InTiCa Systems

2021

INTERIM REPORT H1

H1 2021 in figures

The Group	Q2 2020 EUR ´000	**Q2 2021 EUR ´000**	H1 2020 EUR ´000	**H1 2021 EUR ´000**	Change vs. H1 2020
Sales	11,219	**24,958**	29,475	**53,716**	+82.2%
Net margin (net result for the period)	-9.5%	**2.3%**	-2.5%	**2.9%**	-
EBITDA	316	**2,482**	2,312	**5,239**	+126.6%
EBIT	-1,017	**1,007**	-461	**2,346**	-
EBT	-1,169	**879**	-779	**2,099**	-
Net result for the period	-1,069	**577**	-746	**1,563**	-
Earnings per share (diluted/basic in EUR)	-0.25	**0.13**	-0.17	**0.36**	-
Total cash flow	-795	**-885**	-2,361	**-2,615**	-
Net cash flow for operating activities	345	**750**	323	**766**	+137.2%
Capital expenditure	376	**774**	889	**1,675**	+88.4%

	Jun 30, 2020 EUR ´000	Dec 31, 2020 EUR ´000	**Jun 30, 2021 EUR ´000**	Change vs. Dec 31, 2020
Total assets	52,354	53,315	**60,570**	+13.6%
Equity	15,669	16,888	**19,037**	+12.7%
Equity ratio	30.0%	31.7%	**31.4%**	-
Number of employees incl. agency staff	707	894	**902**	+0.9%

The Stock	H1 2020	2020	**H1 2021**
Closing price (in EUR)	6.25	8.60	**13.90**
Period high (in EUR)	8.50	8.65	**22.00**
Period low (in EUR)	3.80	3.80	**8.50**
Market capitalisation at end of period (in EUR million)	26.8	36.9	**59.6**
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,

We are pleased to report that the first half of 2021 was very successful. The clearly positive growth in sales and earnings is impressive and speaks for itself. In the wake of this success, we nevertheless want to stay focused and place the various aspects in the right context. As well as analysing the positive figures, the influence of the Covid-19 pandemic in the specific comparative period needs to be taken into account: pent-up demand, unused production lines, weeks of production stoppages and, at times, the complete interruption of supply chains. Before our more detailed analysis, we would like to point out that InTiCa Systems AG has provided further clear evidence of its stability and future viability in the past months. Our growth is the result of a sustained corporate strategy that gives priority to innovative technologies and intelligent system solutions. Our stators for hybrid vehicles, performance electronics for onboard chargers and power components for stationary energy storage are in tune with the times, so we are increasingly benefiting from future-oriented trends such as end-to-end electrification, digitalization and automation of the automotive sector, industry and infrastructure.

This assessment is underpinned by taking a differentiated look of our half-year figures. In the first six months of this financial year, we have not simply done well compared with the prior-year period; our figures are also impressive in absolute terms. Following on from the first quarter, when we reported the highest quarterly sales in our company's history, volume sales in the period April to June were the second-highest in InTiCa's history. Orders on hand, order call-offs and capacity utilization therefore remained high in the second quarter. While both the automotive industry and the electrical and electronics sector as a whole are still battling to regain the pre-crisis level, our half-year sales of EUR 53.7 million were not only well above the prior-year level; they were also more than 80% above the 2019 figures. That is not simply due to pent-up demand, although this naturally accounted for some of the growth. More important, however, was our focus on future-oriented e-solutions, where both segments make an equal contribution. For example, in recent months we have acquired several new orders for energy storage systems, which will make a contribution to our overall performance both in the current year and in the coming years.

On the earnings side, too, the first six months of 2021 were pleasing. EBITDA more than doubled and the other performance indicators were also clearly positive, unlike in 2020. Overall, profit was EUR 1.6 million in the reporting period (H1 2020: minus EUR 0.7 million). Despite challenging supply chains and the related rise in material costs, the earnings situation remained stable in the second quarter. While the EBITDA margin increased slightly, the EBIT margin and the return on sales were only slightly below the respective figures for the first three months of 2021. Overall, the EBIT margin was 4.4% in the first six months and therefore at the upper end of our forecast. Given the continued uncertainties, we currently still assume that in 2021 as a whole consolidated sales will rise to between EUR 85.0 million and EUR 100.0 million and the EBIT margin will be between 3.5% and 4.5%. Orders on hand of EUR 117 million as of June 30, 2021 support our confidence. That is well above the prior-year figure of EUR 98 million and also an improvement of around EUR 4 million compared with the end of the first quarter.

The development of sales and earnings in the first six months is particularly impressive, given that operating conditions were anything but easy. In particular, material shortages and logistics problems with key industrial raw materials led to supply bottlenecks and rising prices for intermediates. Alongside semiconductors and other electronic components, significant effects for InTiCa relate, for example, to aluminium and copper products, electroplated components and plastics granulates. For instance, the price of copper has increased by more than USD 2,000 per tonne since the start of 2021 and the price of plastics has increased by 20% to 50% depending on type since the start of the year, because supply has contracted to half the normal level as a result of bottlenecks. ifw Kiel calculates that as a result of material shortages alone industrial output in April was more than 10% below the level that would have been expected given the order situation. There is no sign of an improvement in the short term and the loss to the German economy by the end of 2021 is estimated at EUR 25 billion.

In view of the present hindrances, the German Automotive Industry Association recently reduced its production forecast for the German market from 4.0 million to 3.6 million vehicles. However, demand for electric cars remains unbroken: new registrations of electric cars recently reached a year-to-date high of 23.6%. Moreover, 64,760 units were sold in June, so the total number of new electric vehicles registered in Germany reached the 1 million mark. That is a big success for the transformation of the automotive industry. We are proud that we are already making a contribution to this sustainable development with our progressive serial solutions. The development and manufacture of series-ready alternative drives will continue to fuel a considerable rise in demand for InTiCa Systems' performance electronics and stator systems in the medium term. We already have extensive references for serially manufactured products and new developments, especially in the area of inductive components and assemblies as basic elements in these key technologies.

