Focus on E-Mobility

2018

INTERIM REPORT 9M

Technologies for growth markets!

InTiCa Systems

9M 2018 in figures

The Group	Q3 2017 EUR ´000	**Q3 2018 EUR ´000**	9M 2017 EUR ´000	**9M 2018 EUR ´000**	Change vs. 9M 2017
Sales	12,746	**10,711**	37.301	**36.642**	-1.8%
Net margin (net result for the period)	1.2%	**-8.21%**	1.3%	**-1.4%**	-
EBITDA	1,470	**344**	4,339	**3,232**	-25.5%
EBIT	347	**-722**	1,060	**13**	-98.8%
EBT	245	**-838**	730	**-313**	-
Net result for the period	154	**-879**	498	**-493**	-
Earnings per share (diluted/basic in EUR)	0.04	**-0.21**	0.12	**-0.11**	-
Total cash flow	978	**-1,172**	1,223	**-3,023**	-
Net cash flow for operating activities	49	**1,411**	1,273	**3,754**	+194.9%
Capital expenditure	1,554	**1,722**	3,241	**6,467**	+99.5%

	Sep 30, 2017 EUR ´000	Dec 31, 2017 EUR ´000	**Sep 30, 2018 EUR ´000**	Change vs. Dec 31, 2017
Total assets	44,678	43,249	**49,999**	+15.6%
Equity	17,580	18,122	**17,786**	-1.9%
Equity ratio	39%	42%	**36%**	-
Number of employees incl. agency staff	597	608	**672**	+10.5%

The Stock	9M 2017	2017	**9M 2018**
Closing price (in EUR)	8.85	8.19	**6.90**
Period high (in EUR)	10.46	10.60	**8.45**
Period low (in EUR)	4.31	4.31	**6.28**
Market capitalisation at end of period (in EUR million)	37.94	35.11	**28.51**
Number of shares	4,287,000	4,287,000	**4,287,000**

The stock prices are closing prices on XETRA.

Contents

Foreword by the Board of Directors

Dear shareholders, employees and business associates,

The development of sales and earnings in the third quarter of 2018 meant that our business performance was well below our expectations. There were several reasons for this. Firstly, the nervousness in the automotive industry increased further in the third quarter of 2018. The Brexit-related uncertainty in the British car industry, the debate about banning diesel vehicles and the future of diesel, the introduction of the new WLTP test cycle and global shortages of materials dampened sentiment in the sector. At the same time, producers are facing the challenges of the transition to future forms of mobility with the key technologies electromobility, energy storage and autonomous driving.

The subdued sentiment also affected us as we suffered a perceptible drop in order call-offs. For example, one major European customer significantly reduced/postponed order volumes. In addition, the approvals required by customers have led to delays in the planned third series product and we have not yet been able to start manufacturing this series in Mexico. Overall, this prevented us from achieving the planned sales growth in the Automotive Technology segment. Group sales were EUR 36.6 million in the first nine months of 2018 (9M 2017: EUR 37.3 million). The Automotive Technology segment generated sales of EUR 28.5 million (9M 2017: EUR 29.1 million) and the Industrial Electronics segment posted sales of EUR 8.1 million (9M 2017: EUR 8.2 million).

In addition to lower sales, on the earnings side profitability was held back by global shortages of relevant raw materials, combined with supply bottlenecks and higher material costs, and by the significant worsening of the availability of staff in the Czech Republic, leading to higher personnel costs. As a result of the cumulative effect of these factors in the second half of the year, we are only able to report a slightly positive EBIT at the end of the first nine months.

Consequently, we have had to revise our forecast for 2018 downwards. Based on performance to date and expectations for the fourth quarter, instead of sales of around EUR 53 million and an EBIT margin of 3.0%, we now expect Group sales to come in at between EUR 47 million and EUR 49 million, with negative EBIT of up to minus EUR 1.0 million.

Despite the present negative factors, the positive overall development of the company remains intact. Orders on hand were at a very high level of EUR 83 million at the end of the third quarter and a significant proportion of those orders are already for new products for hybrid technology and e-mobility. Moreover, to improve the earnings situation, we have also drawn up and started to implement a restructuring

Reception Plant Prachatice

plan, comprising extensive measures to optimize costs and raise the efficiency of the corporate organization.

As well as removing expensive, low-margin small-scale series from our product portfolio, we see further scope for optimization of our organization and internal workflows. One example is systematically reducing fixed costs. To counter labour shortages and rising wage costs in the Czech Republic, we are investing to optimize and automate production. In addition, we are considering manufacturing certain products in Mexico in the future. In the medium term, we expect these measures to stabilize the situation considerably, putting us in a better position to cushion fluctuations in sales and the availability of personnel.

The key to a short-term improvement in the sales and earnings position, however, is start-up of the third serial production line in Mexico, which we now expect to take place at the end of Q1 2019 and which will then be ramped up in the following months.

We would like to thank our employees for their commitment, our customers and business partners for their collaboration and our shareholders for their trust in us.

Passau November, 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)]

Shares in InTiCa Systems AG started 2018 at EUR 8.19. The previous year's positive performance initially continued, bringing the share price to a year-to-date high of EUR 8.45 on January 10, 2018. After that, the shares were unable to escape the negative market trend and the price dropped back to EUR 6.50. It then rapidly rebounded and shares subsequently traded between EUR 7.00 and EUR 7.50. At the beginning of July, shares InTiCa Systems suffered a short-term setback to EUR 6.28 on July 11, 2018, which was the lowest point in the reporting period. The share recovered quickly and closed the first nine months at EUR 6.90 on September 28, 2018. Following publication of the provisional nine-month results and revision of the forecast for the 2018 financial year, there was a short sharp drop in the share price to a year-to-date low of EUR 5.70 on October 26. However, it rebounded quickly and closed at EUR 6.65 on November 13. That was a drop of 18.8% since the start of the year, bringing InTiCa Systems' market capitalization to EUR 28.51 million.

