Focus on Internationalization

2017

INTERIM REPORT Q1

Q1 2017 in figures

The Group	Q1 2015 EUR ´000	Q1 2016 EUR ´000	**Q1 2017 EUR ´000**	Change vs. Q1 2016
Sales	10,963	11,310	**12,275**	+8.5%
Net margin (net result for the period)	1.5%	0.7%	**1.3%**	-
EBITDA	1,405	1,289	**1,411**	+9.5%
EBIT	336	177	**358**	+102.3%
EBT	242	61	**248**	+306.6%
Net result for the period	162	73	**158**	+116.4%
Earnings per share (diluted/basic in EUR)	0.04	0.02	**0.04**	+116.4%
Total cash flow	-4,252	383	**-2,597**	-
Net cash flow for operating activities	52	363	**-1,126**	-
Capital expenditure	3,306	981	**1,051**	+7.1%

	Mar 31, 2016 EUR ´000	Dec 31, 2016 EUR ´000	**Mar 31, 2017 EUR ´000**	Change vs. Dec 31, 2016
Total assets	41,166	41,477	**43,999**	+6.1%
Equity	16,504	16,727	**17,004**	+1.7%
Equity ratio	40%	40%	**39%**	-
Number of employees incl. agency staff	582	586	**592**	+1.0%

The Stock	Q1 2016	2016	**Q1 2017**
Closing price (in EUR)	4.71	4.75	**4.52**
Period high (in EUR)	4.93	5.10	**4.90**
Period low (in EUR)	4.11	4.20	**4.31**
Market capitalisation at end of period (in EUR million)	20.19	20.36	**19.38**
Number of shares	4,287,000	4,287,000	**4,287,000**

The stock prices are closing prices on XETRA.

Contents

Foreword by the Board of Directors

Dear shareholders, employees and business associates,

We have managed to position our company promisingly in a market dominated by the revolution under way in the automotive industry, focusing on three key technologies – electric vehicles, autonomous driving and connectivity. While our keyless products, transponders, actuator coils and various industrial applications still provide very fertile ground for our present and future business objectives, our developments and products for electric and hybrid vehicles are the driving forces for the future. It is pleasing that, unlike many companies, we have not just started to make electric vehicles part of our strategy: we have already have “booked business”, with several very tangible development orders and orders for serial production. We supply a variety of products to the relatively new market for electric and hybrid vehicles. Moreover, this business and its significance for the company are increasing. We are therefore well-positioned for future technological progress and change.

Looking at our current business situation, we are satisfied with our performance in the first quarter of 2017. We were able to raise sales by around 9% to EUR 12.3 million, with both segments making a contribution to our growth. In the Industrial Electronics segment, sales rose by some 5% to EUR 2.2 million, driven by higher call-off figures in the solar business. In the Automotive Technology segment, growth momentum picked up, so sales advanced by about 9% to EUR 10.1 million. At the same time, our earnings power improved considerably. EBIT doubled from the prior-year figure to around EUR 0.4 million and the EBIT margin improved to 2.9%. The positive development was strengthened by orders on hand, which are at a record level of EUR 47.9 million.

Selective investment in development, technology and manufacturing, with a focus on internationalization and electric vehicles, is essential for the growth of the Group. Further capital expenditures for property, plant and equipment of around EUR 4.5 million are therefore planned for 2017. The biggest items are expansion of the site in Mexico, the installation of new production lines, for example for filter technology for stationary energy storage solutions (home battery storage systems), and adaptation of production capacity in the Czech Republic for new products. In addition, we will be investing specifically in further modernization of production facilities to raise efficiency as part of the consistent implementation of our lean philosophy.

We are already starting to notice that these investments will eventually pay off. They form the backbone of our new, future-oriented products and have also increased productivity considerably in some areas. We are

systematically focusing on our goal of ensuring and gradually improving production efficiency, product quality and reliable delivery. That involves optimizing value flows in production and logistics, a major transformation of manufacturing processes, adapting organizational structures and workflows, and driving forward the mindset of our employees for the future.

InTiCa Systems has evolved into a well-known automotive supplier in recent years. There has been a substantial increase in sales revenues, the number of articles, and the number of units sold. Lean processes will therefore continue to play a key role in the coming years and will be applied to new sites. Our aim is not to imitate but to find and shape our own way and to set standards. The goal is a continuous improvement in efficiency and thus profitability in all corporate processes.

