InTiCa Systems

2023

INTERIM REPORT Q1

Q1 2023 in figures

The Group	Q1 2021 EUR ´000	Q1 2022 EUR ´000	**Q1 2023 EUR ´000**	Change vs. Q1 2022
Sales	28,758	26,924	**23,736**	-11.8%
Net margin (net result for the period)	3.4%	2.4%	**0.9%**	-
EBITDA	2,757	2,497	**2,101**	-15.9%
EBIT	1,339	1,019	**615**	-39.6%
EBT	1,220	899	**325**	-63.8%
Net result for the period	986	649	**221**	-65.9%
Earnings per share (diluted/basic in EUR)	0.23	0.15	**0.05**	-65.9%
Total cash flow	-1,730	-3,144	**-4,667**	-
Net cash flow for operating activities	16	-269	**-2,964**	-
Capital expenditure	901	1,701	**1,697**	-0.2%

	Mar 31, 2022 EUR ´000	Dec 31, 2022 EUR ´000	**Mar 31, 2023 EUR ´000**	Change vs. Dec 31, 2022
Total assets	62,604	65,418	**70,506**	+7.8%
Equity	20,686	21,969	**22,816**	+3.9%
Equity ratio	33%	34%	**32%**	-
Number of employees incl. agency staff	930	847	**829**	-2.1%

The Stock	Q1 2022	2022	**Q1 2023**
Closing price (in EUR)	11.60	8.00	**7.70**
Period high (in EUR)	12.70	12.70	**8.60**
Period low (in EUR)	10.40	7.50	**7.55**
Market capitalisation at end of period (in EUR million)	49.73	34.30	**33.01**
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

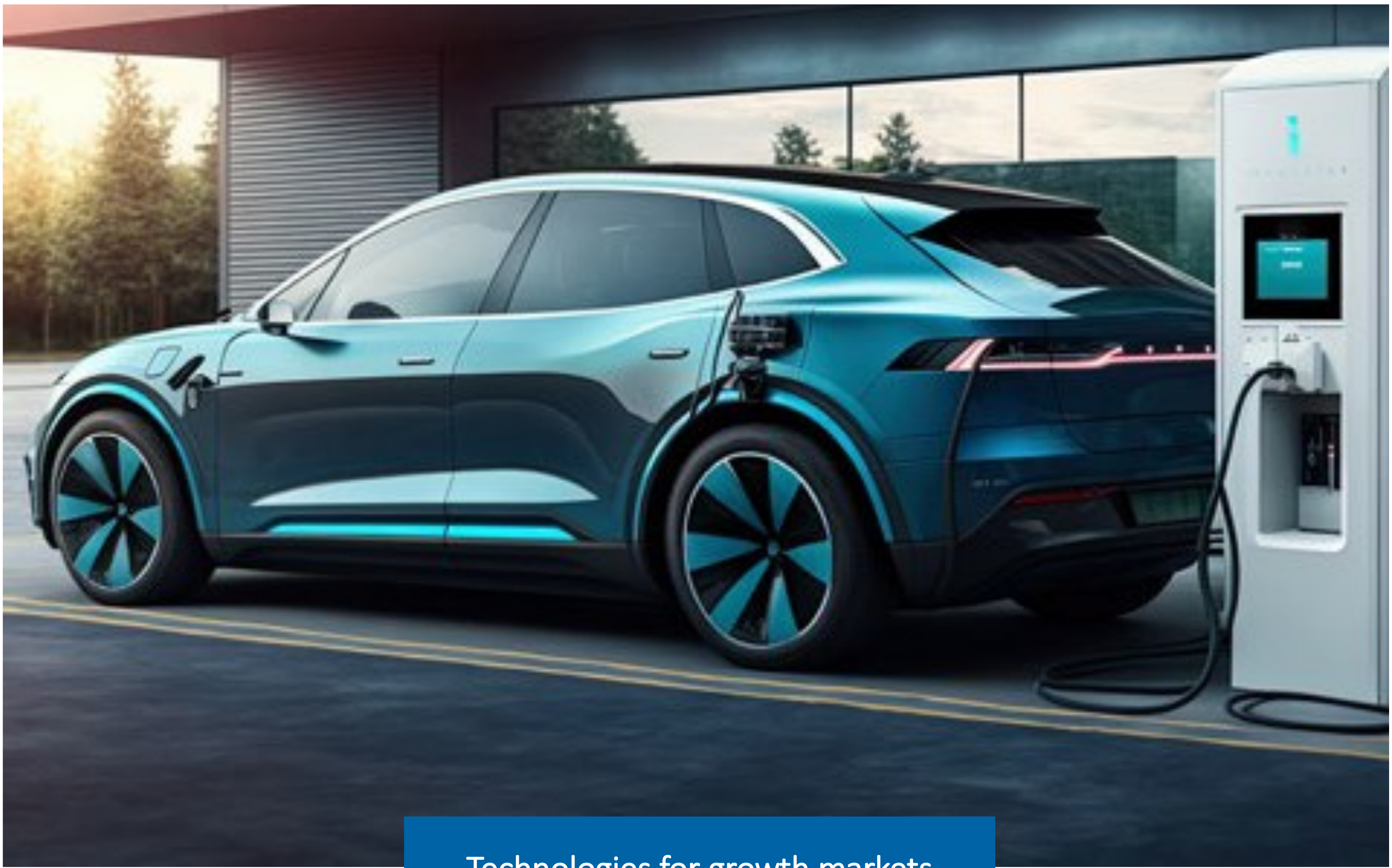
Dear shareholders, employees and business associates,

We made a subdued start to the year in the first quarter of 2023, as we had expected. As outlined in our most recent annual report, the highly volatile call-off patterns observed at the end of last year continued in the first quarter. In particular, the phase-out of a high-volume product went far faster than had been anticipated. In addition, the site in Mexico was affected by lower orders from US and European producers for the Chinese market and in Germany orders for hybrids were affected by the uncertainty resulting from changes in subsidies for electric cars. Overall, sales were in parts well below the levels originally forecast by customers. On the earnings side, profitability was adversely affected by the increase in fixed costs as a result of the general inflation.