In the first nine 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]. The presentation given at this year's Annual General Meeting, which took place in Passau on July 6, 2018 is also published on the website. At the AGM, shareholders were able to inform themselves about fiscal 2017 and the current 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
WKN	587484
Stock market symbol	IS7
Trading segment	Regulated Market
Transparency level	Prime Standard

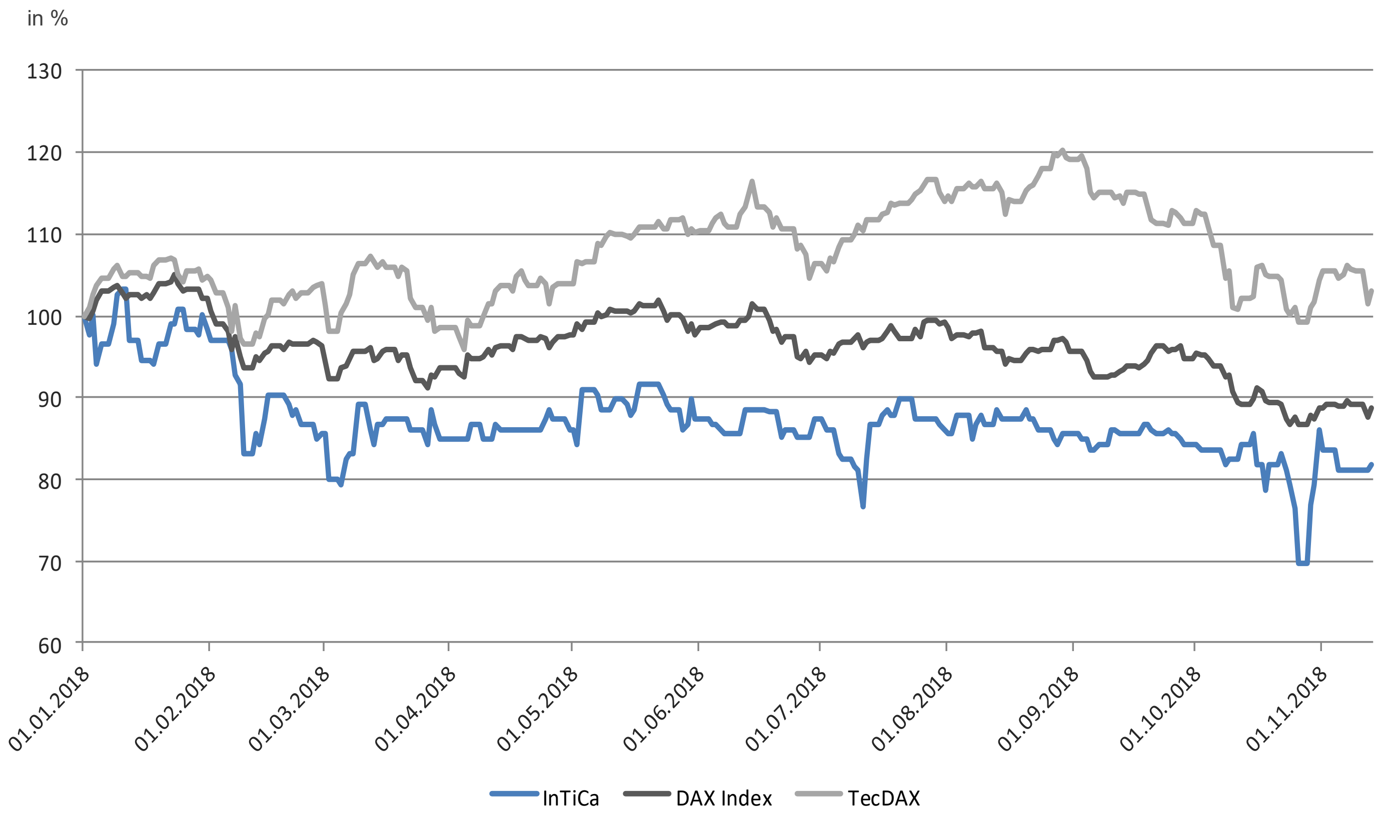
Designated sponsor	BankM - FTG Bank AG
Research coverage	SMC Research
No. of shares	4,287,000
Trading exchanges	XETRA®, Frankfurt, Hamburg, Berlin, Munich, Stuttgart, Düsseldorf

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 November 19, 2018

Share price performance



Interim Management Report of the Group

for the period from January 1 to September 30, 2018

Economic report

General economic conditions

In their joint diagnosis in autumn 2018, Germany's leading economic research institutes conclude that the economic upswing in Germany is increasingly losing momentum and corrected their growth forecast for this year from 2.2% to 1.7%. The experts attribute this to exports, which have weakened in tandem with the cyclical slowdown in Germany's main export markets. At the same time, companies are facing increasing bottlenecks on the production side, especially as regards labour and the purchase of starting materials. Looking at the labour market, the experts see the increase in the time taken to fill vacancies and rising wage pressure as signs that it is becoming more and more difficult to satisfy the high demand for workers. Unemployment will fall further to 5.2% this year. They anticipate that growth in global trade will decline substantially to 3.4% in 2018, with the lower momentum probably only partly due to cyclical factors. Rather, it is an expression of the deteriorating situation resulting from trade policy. Further risks for the development of the German and international economy, according to the experts, are the USA's rising protectionism and the associated trade dispute with China, the economic crises in Turkey and Argentina, the debt crisis in Italy, and the danger that the UK will exit the EU without a deal.