The establishment of the site in Mexico is proceeding according to plan. Further customer validations took place at the beginning of 2017 and start-up of serial production for key customers commenced. Production is initially focused on core products manufactured by the Automotive Technology segment, especially keyless entry/go systems and actuators. In future, we want to expand the Mexico site considerably by relocating existing products and gaining new customers in NAFTA. Internationalization is supported by our technology centre in Passau, which enables us to provide international expertise in all major production processes, e.g. injection moulding of plastics, coiling, soldering, welding, casting and testing, as well as assembly and over-moulding technology.

Since progress in all areas is on schedule and the order situation is very good, we are confirming our forecast and look forward to shaping the successful development of InTiCa Systems AG with our first-rate employees and in trustful collaboration with our customers, business associates and shareholders.

Passau May, 2017

Yours,

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

Board of Directors

Gregor Wasle
Spokesman of the Board of Directors
Engineering graduate
Strategy, Finance, Human Resources, Production, Manufacturing Technology, IT, Investor and Public Relations

Günther Kneidinger
Member of the Board of Directors
Sales, R&D, Materials Management and Quality Management

Supervisory Board

Udo Zimmer
Chairman
Business administration graduate
Munich
- *Member of the Board of Management of REMA TIP TOP AG*
- *Chairman of the Supervisory Board of SCHNELL Motoren AG*

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

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

The Stock

InTiCa Systems' share price performance[1)]

Having made a respectable gain of 11.7% in 2016, shares in InTiCa Systems AG started 2017 at EUR 4.75, and rose to a year-to-date high of EUR 4.90 at the beginning of the year. The shares then traded in a range of between EUR 4.75 and EUR 4.50 before dropping below EUR 4.50 in early March. The year-to-date low of EUR 4.31 was recorded on March 13, 2017. However, the share price recovered quickly from this setback and rose back above EUR 4.50 following publication of the provisional results for 2016. The shares closed the first quarter of 2017 in Xetra trading at EUR 4.52. The sideways movement then continued and the closing price on May 15, 2017 was EUR 4.63. That was a drop of 2.5% since the start of the year, bringing InTiCa Systems' market capitalization to EUR 19.8 million.

In the first three months of 2017, we provided timely information for our shareholders and the general public on current business trends, specific events and the company's prospects. As in the past, this year's press conference to mark the publication of the annual report for 2016 attracted considerable interest from analysts and investors. The presentation and speech given at the press conference can be accessed on the company's homepage at Investor Relations/Publications [available in German only].

This year's Annual General Meeting will be held in Passau on July 21, 2017. Shareholders will be given information on fiscal 2016 and the present situation at InTiCa Systems AG. In addition, InTiCa Systems AG plans to give a presentation for investors, analysts and financial journalists at this year's Munich Capital Markets Conference (MKK). MKK is the biggest capital market conference in southern Germany and will be held on December 13, 2017.