Although the macroeconomic situation remains uncertain and the operational management to overcome this is challenging, the company has sufficient future-oriented business and development potential. Firstly, we are still reporting Group sales of EUR 23.7 million, positive earnings indicators at all levels and a solid financial situation. We are therefore within our forecast. Secondly, our optimism is based on further positive developments in the first quarter. These include, above all, growth in the Industry & Infrastructure segment. Strengthening this segment, leveraging synergies and reducing dependence on individual customers are InTiCa's declared strategic objectives. We are therefore particularly pleased by the visible progress and the rising demand for our components for inverters, smart metering, energy storage systems and electric charging systems.

The improvement in the supply chains also makes us positive about the remainder of the year. The easing of the problems is not only visible in our operations; it is also reflected in our figures. For example, the ratio of material costs to total output was lower than in the prior-year period. That helps to cushion the increase in personnel expenses. Without doubt, the emotional highlight in the reporting period was the start-up of production at our new site in Ukraine. Although the ramp-up is gradual and the contribution to production will only be small in 2023, for us all it is extremely exciting and motivating to see the first parts being produced in Bila Tserkva.

Moments like these show that it is worthwhile sticking to clear strategic goals even in difficult circumstances. We have recently also noticed an upturn in demand from customers and our underlying growth drivers – electrification and digitalization – are still intact. Intelligent management and efficient use of electric energy are essential to shape the future. From a technological perspective, massive progress with development and complex product specifications for power components are imperative.



Technologies for growth markets

As an established solution provider, we have an excellent position, which we are steadily strengthening by investing continuously. In the first quarter, for instance, a further production line for innovative antennas was taken into service on schedule in Prachatice and a new line for actuators for chassis passed the acceptance tests in Mexico and is scheduled to come into service in the second quarter. At the same time, production workflows are constantly being optimized.

Thanks to their attentiveness and readiness to think out-of-the-box, our employees create "technologies for growth markets" on a day-to-day basis. We would like to thank them most sincerely for that. Moreover, we would like to thank our customers and business associates for their good collaboration and our shareholders for the trust they place in us.

Passau, May 2023

Yours,

Dr. Gregor Wasle	Günther Kneidinger
Chairman of the Board of Directors	Member of the Board of Directors

Company Boards

Board of Directors

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

Udo Zimmer
Chairman
Business administration graduate
Rottach-Egern

- Self-employed consultant
- Advisory Board of VIA optronics AG

Werner Paletschek
Deputy Chairman
Business administration graduate
Fürstenzell

- 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
- Advisory Board of Karl Bach GmbH & Co. KG

The Stock

InTiCa Systems' share price performance[1)]

Following a difficult year for the stock markets in 2022, which was dominated by the outbreak of war in Ukraine and a drop in the value of shares in InTiCa Systems and all relevant benchmark indices, shares in InTiCa Systems started 2023 at EUR 8.10. In the first two months of the year, the shares traded in a stable range of EUR 8.00 to EUR 9.00, reaching a high of EUR 8.60. At the start of March, the share price dropped below EUR 8.00. Amid the general market uncertainty caused by the failure of three US banks and the crisis at Credit Suisse, shares in InTica hit a low for the reporting period of EUR 7.55 in mid-March 2023. They ended the first quarter at EUR 7.70. Subsequently, the share price moved between EUR 7.00 and EUR 8.00. The closing price on May 18, 2023 was EUR 7.25, a drop of 10.5% since the start of the year, and InTiCa Systems' market capitalization was EUR 31.1 million.

In the first three months of 2023, 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 2022 attracted considerable interest from analysts and investors. The presentation 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, the Annual General Meeting on June 19, 2023 will be held virtually again. In addition, InTiCa Systems SE once again 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 November 15/16, 2023.

1) Price data based on Xetra, source: Bloomberg

Key data on the share

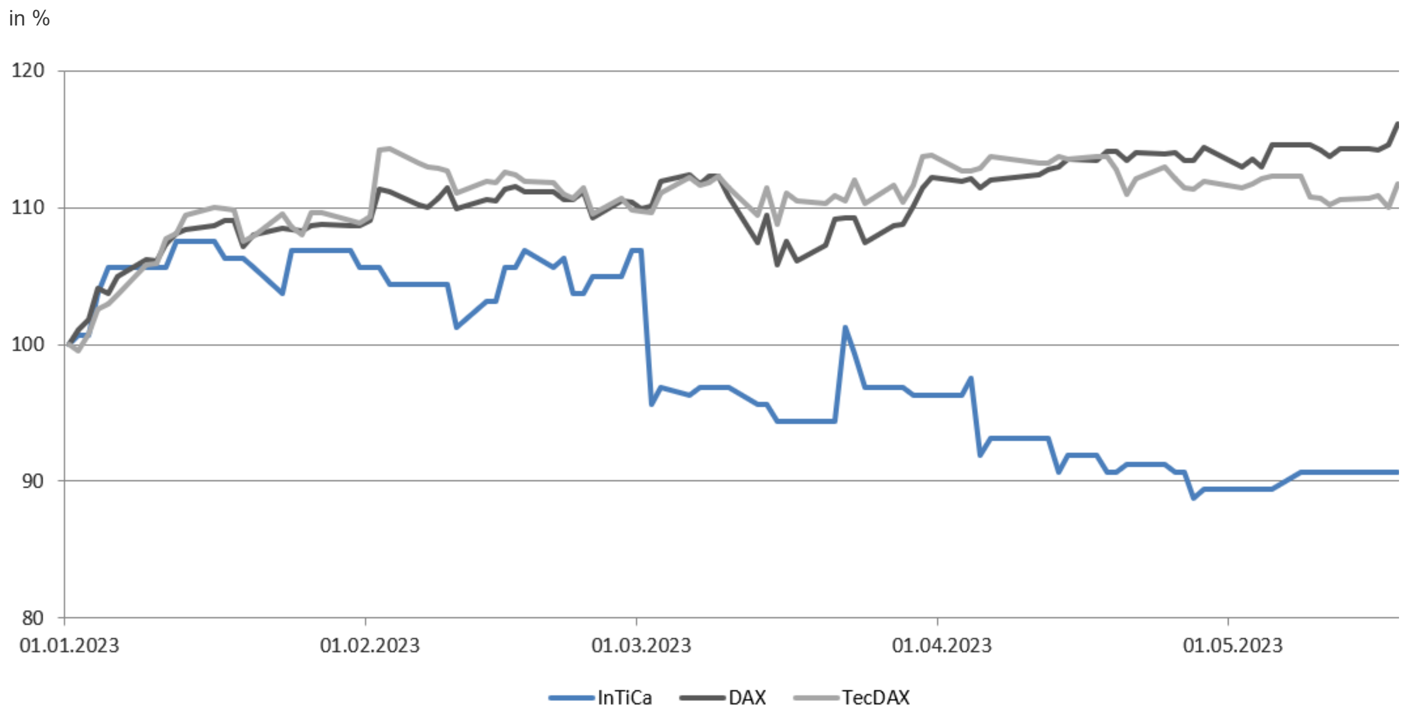
ISIN	DE0005874846
WKN	587484
Stock market symbol	IS7
Trading segment	Regulated Market
Transparency level	Prime Standard
Designated Sponsor	BankM AG
Research Coverage	SMC Research
No. of shares	4,287,000
Trading exchanges	XETRA®, Frankfurt, Hamburg, Berlin, München, Stuttgart, Düsseldorf