Despite the continued problems in the automotive market resulting from the introduction of the new WLTP test cycle for newly registered vehicles, according to the German Automotive Industry Association (VDA), the German car market grew 2% to over 2.6 million vehicles in the first nine months of 2018. Growth momentum remains high in the market for electric and hybrid vehicles in Germany, principally due to high demand for plug-in hybrids. The market is increasingly being boosted by the “environmental bonus”, which is available retrospectively for vehicles purchased from May 18, 2016. The VDA calculates that the cumulative figure for new registrations of such cars was 182,015, and that 52% of these run solely off an electric battery. On October 1, the total number of registered cars with an electric battery only was around 138,600. In addition, a broad range of subsidies are offered by national government, the federal states, municipal authorities and the industry to facilitate the switch to electric vehicles.

The German Electrical and Electronic Manufacturers' Association (ZVEI) also reports that the economic development remains robust. On a cumulative basis, aggregated sector sales were EUR 128.5 billion between January and August 2018, a year-on-year rise of 3.8%.

Domestic sales increased 3.7% to EUR 61.0 billion while foreign sales rose 3.8% to EUR 67.5 billion. Business with the euro zone grew by 5.0% to EUR 24.8 billion and business with other countries was up 3.1% at EUR 42.7 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

The market uncertainty that emerged in the first six months of 2018 gained strength in the third quarter. Brexit, the threat of punitive customs tariffs by the USA, the debate about the future of diesel, the introduction of the new WLTP test cycle and the initial challenges in the future-oriented hybrid and electromobility market held back international market development and led to fluctuations in customers' order call-off patterns. Results of the first nine months of 2018 were therefore below the Board of Directors' expectations. Group sales were EUR 36.6 million in the first nine months of 2018 (9M 2017: EUR 37.3 million). The Automotive Technology segment generated sales of EUR 28.5 million (9M 2017: EUR 29.1 million) and the Industrial Electronics segment posted sales of EUR 8.1 million (9M 2017: EUR 8.2 million). Due to a substantial reduction/postponement of order volumes by a major European customer for hybrid technology, plus delays in serial production of a major new product of significance for the Mexico site, the Automotive Technology segment was not able to achieve the planned sales growth. In addition, profitability was adversely affected by the global shortage of relevant raw materials, combined with supply bottlenecks and higher material costs, and a significant worsening of the availability of staff, leading to higher personnel costs in the Czech Republic. EBITDA was EUR 3.2 million, well below the prior-year level, and the EBITDA margin was 8.8% (9M 2017: 11.6%). EBIT was EUR 13 thousand in the reporting period (9M 2017: EUR 1.1 million). This resulted in a net result of minus EUR 0.5 million in the first nine months (9M 2017: EUR 0.5 million). Due to high investment in the third production line in Mexico and expansion of the production facilities for hybrid technology and e-mobility at the plant in the Czech Republic, the total cash flow was negative at minus EUR 3.0 million (9M 2017: cash inflow of EUR 1.2 million). By contrast, the operating cash flow was EUR 3.8 million, almost three times the level recorded in the prior-year period (9M 2017: EUR 1.3 million). The equity ratio decreased to 36% (December 31, 2017: 42%).

Earnings position

Compared with the first nine months of 2017, Group sales were 1.8% lower at EUR 36.6 million (9M 2017: EUR 37.3 million). The Automotive Technology segment generated sales of EUR 28.5 million (9M 2017: EUR 29.1 million) and the Industrial Electronics segment generated sales of EUR 8.1 million (9M 2017: EUR 8.2 million). Due to a reduction/postponement of order volumes by a major European customer for hybrid technology, plus delays in serial production of a major new product of significance for the Mexico site, the Automotive Technology segment, in particular, was not able to achieve the planned sales growth. In the Industrial Electronics segment, sales are exposed to a degree of fluctuation due to project business. While the high demand for inverters registered in the previous quarters weakened recently, the positive trend in EMC filter technology continued.

The ratio of material costs to total output was reduced to 53.7% in the reporting period (9M 2017: 54.9%). At the same time, the personnel expense ratio increased from 23.0% to 24.7% due to a considerable rise in wages. Other expenses increased year-on-year from EUR 4.9 million to EUR 5.7 million. The increase is due to the rise in expenses for agency staff at the production sites in Prachatice and Silao to EUR 1.2 million (9M 2017: EUR 0.5 million), which are included in this item.

Depreciation and amortization of property, plant and equipment and intangible assets amounted to EUR 3.2 million in the reporting period (9M 2017: EUR 3.3 million) and research and development expenses were EUR 2.2 million (9M 2017: EUR 2.2 million). Development work focused principally on the Automotive Technology segment.

EBITDA (earnings before interest, taxes, depreciation and amortization) was considerably lower than in the prior-year period at EUR 3.2 million (9M 2017: EUR 4.3 million). The EBITDA margin therefore declined from 11.6% to 8.8%. EBIT (earnings before interest and taxes) declined to EUR 13 thousand (9M 2017: EUR 1.1 million). In addition to lower sales, profitability was held back by global shortages of relevant raw materials, combined with supply bottlenecks and higher material costs in the Automotive Technology segment, and a significant worsening of the availability of staff, leading to higher personnel costs in the Czech Republic. At segment level, this caused EBIT to drop to minus EUR 0.3 million in the Automotive Technology segment (9M 2017: EUR 0.8 million), while the Industrial Electronics segment was able to hold EBIT constant at EUR 0.3 million (9M 2017: EUR 0.3 million).