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

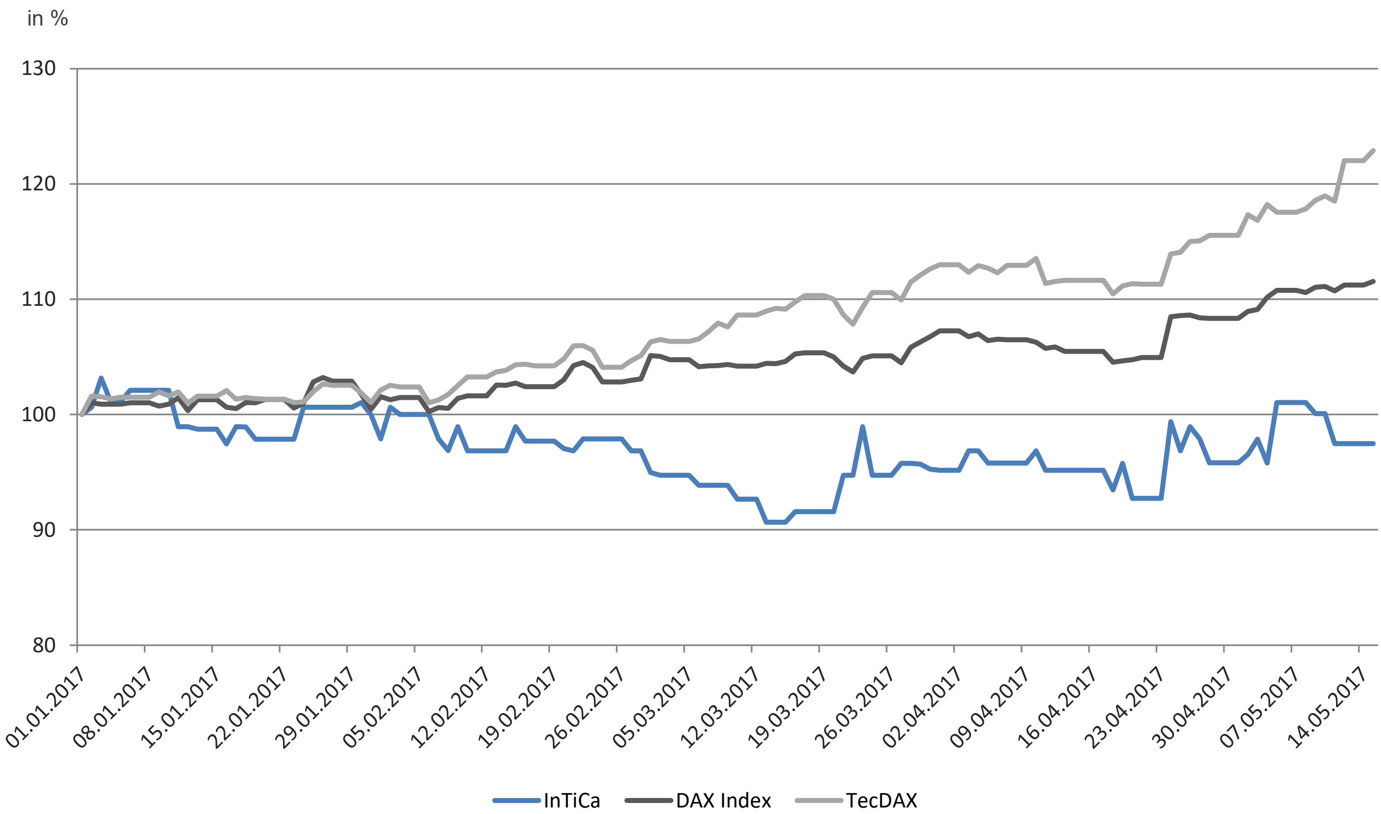
Designated Sponsor	BankM - biw AG
Research Coverage	SMC Research
No. of shares	4,287,000
Trading exchanges	XETRA®, Frankfurt, Hamburg, Berlin, München, Stuttgart, Düsseldorf

Shareholder structure

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

As of May 15, 2017

Share price performance



Interim Management Report of the Group

for the period from January 1 to March 31, 2017

Economic report

General economic conditions

In their joint diagnosis for spring 2017, Germany's leading economic institutes predict that the upswing in the German economy will remain firm despite the global economic risks. The experts predict that the increase in overall capacity utilization with only be gradual, with economic momentum remaining relatively low compared with earlier upswing phases. The reason given for this is that the upswing has so far been driven far more strongly by consumer spending, which experience suggests is subject to far lower cyclical swings than capital expenditures and foreign trade. In particular, the experts anticipate that GDP will grow by around 1.5% in 2017.

The German Automotive Industry Association (VDA) estimates that the global car market continued its positive development in the first quarter of 2017. According to the association, the western European car market grew by more than 7%, with 3.9 million new registrations. Moreover, car sales rose 6% to 5.8 million vehicles in China. Only the US market for light vehicles (cars and light trucks) contracted slightly year-on-year, with 4.0 million light vehicles sold in the first three months (-1%).

The German electrical and electronics industry also made a good start to the new year. According to the German Electrical and Electronic Manufacturers' Association (ZVEI), price-adjusted sector output was up 4.4% year-on-year in the first two months. Overall, the association expects real output to grow by 1.5% in 2017, citing the present political risks as the reason for its still somewhat subdued forecast.