Looking at InTiCa's product areas makes it clear that we intend to step up our e-solutions activities. We already cover an extensive range of applications, from performance electronics for energy generation through EMC filters for energy storage solutions to system solutions for hybrid and electric vehicles. In the long term, the growth of the Group should be secured through focused investment in development, technology and the expansion of local and global manufacturing capacity. In view of rising wage costs and problems with the availability of personnel at our Czech site, we are currently focusing on setting up a production facility for wage-intensive products in Eastern Europe. In addition, this location should offer scope for the Group to grow further. Various options are currently under consideration and we are preparing for the decisions at Group level. The aim is for the facility to start production next year.

As you can see, we do not see the positive half-year figures as a reason to relax: we are continuing to invest in the future. In doing so, we are placing our trust in the ideas and commitment of our employees and we would like to take this opportunity to offer them our sincere thanks. We would also like to thank our customers and partners for their good collaboration and our shareholders for the trust they place in us.

Passau, August 2021

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
- *Member of the Board of Management of REMA TIP TOP AG*

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

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)]

Despite the ongoing pandemic, the stock markets were far more stable in the reporting period than in 2020, which was an extremely volatile year with sharp drops in the benchmark indices around the world, followed by a strong year-end rally driven by registration of the first vaccines against Covid-19 and conclusion of the trade agreement between the EU and UK. In the first two months of this year, the DAX index traded around its starting point, followed by an uptick from March, bringing it to over 15,000 points. In the second quarter, the index rose slightly further and stood at 15,531.04 points on June 30, 2021, up 13.2% from its close at the end of December 2020. The gain on the TecDAX was slightly lower at 10.9%.

Shares in InTiCa were also exposed to considerable volatility in 2020, but rising sales and order intake led to a sharp hike in the share price in the fourth quarter of the year. Having ended 2020 with a pleasing gain of around 13.2%, shares in InTiCa Systems AG started the new year at EUR 8.65. Initially, the upward trend continued, driven, among other things, by the positive forecast for the previous financial year which was published at the end of January 2020. Starting from the year-to-date low of EUR 8.50 on January 5, 2021, the share price rose continuously until mid-February, reaching a provisional high for the year of EUR 12.70. It then traded sideways at between EUR 11.50 and EUR 12.00 for several weeks, until publication of the annual report in April increased trading volume and price momentum. In view of the very good figures for the first quarter of 2021, the share price rose to a high of EUR 22.00 on May 25, 2021. That was also the highest level in the reporting period. The share price then dropped considerably as trading volume declined, ending the first half at EUR 13.90 in XETRA trading on June 30, 2021. That represents a gain of 61.6% since the start of the year, bringing InTiCa Systems' market capitalization to EUR 59.6 million at the end of the first six months (December 31, 2020: EUR 36.9 million). At the start of the second half, the share price rebounded to over EUR 16.00. The closing price on August 4, 2021 was EUR 16.30.

In the first half of 2021, 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 2020 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]. The presentation given at this year's Annual General Meeting on July 16, 2021, which was held virtually again due to the ongoing coronavirus pandemic, is also available on the website. At the AGM, shareholders were able to inform themselves about fiscal 2020 and the current 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 7/8, 2021 as a hybrid event.

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

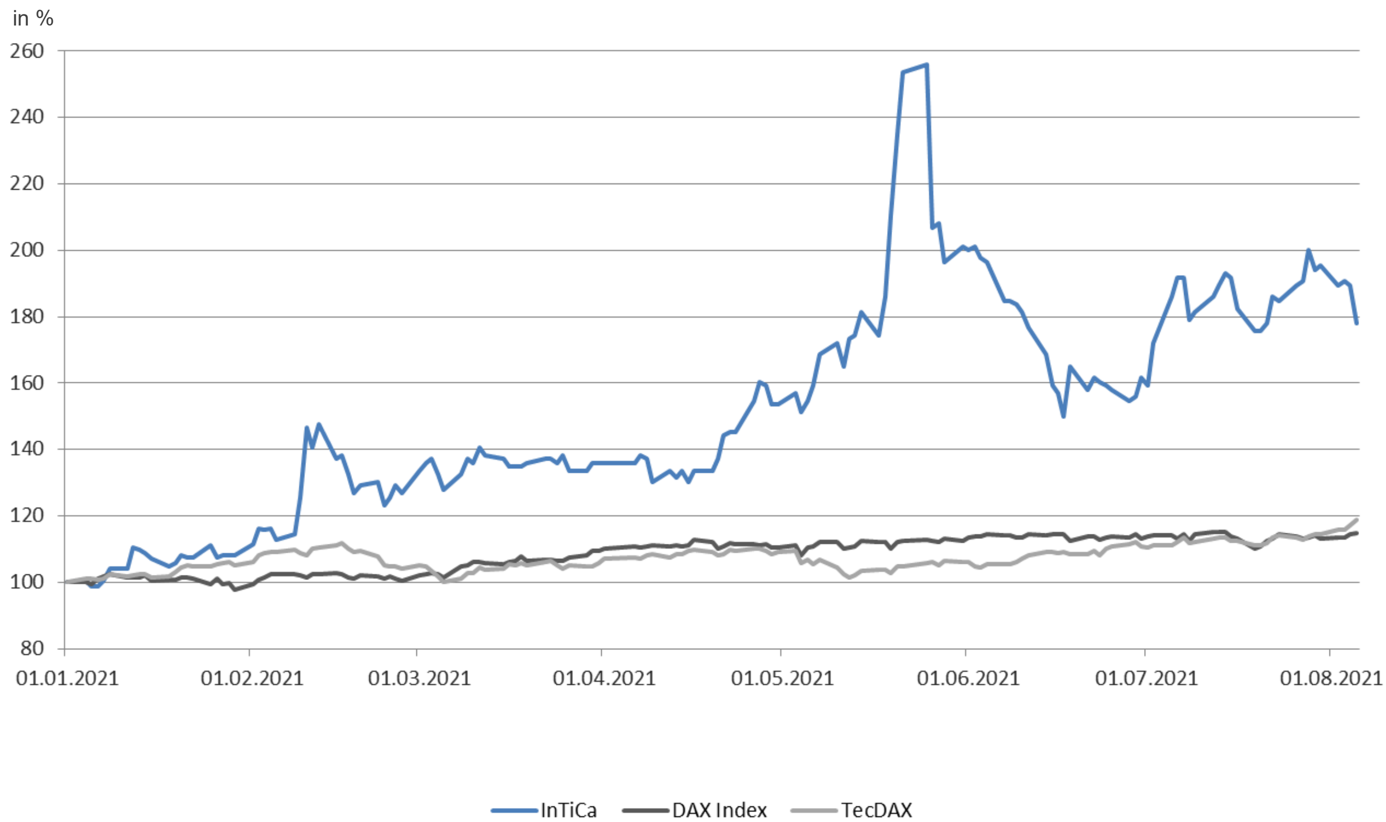
Designated Sponsor	BankM AG
Research Coverage	SMC Research
No. of shares	4,287,000
Trading exchanges	XETRA®, Frankfurt, Hamburg, Berlin, München, Stuttgart, Düsseldorf