As in the previous year, the financial result was minus EUR 0.3 million in the first nine months of 2018 (9M 2017: minus EUR 0.3 million) and tax expense was EUR 0.2 million (9M 2017: EUR 0.2 million). The result for the period was therefore minus EUR 0.5 million at the end of the first nine months (9M 2017: EUR 0.5 million). Earnings per share were minus EUR 0.11 (9M 2017: EUR 0.12).

As a result of currency translation gains of EUR 0.2 million (9M 2017: EUR 0.4 million) from the translation of foreign business operations, comprehensive income was minus EUR 0.3 million in the first nine months of 2018, compared with EUR 0.9 million in the first nine months of 2017.

Non-current assets

Since capital expenditures exceeded depreciation in the first nine months of 2018, property, plant and equipment increased to EUR 23.1 million as of September 30, 2018 (December 31, 2017: EUR 20.1 million). At the same time, intangible assets increased to EUR 4.8 million (December 31, 2017: EUR 4.6 million), while deferred taxes decreased to EUR 1.0 million (December 31, 2017: EUR 1.1 million). Overall, non-current assets rose to EUR 29.0 million as of September 30, 2018 (December 31, 2017: EUR 25.8 million).

Current assets

Current assets increased to EUR 21.0 million as of December 31, 2018 (December 31, 2017: EUR 17.5 million). The increase in the reporting period was mainly due to the rise in inventories from EUR 8.1 million to EUR 10.3 million and in other current receivables from EUR 0.4 million to EUR 1.5 million. Trade receivables were EUR 8.8 million, unchanged from December 31, 2017. Cash and cash equivalents totalled EUR 0.3 million on September 30, 2018 (December 31, 2017: EUR 0.1 million).

Liabilities

Current liabilities increased substantially to EUR 19.9 million in the reporting period (December 31, 2017: EUR 12.5 million). The rise was mainly due to an increase in current liabilities to banks from EUR 9.1 million to EUR 12.2 million and in trade payables from EUR 1.6 million to EUR 5.3 million. Other current provisions increased slightly to EUR 1.2 million (December 31, 2017: EUR 1.1 million).

Non-current liabilities declined to EUR 12.3 million as of September 30, 2018 (December 31, 2017: EUR 12.6 million). Non-current liabilities to banks declined from EUR 10.9 million to EUR 10.6 million as a result of scheduled repayments. Deferred taxes were unchanged from December 31, 2017 at EUR 1.7 million.

Equity

Equity declined to EUR 17.8 million as of September 30, 2018 (December 31, 2017: EUR 18.1 million). The decline was mainly due to the negative net result in the first nine months. While the negative currency translation reserve was reduced, the capital stock of EUR 4.3 million, treasury stock of EUR 64 thousand and capital reserve of EUR 15.4 million were unchanged in the reporting period. Total assets increased to EUR 50.0 million as of September 30, 2018 (December 31, 2017: EUR 43.2 million), so the equity ratio declined from 41.9% to 35.6%.

Liquidity and cash flow statement

In the first nine months of 2018, the net cash flow from operating activities improved considerably to EUR 3.8 million (9M 2017: EUR 1.3 million). The increase was mainly attributable to the fact that there were more trade payables on the liabilities side than in the previous year. Excluding interest payments, the cash flow from operating activities was EUR 4.0 million (9M 2017: EUR 1.6 million).

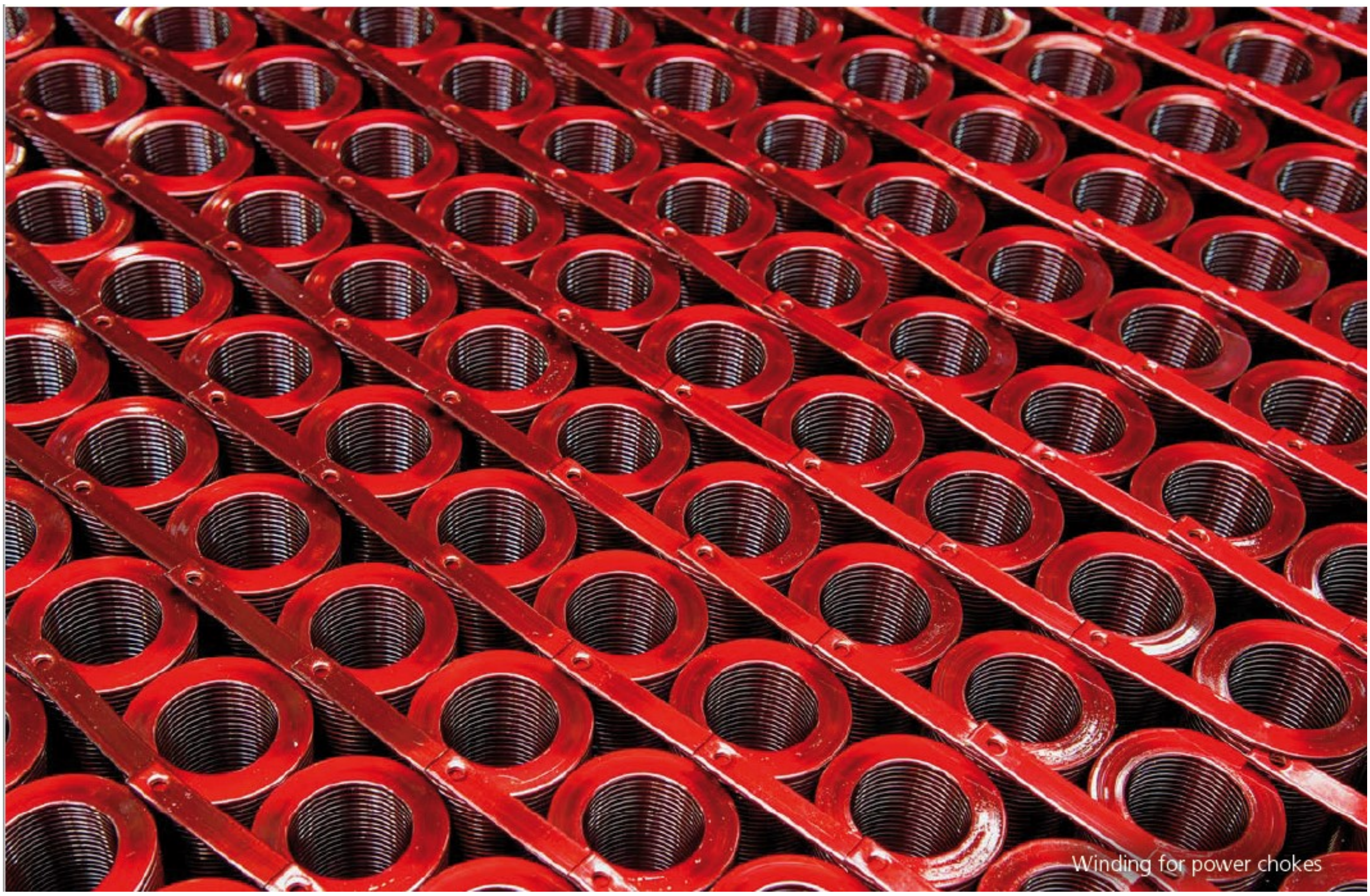
The net cash outflow for investing activities was EUR 6.5 million in the first nine months of 2018 (9M 2017: cash outflow of EUR 3.2 million). While investment in intangible assets was around the prior-year level at EUR 1.0 million (9M 2017: EUR 1.0 million), investment in property, plant and equipment increased to EUR 5.5 million (9M 2017: EUR 2.2 million). Around EUR 1.5 million was invested in installing a third production line in Mexico and around EUR 2.7 million in a new line for stators and EMC filters at the site in the Czech Republic. In addition, InTiCa invested selectively in further modernization of existing production facilities to raise efficiency as part of the consistent implementation of the lean philosophy.