Significant events in the reporting period

There were no events of material significance for the company in the reporting period.

Earnings, asset and financial position

The good business performance in the first quarter of 2017, with sales growth of 8.5%, was in line with the Board of Directors' expectations. Growth in the Automotive Technology segment has regained momentum and the Industrial Electronics segment also lifted sales year-on-year. EBITDA was EUR 1.4 million and thus above the previous year's level (3M 2016: EUR 1.3 million), and the EBITDA margin was 11.5% (3M 2016: 11.4%). While there was a further slight drop in the ratio of material costs to total output, the personnel expense ratio increased as a result of the rise in headcount. EBIT doubled year-on-year to EUR 0.4 million in the first quarter of 2017 (3M 2016: EUR 0.2 million). The EBIT margin improved to 2.9% (3M 2016: 1.6%). Group net income was EUR 158 thousand (3M 2016: EUR 73 thousand).

The operating cash flow was minus EUR 1.1 million in the first three months of 2017 (3M 2016: EUR 0.4 million). The year-on-year decline was due to the situation on the reporting date and was principally attributable to an increase in inventories as a result of customer orders, and the rise in trade receivables. The operating cash flow is expected to be clearly positive again in the coming quarters. In view of further capital expenditures and scheduled repayment instalments, there was an overall cash outflow of EUR 2.6 million in the reporting period (3M 2016: inflow of EUR 0.4 million). The equity ratio declined slightly to 39% in the reporting period (December 31, 2016: 40%).

Earnings position

In the first three months of 2017, Group sales rose 8.5% to EUR 12.3 million (3M 2016: EUR 11.3 million). The Automotive Technology segment grew sales 9.3% to EUR 10.1 million (3M 2016: EUR 9.2 million) and the Industrial Electronics segment increased sales by 5.0% to EUR 2.2 million (3M 2016: EUR 2.1 million).

The ratio of material costs to total output was 55.2% in the reporting period, slightly below the prior-year level (3M 2016: 55.5%). At the same time, the personnel expense ratio increased from 21.3% to 22.4% due to the increase in headcount. Other expenses increased year-on-year from EUR 1.3 million to EUR 1.5 million. The other operating expenses include expenses of EUR 0.1 million (3M 2016: EUR 0.1 million) for agency staff at the production sites in Prachatice and Silao. Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 1.1 million, as in the prior-year period. Spending on research and development was up slightly year-on-year at around EUR 0.7 million (3M 2016: EUR 0.6 million). Development work focused principally on the Automotive Technology segment.

EBITDA (earnings before interest, taxes, depreciation and amortization) improved 9.5% year-on-year to EUR 1.4 million (3M 2016: EUR 1.3 million). The EBITDA margin therefore increased slightly from 11.4% to 11.5%. EBIT (earnings before interest and taxes) doubled year-on-year to EUR 0.4 million (3M 2016: EUR 0.2 million), increasing the EBIT margin from 1.6% to 2.9%. At segment level, the Automotive Technology segment reported EBIT of EUR 0.2 million in the first three months of 2017 (3M 2016: EUR 0.3 million) and the Industrial Electronics segment reported EBIT of EUR 0.1 million (3M 2016: minus EUR 0.1 million).

As in the prior-year period, the financial result was minus EUR 0.1 million (3M 2016: minus EUR 0.1 million), while tax expense was EUR 0.1 million (3M 2016: tax income of EUR 12 thousand). Group net income was therefore EUR 0.2 million at the end of the first three months (3M 2016: EUR 0.1 million). Earnings per share were EUR 0.04 (3M 2016: EUR 0.02).

After taking into account positive currency translation effects from translation of foreign business operations totalling EUR 0.1 million (3M 2016: minus EUR 14 thousand), comprehensive income was EUR 0.3 million the first three months of 2017, compared with EUR 0.1 million on the comparable period of the previous year.

Non-current assets

Since depreciation of property, plant and equipment corresponded to capital expenditures in the first quarter of 2017, property, plant and equipment was virtually unchanged at EUR 19.3 million as of March 31, 2017 (December 31, 2016: EUR 19.3 million). Intangible assets and deferred taxes were also constant at EUR 4.5 million and EUR 1.1 million respectively. Overall, non-current assets therefore declined marginally to EUR 24.9 million as of March 31, 2017 (December 31, 2016: EUR 25.0 million).