Shareholder structure

Dr. Dr. Axel Diekmann	over 30%
Thorsten Wagner	over 25%
Tom Hiss	over 5%
Treasury stock	1.5%
Management	less than 1%

As of May 15, 2023

Share price performance



Interim Management Report

for the period from January 1 to March 31, 2023

Economic report

General economic conditions

The global economy remained weak in spring 2023, with the purchasing power of private households eroded by high inflation and macroeconomic demand held back by rising interest rates. In addition, high energy prices put pressure on households and companies in Europe, while in Asia the end of the boom in IT products and semiconductors had a negative effect. At the same time, the economic outlook was improved by the re-opening of the Chinese economy following the end of the pandemic. Inflation rates in the advanced economies will play an important role in the development of the global economy in 2023 because they will determine further monetary policy measures, interest rates and financing costs. In their Joint Economic Forecast in spring 2023, the leading German economic institutes assume that although the core inflation rate has peaked, inflation will only ebb very slowly. Prices for some industrial raw materials recently rose again, there have been some sharp wage increases and higher production costs are increasingly being passed on to consumers. Support is coming from the fact that international supply chains have largely normalized and there are currently no signs of further serious disruption. The Joint Economic Forecast projects moderate growth in global production of 2.0% this year. China is expected to grow by 4.8%, the highest growth rate of the major economies, followed by the USA with growth of 1.1% and Latin America and the EU with growth rates of 0.8%. German GDP stagnated in the first three months of this year. In the coming quarters, however, manufacturing industry should support the economy because it is benefiting directly from the reduction in supply bottlenecks and more favourable energy prices. For the full year, the Joint Economic Forecast therefore predicts that German GDP will grow by 0.3%. The institutes assume that the war in Ukraine will continue and that the availability of gas in Europe can be secured beyond autumn 2023. The biggest risk factor apart from energy supply and the development of inflation is the turbulence in the international banking sector.

Globally, economic conditions in the automotive sector were slightly better than had been expected in the first quarter of 2023. The supply chain situation eased noticeably and the exceptionally high order backlogs were reduced to some extent. That said, the ongoing constraints on starting products and intermediates and high energy and raw material prices are holding back the recovery and the industry is still a long way off its pre-crisis level. According to the German Automotive Industry Association (VDA), a significant rise in new registrations compared with Q1 2022 was nevertheless reported in all major automotive regions except for China (-6.9%). While the Chinese market posted a high level in 2022, weak prior-year levels benefited the development in Europe (+17.5%), Japan (+16.7%) and the USA (+8.1%). In Germany, there was an 8% rise in new registrations in the first four months of this year. In April, output was above the prior-year month for the twelfth consecutive time in succession, but year-to-date new orders are 8% lower than in the first fourth months of 2022. In particular, demand for electric vehicles was affected by the uncertainty caused by the withdrawal of subsidies for plug-in hybrids at the end of 2022. The drastic drop in this market segment was not offset by the dynamic growth in pure battery electric vehicles. In Germany, at total of 173,900 new cars with electric drives were registered between January and April (-11%). In view of the positive overall development, the VDA has nevertheless revised its forecast for the German car market and now estimates that new registrations will rise by 4% (previously: +2%). It has also increased its growth expectations for Europe from +5% to +7%. The forecasts for China (+3%) and the USA (+4%) remain unchanged, so global growth of 4% to 74.9 million cars is assumed (previously: +4% to 74.6 million).

At the beginning of 2023, the German electro and digital industry continued the dynamic growth seen in the previous year. According to the industry association, ZVEI, in January and February aggregate sector sales were 15.5% higher than in the first two months of the previous year, with domestic sales (+18.1%) rising faster than foreign sales (+13.3%). Order intake was 6.3% higher and production was significantly above the expectations for the full year at 5.9%. Despite the challenging macroeconomic conditions, ZVEI now anticipates growth of between 1% and 2%, compared with its previous forecast that real output would stagnate. For the first time in a quarter of a century, the sector currently has more than 900,000 employees in Germany alone. However, the business climate has recently clouded considerably. In April, companies in this sector were less optimistic about their current situation than they had been in March and general business expectations were actually negative. Only 15% of German electrical and electronics companies expected business to pick up in the next six months, while 61% anticipated no change and 24% forecast a deterioration. Export expectations also declined in April. Here, the net balance of companies expecting higher or lower export deliveries fell from +9 percentage points to +2 percentage points. Sector-wide capacity utilization was 85.7% at the beginning of the second quarter, down more than 2 percentage points compared with three months earlier. 22% of companies in the sector reported too few orders. Overall, order coverage declined from 5.6 to 5.2 months.

Significant events in the reporting period

After carefully weighing up the opportunities and risks, it was decided to gradually commence production at the site of wholly owned subsidiary InTiCa Systems TOV in Bila Tserkva, Ukraine, at the start of 2023. Production of very small quantities of the first products has started. The development of the Ukrainian subsidiary is being monitored very closely due to the ongoing war.