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 August 01, 2021

Share price performance



Interim Management Report of the Group

for the period from January 1 to June 30, 2021

Economic report

General economic conditions

The development of the global economy is still dominated by the coronavirus pandemic and national and international containment measures. Wherever pandemic-induced restrictions are lifted, economic activity picks up rapidly. While industry recovered well in the first quarter as a result of export business, there was a renewed downturn in contact-intensive service sectors at the start of the year. Overall, the global economy continued its upward trend in the first few months of 2021, despite the renewed pandemic-induced headwind. On a seasonally adjusted basis, global GDP rose by 0.8% compared with the previous quarter, which was in line with the average for the years before the pandemic. The upswing was particularly strong in China and the other emerging markets in Asia, as well as in Korea and Taiwan. These countries evidently benefited to a large extent from the strong demand for electronic products and many consumer goods. Unlike Europe and the USA, the production trend is already higher than before the pandemic.

Economic activity should pick up during the summer as the pandemic ebbs and the measures taken to check its spread are lifted. A recovery should also be seen where there had previously been a considerable downturn. Thanks to the progress with vaccinations and the related reduction in the risk of infections, progressive normalization of the situation is also expected for sectors of the economy where contact is particularly intensive. Supported by low interest rates and fiscal policy measures to support income levels, there should be a strong improvement in consumer spending, partly because of pent-up demand following the restraint during the pandemic phase. Since investment should also pick up significantly as a result of rising capacity utilization and public spending programmes, the Institute for World Economyz, Kiel (ifw Kiel) is forecasting a strong rise of 6.7% in the world economy in 2021 as a whole.

Regionally, the outlook for the major economies has improved somewhat compared with the spring. For example, the economic recovery in the USA is proceeding rapidly and momentum is expected to remain high in the remainder of the year. ifw Kiel forecasts that GDP will grow by 6.7% in 2021. Its assessment for Latin America is equally positive (+6.3%), with a slightly lower growth rate of 5.7% forecast for Mexico. In the euro zone, GDP is expected to show a strong rise in the second and third quarters and exceed the pre-crisis level by the end of 2021. ifw Kiel forecasts GDP growth of 5.3% this year. The British economy is recovering rapidly as well, with GDP expected to increase by 6.8%. That said, the downside effects of Brexit are still a factor and there are question marks over the sustainability of the agreements. Only slight growth is forecasted for Asia. In particular, the Chinese economy is now only growing at a moderate pace. Since macroeconomic activity returned to its pre-crisis path at the end of last year, the pace of economic growth in the forecasting period is unlikely to be higher than before the crisis. ifw Kiel anticipates that GDP will grow by an average of 8.7% in 2021.

Growth expectations for Germany are far lower, with a forecasted rise in GDP of 3.9%, even though the drop in the first quarter was far lower than had been expected at -1.8%. The German economy is clearly picking up in the second and third quarters, driven principally by consumer-oriented sectors. However, the labour shortage is becoming more evident again as the economic recovery gains pace. In the second quarter, the proportion of companies in the manufacturing sector reporting that production was held back by labour shortages was back above the pre-crisis level. Short-time working has been declining since March and the short-time working notifications submitted to employment offices point to a further reduction. In addition, supply bottlenecks are having a massive impact on industrial output. While order intake is already 10% above the pre-crisis level due to strong global demand, industrial output has declined by a further 2.5% since the start of the year and was 5% below the pre-crisis level at the last count. A record of more than 40% of companies in the manufacturing sector are reporting that production is hampered by a shortage of raw materials or intermediates. ifw Kiel calculates that in April industrial output was more than 10% below the level that would have been expected given the order situation. It is estimated that the resulting loss to the German economy will be around EUR 25 million this year. The supply bottlenecks will probably continue to affect industrial output until well into the third quarter before there is any clear improvement.

Supply bottlenecks and logistics problems are also a major risk factor for global industrial output and global trade as a whole. The increasing shortages of key starting products such as semiconductors and, in some cases, a significant increase in delivery times, represent a threat to economic development. Alongside semiconductors and other electronic components, this affects steel, aluminium and copper products, synthetic yarns, films and plastic products. As a result of the industrial upswing and lower supply, there has been a broadly based increase in commodity prices. The HWWI commodity price index has more than doubled within a year and there are signs that the price level will remain very high for a long time. This applies, in particular, to some industrial raw materials.

