InTiCa Systems

2020

INTERIM REPORT 9M

9M 2020 in figures

The Group	Q3 2019 EUR ´000	**Q3 2020 EUR ´000**	9M 2019 EUR ´000	**9M 2020 EUR ´000**	Change vs. 9M 2019
Sales	21,203	**17,187**	50,807	**46,662**	-8.2%
Net margin (net result for the period)	3.4%	**-1.8%**	1.9%	**-2.3%**	-
EBITDA	2,525	**1,327**	5,801	**3,639**	-37.3%
EBIT	1,198	**-134**	1,938	**-595**	-
EBT	1,014	**-288**	1,412	**-1,067**	-
Net result for the period	714	**-314**	983	**-1,060**	-
Earnings per share (diluted/basic in EUR)	0.17	**-0.07**	0.23	**-0.25**	-
Total cash flow	-1,231	**6,507**	-2,281	**4,146**	-
Net cash flow for operating activities	-78	**1,583**	2,115	**1,906**	-9.9%
Capital expenditure	661	**431**	3,053	**1,320**	-56.8%

	Sep 30, 2019 EUR ´000	Dec 31, 2019 EUR ´000	**Sep 30, 2020 EUR ´000**	Change vs. Dec 31, 2019
Total assets	61,211	55,297	**53,512**	-3.2%
Equity	17,905	17,969	**15,281**	-15.0%
Equity ratio	29%	33%	**29%**	-
Number of employees incl. agency staff	756	601	**799**	+32.9%

The Stock	9M 2019	2019	**9M 2020**
Closing price (in EUR)	5.40	7.60	**6.25**
Period high (in EUR)	6.30	8.50	**8.50**
Period low (in EUR)	4.84	4.84	**3.80**
Market capitalisation at end of period (in EUR million)	23.1	32.6	**26.8**
Number of shares	4,287,000	4,287,000	**4,287,000**

The stock prices are closing prices on XETRA.

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Foreword by the Board of Directors

Dear shareholders, employees and business associates,

Even from our standpoint at the end of the first nine months, this financial year has clearly been affected by the coronavirus pandemic. Following the unprecedented slump in the spring, a high proportion of economic activity around the world resumed in the summer months as many of the restrictions were gradually lifted. However, returning to the pre-pandemic level remains a long process that is susceptible to setbacks. There is therefore great uncertainty, especially in view of the renewed sharp rise in the number of infections, which has resulted in a renewed tightening of restrictions in many places.

The aggregate figures for 2020 show the extent to which the coronavirus pandemic and the measures to check it are still having an impact, especially on the international automotive markets. So far this year, 7.8 million fewer new cars have been sold in the three major regions than in the same period of last year. In percentage terms, the decline was 29% in Europe and 19% in the USA. Even in China, the number of vehicles sold in the first nine months was down 13% year-on-year despite the rapid recovery there. In September, for the first time in more than two years, year-on-year growth was observed simultaneously in Europe, the USA and China. In Germany, new car registrations were 8% higher in September 2020 than in September 2019.

This development is also reflected at InTiCa. While business remained relatively subdued in July and August, sales and order intake picked up considerably in September. Overall, sales came to EUR 17.2 million in the third quarter, well above the previous quarter (Q2 2020: EUR 11.2 million). Nevertheless, they were significantly lower than in the prior-year quarter (Q3 2019: EUR 21.2 million). While the decline in the Automotive Technology segment (-10.4%) was attributable to the pandemic, the drop in sales in the Industrial Electronics segment (-38.2%) is within the expected range because the prior-year figure contained very high project revenue, which has not been registered on the same scale this year.

At the end of the first nine months, sales are down 8.2% overall at EUR 46.7 million. In view of the scale of the crisis and enormous challenges associated with it, that is still moderate. EBITDA stands at EUR 3.6 million, around 37% lower than in the prior-year period (9M 2019: EUR 5.8 million) and the other earnings indicators are negative, as they were at the end of the first six months. The reasons for the disproportionate drop in earnings are essentially the same as outlined in the half-year report. Firstly, exchange rate effects increased other expenses. Both the Czech koruna and the Mexican peso depreciated sharply at the beginning of the coronavirus pandemic. This resulted in clear currency translation losses at the Prachatice and Silao sites, although these have no impact on cash flow. Secondly, our fixed costs have increased in 2020 as a result of future-oriented investments and the expectation of rising sales. And thirdly, under the special conditions resulting from the coronavirus pandemic, not all orders covered costs. In particular, the temporary plant shutdowns in the Czech Republic and Mexico and the restricted availability and mobility of workers, made it necessary to find specific solutions in order to fulfil orders.

The extent to which it is possible to keep production running smoothly will have a significant impact on the remainder of this financial year and our full-year performance. Our order books are full and orders on hand as of September 30, 2020 amounted to EUR 117 million, on a par with the previous year's high level. Many customers who postponed orders are now calling off very high volumes within a short time. That is challenging, especially in a pandemic as protecting health has top priority and it also more difficult, in particular, to access the necessary personnel. However, as you can see from the present headcount, we are currently increasing personnel at our production sites in the Czech Republic and Mexico so that we can process as many orders as possible before the end of this year.

If we manage to do this, and there is no further supply chain disruption or plant shutdowns despite the rising infection rates, we are confident that we can recoup a significant proportion of the sales shortfall by year-end and report positive earnings in the fourth quarter. Here, we are benefiting, among other things, from the hike in demand for electric cars resulting from the reduction in value-added tax and the increased bonus for the purchase of environmentally friendly cars. According to the Federal Motor Transport Authority (KBA), in September alone, new registrations of electric cars in Germany rose by 337% to 41,353 vehicles. Overall, electric car registrations in Germany increased to 204,492 (+174%) in the first nine months of 2020, despite the coronavirus crisis. Every tenth new car registered in Germany in 2020 was therefore electric. That is noticeable at InTiCa. Our e-solutions business increased its share of total sales to more than 50% in the first nine months of 2020.

In view of our overall strategic focus, we therefore remain confident that we can emerge strengthened from the present challenging situation. We can build on our solid liquidity position. The operating cash flow was clearly positive in the reporting period and the EUR 6 million loan we obtained from the German reconstruction and development bank (KfW) via our banks in July has given us further headroom. That is particularly important given that the situation remains very uncertain and is dominated by short-term decisions. The development of our business in the fourth quarter will depend to a large extent on how the pandemic develops, which measures are taken by the authorities, and how these affect logistics and staff availability. In view of this, specific forecasting for the year as a whole is still impossible. We will issue guidance as soon as this changes.

In these extraordinary times, we would especially like to thank the InTiCa Systems team at all our sites for their work, their commitment and, above all, their active support in handling this crisis. In addition, we would like to thank our customers and partners for their good collaboration in these difficult conditions and, last but not least, you, our shareholders, for your trust in us.