On March 10, 2023, InTiCa Systems SE was entered in the commercial register. The conversion of InTiCa Systems AG to InTiCa Systems SE has thus been completed and formally taken effect. The dual management structure is unaffected by the new legal form. Moreover, it does not alter the responsibilities and composition of the Board of Directors and the Supervisory Board. The new legal form will not affect shareholders, contract partners, customers, employees and the corporate governance of the company.

There were no other events of material significance for the company or its assets, financial position or results of operations in the reporting period.

Earnings, asset and financial position

As expected, InTiCa Systems SE made a subdued start to 2023. The volatility of order call-offs visible at the end of 2022 continued into the first quarter of this year. Moreover, inflation remains high and the global price trend for raw materials and semi-finished products is still very difficult. At the end of the first quarter, sales and order intake were below the prior-year level. However, the underlying growth drivers, namely electrification and digitalization, remain intact and recently there was a renewed upturn in customer demand.

At segment level, the Automotive segment was negatively affected. In particular, the phase-out of a high-volume product went far faster than had been anticipated. In addition, American and European producers reduced their orders for the Chinese market and in Germany a change in subsidies for electric cars resulted in uncertainty about order patterns for hybrid vehicles. By contrast, Industry & Infrastructure posted slight growth as the strategic focus on synergies is increasingly becoming visible.

Analogously to sales, all earnings indicators were lower, but still clearly positive. The ratio of material costs to total output was clearly lower than in the previous year. Here the easing of the supply chains is having an impact. Conversely, the personnel expense ratio (including agency staff) showed a significant rise from a low level. Overall, inflation resulted in a visible increase in fixed costs.

Due to the year-on-year decline in interim profit and the changes in working capital as of the reporting date, cash flow from operating activities was negative in the first three months of 2023. Due to continued investment activity, this applies to an even greater extent for the overall cash flow. The equity ratio slipped slightly in the reporting period but remains at a solid level.

Earnings position

Group sales declined by 11.8% year-on-year to EUR 23.7 million in the first three months of 2023 (3M 2022: EUR 26.9 million). In the Automotive segment, sales dropped 18.2% year-on-year to EUR 16.4 million (3M 2022: EUR 20.1 million) while sales in the Industry & Infrastructure segment increased by 6.7% to EUR 7.3 million (3M 2022: EUR 6.9 million).

At 62.0%, the ratio of material costs to total output in the reporting period was clearly below the prior-year level (3M 2022: 64.1%). By contrast, the personnel expense ratio (including agency staff) increased significantly from 19.8% to 23.9%. At the same time, other operating expenses decreased from EUR 3.4 million in the prior-year period to EUR 3.1 million. The other operating expenses include expenses of EUR 0.9 million (3M 2022: EUR 1.1 million) for agency staff.

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 1.5 million (3M 2022: EUR 1.5 million), and spending on research and development was EUR 0.7 million (3M 2022: EUR 0.7 million). Development work focused principally on the e-solutions business.

EBITDA (earnings before interest, taxes, depreciation and amortization) decreased by 15.9% to EUR 2.1 million (3M 2022: EUR 2.5 million), with the EBITDA margin slightly below the previous year's level at 8.9% (3M 2022: 9.3%). EBIT (earnings before interest and taxes) amounted to EUR 0.6 million (3M 2022: EUR 1.0 million), so the EBIT margin declined from 3.8% to 2.6%. At segment level, Automotive reported EBIT of EUR 0.4 million in the first three months of 2023 (3M 2022: EUR 0.8 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.2 million (3M 2022: EUR 0.2 million).

The financial result was minus EUR 0.3 million in the reporting period (3M 2022: minus EUR 0.1 million), and tax expense was EUR 0.1 million (3M 2022: EUR 0.3 million). Group net income therefore amounted to EUR 0.2 million in the first three months (3M 2022: EUR 0.6 million). Earnings per share were EUR 0.05 (3M 2022: EUR 0.15).

As a result of currency translation gains of EUR 0.6 million (3M 2022: EUR 0.4 million) from the translation of foreign business operations, total comprehensive income was EUR 0.8 million in the first three months of 2023 (3M 2022: EUR 1.0 million).

Non-current assets

Non-current assets increased slightly to EUR 33.8 million as of March 31, 2023 (December 31, 2022: EUR 33.0 million). Property, plant and equipment rose from EUR 26.9 million to EUR 27.4 million due to increased capital expenditures, while intangible assets increased to EUR 4.5 million (December 31, 2022: EUR 4.4 million) and deferred taxes rose to EUR 1.9 million (December 31, 2022: EUR 1.8 million).

Current assets

Current assets increased to EUR 36.7 million as of March 31, 2023 (December 31, 2022: EUR 32.4 million). This was mainly attributable to the rise in trade receivables from EUR 9.6 million to EUR 13.6 million. Inventories also increased slightly from EUR 17.1 million to EUR 17.7 million, while other financial assets rose from EUR 0.6 million to EUR 0.9 million and other current receivables rose from EUR 1.3 million to EUR 1.7 million. Cash and cash equivalents totalled EUR 2.3 million on March 31, 2023 (December 31, 2022: EUR 3.2 million).

Liabilities

Current liabilities increased visibly to EUR 30.1 million in the first quarter of 2023 (December 31, 2022: EUR 26.1 million). This was mainly attributable to the rise in financial liabilities from EUR 12.4 million to EUR 15.9 million. Trade payables also increased from EUR 7.6 million to EUR 8.1 million, other current provisions rose to EUR 2.8 million (December 31, 2022: EUR 2.4 million) and other current financial liabilities rose to EUR 1.9 million (December 31, 2022: EUR 1.7 million). Tax liabilities were EUR 0.5 million, as they were at year-end 2022 (December 31, 2022: EUR 0.5 million). Other current liabilities decreased to EUR 0.9 million as of March 31, 2023 (December 31, 2022: EUR 1.5 million).

Non-current liabilities increased slightly from EUR 17.4 million to EUR 17.6 million as of March 31, 2023. While other non-current financial liabilities dropped from EUR 2.8 million to EUR 2.6 million in the reporting period, non-current liabilities to banks rose from EUR 12.7 million to EUR 13.2 million. Deferred taxes were unchanged from December 31, 2022 at EUR 1.8 million.