The net cash outflow for financing activities was EUR 0.3 million in the first nine months of 2018 (9M 2017: cash inflow of EUR 3.2 million). In the reporting period, new loans resulted in cash inflows of EUR 1.7 million (9M 2017: EUR 4.3 million), while cash outflows for the repayment of loans amounted to EUR 2.0 million (9M 2017: EUR 1.1 million).

Therefore, there was a total cash outflow of EUR 3.0 million in the reporting period (9M 2017: cash inflow of EUR 1.2 million). Cash and cash equivalents (less overdrafts) were minus EUR 8.7 million as of September 30, 2018 (September 30, 2017: minus EUR 5.6 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 672 on September 30, 2018 (September 30, 2017: 597). 168 of these employees were agency staff (September 30, 2017: 48). The increase in the number of agency staff is still due to the current labour market situation in the Czech Republic, with a labour shortage and rising wage costs, and to the start-up and expansion of the facility in Mexico, where agency staff are generally employed at first, until order call-off volume stabilizes as serial production increases. On average, the Group had 629 employees in the reporting period (9M 2017: 599 employees, 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.

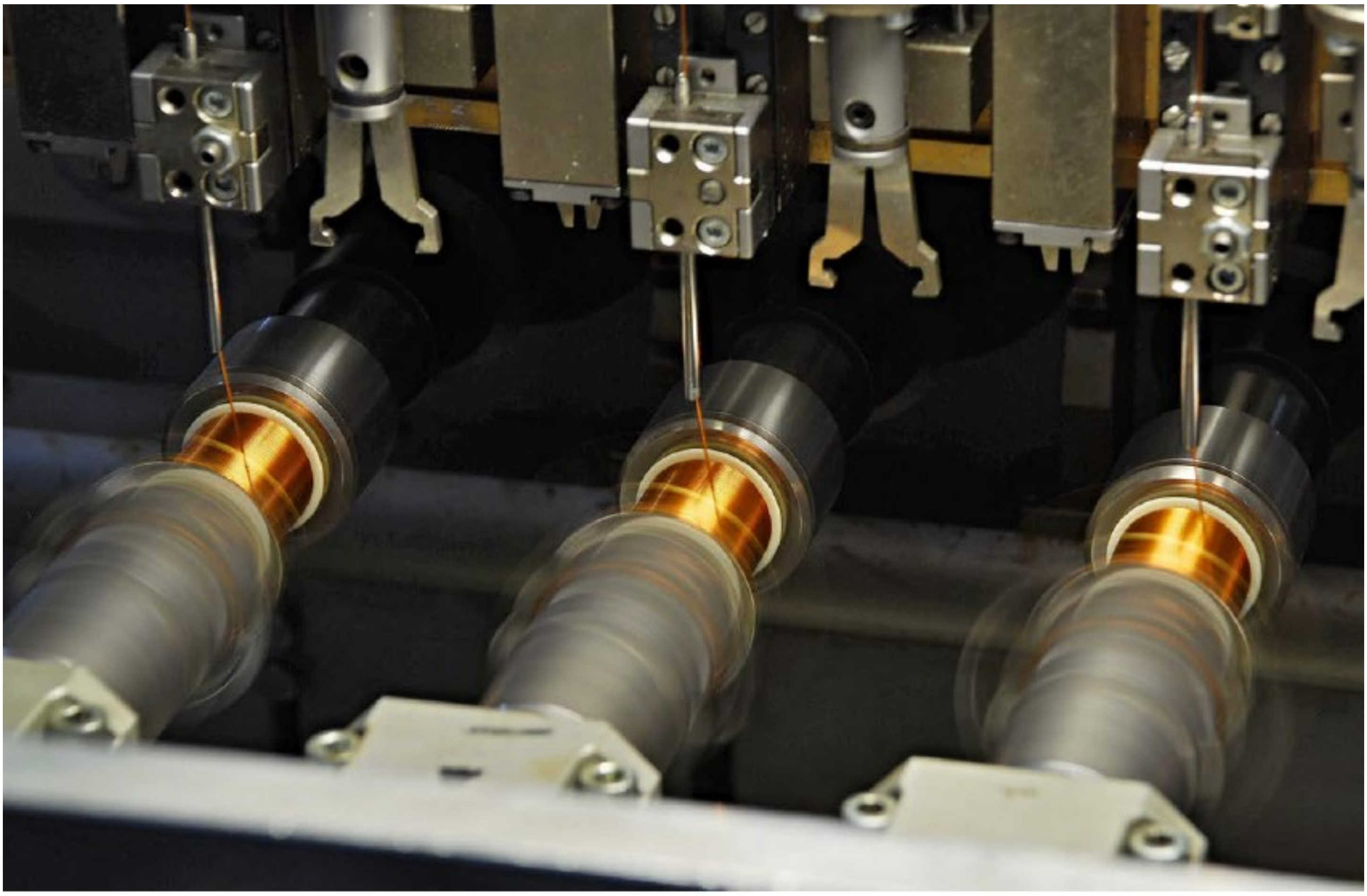
Outlook

The start of 2018 was more difficult than anticipated for InTiCa Systems’ Automotive Technology segment. Due to a substantial reduction and postponement of order volumes by a major European customer for hybrid technology, plus delays in serial production of a major new product of significance for the Mexico site, the Automotive Technology segment will not be able to achieve the planned sales growth. By continuing to invest in key technologies such as electromobility, InTiCa Systems is taking optimum action to counter the present market risks. The ongoing investment in expanding production capacity and optimizing production workflows has reduced material costs and overcome capacity bottlenecks but the Board of Directors sees further scope for optimization.

Alongside EMC filters, which are used in both market segments, the Industrial Electronics segment is focusing on inverter technology and the growing market for energy storage systems. Here, the positive trend seen in 2017 has continued. Although sales fluctuate somewhat during the year as a result of project business, the Board of Directors assumes that they will be well above the planned level of EUR 8-9 million this year. InTiCa Systems’ ability to offer customer-specific solutions, combined with greater vertical integration and systems solution competence, are its main competitive advantages in addressing the opportunities that arise. In-house manufacturing is expected to be over 80% again in 2018.