There are also risks resulting from the financial implications of the pandemic. It remains to be seen how the financial situation in the corporate sector develops when state subsidies and credit programmes are scaled back and temporary moratoria on debt are withdrawn, as these have so far prevented a rise in bankruptcies. Moreover, pent-up purchasing power is increasing the inflationary pressure. That could result in rising interest rate expectations, which could lead to turbulence on the markets for government bonds. The result could be crisis-like adjustments, especially in emerging markets with high levels of debt. However, the main economic risk remains an unfavourable development of the pandemic.

Market and market environment

Automotive

The coronavirus pandemic is continuing to affect the development of the international automotive markets. Due to the lockdowns in spring 2020 and the related drop in volume sales, all major markets reported double-digit year-on-year growth in the first half of 2021. However, there is still considerable scope for recovery compared with the pre-crisis level. According to the German Automotive Industry Association (VDA), in the first half of 2021 the number of vehicles sold in the seven major markets (Europe, USA, China, Japan, India, Brazil and Russia) was 8% (2.7 million) lower than in the comparable period of 2019.

At the end of the first six months, the European market was still about a quarter below the first six months of 2019. At the start of 2021, headwind came from ongoing lockdowns, closed showrooms and the expiry of incentive programmes at the end of last year. At present, the ongoing shortage of semiconductors is preventing the market from recovering faster. Compared with the historically low prior-year level, new registrations increased by 27% to 6.5 million vehicles. Looking at the largest individual markets, the strongest growth was in Italy (+51%), followed by the UK (+39%), Spain (+34%) and France (+29%).

In Germany, by contrast, new registrations only increased by 15% to 1.4 million units in the first half of 2021. Compared with the same period of 2019, about 25% fewer new cars were registered. Consequently, the German car market is still well below its pre-crisis level. Output at the German automotive factories was 1.7 million cars (+16%) in the first half of this year. 1.3 million cars (+20%) were delivered to customers worldwide. Bottlenecks in the supply of semiconductors were the main reason for the discrepancy between order intake (domestic orders +13%; foreign orders +32%) and output.

There was a pleasing development in the market share of electric vehicles: in June, new registrations of electric cars reached a year-to-date high of 23.6%. Moreover, 64,760 units were sold in June, so the total number of new electric vehicles registered in Germany reached the 1 million mark. That is a big success in the transformation of the automotive industry, with German producers accounting for a high proportion of the total. Overall, new registrations of fully electric vehicles (battery electric vehicles/BEV) increased by 312% in the first six months of 2021, while new registrations of plug-in hybrids (PHEV) rose by 191%.

In the USA, volumes in the light vehicle market (cars and light trucks) increased by nearly a third (+29%) to 8.3 million new vehicles in the first six months of this year. There was also a considerable rise in unit sales in India (+93%), Russia (+37%), Brazil (+32%) and Japan (+12%) in the first half of 2021. The Chinese market for new cars reported the sale of 9.8 million cars by the end of the first half of 2021 (+27%). In the second quarter, however, volume sales slipped slightly, by 1% to 4.8 million units. On the one hand, even in China, the shortage of semiconductors is causing production problems, while on the other hand, pent-up demand during the lockdowns largely materialized in the previous quarters.

In view of the current hindrances, the VDA has cut its forecast for production for the German market to 3.6 million units in 2021 (+3%). Previously, it has assumed an increase of 13% to 4 million vehicles. That is also reflected in the ifo Institute's present business climate index for the automotive industry. Although the indicator for the business situation rose to +44.2 points in June, the highest level since August 2018, expectations were still only just positive at 3.2 points. Hopes are fuelled by demand and orders on hand. According to the latest ifo survey, in June demand for vehicles increased from +4.5 points to +14.5 points. Compared with the previous month, orders on hand increased from +21.4 points to +38.6 points. 68.0% of firms reported overtime in June, so this indicator is back at its long-term level.

Industry & Infrastructure

The global market for electrical and electronic goods was able to maintain its level in 2020, despite the coronavirus pandemic. A downturn was mainly prevented by growth in China, but also in other Asian countries such as South Korea, Taiwan and Vietnam. For the current year, the German Electrical and Electronic Manufacturers' Association (ZVEI) is forecasting growth of 9%, driven partly by base effects. While only the medical technology segment reported growth last year, all segments should contribute to the sector's growth in 2021. The ZVEI forecasting model indicates that growth with be strongest in electronic components (+13%), followed by automation (+9%). Within the automation segment, the main growth driver will be electric drives (+12%), ahead of switchgear, controlgear and industrial control systems (+9%) and measurement technology and process automation (+7%). With revenue forecasted to grow by 8%, the outlook for electrical installation systems in 2021 is also positive. Market growth in the power engineering segment is expected to be slightly lower (+5%).

Regionally, Asia, which accounts for 62.9% of the global electrical and electronics market, has the best growth prospects, with sales expected to increase by 10% in 2021. The Chinese market, which is by far the largest national market, accounting for 41.2% of the total, will set the pace with growth of +11%. The forecast for the American electrical and electronics market is only slightly lower at +9%. In 2020, this region accounted for 18.5% of the global market. For the USA, which is the largest individual market in the region, the ZVEI is also forecasting growth of 9%. The growth prospects for the European electrical and electronics market are also put at +7%. This region accounts for 16.1% of the global market. The forecast for the German market, which is the world's fifth largest national market, accounting for 2.6% of the total, is slightly below the European average at +6%.

So far this year, the German electrical and electronics industry has exceeded expectations. Between January and May, aggregate real output increased by 10.7% and aggregate sector revenue increased by 11.3% year-on-year to EUR 79.2 billion. Domestic sales rose by 9.6% to EUR 36.7 billion and export sales increased by 12.7% to EUR 42.5 billion. In the first five months, orders exceeded the corresponding prior-year level by 27.9%. In this period, orders from domestic customers were up 23.7% and orders from foreign customers rose 31.3% year-on-year. Exports by the German electrical and electronics industry totalled EUR 86.0 billion in the first five months of this year, which was 17.3% above the prior-year period. EUR 57.5 billion (+15.2%) and thus the majority of the sector's exports were to Europe. Other significant export destinations were China (+11.2% to EUR 10.1 billion) and the USA (+5.2% to EUR 7.5 billion). In light of this positive development, in June ZVEI increased its forecast for output in the German electrical and electronics industry from +5% to +8%. Last year's 6% drop in production could therefore be offset this year.