Passau, November 2020

Yours,

Dr. Gregor Wasle
Chairman of the
Board of Directors

Günther Kneidinger
Member of the
Board of Directors

Company Boards

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

Board of Directors

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

Munich

- *Chairman of the Board of Management of REMA TIP TOP 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*

The Stock

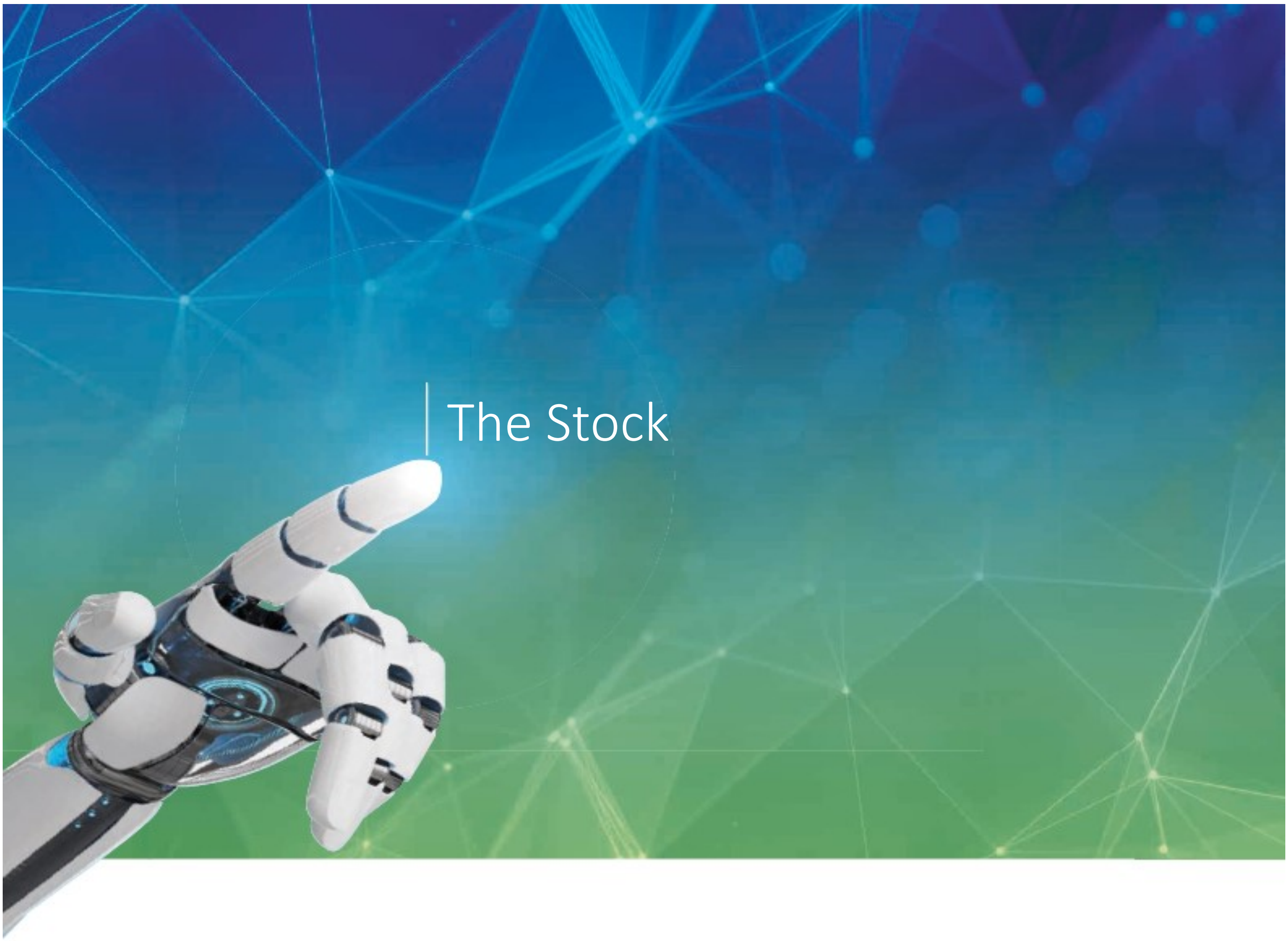
InTiCa Systems' share price performance[1)]

Following on from 2019, which was a positive year on the stock market, with the TecDAX rising to a record level in December 2019, the markets initially remained stable at the start of 2020. At the close of trading on February 19, 2020, Germany's blue-chip index, the DAX, hit an absolute all-time high of 13,789 points. However, the escalating coronavirus pandemic and concern about its economic impact led to considerable turbulence on the financial markets and the world's leading indices fell. By mid-March the DAX had fallen by around 38 percent to below 8,500 points. This was followed by a continuous recovery and the DAX topped 13,000 points again on July 20, 2020. The market then remained highly volatile and the index traded in a range between 12,500 to 13,250 points up to the end of October. The DAX subsequently slipped back considerably amid the renewed rise in infections and speculation about a second lockdown, closing at 11,556.48 points on October 30, 2020. However, once it was clear which measures were to be imposed, leading to market expectations that the impact on the economy as a whole would not be as drastic as had been feared, the DAX rapidly rebounded to over 13,000 points. At the close of trading on November 11, 2020, it stood at 13,216.18 points and was therefore back at the level registered at the start of January (January 2, 2020: 13,385,93 points). The TecDax closed at 3,028.112 points on November 11, 2020, which was also back on a par with the start of January (January 2, 2020: 3,063.44 points)

In this exceptional situation, some small and mid-caps like InTiCa Systems AG were exposed to even greater volatility. Having ended 2019 with a pleasing gain of around 22%, shares in InTiCa Systems AG started the new year at EUR 7.25. Initially, the upward trend continued. The share price rose to a year-to-date high of EUR 8.50 on January 24, 2020. Shares in InTiCa Systems AG were unable to buck the general downward trend that started at the end of February as a result of the coronavirus pandemic and fell considerably in this period. The year-to-date low was EUR 3.80 on March 16, 2020. The financial markets subsequently recovered and – supported by strong Q1 figures – shares in InTiCa Systems picked up again, rising above the EUR 6 mark on July 13, 2020. The share price then suffered a setback to EUR 5.00. Following the takeover offer by PRINTad Verlags – GmbH, the price jumped back above EUR 6.00 and subsequently continued to develop positively, contrary to the general market trend. The closing price on November 11, 2020 was EUR 6.95, a moderate drop of 3.5% since the start of the year, and InTiCa Systems' market capitalization was EUR 29.8 million.

In the nine months of 2020, we provided timely information for our shareholders and the general public on current business trends, specific events and the company's overall prospects. As in the past, the press conference to mark the publication of the annual report for 2019 attracted considerable interest from analysts and investors. The presentation and speech given at the press conference can be accessed on the company's homepage at Investor Relations/Publications

1) Price data based on Xetra, source: Bloomberg



[available in German only]. The presentation given at this year's Annual General Meeting on July 15, 2020, which was held virtually for the first time due to the corona pandemic, is also published on the website. At the AGM, shareholders were able to inform themselves about fiscal 2019 and the corrent situation at InTiCa Systems AG.

In addition, InTiCa Systems AG once again plans to give a presentation for investors, analysts and financial journalists at this year's Munich Capital Markets Conference (MKK). MKK is the biggest capital market conference in southern Germany and will be held on December 8/9, 2020.