At the end of the first nine months of 2018, orders on hand were well above the prior-year level at EUR 83 million (September 30, 2017: EUR 57 million). 84% of orders were for the Automotive Technology segment (30 September 2017: 84%). A considerable proportion of this already relates to new products for hybrid technology and e-mobility, confirming the Board of Director's long-term strategy for the Group. Overall, the Board of Directors expects orders on hand to rise in both, the Automotive Technology segment and the Industrial Electronics segment.

Based on business performance to date and the expectations for the fourth quarter, the Board of Directors is reducing its forecast for 2018 as a whole. Instead of sales of around EUR 53 million and an EBIT margin of 3.0%, the Board of Directors now expects Group sales to come in at between EUR 47 million and EUR 49 million, with negative EBIT of up to minus EUR 1.0 million.



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 September 30, 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 interim 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 September 30, 2018

Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS as of September 30, 2018

Assets	Sep 30, 2018 EUR ´000	Dec 31, 2017 EUR ´000
Non-current assets		
Intangible assets	4,805	4,593
Property, plant and equipment	23,120	20,109
Deferred taxes	1,029	1,054
Total non-current assets	**28,954**	**25,756**
Current assets		
Inventories	10,341	8,099
Trade receivables	8,848	8,802
Tax assets	4	3
Other financial assets	116	53
Other current receivables	1,467	395
Cash and cash equivalents	269	141
Total current assets	**21,045**	**17,493**
Total assets	**49,999**	**43,249**

Equity and liabilities

	Sep 30, 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	-1,237	-744
Currency translation reserve	-589	-746
Total equity	**17,786**	**18,122**
Non-current liabilities		
Interest-bearing non-current liabilities	10,591	10,928
Deferred taxes	1,736	1,676
Total non-current liabilities	**12,327**	**12,604**
Current liabilities		
Other current provisions	1,167	1,074
Tax payables	225	116
Interest-bearing current financial liabilities	12,223	9,106
Trade payables	5,251	1,592
Other financial liabilities	452	328
Other current liabilities	568	307
Total current liabilities	**19,886**	**12,523**
Total equity and liabilities	**49,999**	**43,249**
Equity ratio	36%	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 September 30, 2018