There has recently been a further improvement in business sentiment in the German electrical and electronics industry. In particular, the assessment of the present situation was considerably better in June than in May. While companies' general business expectations decreased slightly, export expectations picked up further in June. The net balance of companies that expect higher or lower exports in the next three months climbed by four percentage points to +37 points. Sector experts see sustained growth opportunities above all in the increasing digitalization of business models and services. The market is shifting towards digital services and software-driven, networked products and systems. In addition, ZVEI has identified first signs of a "decarbonization boom" because climate protection, sustainability and a carbon-neutral world cannot be realized without electrification and the related electrical and electronic technology. As well as the expansion of renewable energies, expansion and digitalization of power networks, storage and flexibility within the energy system, and the rollout of smart meters need to be driven forward.

Nevertheless, the economic development is still exposed to some risks. At present, the shortage of materials and logistics problems such as delays in the supply chain are the main challenges faced by the electrical and electronics industry.

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

Following record sales in the first three months of 2021, orders on hand, order call-offs and capacity utilization remained high in the second quarter. In absolute terms, it was not possible to repeat the record figures reported for the first quarter, which were influenced by pent-up demand, but in percentage terms, growth momentum increased considerably year-on-year. In the second quarter of 2021, sales were higher than in the strong fourth quarter of 2020. The increase was due to the positive overall trend, and not simply to the pandemic-related weak prior-year quarter, especially as both segments grew in a similar way and contributed to sales growth.

The first half of 2021 was also encouraging in terms of earnings. EBITDA more than doubled and the other key figures were also clearly positive again, unlike in 2020. The consolidated half-year result amounted to EUR 1.6 million (H1 2020: minus EUR 0.7 million). Despite continued tight supply chains and correspondingly high material costs, the earnings situation remained stable in the second quarter. While the EBITDA margin increased slightly in the second quarter, the EBIT margin and return on sales were only slightly below their respective figures for the first three months of 2021. Overall, the margin situation is thus in line with the full-year forecast.

The cash flow from operating activities was positive in the reporting period at EUR 0.8 million (H1 2020: EUR 0.3 million). Due to investments and scheduled repayments, the total cash flow was negative at minus EUR 2.6 million (H1 2020: minus EUR 2.4 million). The equity ratio remained solid at 31.4% (December 31, 2020: 31.7%). The favourable overall picture is underpinned by orders on hand totalling EUR 117 million as of June 30, 2021. That is well above the prior-year figure of EUR 98 million and also an improvement of around EUR 4 million compared with the end of the first quarter.

Earnings position

Group sales in the first half of 2021 were significantly above the level of the prior-year period, which was particularly affected by the coronavirus pandemic. Sales totalled EUR 53.7 million, an increase of 82.2% (H1 2020: EUR 29.5 million). Both segments contributed to the strong growth: While sales in the Automotive segment increased by 88.1% to EUR 40.2 million compared to the first half of 2020 (H1 2020: EUR 21.4 million), the Industry & Infrastructure segment recorded a 66.8% increase to EUR 13.5 million (H1 2020: EUR 8.1 million).

At 64.6%, the ratio of material costs to total output in the reporting period was well above the prior-year level (H1 2020: 59.5%) due to a more material-intensive product mix and strained supply chains. By contrast, the personnel expense ratio (including agency staff) decreased from 23.3% to 20.7%. At the same time, other expenses increased from EUR 5.0 million in the prior-year period to EUR 7.8 million. This was primarily due to the expenses for agency staff, which increased from EUR 1.6 million in the first six months of 2020 to EUR 3.6 million in the reporting period.

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 2.9 million (H1 2020: EUR 2.8 million), and spending on research and development was EUR 1.5 million (H1 2020: EUR 0.9 million). Development work focused principally on the e-solutions business.

EBITDA (earnings before interest, taxes, depreciation and amortization) increased to EUR 5.2 million (H1 2020: EUR 2.3 million), with the EBITDA margin also well above the previous year's level at 9.8% (H1 2020: 7.8%). EBIT (earnings before interest and taxes) was also clearly positive at EUR 2.3 million, compared with negative EBIT of minus EUR 0.5 million in the first half of 2020. At segment level, Automotive reported EBIT of EUR 1.6 million in the first six months of 2021 (H1 2020: minus EUR 0.4 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.7 million (H1 2020: minus EUR 0.03 million).

The financial result was minus EUR 0.2 million in the reporting period (H1 2020: minus EUR 0.3 million). While tax income of EUR 33 thousand was recorded in the first half of 2020, the Group recorded tax expenses of EUR 0.5 million in the reporting period. Group net income therefore amounted to EUR 1.6 million in the first six months (H1 2020: minus EUR 0.7 million). Earnings per share were EUR 0.36 (H1 2020: minus EUR 0.17).

As a result of currency translation gains of EUR 0.6 million (H1 2020: losses of EUR 1.6 million) from the translation of foreign business operations, total comprehensive income was EUR 2.1 million in the first six months of 2021 (H1 2020: minus EUR 2.3 million).

Non-current assets

Non-current assets decreased to EUR 28.5 million as of June 30, 2021 (December 31, 2020: EUR 29.1 million). While property, plant and equipment declined slightly from EUR 23.5 million to EUR 23.2 million and intangible assets decreased from EUR 3.9 million to EUR 3.8 million, deferred taxes were unchanged from December 31, 2020 at EUR 1.6 million.