Takeover offer by PRINTad Verlags - GmbH

On August 17, 2020, PRINTad Verlags - GmbH decided to make a voluntary takeover offer to the shareholders of InTiCa Systems AG, offering to purchase all shares in the company for a cash payment of EUR 6.00 per InTiCa share. The bidder is a wholly owned subsidiary of Optima Vermögensverwaltung GmbH & Co. KG, which has its registered office in Passau, Germany. Its sole personally liable partner is Optima Beteiligungs GmbH, which has its registered office in Passau, Germany, and is wholly owned by Dr. Axel Diekmann. The offer document was published on September 11, 2020. The company's opinion on the takeover offer is available on the website at Investor Relations / Takeover Offer [in German only]. The deadline for acceptance of the offer was October 28, 2020. The offer was accepted for a total of 12,598 shares in InTiCa Systems. That corresponds to around 0.294% of the capital stock and of the total voting rights of InTiCa Systems. Following conclusion of the takeover offer, a total of 1,298,269 shares in InTiCa Systems are attributable to Dr. Axel Diekmann. That is 30.284% of the capital stock and of the total voting rights of InTiCa Systems AG.

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

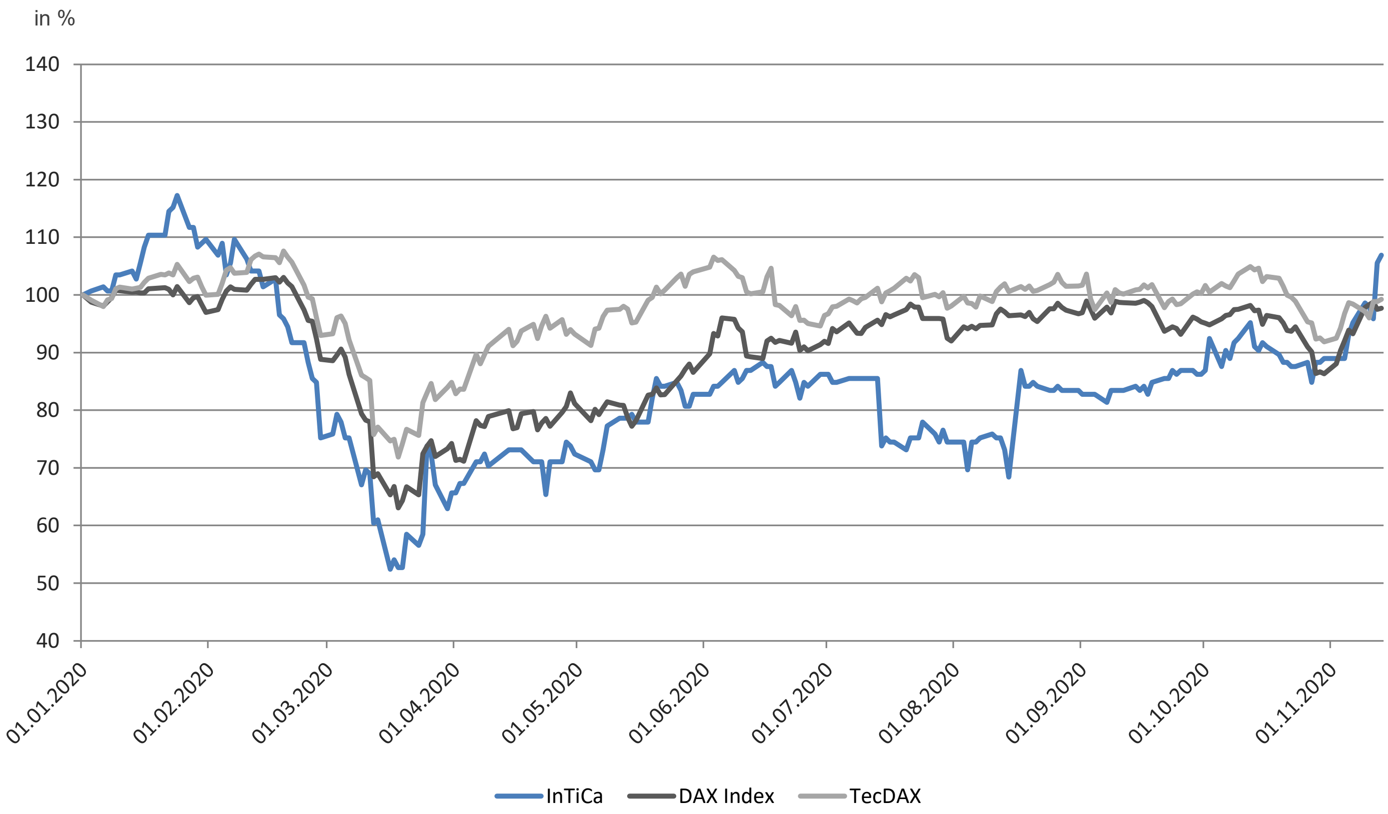
Designated Sponsor	BankM AG
Research Coverage	SMC Research
No. of shares	4,287,000
Trading exchanges	XETRA®, Frankfurt, Hamburg, Berlin, München, Stuttgart, Düsseldorf

Shareholder structure

Dr. Dr. Axel Diekmann	over 30%
Thorsten Wagner	over 25%
Tom Hiss	over 5%
Jürgen and Elsiabeth Donath	over 3%
InTiCa Systems AG	1.5%
Management	less than 1%

As of November 15, 2020

Share price performance



Interim Management Report of the Group

for the period from January 1 to September 30, 2020

Economic report

General economic conditions

The coronavirus pandemic led to a drastic downturn in large parts of the global economy in the first half of 2020. Industrial output dropped in China from January, followed by a downturn in other Asian countries from February, and in the advanced economies from March, partly due to measures introduced to check the spread of the infection. Following stepwise relaxation of many of the restrictions, a large proportion of economic activity around the world resumed in the summer and some of the economic downturn was offset. Since the Covid-19 pandemic is continuing to spread, renewed lockdowns are currently being imposed in many places to protect the healthcare system. The global economy's return to the pre-pandemic level therefore remains a long process that is susceptible to setbacks. In their Joint Economic Forecast in autumn 2020, the leading German economic research institutes predict that global output will contract by 4.0% in 2020 – the biggest drop since the second world war.

In Germany too, the measures to check the pandemic meant that economic output dropped more sharply in the first half of the year than ever before in the history of the Federal Republic. As a result of the lockdown in April, the country's gross domestic product (GDP) was 11.5% below the pre-crisis level in the second quarter. However, a strong rebound was registered in May and continued until the end of September in almost all sectors. The economic research institutes therefore expect third-quarter GDP to show significant growth of 6.5%. Even so, that would mean GDP was nearly 6% below the level recorded in the fourth quarter of 2019. In addition, the recovery looks set to lose momentum because pent-up demand is declining, some sectors are still exposed to considerable restrictions, and global investment, which is important for the German economy, looks set to remain weak for some time. Accordingly, this autumn's Joint Economic Forecast only predicts GDP growth of 2.1% in the fourth quarter. For the full year, that means GDP is expected to shrink by 5.4%. The research institutes have thus cut their spring estimate by just over one percentage point.