Equity

Equity increased to EUR 22.8 million as of March 31, 2023 (December 31, 2022: EUR 22.0 million). This was attributable to the increase in the profit reserve from EUR 2.5 million to EUR 2.8 million due to the profit for the period. In addition, the currency translation reserve improved from minus EUR 0.2 million to plus EUR 0.5 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 increased to EUR 70.5 million at the end of the first quarter of 2023 (December 31, 2022: EUR 65.4 million). The equity ratio thus declined slightly from 33.6% to 32.4%.

Liquidity and cash flow statement

The net cash outflow for operating activities was EUR 2,964 thousand in the first three months of 2023 (3M 2022: outflow of EUR 269 thousand). The increase in receivables and inventories outweighed the positive interim result, including depreciation and amortization and the increase in trade payables and provisions. Excluding tax expense and interest payments, the cash outflow for operating activities was EUR 2,573 thousand (3M 2022: outflow of EUR 49 thousand).

The net cash outflow for investing activities was EUR 1.7 million in the reporting period (3M 2022: outflow of EUR 1.7 million). Investment in intangible assets amounted to EUR 0.5 million (3M 2022: EUR 0.2 million) and investment in property, plant and equipment was EUR 1.2 million (3M 2022: EUR 1.5 million). Based on current plans, capital expenditures for property, plant and equipment will be around EUR 6.0 million overall. These mainly comprise the installation of a further high-performance production line for stators in the Czech Republic to service a new order for hybrid systems and a new production line in Mexico for the Industry & Infrastructure segment. Within the Industry & Infrastructure segment, production facilities for products for charging infrastructure are to be optimized.

The net cash outflow for financing activities was EUR 7 thousand in the first quarter of 2023 (3M 2022: outflow of EUR 1.2 million). In the reporting period, cash inflows of EUR 1.5 million from the utilization of a project-related loan (3M 2022: no cash inflows from the use of credit lines) were offset by cash outflows of EUR 1.2 million for the repayment of loans (3M 2022: EUR 0.9 million) and EUR 0.3 million for lease payments (3M 2022: EUR 0.3 million).

This resulted in a total cash outflow of EUR 4.7 million in the reporting period (3M 2022: outflow of EUR 3.1 million). Cash and cash equivalents (less overdrafts) were minus EUR 8.4 million (March 31, 2022: minus EUR 8.4 million). As of the reporting date, InTiCa Systems SE also had assured credit facilities which could be drawn at any time totalling EUR 14.9 million.

Employees

The headcount was 829 on March 31, 2023 (March 31, 2022: 930). 114 of these employees were agency staff (March 31, 2022: 166). On average, the Group had 836 employees in the reporting period (3M 2022: 860), including agency staff in both cases.

Risks and opportunities

The management report in the annual report for 2022 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 SE in the reporting period.

Outlook

The macroeconomic environment remains uncertain. There is currently no sign of end to the war in Ukraine and the geopolitical tension between China and the USA is increasing. In addition, although the availability of materials has improved considerably, global price trends for raw materials and semi-finished products remain tense. For example, a further rise in the price of copper wire is to be expected in the first half of this year. Overall, the inflationary trend gives rise to fears that fixed costs will increase substantially.

In view of this, 2023 got off to a difficult start for InTiCa Systems. At the end of the first quarter, orders on hand were below the strong prior-year level at EUR 96.2 million (March 31, 2022: EUR 105.1 million). 78% of orders were for the Automotive segment (Q1 2022: 81%). So far this year, order offtake has been more volatile than in the comparable period of 2022. Moreover, it is subject to some uncertainty as it is difficult to predict how the geopolitical and economic situation (e.g. the war in Ukraine, availability of materials) will develop. At present, conclusive estimates of the extent of order offtake by customers in the remainder of the year are not possible.

Irrespective of the challenges within the current environment, the electrification of key areas of the economy is still a key growth driver for InTiCa. Demand for its development expertise remains high and, in both segments, a significant proportion of new orders are for new e-solutions products. The company has recently secured new orders for charging points and stator systems, which will start to generate sales in the second half of 2023 or in 2024. In Mexico, 2023 sees the start of a substantial order for an American manufacturer of electric cars, which should lead to further orders – the initial samples delivered were a success. Rising local orders for the NAFTA market and the visible synergies between the two segments underscore two key elements of InTiCa’s corporate strategy. Overall, InTiCa Systems SE therefore remains well positioned to participate in the high demand for innovative e-solutions.

At present, the Board of Directors therefore still assumes for 2023 that, taking into account an ongoing high uncertainty, Group sales will be relatively stable at EUR 85.0 million to EUR 100.0 million, while the EBIT margin will be between 2.5% and 3.5%. Where possible, the material cost ratio should be optimized further in both segments and the equity ratio should remain stable. The assumptions underlying the forecast for 2023 are that the coronavirus pandemic will continue to decline worldwide, the war in Ukraine will not escalate further and there will not be a sustained recession. Unforeseeable negative effects could affect suppliers, have a direct impact on InTiCa Systems, or affect its customers, resulting in an inability to meet expectations.