Current assets

Current assets increased to EUR 32.0 million as of June 30, 2021 (December 31, 2020: EUR 24.2 million). This was mainly attributable to the increase in trade receivables from EUR 8.3 million to EUR 11.6 million and the rise in inventories from EUR 11.7 million to EUR 15.7 million. Other financial assets also increased from EUR 0.6 million to EUR 0.8 million, while other current receivables decreased slightly from EUR 2.2 million to EUR 2.1 million. Cash and cash equivalents totalled EUR 1.8 million on June 30, 2021 (December 31, 2020: EUR 1.5 million).

Liabilities

Current liabilities increased visibly to EUR 23.0 million in the first half of 2021 (December 31, 2020: EUR 16.8 million). This was mainly attributable to the increase in trade payables from EUR 6.6 million to EUR 9.5 million and the rise in financial liabilities from EUR 4.9 million to EUR 7.2 million. Other current provisions also increased to EUR 2.9 million (December 31, 2020: EUR 2.0 million), while tax liabilities rose to EUR 0.8 million (December 31, 2020: EUR 0.6 million) and other current financial liabilities to EUR 1.7 million (December 31, 2020: EUR 1.3 million). As of June 30, 2021, other current liabilities amounted to EUR 0.9 million (December 31, 2020: EUR 1.5 million).

Non-current liabilities decreased from EUR 19.6 million to EUR 18.5 million as of June 30, 2021. Non-current liabilities to banks declined from EUR 13.6 million to EUR 13.0 million and other non-current liabilities dropped from EUR 4.3 million to EUR 3.9 million. At EUR 1.6 million, deferred taxes remained at the previous years' level (December 31, 2020: EUR 1.7 million).

Equity

Equity increased to EUR 19.0 million as of June 30, 2021 (December 31, 2020: EUR 16.9 million). The profit reserve, which was positive again at EUR 0.5 million due to the profit for the period, should be highlighted (December 31, 2020: minus EUR 1.0 million). The negative currency translation reserve also declined, from minus EUR 1.7 million to minus EUR 1.1 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 60.6 million at the end of the first half of 2021 (December 31, 2020: EUR 53.3 million). The equity ratio remained solid at 31.4% (December 31, 2020: 31.7%).

Liquidity and cash flow statement

The net cash flow from operating activities was EUR 0.8 million in the first six months of 2021 (H1 2020: EUR 0.3 million). The year-on-year rise was mainly due to the increase in the interim result, the fact that there was no longer a non-cash net exchange loss and the increase in trade accounts payable. Excluding tax expense and interest payments, the cash flow from operating activities was EUR 1.3 million (H1 2020: EUR 0.7 million).

The net cash outflow for investing activities was EUR 1.7 million in the reporting period (H1 2020: outflow of EUR 0.9 million). Investment in intangible assets amounted to EUR 0.5 million (H1 2020: EUR 0.4 million) and investment in property, plant and equipment was EUR 1.2 million (H1 2020: EUR 0.5 million). In view of the ongoing coronavirus pandemic, capital expenditures remain cautious. The investments of around EUR 4.0 million in property, plant and equipment planned for the 2021 financial year will probably not be fully utilized. The principal items include expansion of production capacity in the Czech Republic and Mexico, investment in the replacement of equipment for established production lines and the purchase of new equipment as a result of technological progress.

The net cash outflow for financing activities was EUR 1.7 million in the first half of 2021 (H1 2020: outflow of EUR 1.8 million). The cash outflows in the reporting period included EUR 1.2 million for loan repayments (H1 2020: EUR 1.3 million) and EUR 0.5 million for lease payments (H1 2020: EUR 0.4 million). As in the prior-year period, there were no cash inflows from borrowing.

This resulted in a total cash outflow of EUR 2.6 million in the reporting period (H1 2020: outflow of EUR 2.4 million). Cash and cash equivalents (less overdrafts) were minus EUR 2.9 million (June 30, 2020: minus EUR 9.2 million). As of the reporting date, InTiCa Systems AG also had assured credit facilities which could be drawn at any time totalling EUR 12.0 million.

Employees

The headcount was 902 on June 30, 2021 (June 30, 2020: 707). 207 of these employees were agency staff (June 30, 2020: 225). On average, the Group had 941 employees in the reporting period (H1 2020: 706), including agency staff in both cases. The above-average increase is due to the high capacity required in the reporting period.

Risks and opportunities

The management report in the annual report for 2020 provides full details of risk factors that could affect the business performance of InTiCa Systems in section 4 "Risk management and risk report", while business potential is discussed in section 5 "Opportunities and management of opportunities". There was no material change in the risk/opportunity profile of InTiCa Systems AG in the reporting period.

Outlook

The figures for the present financial year show that InTiCa Systems AG is well-positioned to benefit durably from future trends such as end-to-end electrification of the automotive sector, industry and infrastructure. Well over half of Group sales now come from hybrid technology and e-mobility. The development and manufacture of series-ready alternative drives will continue to fuel a considerable rise in demand for InTiCa Systems' performance electronics and stator systems in the medium term. The company already has extensive references for serially manufactured products and new developments, especially in the area of inductive components and assemblies as elements in these key technologies.

Orders on hand, which reflect customers' requirements for a period of 18 months, make InTiCa Systems confident that it can maintain the high sales momentum in the second half of the year. Orders on hand totalled EUR 117 million as of June 30, 2021, which was well above the prior-year figure of EUR 98 million and also an improvement of around EUR 4 million compared with the end of the first quarter. 81% of orders were for the Automotive segment (H1 2020: 80%). In the reporting period, the volume of order call-offs was very high due to pent-up demand. Given the heightened uncertainty about the development of material availability and the coronavirus pandemic, it is not possible to make a definitive assessment as to whether orders will be called off customers on this scale in the remainder of the year.