The impact on the euro zone as a whole has been even greater. Double-digit declines in almost all key indicators were recorded in the first half of 2020 and the recovery momentum declined earlier than in Germany as the restrictions were not eased to the same extent. Since many countries have now tightened their restrictions again in the face of rising infection rates, the autumn 2020 Joint Economic Forecast predicts that GDP in the euro zone will contract by 7.4% this year. For the UK, a drop of 9.7% is forecast. In the second quarter alone, the UK's GDP fell by 20% – the biggest drop in an OECD country. The high number of infections and deaths and a relatively late but very extensive lockdown paralysed the economy and the restrictions were only eased cautiously in the summer.

In the USA, by contrast, industry has already offset much of the pandemic-induced downturn. Residential construction, in particular, has recovered strongly and retail sales are actually well above the pre-crisis level. Overall, it appears that there was a very strong rise in GDP in the third quarter. However, rising unemployment and the related drop in income have dampened consumer spending. Added to this is the uncertainty about the direction of economic policy after the presidential and congressional elections in November. Therefore, it is likely to be some time before economic activity is fully back to normal. The research institutes are forecasting a 3.6% drop in GDP.

Although the Latin American economy is heading upwards again following the coronavirus shock, the downturn was deep by international standards. Mexico, in particular, is suffering from the spread of the pandemic. In its current World Economic Outlook, the IMF anticipates that GDP will contract by 9.0% in Mexico, compared with a drop of 8.1% in the region as a whole.

The only ray of light at present is China, where the spread of Covid-19 and the shutdown phase started in January, far earlier than in other countries. The gradual easing of the measures to curb the outbreak has greatly improved the economic situation in this country. Driven by industry, GDP improved by 11.5% in the second quarter compared with the previous quarter. Although there has not yet been a full recovery of order intake from abroad, the recovery in China is already well advanced compared with the international situation and is expected to continue. For this year, the autumn 2020 Joint Economic Forecast predicts GDP growth of 1.4%.

The leading research institutes predict that the recovery will continue in 2021 despite the continued spread of the pandemic. Starting from the present low level, economic output should pick up strongly across all regions. The leading economic research institutes forecast that German GDP will grow by 4.7% in 2021 and are predicting growth of 5.6% in the euro zone, 7.0% in the UK, 4.2% in the USA, 5.9% in Latin America and 9.0% in China. Nevertheless, economic activity in the coming year will remain well below the levels that would have been expected without the pandemic.

Moreover, there is considerable uncertainty about the future course of the pandemic and possible new measures to check it. In particular, this uncertainty is holding back capital spending in the corporate sector and the willingness of households to make larger purchases. Alongside the uncertain course of the pandemic, there are other international risks that could affect economic development such as the strong rise in state debt and the risk of job losses as a result of more insolvencies. That could cause problems for lending banks. Moreover, there is still the smouldering risk of escalating trade conflicts, especially between the USA and China. Finally, it is still not clear what the trade regime between the EU and UK will be when the Brexit transition phase expires at the end of 2020.

Market and market environment

Automotive Technology

Due to the impact of the coronavirus pandemic and the measures to contain it, there was a sharp drop in volume sales on the international car markets in the first six months of 2020. The German Automotive Industry Association (VDA) reports that, in total, 7.5 million fewer cars were sold in the large market areas – China, the USA and Europe (EU27 & EFTA & UK) – than in the prior-year period. That was a 28% drop in volumes. The downturn in Germany was slightly above this level at 35%. The number of vehicles sold in Germany was 1.21 million, the lowest level since reunification.

Following an unprecedented decline in the first six months, the international automotive markets stabilized at the start of the second half of the year, mainly because sales figures recovered relatively quickly in China. Reasons for this include pent-up demand following the lockdown and extensive state measures to encourage sales. However, all other major markets initially continued to report considerably lower volume sales.

In September, for the first time in more than two years, year-on-year growth was registered simultaneously in Europe (EU 27 & EFTA & UK), the USA and China. In Germany, new car registrations increased by 8% compared with an increase of 1% in Europe as a whole, 6% in the USA and 8% in China. However, it should be noted that the figure for September 2019 was comparatively low due a one-off effect. In addition, there was one working day more in September 2020 than in September 2019.

A glance at the aggregate data for 2020 shows the extent to which the international automotive markets are still affected by the coronavirus pandemic and the measures to contain it. So far this year, 7.8 million fewer new cars have been sold in the three major regions than in the same period of last year. In percentage terms, the decline was 29% in Europe and 19% in the USA. Even in China, the number of vehicles sold in the first nine months was down 13% year-on-year, despite the rapid recovery there. Germany fits in exactly with this with a drop of 25%, and volumes also dropped considerably in Japan, Russia and Brazil in the period to end-September.

The VDA anticipates that about 3.5 million cars will be produced in Germany in 2020. That is 25% fewer than in 2019. That also has an impact on automotive suppliers: according to a survey of VDA members, only a quarter of suppliers are operating at above 75% capacity and one in two assumes that output will not return to the pre-crisis level until 2022.

The present ifo economic barometer for the sector confirms that the recovery in the German automotive industry is proving very slow. In September, German car producers and their suppliers saw a slight improvement in the present business situation, but with a score of -19.0 the overall situation remains poor. Business expectations are still positive at +28.8 points, but have recently deteriorated slightly. The demand indicator actually dropped significantly month-on-month. Companies also anticipate further headcount reductions. Hope is offered by production plans, orders on hand and export expectations, which all improved slightly in September and remained expansionary.

On the export front, however, the still unresolved Brexit question remains a matter of concern. The UK is still the biggest export market for German automotive producers, so a no-deal scenario would have serious consequences. According to a study by the SMMT (Society of Motor Manufacturers and Traders), a transitional period without a trade agreement could cost the European automotive industry up to EUR 110 billion.

The UK is a particularly attractive and important future market for battery-powered vehicles. With investment of EUR 50 billion in new drives alone, plus a further EUR 25 billion for digitization up to 2024, VDA's member companies are investing substantially in the transformation. The range of electric models made in Germany will more than double from 70 at present to over 150 by the end of 2023. In the first nine months of 2020, around two thirds of electric cars on the road in Germany were produced by domestic companies. Seven out of ten of the best-selling electric models are already German brands.

Overall, electric car registrations in Germany increased to 204,492 (+174%) in the first nine months of 2020, despite the coronavirus crisis. Every tenth new car registered in Germany in 2020 was therefore electric. According to the Federal Motor Transport Authority (KBA), new electric car registrations more than quadrupled in September, rising by 337% to 41,353 cars. That increased their share of the total market to 15.6%. This dynamic development was once again driven by plug-in hybrids (PHEV), which increased by 463% to a new record of 20,127 vehicles. Market-volume for fully electric vehicles (battery electric vehicles/BEV) also rose significantly, by 260% to 21,188 vehicles. Since July 1, 2020, demand has been boosted by the six-month reduction in value-added tax and, above all, the sharp rise in the bonus for the purchase of environmentally friendly cars.

Ultimately, the extent to which the automotive industry as a whole is affected by the coronavirus pandemic will depend on whether customers raise spending rapidly, as seems to have been the case in China, or whether most of them continue to put off major purchases such as cars.