Current assets

Current assets increased to EUR 19.1 million as of March 31, 2017 (December 31, 2016: EUR 16.5 million). The increase in the reporting period was mainly due to the rise in inventories from EUR 7.0 million to EUR 8.0 million, and the increase in trade receivables from EUR 8.5 million to EUR 9.9 million. Cash and cash equivalents totalled EUR 0.3 million on March 31, 2017 (December 31, 2016: EUR 0.4 million).

Liabilities

Current liabilities increased to EUR 15.8 million in the first quarter of 2017 (December 31, 2016: EUR 13.3 million). This was mainly attributable to the increase in current liabilities to banks from EUR 8.9 million to EUR 11.2 million. Trade payables were EUR 2.7 million as of March 31, 2017, unchanged from December 31, 2016.

Non-current liabilities were EUR 11.2 million in the reporting period, down from EUR 11.4 million. While non-current liabilities to banks dropped from EUR 9.8 million to EUR 9.6 million due to scheduled repayment instalments, deferred taxes were EUR 1.6 million, unchanged from December 31, 2016.

Equity

Equity increased to EUR 17.0 million as of March 31, 2017 (December 31, 2016: EUR 16.7 million). The increase was due to the net profit for the period, which resulted in a decline in the negative items in the profit reserve, and to positive currency translation effects, which led to a corresponding reduction in the currency translation reserve. 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 equity and liabilities increased to EUR 44.0 million as of the end of the first quarter of 2017 (December 31, 2016: EUR 41.5 million) and the equity ratio therefore dropped from 40.3% to 38.6%.

Liquidity and cash flow statement

The net cash outflow for operating activities was EUR 1.1 million in the first three months of 2017 (3M 2016: inflow of EUR 0.4 million). The year-on-year decline was due to the situation on the reporting date and was principally attributable to an increase in inventories as a result of customer orders, and to the rise in trade receivables. The operating cash flow is expected to be clearly positive again in the coming quarters. Excluding interest payments, the cash outflow for operating activities was EUR 1.0 million (3M 2016: inflow of EUR 0.5 million).

The net cash outflow for investing activities was EUR 1.1 million in the reporting period (3M 2016: outflow of EUR 1.0 million). Investment in intangible assets amounted to EUR 0.4 million (3M 2016: EUR 0.3 million) and investment in property, plant and equipment was EUR 0.7 million (3M 2016: EUR 0.7 million). Total capital expenditures for property, plant and equipment of around EUR 4.5 million are planned for 2017. The biggest items relate to expansion of the site in Mexico, including installing a further production line, and an increase in production capacity at the facilities in the Czech Republic in response to new customer orders. In addition, InTiCa will be investing specifically in further modernization of production facilities to raise efficiency as part of the consistent implementation of the lean philosophy.

The net cash outflow for financing activities was EUR 0.4 million in the first quarter of 2017 (3M 2016: inflow of EUR 1.0 million). The only cash outflows in the reporting period comprised EUR 0.4 million for the repayment of loans (3M 2016: EUR 1.0 million).

That resulted in a total cash outflow of EUR 2.6 million in the reporting period (3M 2016: inflow of EUR 0.4 million). Cash and cash equivalents (less overdrafts) were minus EUR 9.3 million as of March 31, 2017 (March 31, 2016: minus EUR 7.0 million). As of the reporting date, InTiCa Systems AG had assured credit facilities which could be drawn at any time totalling EUR 10.35 million.

Employees

The headcount increased further in the reporting period and was 592 as of March 31, 2017 (March 31, 2016: 582). 38 of these employees were agency staff (March 31, 2016: 58). On average, the Group had 591 employees in the reporting period (3M 2016: 556), including agency staff in both cases.

Risks and opportunities

The management report in the annual report for 2016 provides full details of risk factors that could affect the business performance of InTiCa Systems in section 3 “Risk management and risk report”, while business potential is discussed in section 4 “Opportunities and management of opportunities”. There was no material change in the risk/ opportunity profile of InTiCa Systems AG in the reporting period.