In the long term, the growth of the Group should be secured through focused investment in development, technology and the expansion of local and global manufacturing capacity. In view of rising wage costs and problems with the availability of personnel at the Czech site, the focus is currently on setting up a production facility for wage-intensive products in Eastern Europe. In addition, this location should offer scope for the Group to grow further. Various options are currently under consideration and preparations are under way for the decisions to be taken at Group level. The aim is for this facility to come into service in 2022.

The biggest risk factor for the development of business in the remainder of this year is currently the uncertainty surrounding the availability of materials and price trends. Increasing shortages of important starting products such as semiconductors and other electronic components, as well as steel, aluminium and copper products, synthetic yarns, films and plastic products are already resulting in shutdowns and short-time working at some companies. As a consequence, the German Automotive Industry Association (VDA) recently significantly reduced its production forecast for the German market. In addition, the rise in the price of industrial raw materials as a result of the shortages is putting pressure on margins. In some cases, even price escalation clauses and renegotiation of product prices are/were not able to keep pace with the speed and frequency of price rises.

That said, until the Covid-19 pandemic is completely over, business development will be subject to considerable uncertainty about economic policy and behavioural changes by consumers and companies in response to further waves of infection and new virus variants. In view of this, the Board of Directors still expects that in 2021 as a whole, consolidated sales will rise to between EUR 85.0 million and EUR 100.0 million and the EBIT margin will be between 3.5% and 4.5%. Depending on the product portfolio, the material cost ratio should be optimized further in both segments and the equity ratio should remain stable.

Assuming that the economic environment is stable and the development of the pandemic is moderate, a full-year performance at the upper end of the guidance seems possible from today's perspective. However, uncertainty remains high and unforeseeable negative effects resulting from the unsteadiness of global supply chains and the pandemic 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 2020 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 June 30, 2021, 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 June 30, 2021

Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS as of June 30, 2021

Assets	Jun 30, 2021 EUR ´000	Dec 31, 2020 EUR ´000
Non-current assets		
Intangible assets	3,753	3,932
Property, plant and equipment	23,181	23,549
Deferred taxes	1,591	1,606
Total non-current assets	**28,525**	**29,087**
Current assets		
Inventories	15,668	11,687
Trade receivables	11,614	8,250
Tax assets	4	36
Other financial assets	823	582
Other current receivables	2,133	2,200
Cash and cash equivalents	1,803	1,473
Total current assets	**32,045**	**24,228**
Total assets	**60,570**	**53,315**

Equity and liabilities

	Jun 30, 2021 EUR ´000	Dec 31, 2020 EUR ´000
Equity		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	516	-1,047
Currency translation reserve	-1,091	-1,677
Total equity	**19,037**	**16,888**
Non-current liabilities		
Interest-bearing non-current liabilities	12,972	13,572
Other liabilities	3,934	4,324
Deferred taxes	1,641	1,682
Total non-current liabilities	**18,547**	**19,578**
Current liabilities		
Other current provisions	2,869	2,033
Tax payables	841	562
Interest-bearing current financial liabilities	7,159	4,858
Trade payables	9,491	6,565
Other financial liabilities	1,696	1,290
Other current liabilities	930	1.541
Total current liabilities	**22,986**	**16,849**
Total equity and liabilities	**60,570**	**53,315**
Equity ratio	**31.4%**	31.7%

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 June 30, 2021

	Q2 2021 EUR ´000	Q2 2020 EUR ´000	H1 2021 EUR ´000	H1 2020 EUR ´000	Change 2021 vs. 2020
Sales	**24,958**	**11,219**	**53,716**	**29,475**	**+82.2%**
Other operating income	644	312	1,141	639	+78.6%
Changes in finished goods and work in process	1,207	-220	724	-303	-
Other own costs capitalized	207	118	427	365	+17.0%
Material expense	16,949	6,978	35,418	17,562	+101.7%
Personnel expense	3,889	2,134	7,508	5,309	+41.4%
Depreciation and amortization	1,475	1,333	2,893	2,773	+4.3%
Other expenses	3,696	2,001	7,843	4,993	+57.1%
Operating profit (EBIT)	**1,007**	**-1,017**	**2,346**	**-461**	**-**
Cost of financing	128	152	247	318	-22.3%
Other financial income	0	0	0	0	-
Profit before taxes	**879**	**-1,169**	**2,099**	**-779**	**-**
Income taxes	302	-100	536	-33	-
Net profit for the period	**577**	**-1,069**	**1,563**	**-746**	**-**
Other comprehensive income					
Exchange differences from translating foreign business operations	405	434	586	-1,554	-
Other comprehensive income, after taxes	**405**	**434**	**586**	**-1,554**	**-**
Total comprehensive income for the period	**982**	**-635**	**2,149**	**-2,300**	**-**
Earnings per share (diluted/basic in EUR)	0.13	-0.25	0.36	-0.17	-
EBITDA	**2,482**	**316**	**5,239**	**2,312**	**+126.6%**

Consolidated Cash Flow Statement

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to June 30, 2021

	Jan 1 - Jun 30, 2021 EUR ´000	Jan 1 - Jun 30, 2020 EUR ´000
Cash flow from operating activities		
Net profit for the period	1,563	-746
Income tax expenditures / receipts	536	-33
Cash outflow for borrowing costs	247	318
Income from financial investments	0	0
Depreciation and amortization of non-current assets	2,893	2,773
Other non-cash transactions		
Net currency gains/losses	-1	-400
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	-3,982	451
Trade receivables	-3,364	-1,617
Other assets	-173	924
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	836	641
Trade payables	2,926	-1,751
Other liabilities	-222	108
Cash flow from operating activities	**1,259**	**668**
Cash outflow for income taxes	-263	-24
Cash outflow for interest payments	-230	-321
Net cash flow from operating activities	**766**	**323**
Cash flow from investing activities		
Cash inflow from interest payments	0	0
Cash outflow for intangible assets	-486	-411
Cash outflow for property, plant and equipment	-1,189	-478
Net cash flow from investing activities	**-1,675**	**-889**
Cash flow from financing activities		
Cash inflow from loans	0	0
Cash outflow for loan repayment installments	-1,238	-1,348
Cash outflow for liabilities under finance leases	-468	-447
Net cash flow from financing activities	**-1,706**	**-1,795**
Total cash flow	**-2,615**	**-2,361**
Cash and cash equivalents at start of period	-285	-6,959
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	6	73
Cash and cash equivalents at end of period	**-2,894**	**-9,247**

Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to June 30, 2021

	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, 2020	**4,287**	**-64**	**15,389**	**-929**	**-714**	**17,969**
Net result for H1 2020	0	0	0	-746	0	-746
Other comprehensive income, after taxes H1 2020	0	0	0	0	-1,554	-1,554
Total comprehensive income for H1 2020	0	0	0	-746	-1,554	-2,300
As of June 30, 2020	**4,287**	**-64**	**15,389**	**-1,675**	**-2,268**	**15,669**
As of January 1, 2021	**4,287**	**-64**	**15.389**	**-1,047**	**-1,677**	**16,888**
Net result H1 2021	0	0	0	1,563	0	1,563
Other comprehensive income, after taxes H1 2021	0	0	0	0	586	586
Total comprehensive income for H1 2021	0	0	0	1,563	586	2,149
As of June 30, 2021	**4,287**	**-64**	**15,389**	**516**	**-1,091**	**19,037**

Notes to the Consolidated Interim Financial Statements

for the period from January 1 to June 30, 2021

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems AG as of June 30, 2021, 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 2020, 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 six-month period ending on June 30, 2021. Comparative data refer to the consolidated financial statements as of December 31, 2020, or the consolidated interim financial statements as of June 30, 2020. 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 2020. 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 H1 2020, 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		
	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.485	CZK 26.245	CZK 26.740
USA	USD 1.189	USD 1.228	USD 1.121
Mexico	MXN 23.478	MXN 24.405	MXN 25.794

	Average rates		
	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.854	CZK 26.444	CZK 26.326
USA	USD 1.205	USD 1.142	USD 1.102
Mexico	MXN 24.402	MXN 24.482	MXN 23.878

Segment information

The notes to the consolidated financial statements in the annual report for 2020 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, 2020.

In response to the increase in applications for our products and the increasing industrialization of the Group, in the reporting period InTiCa Systems AG decided to rename the Automotive Technology and Industrial Electronics segments “Automotive” and “Industry & Infrastructure”. This has not affected the allocation of Group sales between the segments.

Consolidated income statement

Group sales rose to EUR 53,716 thousand in the first six months of 2021, up from EUR 29,475 thousand in H1 2020. There was an increase in sales of more than 60% in both the Automotive segment and the Industry & Infrastructure segment. EBITDA improved from EUR 2,312 thousand to EUR 5,239 thousand. Group net income was EUR 1,563 thousand in the reporting period, compared with minus EUR 746 thousand in the first half of the previous year.

Consolidated balance sheet and cash flow statement

The capital stock of InTiCa Systems AG is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares with a theoretical pro rata share of the capital stock of EUR 1.00 per share. The equity ratio of around 31.4% as of June 30, 2021 (December 31, 2020: 31.7%) shows that the company is still soundly financed.

The net cash flow for operating activities was EUR 766 thousand in the first six months of 2021 (H1 2020: EUR 323 thousand). The total cash outflow in the reporting period was EUR 2,615 thousand (H1 2020: outflow of EUR 2,361 thousand). Cash and cash equivalents therefore declined from minus EUR 285 thousand as of December 31, 2020 to minus EUR 2,894 thousand as of June 30, 2021. Equity and liabilities changed as follows in the reporting period: equity increased to EUR 19,037 thousand (December 31, 2020: EUR 16,888 thousand), whereas non-current liabilities decreased to EUR 18,547 thousand (December 31, 2020: EUR 19,578 thousand). At the same time, current liabilities rose to EUR 22,986 thousand (December 31, 2020: EUR 16,849 thousand). On the assets side of the balance sheet, non-current assets declined to EUR 28,525 thousand (December 31, 2020: EUR 29,087 thousand), while current assets increased to EUR 32,045 thousand (December 31, 2020: EUR 24,228 thousand).

Events after the reporting date

No material events have occurred since the reporting date on June 30, 2021.

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 June 30, 2021, InTiCa Systems AG still had treasury stock amounting to 64,430 shares (June 30, 2020: 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 1.7 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 June 30, 2021
Segment sales and segment earnings

Segment	Automotive		Industry & Infrastructure		Total	
In EUR ´000	**H1 2021**	H1 2020	**H1 2021**	H1 2020	**H1 2021**	H1 2020
Sales	**40,230**	21,388	**13,486**	8,087	**53,716**	29,475
EBIT	**1,610**	-429	**736**	-32	**2,346**	-461

Key financial figures	H1 2021 EUR ´000 or %	H1 2020 EUR ´000 or %	Change 2021 vs. 2020
EBITDA	**5,239**	2,312	+126.6%
Net margin	**2.9%**	-2.5%	
Pre-tax margin	**3.9%**	-2.6%	
Material cost ratio (in terms of total output)	**64.6%**	59.5%	
Personnel cost ratio	**20.7%**	23.3%	
EBIT margin	**4.4%**	-1.6%	
Gross profit margin	**36.2%**	40.6%	

Responsibility Statement

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

Passau, August 11, 2021

The Board of Directors

Dr. Gregor Wasle
Chairman of the
Board of Directors

Günther Kneidinger
Member of the
Board of Directors

Financial Calendar 2021

August 12, 2021	Publication of Interim Financial Statements for H1 2021
November 18, 2021	Publication of Interim Financial Statements for Q3 2021
December 8, 2021	Presentation at the Munich Capital Market Conference 2021
December 31, 2021	End of the financial year

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