Industrial Electronics

While the first quarter was largely unaffected by the coronavirus crisis, the German electrical and electronics industry felt the full brunt of the pandemic and the related lockdown in the second quarter. The German Electrical and Electronic Manufacturers' Association (ZVEI) reports that year-on-year sector revenue fell by 8.5% to EUR 85.5 billion in the first half of 2020. Both domestic and foreign revenue fell significantly.

While there were signs of a slight recovery in June, more recently there have been growing indications that a return to the pre-crisis level could take a long time. For example, the German electrical and electronics industry recorded 12.4% fewer orders in August than a year earlier. Domestic orders fell by 5.6% and foreign orders were down 17.0%. Order intake had already dropped by 11.3% in July. Between January and August, order intake was 10.3% below the prior -year level and aggregate sector sales fell 9.7% year-on-year to EUR 112.8 billion. “We are heading for a slower, u-shaped recovery, rather than the rapid V-shaped recovery we had hoped for,” explains ZVEI economics expert Peter Giehl.

By contrast, some hope comes from the business climate, which improved for the fifth consecutive month in September. Both the assessment of the present situation and general business expectations improved markedly compared with August. While the assessment of the present situation is still well below the zero line, business expectations are now well above it. However, that was before the clear rise in infection figures and the decision on new restrictions.

Based on the assumption that there would not be second lockdown, in September the ZVEI forecast that the decline in output and sales in the German electrical and electronics industry in 2020 would be in the order of 7-8%. The association is also predicting a contraction of the global electrical and electronics market, where Asia currently accounts for 60 percent. However, the drop is expected to be lower at 3%. The ZVEI also stresses that the level of uncertainty about the economic development remains very high.

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

Even from the standpoint at the end of the first nine months, this financial year has clearly been affected by the coronavirus pandemic. While InTiCa was able to continue its successful growth in the first quarter of 2020, the social and economic restrictions had a significant negative impact in the second and third quarters. Overall, Group sales were EUR 46.7 million at the end of the first nine months, around 8% lower than in the prior-year period (9M 2019: EUR 50.8 million).

The impact on earnings was even greater because fixed costs have increased as a result of future-oriented investments in the expectation of a year-on-year rise in sales, and the current depreciation of Czech and Mexican currency has brought high currency losses, although these had no impact on cash flow. As a result, EBITDA was EUR 3.6 million, a drop of nearly 37% year-on-year (9M 2019: EUR 5.8 million). The EBITDA margin therefore dropped to 7.8% (9M 2019: 11.4%). The other earnings indicators were all negative in the first nine months. Overall, the net loss for the period was EUR 1.1 million (9M 2019: net profit of EUR 1.0 million).

The operating cash flow was EUR 1.9 million in the first nine months of 2020, only slightly below the prior-year figure (9M 2019: EUR 2.1 million). Due to new long-term loans and lower capital expenditures, the company recorded a positive overall cash flow of EUR 4.1 million in the reporting period (9M 2019: outflow of EUR 2.3 million). The equity ratio declined to 28.6% in the reporting period (December 31, 2019: 32.5%). Despite the high degree of uncertainty, the liquidity situation is secure, even in stress scenarios, especially as InTiCa Systems AG obtained a six-year loan of EUR 6 million from the German reconstruction and development bank (KfW) through its banks in July 2020.

Earnings position

Group sales declined 8.2% year-on-year to EUR 46.7 million in the first nine months of 2020 (9M 2019: EUR 50.8 million). In the Automotive Technology segment, sales fell 5.3% to EUR 34.5 million (9M 2019: EUR 36.5 million) and in the Industrial Electronics segment sales dropped 15.4% to EUR 12.1 million (9M 2019: EUR 14.3 million).

The ratio of material costs to total output was above the prior-year level at 60.2% in the reporting period (9M 2019: 58.5%), and the personnel expense ratio (including agency staff) also increased to 22.0% (9M 2019: 21.5%). At the same time, other expenses increased from EUR 7.1 million in the prior-year period to EUR 8.1 million. This was principally due to the sharp depreciation of the Czech koruna and Mexican peso at the start of the coronavirus pandemic, resulting in significant exchange losses, although these had no impact on the cash flow. Moreover, the expenses for agency staff, which are contained in other operating expense, decreased slightly year -on-year to EUR 2.3 million (9M 2019: EUR 2.4 million).

Depreciation and amortization of property, plant and equipment and intangible assets amounted to EUR 4.2 million in the reporting period (9M 2019: EUR 3.9 million) and research and development expenses were EUR 1.5 million (9M 2019: EUR 2.2 million). Development work focused principally on the e-solutions business.

EBITDA (earnings before interest, taxes, depreciation and amortization) declined by 37.3% year-on-year to EUR 3.6 million (9M 2019: EUR 5.8 million) and the EBITDA margin fell to 7.8% (9M 2019: 11.4%). EBIT (earnings before interest and taxes) was negative at minus EUR 0.6 million, whereas in the first nine months of 2019 EBIT was positive at EUR 1.9 million. At segment level, Automotive Technology reported EBIT of minus EUR 0.6 million in the first nine months of 2020 (9M 2019: EUR 0.8 million) and the Industrial Electronics segment reported EBIT of minus EUR 0.04 million (9M 2019: EUR 1.2 million).

The financial result was minus EUR 0.5 million in the reporting period (9M 2019: minus EUR 0.5 million). In addition, tax income of EUR 7 thousand was registered in the first nine months of 2020 (9M 2019: tax expense of EUR 0.4 million). Overall, this resulted in a net loss of EUR 1.1 million in the first nine months of 2020 (9M 2019: EUR 1.0 million). Earnings per share were minus EUR 0.25 (9M 2019: EUR 0.23).

As a result of currency translation losses of EUR 1.6 million (9M 2019: gains of EUR 0.2 million) from the translation of foreign business operations, comprehensive income was minus EUR 2.7 million in the first nine months of 2020 (9M 2019: EUR 1.1 million).

Non-current assets

Non-current assets decreased to EUR 28.9 million as of September 30, 2020 (December 31, 2019: EUR 33.7 million). Intangible assets dropped from EUR 4.8 million to EUR 4.3 million and property, plant and equipment declined from EUR 27.3 million to EUR 23.1 million. Deferred taxes were unchanged from December 31, 2019 at EUR 1.6 million.

Current assets

Current assets increased to EUR 24.6 million as of September 30, 2020 (December 31, 2019: EUR 21.6 million). In the reporting period, trade receivables increased from EUR 7.1 million to EUR 9.6 million, cash and cash equivalents rose from EUR 0.7 million to EUR 1.3 million and inventories rose from EUR 10.3 million to EUR 10.8 million. The other current receivables dropped from EUR 3.1 million to EUR 2.2 million. Other financial assets totalled EUR 0.7 million (December 31, 2019: EUR 0.4 million).