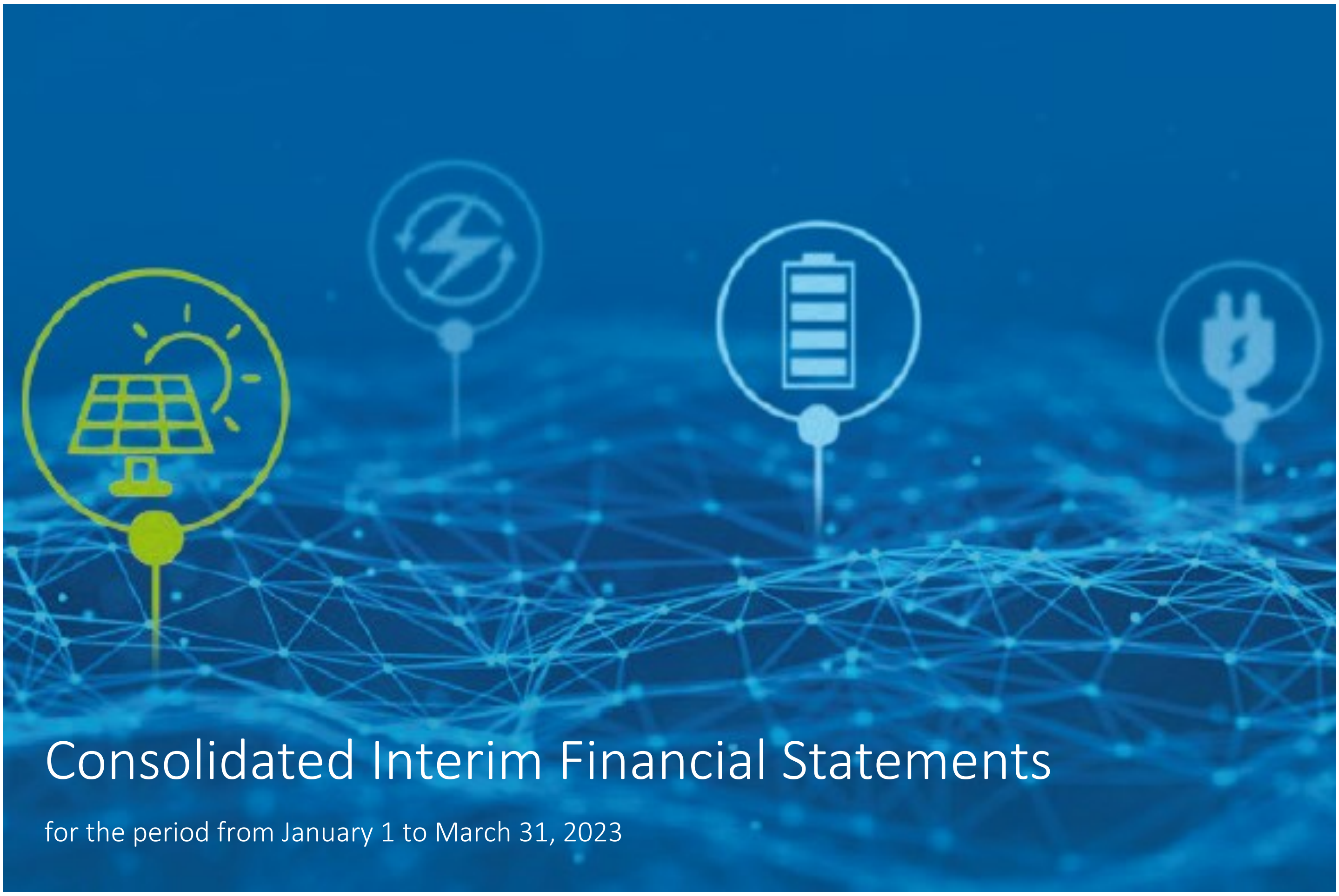
Further information on the segments can be found in the annual report for 2022 in section 6 “Outlook”.

Consolidated interim financial statements in accordance with IFRS

The unaudited consolidated interim financial statements for InTiCa Systems SE and its subsidiaries as of March 31, 2023, 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 SE, 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, 2023

Consolidated Balance Sheet

of InTiCa Systems SE in accordance with IFRS as of March 31, 2023

Assets	Mar 31, 2023 EUR ´000	Dec 31, 2022 EUR ´000
Non-current assets		
Intangible assets	4,535	4,352
Property, plant and equipment	27,421	26,850
Deferred taxes	1,881	1,791
Total non-current assets	**33,837**	**32,993**
Current assets		
Inventories	17,679	17,145
Trade receivables	13,597	9,596
Tax assets	490	497
Other financial assets	851	642
Other current receivables	1,729	1,310
Cash and cash equivalents	2,323	3,235
Total current assets	**36,669**	**32,425**
Total assets	**70,506**	**65,418**

Equity and liabilities

	Mar 31, 2023 EUR ´000	Dec 31, 2022 EUR ´000
Equity		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	2,751	2,530
Currency translation reserve	453	-173
Total equity	**22,816**	**21,969**
Non-current liabilities		
Interest-bearing non-current liabilities	13,186	12,740
Other liabilities	2,613	2,829
Deferred taxes	1,798	1,798
Total non-current liabilities	**17,597**	**17,367**
Current liabilities		
Other current provisions	2,812	2,371
Tax payables	522	538
Interest-bearing current financial liabilities	15,894	12,366
Trade payables	8,134	7,625
Other financial liabilities	1,857	1,716
Other current liabilities	874	1,466
Total current liabilities	**30,093**	**26,082**
Total equity and liabilities	**70,506**	**65,418**
Equity ratio	**32.4%**	33.6%

Consolidated Statement of Profit and Loss and other Comprehensive Income

of InTiCa Systems SE in accordance with IFRS for the period from January 1 to March 31, 2023

	Jan 1 - Mar 31, 2023 EUR ´000	Jan 1 - Mar 31, 2022 EUR ´000	Change 2023 vs. 2022
Sales	**23,736**	**26,924**	**-11.8%**
Other operating income	1,074	928	+15.7%
Changes in finished goods and work in process	-667	-1,675	-
Other own costs capitalized	212	210	+1.0%
Material expense	14,443	16,315	-11.5%
Personnel expense	4,753	4,225	+12.5%
Depreciation and amortization	1,486	1,478	+0.5%
Other operating expenses	3,058	3,350	-8.7%
Operating profit (EBIT)	**615**	**1,019**	**-39.6%**
Cost of financing	291	120	+142.5%
Other financial income	1	0	-
Profit before taxes	**325**	**899**	**-63.8%**
Income taxes	104	250	-58.4%
Net profit for the period	**221**	**649**	**-65.9%**
Other comprehensive income			
Exchange differences from translating foreign business operations	626	377	+66.0%
Other comprehensive income, after taxes	**626**	**377**	**+66.0%**
Total comprehensive income for the period	**847**	**1,026**	**-17.4%**
Earnings per share (diluted/basic in EUR)	0.05	0.15	-65.9%
EBITDA	**2,101**	**2,497**	**-15.9%**