	Q3 2018 EUR ´000	Q3 2017 EUR ´000	9M 2018 EUR ´000	9M 2017 EUR ´000	Change 2018 vs. 2017
Sales	**10,711**	**12,746**	**36,642**	**37,301**	**-1.8%**
Other operating income	131	205	528	380	+38.9%
Changes in finished goods and work in process	403	251	242	412	-41.3%
Other own costs capitalized	299	318	902	913	-1.2%
Material expense	6,291	7,300	20,276	21,187	-4.3%
Personnel expense	3,005	2,983	9,065	8,568	+5.8%
Depreciation and amortization	1,066	1,123	3,219	3,279	-1.8%
Other expenses	1,904	1,767	5,741	4,912	+16.9%
Operating profit (EBIT)	**-722**	**347**	**13**	**1,060**	**-98.8%**
Cost of financing	116	102	326	330	-1.2%
Other financial income	0	0	0	0	-
Profit before taxes	**-838**	**245**	**-313**	**730**	**-**
Income taxes	41	91	180	232	-22.4%
Net profit for the period	**-879**	**154**	**-493**	**498**	**-**
Other comprehensive income					
Exchange differences from translating foreign business operations	425	-39	157	355	-55.8%
Other comprehensive income, after taxes	**425**	**-39**	**157**	**355**	**-55.8%**
Total comprehensive income for the period	**-454**	**115**	**-336**	**853**	**-**
Earnings per share (diluted/basic in EUR)	-0.21	0.04	-0.11	0.12	-
EBITDA	**344**	**1,470**	**3,232**	**4,339**	**-25.5%**

Consolidated Cash Flow Statement

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to September 30, 2018

	Jan 1 - Sep 30, 2018 EUR ´000	Jan 1 - Sep 30, 2017 EUR ´000
Cash flow from operating activities		
Net profit for the period	-493	498
Income tax expenditures / receipts	180	232
Cash outflow for borrowing costs	326	331
Income from financial investments	0	0
Depreciation and amortization of non-current assets	3,219	3,279
Other non-cash transactions		
Net currency gains/losses	119	-28
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	-2,242	-1,758
Trade receivables	-46	-1,257
Other assets	-1,135	-20
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	93	141
Trade payables	3,660	32
Other liabilities	345	105
Cash flow from operating activities	**4,026**	**1,555**
Cash outflow for income taxes	-4	0
Cash outflow for interest payments	-268	-282
Net cash flow from operating activities	**3,754**	**1,273**
Cash flow from investing activities		
Cash inflow from interest payments	0	0
Cash outflow for intangible assets	-959	-998
Cash outflow for property, plant and equipment	-5,508	-2,243
Net cash flow from investing activities	**-6,467**	**-3,241**
Cash flow from financing activities		
Cash inflow from loans	1,663	4,337
Cash outflow for loan repayment installments	-1,973	-1,146
Cash outflow for liabilities under finance leases	0	0
Net cash flow from financing activities	**-310**	**3,191**
Total cash flow	**-3,023**	**1,223**
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	29	-149
Cash and cash equivalents at end of period	**-8,715**	**-5,600**

Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to September 30, 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 9M 2017	0	0	0	498	0	498
Other comprehensive income, after taxes for 9M 2017	0	0	0	0	355	355
Total comprehensive income for 9M 2017	0	0	0	498	355	853
As of September 30, 2017	**4,287**	**-64**	**15,389**	**-973**	**-1,059**	**17,580**
As of January 1, 2018	**4,287**	**-64**	**15,389**	**-744**	**-746**	**18,122**
Net result for 9M 2018	0	0	0	-493	0	-493
Other comprehensive income, after taxes for 9M 2018	0	0	0	0	157	157
Total comprehensive income for 9M 2018	0	0	0	-493	157	-336
As of September 30, 2018	**4,287**	**-64**	**15,389**	**-1,237**	**-589**	**17,786**

Notes to the Consolidated Interim Financial Statements

for the period from January 1 to September 30, 2018

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems AG as of September 30, 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 nine-month period ending on September 30, 2018. Comparative data refer to the consolidated financial statements as of December 31, 2017, or the consolidated interim financial statements as of September 30, 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, 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 9M 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 September 30, 2018
Segment sales and segment earnings

Segment	Automotive Technology		Industrial Electronics		Total	
In EUR ´000	**9M 2018**	9M 2017	**9M 2018**	9M 2017	**9M 2018**	9M 2017
Sales	**28,515**	29,101	**8,127**	8,200	**36,642**	37,301
EBIT	**-310**	750	**323**	310	**13**	1,060

Key financial figures	9M 2018 EUR ´000 or %	9M 2017 EUR ´000 or %	Change 2018 vs. 2017
EBITDA	**3,232**	**4,339**	-25.5%
Net margin	**-1.4%**	**1.3%**	
Pre-tax margin	**-0.9%**	**2.0%**	
Material cost ratio (in terms of total output)	**53.7%**	**54.9%**	
Personnel cost ratio	**24.7%**	**23.0%**	
EBIT margin	**0.0%**	**2.8%**	
Gross profit margin	**45.3%**	**44.3%**	

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

Closing rates	Sep 30, 2018	Dec 31, 2017	Sep 30, 2017
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.715	CZK 25.540	CZK 25.975
USA	USD 1.158	USD 1,199	USD 1.181
Mexico	MXN 21.846	MXN 23.693	MXN 21.513

Average rates	Sep 30, 2018	Dec 31, 2017	Sep 30, 2017
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.570	CZK 26.330	CZK 26.553
USA	USD 1.194	USD 1.130	USD 1.114
Mexico	MXN 22.780	MXN 21.316	MXN 20.971

Segment information

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 revenues declined slightly to EUR 36,642 thousand in the first nine months of 2018, compared with EUR 37,301 thousand in the prior-year period. Both segments reported a drop in sales. EBITDA declined significantly from EUR 4,339 thousand to EUR 3,232 thousand. The net result for the first nine months was negative at minus EUR 493 thousand (9M 2017: EUR 498 thousand).

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 36% as of September 30, 2018 (December 31, 2017: 42%) shows that the company is still soundly financed.