Liabilities

Current liabilities decreased to EUR 17.1 million in the first nine months of 2020 (December 31, 2019: EUR 20.4 million). This was mainly attributable to the reduction in current financial liabilities to EUR 6.0 million (December 31, 2019: 10.8 million). At the same time, other current provisions increased to EUR 2.5 million in the reporting period (December 31, 2019: EUR 1.7 million), other financial liabilities increased to EUR 1.7 million (December 31, 2019: EUR 1.4 million) and trade payables increased to EUR 6.0 million (December 31, 2019: EUR 5.9 million). The other current liabilities were EUR 0.7 million on September 30, 2020 (December 31, 2019: EUR 0.5 million) and tax liabilities were EUR 0.2 million (December 31, 2019: EUR 0.1 million).

Non-current liabilities increased significantly from EUR 16.9 million to EUR 21.1 million as of September 30, 2020. Non-current liabilities to banks increased from EUR 9.8 million to EUR 15.1 million in the reporting period due to the loan from the German reconstruction and development bank. The other financial liabilities decreased from EUR 5.2 million to EUR 4.3 million. Deferred taxes were EUR 1.7 million, which was slightly lower than at year-end 2019 (December 31, 2019: EUR 1.9 million).

Equity

Equity decreased to EUR 15.3 million as of September 30, 2020 (December 31, 2019: EUR 18.0 million). In particular, this was attributable to the increase in the negative currency translation reserve from minus EUR 0.7 to minus EUR 2.3 million. The capital stock of EUR 4.3 million, treasury stock of EUR 64 thousand and the capital reserve of EUR 15.4 million were unchanged in the reporting period. Total assets decreased to EUR 53.5 million at the end of the first nine months of 2020 (December 31, 2019: EUR 55.3 million). The equity ratio therefore declined from 32.5% to 28.6%.

Liquidity and cash flow statement

The net cash flow from operating activities was EUR 1.9 million in the first nine months of 2020 (9M 2019: EUR 2.1 million). The year-on-year decline was mainly due to the net loss for the period. Excluding interest payments, the cash flow from operating activities was EUR 2.4 million (9M 2019: EUR 3.1 million).

The net cash outflow for investing activities was EUR 1.3 million in the reporting period (9M 2019: outflow of EUR 3.1 million). Investment in intangible assets totalled EUR 0.6 million (9M 2019: EUR 0.8 million) and investment in property, plant and equipment was EUR 0.7 million (9M 2019: EUR 2.2 million), so both positions were below the year-back level. The decline is attributable to the decision communicated in the Q1 report to roughly halve the capital expenditure of around EUR 3.5 million for property, plant and equipment originally planned for 2020 due to the special challenges resulting from the coronavirus pandemic. The planned investments mainly relate to power electronics products and product start-ups for new EMC filters, including extended customer requirements, principally to build up and expand production lines for e-mobility.

The net cash flow for financing activities was EUR 3.6 million in the first nine months of 2020 (9M 2019: outflow of EUR 1.3 million). In the reporting period, new loans resulted in cash inflows of EUR 6.0 million (9M 2019: EUR 1.9 million), while cash outflows for the repayment of loans amounted to EUR 1.8 million (9M 2019: EUR 2.7 million) and cash outflows for repayments of finance leases amounted to EUR 0.7 million (9M 2019: EUR 0.5).

That resulted in a total cash flow of EUR 4.1 million in the reporting period (9M 2019: outflow of EUR 2.3 million). Cash and cash equivalents (less overdrafts) were minus EUR 2.7 million as of September 30, 2020 (September 30, 2019: minus EUR 12.2 million). As of the reporting date InTiCa Systems AG had assured credit facilities which could be drawn at any time totalling EUR 12.0 million.

Employees

The headcount was 799 on September 30, 2020 (September 30, 2019: 756). 312 of these employees were agency staff (September 30, 2019: 290). On average, the Group had 722 employees in the reporting period (9M 2019: 716 employees, including agency staff in both cases).

Risks and opportunities

The management report in the annual report for 2019 provides full details of risk factors that could affect the business performance of InTiCa Systems in section 4 “Risk management and risk report”, while business potential is discussed in section 5 “Opportunities and management of opportunities”. There was no material change in the risk/opportunity profile of InTiCa Systems AG in the reporting period.

Outlook

While the first quarter was hardly affected, order call-off declined substantially from April and orders were increasingly postponed until the second half of the year. Business remained relatively subdued in July and August, but sales and order intake picked up considerably in September. Overall, sales were well above the previous quarter at EUR 17.2 million (Q2 2020: EUR 11.2 million), but still well below the level in the prior-year quarter (Q3 2019: EUR 21.2 million). The return to the pre-pandemic level remains a long process and is susceptible to setbacks. There is therefore great uncertainty, especially in view of the renewed sharp rise in the number of infections, which has resulted in a renewed tightening of restrictions in many places.

The extent to which it is possible to keep production running smoothly will have a significant impact on the remainder of this financial year and our full-year performance. Orders on hand were EUR 117 million as of September 30, 2020, back at the high level of the previous year (9M 2019: EUR 118 million). However, an additional challenge is that customers are calling off high volumes at short notice. This is especially challenging in a pandemic as protecting health has top priority and it is also more difficult to access the necessary skilled staff.

Provided that there is no further supply chain disruption and there are no new plant shutdowns, despite the rising number of infections, the Board of Directors currently considers that it should be possible to make up more of the current sales shortfall by year end and to report a positive result in the fourth quarter. Here, InTiCa is benefiting, among other things, from the boost in demand for electric cars resulting from the reduction in value-added tax and the increased bonus for the purchase of environmentally friendly cars.

Since uncertainty is still extremely high, at this time the Board of Directors is unable to issue specific guidance for the 2020 fiscal year. At present it is not possible to give a stable and reasonably reliable forecast for the present fiscal year based on target ranges in line with past practice. However, it may be assumed that at year end earnings will be below the 2019 level. As soon as the economic situation stabilizes and reliable planning for the 2020 fiscal year is possible, InTiCa Systems AG will publish a detailed forecast for the 2020 fiscal year.

Further information on the segments can be found in the annual report for 2019 in section 6 "Outlook".

Consolidated interim financial statements in accordance with IFRS

The unaudited consolidated interim financial statements for InTiCa Systems AG and its subsidiaries as of September 30, 2020, have been drawn up in accordance with the International Financial Reporting Standards (IFRS), as applicable for use in the European Union, and the supplementary commercial law regulations set out in sec. 315a paragraph 1 of the German Commercial Code (HGB). No audit review has been conducted of the consolidated financial statements.

