousand), while current assets increased to EUR 22,483 thousand (December 31, 2019: EUR 21,619 thousand).

### Events after the reporting date

No reportable events have occurred since the reporting date, March 31, 2020.

### German Corporate Governance 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](http://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 Dr. 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.

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, 2020, InTiCa Systems AG still had treasury stock amounting to 64,430 shares (December 31, 2019: 64,430).

On the basis of a resolution adopted by the Annual General Meeting on July 21, 2017, the company is authorized, up to 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 AG has loans amounting to EUR 2.4 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.



Stator coils for hybrid technology

### Segment report as of March 31, 2020 Segment sales and segment earnings

Segment	Automotive Technology		Industrial Electronics		Total	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
In EUR '000						
<b>Sales</b>	<b>14,145</b>	10,253	<b>4,111</b>	3,367	<b>18,256</b>	13,620
<b>EBIT</b>	<b>380</b>	262	<b>176</b>	29	<b>556</b>	291

### Key financial figures

	Q1 2020 EUR '000 or %	Q1 2019 EUR '000 or %	Change 2020 vs. 2019
EBITDA	1,996	1,512	+32.0%
Net margin	1.8%	0.7%	
Pre-tax margin	2.1%	0.9%	
Material cost ratio (in terms of total output)	57.5%	53.9%	
Personnel cost ratio	22.9%	25.5%	
EBIT margin	3.1%	2.1%	
Gross profit margin	42.9%	43.6%	



# 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 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 19, 2020

## The Board of Directors



Dr. Gregor Wasle  
Chairman of the  
Board of Directors



Günther Kneidinger  
Member of the  
Board of Directors



## Financial Calendar 2020

May 20, 2020	Publication of Interim Financial Statements for Q1 2020
July 15, 2020	Annual General Meeting in Passau
August 13, 2020	Publication of Interim Financial Statements for H1 2020
November 19, 2020	Publication of Interim Financial Statements for Q3 2020
December 8/9, 2020	Presentation at the Munich Capital Market Conference 2020

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Systems