Consolidated Cash Flow Statement

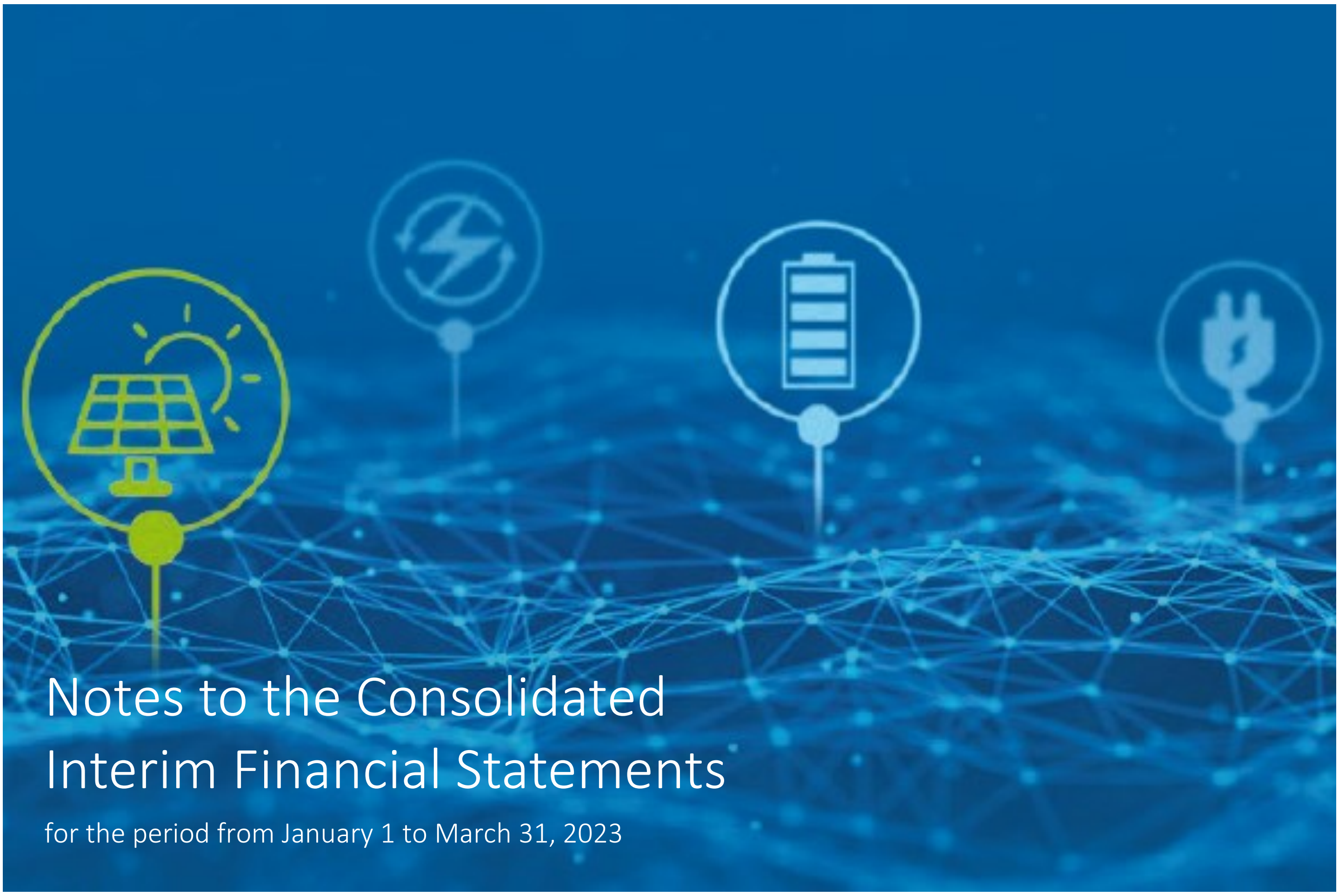
of InTiCa Systems SE in accordance with IFRS for the period from January 1 to March 31, 2023

	Jan 1 - Mar 31, 2023 EUR ´000	Jan 1 - Mar 31, 2022 EUR ´000
Cash flow from operating activities		
Net profit for the period	221	649
Income tax expenditures / receipts	104	250
Cash outflow for borrowing costs	291	120
Income from financial investments	-1	0
Depreciation and amortization of non-current assets	1,486	1,478
Other non-cash transactions		
Net currency gains/losses	13	85
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	-534	846
Trade receivables	-4,001	-5,246
Other assets	-629	192
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	441	541
Trade payables	509	1,085
Other liabilities	-473	-49
Cash flow from operating activities	**-2,573**	**-49**
Cash outflow for income taxes	-121	-112
Cash outflow for interest payments	-270	-108
Net cash flow from operating activities	**-2,964**	**-269**
Cash flow from investing activities		
Cash inflow from interest payments	1	0
Cash outflow for intangible assets	-474	-237
Cash outflow for property, plant and equipment	-1,223	-1,464
Net cash flow from investing activities	**-1,696**	**-1,701**
Cash flow from financing activities		
Cash inflow from loans	1,538	0
Cash outflow for loan repayment installments	-1,248	-912
Cash outflow for liabilities under finance leases	-297	-262
Net cash flow from financing activities	**-7**	**-1,174**
Total cash flow	**-4,667**	**-3,144**
Cash and cash equivalents at start of period	-3,800	-5,238
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	70	-7
Cash and cash equivalents at end of period	**-8,397**	**-8,389**

Consolidated Statement of Changes in Equity

of InTiCa Systems SE in accordance with IFRS for the period from January 1 to March 31, 2023

	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, 2022	**4,287**	**-64**	**15,389**	**915**	**-867**	**19,660**
Net result for Q1 2022	0	0	0	649	0	649
Other comprehensive income, after taxes Q1 2022	0	0	0	0	377	377
Total comprehensive income for Q1 2022	0	0	0	649	377	1,026
As of March 31, 2022	**4,287**	**-64**	**15,389**	**1,564**	**-490**	**20,686**
As of January 1, 2023	**4,287**	**-64**	**15,389**	**2,530**	**-173**	**21,969**
Net result Q1 2023	0	0	0	221	0	221
Other comprehensive income, after taxes Q1 2023	0	0	0	0	626	626
Total comprehensive income for Q1 2023	0	0	0	221	626	847
As of March 31, 2023	**4,287**	**-64**	**15,389**	**2,751**	**453**	**22,816**



Notes to the Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2023

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems SE as of March 31, 2023, 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 2022, 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, 2023. Comparative data refer to the consolidated financial statements as of December 31, 2022, or the consolidated interim financial statements as of March 31, 2022. 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 2022. 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 SE, Passau, Germany, InTiCa Systems s.r.o., Prachatice, Czech Republic, Sistemas Mecatrónicos InTiCa S.A.P.I. de C.V., Silao, Mexico and InTiCa Systems TOV, Bila Tserkva, Ukraine are included in the consolidated financial statements. The Czech and the Ukrainian subsidiaries are wholly owned companies, while InTiCa Systems SE holds 99% 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 2022, there has been no change in the scope of consolidation of InTiCa Systems SE.