The net cash flow from operating activities was EUR 3,754 thousand in the first nine months of 2018 (9M 2017: EUR 1,273 thousand). The total cash outflow was EUR 3,023 thousand in the reporting period as a result of higher investment at the sites in Mexico and the Czech Republic (9M 2017: cash inflow of EUR 1,223 thousand). Cash and cash equivalents therefore changed from minus EUR 5,721 thousand as of December 31, 2017 to minus EUR 8,715 thousand as of September 30, 2018. Equity and liabilities changed as follows in the reporting period: equity declined to EUR 17,786 thousand (December 31, 2017: EUR 18,122 thousand), while non-current liabilities fell to EUR 12,327 thousand (December 31, 2017: EUR 12,604 thousand). Current liabilities increased to EUR 19,886 thousand (December 31, 2017: EUR 12,523 thousand), mainly because of new bank borrowings and the increase in trade payables. On the assets side of the balance sheet, non -current assets rose to EUR 28,954 thousand (December 31, 2017: EUR 25,756 thousand), while current assets rose to EUR 21,045 thousand (December 31, 2017: EUR 17,493 thousand) as a result of the increase in inventories and other current receivables.

Events after the reporting date

On October 25, 2018, the company published the results for the third quarter of 2018 and the revised outlook for the 2018 financial year in an ad-hoc statement.

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 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.

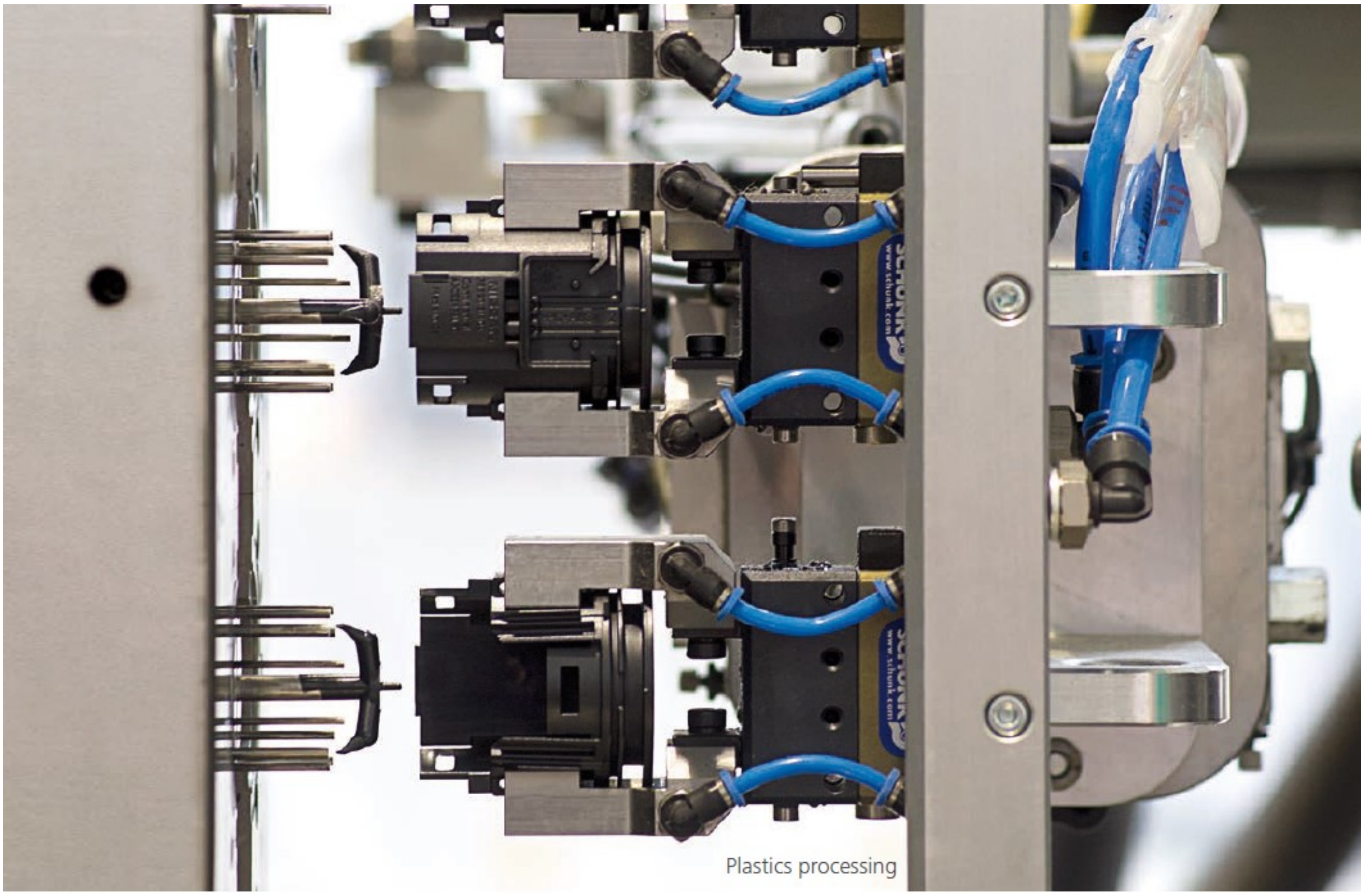
In addition, under sec. 3 paragraph 3 of the articles of incorporation, the Supervisory Board may alter the articles of incorporation in the event of a capital increase out of the authorized capital 2017/I to bring them into line with the extent of the capital increase and may make any other amendments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

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 September 30, 2018, InTiCa Systems AG still had treasury stock amounting to 64,430 shares (December 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 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 4.4 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


Plastics processing

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, November 21, 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

November 22, 2018	Publication of Interim Financial Statements for 9M 2018
December 11/12, 2018	Presentation at the Munich Capital Market Conference 2018

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