Forward-looking Statements and Predictions

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

Consolidated Interim Financial Statements

for the period from January 1 to September 30, 2020

Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS as of September 30, 2020

Assets	Sep 30, 2020 EUR ´000	Dec 31, 2019 EUR ´000
Non-current assets		
Intangible assets	4,287	4,782
Property, plant and equipment	23,062	27,317
Deferred taxes	1,592	1,579
Total non-current assets	**28,941**	**33,678**
Current assets		
Inventories	10,801	10,296
Trade receivables	9,598	7,124
Tax assets	35	34
Other financial assets	662	352
Other current receivables	2,225	3,077
Cash and cash equivalents	1,250	736
Total current assets	**24,571**	**21,619**
Total assets	**53,512**	**55,297**

Equity and liabilities

	Sep 30, 2020 EUR ´000	Dec 31, 2019 EUR ´000
Equity		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	-1,989	-929
Currency translation reserve	-2,342	-714
Total equity	**15,281**	**17,969**
Non-current liabilities		
Interest-bearing non-current liabilities	15,129	9,847
Other liabilities	4,276	5,159
Deferred taxes	1,725	1,887
Total non-current liabilities	**21,130**	**16,893**
Current liabilities		
Other current provisions	2,463	1,650
Tax payables	197	121
Interest-bearing current financial liabilities	6,008	10,819
Trade payables	6,041	5,909
Other financial liabilities	1,730	1,392
Other current liabilities	662	544
Total current liabilities	**17,101**	**20,435**
Total equity and liabilities	**53,512**	**55,297**
Equity ratio	28.6%	32.5%

Consolidated Statement of Profit and Loss and other Comprehensive Income

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to September 30, 2020

	Q3 2020 EUR ´000	Q3 2019 EUR ´000	9M 2020 EUR ´000	9M 2019 EUR ´000	Change 2020 vs. 2019
Sales	**17,187**	**21,203**	**46,662**	**50,807**	**-8.2%**
Other operating income	420	424	1,059	997	+6.2%
Changes in finished goods and work in process	-165	-849	-468	-2,329	-
Other own costs capitalized	151	243	516	784	-34.2%
Material expense	10,543	12,653	28,105	28,839	-2.5%
Personnel expense	2,665	2,911	7,974	8,544	-6.7%
Depreciation and amortization	1,461	1,327	4,234	3,863	+9.6%
Other expenses	3,058	2,932	8,051	7,075	+13.8%
Operating profit (EBIT)	**-134**	**1,198**	**-595**	**1,938**	**-**
Cost of financing	154	184	472	526	-10.3%
Other financial income	0	0	0	0	-
Profit before taxes	**-288**	**1,014**	**-1,067**	**1,412**	**-**
Income taxes	26	300	-7	429	-
Net profit for the period	**-314**	**714**	**-1,060**	**983**	**-**
Other comprehensive income					
Exchange differences from translating foreign business operations	-74	48	-1,628	162	-
Other comprehensive income, after taxes	**-74**	**48**	**-1,628**	**162**	**-**
Total comprehensive income for the period	**-388**	**762**	**-2,688**	**1,145**	**-**
Earnings per share (diluted/basic in EUR)	-0.07	0.17	-0.25	0.23	-
EBITDA	**1,327**	**2,525**	**3,639**	**5,801**	**-37.3%**

Consolidated Cash Flow Statement

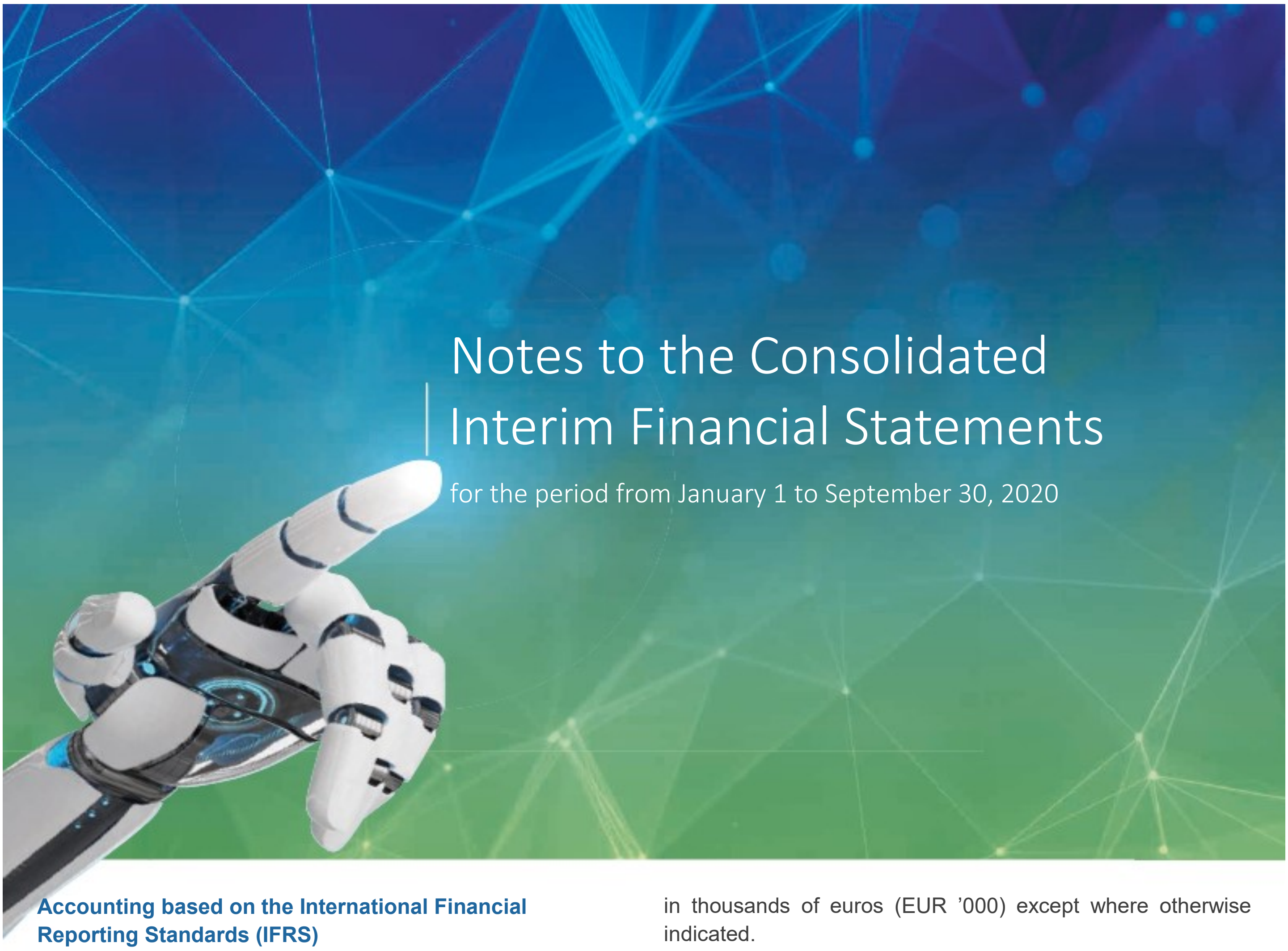
of InTiCa Systems AG in accordance with IFRS for the period from January 1 to September 30, 2020