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 period.

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

	Closing rates		
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 23.490	CZK 24.565	CZK 24.385
USA	USD 1.087	USD 1.0676	USD 1.109
Mexico	MXN 19.669	MXN 20.652	MXN 22.237
Ukraine	UAH 39.781	UAH 38.951	UAH 32.586

	Average rates		
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 23.785	CZK 24.115	CZK 24.511
USA	USD 1.073	USD 1.0682	USD 1.171
Mexico	MXN 20.028	MXN 21.279	MXN 23.129
Ukraine	UAH 39.223	UAH 33.995	UAH 32.279

Segment information

The notes to the consolidated financial statements in the annual report for 2022 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, 2022.

Consolidated income statement / statement of comprehensive income

Group sales were EUR 23,736 thousand in the first three months of 2023, down from EUR 26,924 thousand in Q1 2022. While there was a significant decline in sales in the Automotive segment, the Industry & Infrastructure segment recorded an increase compared to the prior-year quarter. EBITDA decreased from EUR 2,497 thousand to EUR 2,101 thousand. Group net income was EUR 221 thousand in the reporting period, compared with EUR 649 thousand in the first quarter of the previous year.

Consolidated balance sheet and cash flow statement

The capital stock of InTiCa Systems SE 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 32.4% as of March 31, 2023 (December 31, 2022: 33.6%) shows that the company is still soundly financed.

The net cash outflow for operating activities was EUR 2,964 thousand in the first three months of 2023 (3M 2022: outflow of EUR 269 thousand). The total cash outflow in the reporting period was EUR 4,667 thousand (3M 2022: outflow of EUR 3,144 thousand). Cash and cash equivalents therefore declined from minus EUR 3,800 thousand as of December 31, 2022 to minus EUR 8,397 thousand as of March 31, 2023. Equity and liabilities changed as follows in the reporting period: equity increased to EUR 22,816 thousand (December 31, 2022: EUR 21,969 thousand) and current liabilities rose to EUR 30,093 thousand (December 31, 2022: EUR 26,082 thousand). At EUR 17,597 thousand, non-current liabilities remained at the level of year-end 2022 (December 31, 2022: EUR 17,367 thousand). On the assets side of the balance sheet, non-current assets increased slightly to EUR 33,837 thousand (December 31, 2022: EUR 32,993 thousand), while current assets rose to EUR 36,669 thousand (December 31, 2022: EUR 32,425 thousand).

Events after the reporting period

No reportable events have occurred since the reporting date on March 31, 2023.

Remuneration system of the Board of Directors and Supervisory Board

The remuneration system of the Board of Directors and the Supervisory Board is set out in detail in the Remuneration Report which can be downloaded from the company's website at www.intica-systems.com in the section Investor Relations/Corporate Governance.

German Corporate Governance Code and corporate governance statement

The corporate governance statement for InTiCa Systems SE and the InTiCa Systems Group, which is required by sec. 289f and sec. 315d of the German Commercial Code (HGB), including the corporate governance report, is available on the internet at www.intica-systems.com in the section 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 SE 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%. Dr. Axel Diekmann (Germany) and Mr. Thorsten Wagner (Germany) have direct and indirect interests in the company's capital exceeding 10% of the voting rights.

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

InTiCa Systems SE 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 2022/1 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.

On the basis of the resolution of the Annual General Meeting of July 15, 2022, the Board of Directors is authorized to increase the capital stock with the Supervisory Board's consent, in one or more tranches, up to July 14, 2027, 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 2022). 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, 2023, InTiCa Systems SE still had treasury stock amounting to 64,430 shares (March 31, 2022: 64,430).

On the basis of a resolution adopted by the Annual General Meeting on July 15, 2022, the company is authorized, up to July 14, 2027, 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 SE has loans amounting to EUR 1.0 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.

Segment report as of March 31, 2023
Segment sales and segment earnings

Segment	Automotive		Industry & Infrastructure		Total	
In EUR ´000	**Q1 2023**	Q1 2022	**Q1 2023**	Q1 2022	**Q1 2023**	**Q1 2022**
Sales	**16,409**	20,058	**7,327**	6,867	**23,736**	26,925
EBIT	**387**	783	**228**	236	**615**	1,019

Key financial figures	Q1 2023 EUR ´000 or %	Q1 2022 EUR ´000 or %	Change 2023 vs. 2022
EBITDA	**2,101**	**2,497**	-15.9%
Net margin	**0.9%**	**2.4%**	
Pre-tax margin	**1.4%**	**3.3%**	
Material cost ratio (in terms of total output)	**62.0%**	**64.1%**	
Personnel cost ratio	**23.9%**	**19.8%**	
EBIT margin	**2.6%**	**3.8%**	
Gross profit margin	**37.2%**	**34.0%**	

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 in the remainder of the financial year."

Passau, May 23, 2023

The Board of Directors

Dr. Gregor Wasle	Günther Kneidinger
Chairman of the Board of Directors	Member of the Board of Directors

Financial Calendar 2023

May 24, 2023	Publication of Interim Financial Statements for Q1 2023
June 19, 2023	Annual General Meeting
August 09, 2023	Publication of Interim Financial Statements for H1 2023
November 15, 2023	Publication of Interim Financial Statements for Q3 2023
November 16, 2023	Presentation at the Munich Capital Market Conference 2023
December 31, 2023	End of the financial year

Headquarter:
InTiCa Systems SE
Spitalhofstraße 94
94032 Passau
Germany

Phone +49 (0) 851 96692-0
Fax +49 (0) 851 96692-15

www.intica-systems.com
info@intica-systems.com

Technologies for growth markets!

InTiCa Systems