	Jan 1 - Sep 30, 2020 EUR ´000	Jan 1 - Sep 30, 2019 EUR ´000
Cash flow from operating activities		
Net profit for the period	-1,060	983
Income tax expenditures / receipts	-7	429
Cash outflow for borrowing costs	472	526
Income from financial investments	0	0
Depreciation and amortization of non-current assets	4,234	3,863
Other non-cash transactions		
Net currency gains/losses	-200	287
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	-505	2,249
Trade receivables	-2,473	-8,720
Other assets	541	-590
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	813	522
Trade payables	132	3,621
Other liabilities	455	-96
Cash flow from operating activities	**2,402**	**3,074**
Cash outflow for income taxes	-25	-458
Cash outflow for interest payments	-471	-501
Net cash flow from operating activities	**1,906**	**2,115**
Cash flow from investing activities		
Cash inflow from interest payments	0	0
Cash outflow for intangible assets	-579	-829
Cash outflow for property, plant and equipment	-741	-2,224
Net cash flow from investing activities	**-1,320**	**-3,053**
Cash flow from financing activities		
Cash inflow from loans	6,000	1,873
Cash outflow for loan repayment installments	-1,768	-2,711
Cash outflow for liabilities under finance leases	-672	-505
Net cash flow from financing activities	**3,560**	**-1,343**
Total cash flow	**4,146**	**-2,281**
Cash and cash equivalents at start of period	-6,959	-9,933
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	130	18
Cash and cash equivalents at end of period	**-2,683**	**-12,196**

Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to September 30, 2020

	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, 2019	**4,287**	**-64**	**15,389**	**-2,058**	**-794**	**16,760**
Net result for 9M 2019	0	0	0	983	0	983
Other comprehensive income, after taxes 9M 2019	0	0	0	0	162	162
Total comprehensive income for 9M 2019	0	0	0	983	162	1,145
As of September 30, 2019	**4,287**	**-64**	**15,389**	**-1,075**	**-632**	**17,905**
As of January 1, 2020	**4,287**	**-64**	**15,389**	**-929**	**-714**	**17,969**
Net result 9M 2020	0	0	0	-1,060	0	-1,060
Other comprehensive income, after taxes 9M 2020	0	0	0	0	-1,628	-1,628
Total comprehensive income for 9M 2020	0	0	0	-1,060	-1,628	-2,688
As of September 30, 2020	**4,287**	**-64**	**15,389**	**-1,989**	**-2,342**	**15,281**



Notes to the Consolidated Interim Financial Statements

for the period from January 1 to September 30, 2020

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems AG as of September 30, 2020, prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", use the same accounting policies and valuation methods as the consolidated financial statements for fiscal 2019, which were drawn up in accordance with the International Financial Reporting Standards valid as of the reporting date, as applicable for use in the European Union, and the relevant interpretations.

The consolidated interim financial statements have been prepared for the nine-months period ending on September 30, 2020. Comparative data refer to the consolidated financial statements as of December 31, 2019, or the consolidated interim financial statements as of September 30, 2019. The consolidated interim financial statements do not contain all information that would be required for a full set of annual financial statements. A detailed overview of the accounting and valuation principles applied can be found in the notes to the consolidated financial statements in the annual report for 2019. This is available at Investor Relations/Publications on the company's website at http://www.intica-systems.com/en.

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

Scope of consolidation

In addition to the parent company, InTiCa Systems AG, Passau, Germany, InTiCa Systems s.r.o., Prachatice, Czech Republic, and Sistemas Mecatrónicos InTiCa S.A.P.I. de C.V., Silao, Mexico are included in the consolidated financial statements. The Czech subsidiary is a wholly owned company, while InTiCa Systems AG holds 99% 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 2019, there has been no change in the scope of consolidation of InTiCa Systems AG.

Currency translation

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

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

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

	Closing rates		
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2019
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 27.210	CZK 25.410	CZK 25.815
USA	USD 1.171	USD 1.123	USD 1.092
Mexico	MXN 26.337	MXN 21.154	MXN 21.408

	Average rates		
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2019
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 26.373	CZK 25.672	CZK 25.702
USA	USD 1.125	USD 1.120	USD 1.124
Mexico	MXN 24.532	MXN 21.580	MXN 21.688

Segment information

The notes to the consolidated financial statements in the annual report for 2019 contain a detailed overview of the assets allocated to each segment. There has not been any material change in the assets allocated to the segments since December 31, 2019.

Consolidated income statement

Group sales revenues declined to EUR 46,662 thousand in the first nine months of 2020, compared with EUR 50,807 thousand in the prior-year period. Both segments reported a drop in sales. EBITDA decreased to EUR 3,639 thousand in the reporting period (9M 2019: EUR 5,801 thousand). The net loss for the period was EUR 1,060 thousand, compared with a net profit of EUR 983 thousand in the first nine months of 2019.

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 29% as of September 30, 2020 (December 31, 2019: 33%) shows that the company is still soundly financed.

The net cash flow from operating activities was EUR 1,906 thousand in the first nine months of 2020 (9M 2019: EUR 2,115 thousand). The total cash flow in the reporting period was EUR 4,146 thousand (9M 2019: outflow of EUR 2,281 thousand). Cash and cash equivalents therefore changed from minus EUR 6,959 thousand as of December 31, 2019 to minus EUR 2,683 thousand as of September 30, 2020. Equity and liabilities changed as follows in the reporting period: equity declined to EUR 15,281 thousand (December 31, 2019: EUR 17,969 thousand), while non-current liabilities fell to EUR 17,101 thousand (December 31, 2019: EUR 20,435 thousand). At the same time, non-current liabilities increased to EUR 21,130 thousand (December 31, 2019: EUR 16,893 thousand). On the assets side of the balance sheet, non-current assets increased to EUR 28,941 thousand (December 31, 2019: EUR 33,678 thousand), while current assets increased to EUR 24,571 thousand (December 31, 2019: EUR 21,619 thousand).

Events after the reporting date

No material events have occurred since the reporting date on September 30, 2020.

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. 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, 2020, InTiCa Systems AG still had treasury stock amounting to 64,430 shares (September 30, 2019: 64,430).

On the basis of a resolution adopted by the Annual General Meeting on July 21, 2017, the company is authorized, up to July 20, 2022, to purchase its own shares, in one or more tranches, up to a total of 10% of the capital stock at the time of adoption of this resolution or, if the capital stock is lower when this authorization is utilized, of the capital stock at the time when it is utilized. The company has not yet used this authorization.

InTiCa Systems AG has loans amounting to EUR 2.0 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 September 30, 2020
Segment sales and segment earnings

Segment	Automotive Technology		Industrial Electronics		Total	
in EUR ´000	**9M 2020**	9M 2019	**9M 2020**	9M 2019	**9M 2020**	2019
Sales	**34,547**	36,487	**12,115**	14,320	**46,662**	50,807
EBIT	**-559**	767	**-36**	1.171	**-595**	1,938

Key financial figures	9M 2020 EUR ´000 or %	9M 2019 EUR ´000 or %	Change 2020 vs. 2019
EBITDA	**3,639**	5,801	-37.3%
Net margin	**-2.3%**	1.9%	
Pre-tax margin	**-2.3%**	2.8%	
Material cost ratio (in terms of total output)	**60.2%**	58.5%	
Personnel cost ratio	**22.0%**	21.5%	
EBIT margin	**-1.3%**	3.8%	
Gross profit margin	**38.8%**	38.7%	

Responsibility Statement

„We hereby declare that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the interim management report for the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.“

Passau, November 18, 2020

The Board of Directors

Dr. Gregor Wasle
Chairman of the
Board of Directors

Günther Kneidinger
Member of the
Board of Directors

Financial Calendar 2020

November 19, 2020	Publication of Interim Financial Statements for 9M 2020
December 9, 2020	Presentation at the Munich Capital Market Conference 2020

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