Outlook

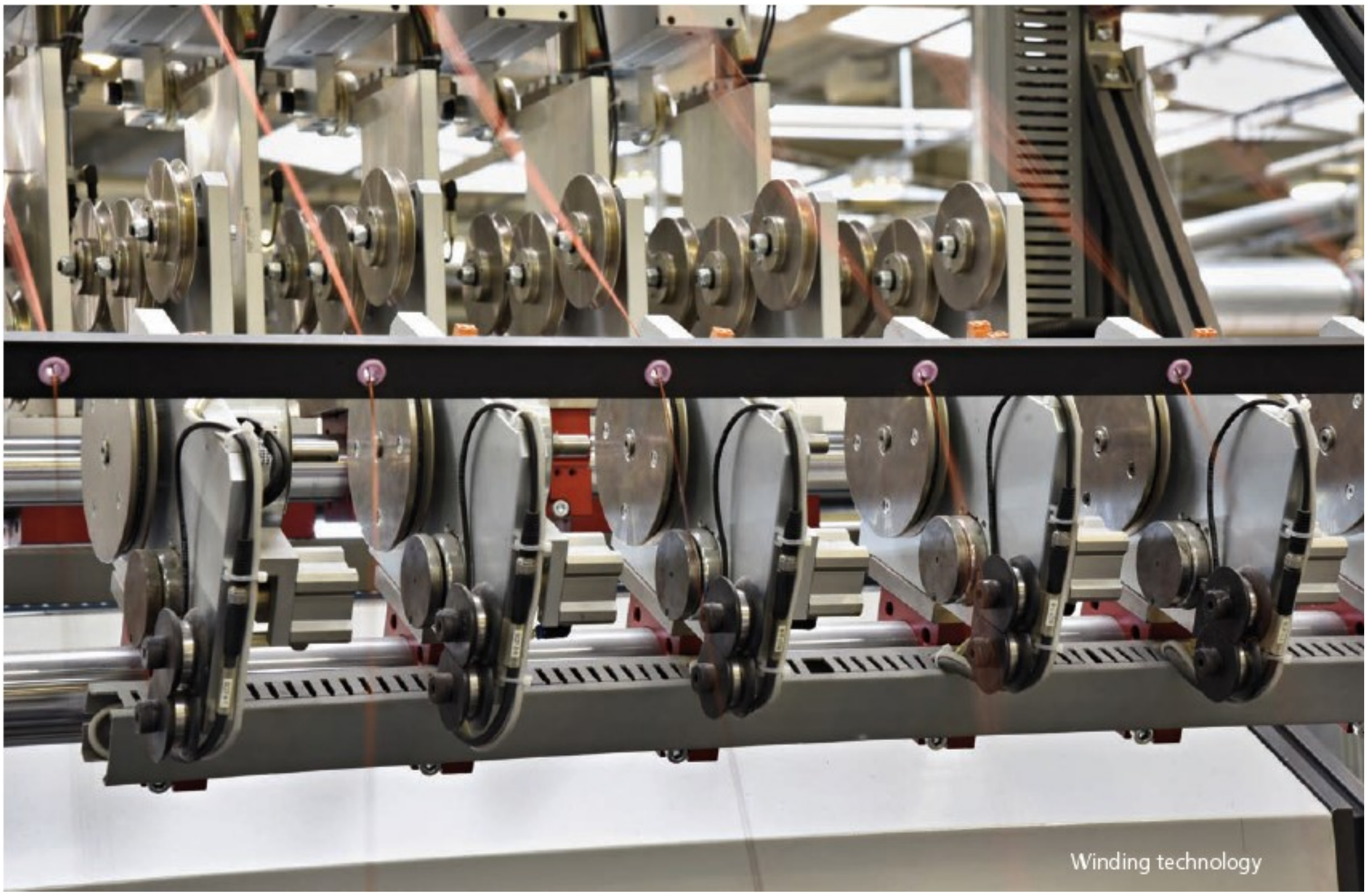
Business performance in the first three months was in line with the Board of Directors’ expectations so it is retaining its outlook for fiscal 2017.

The Automotive Technology segment will remain the most important element in InTiCa Systems’ business activities in 2017, as in previous years. The investment in expanding production capacity and optimizing production workflows has reduced material costs and overcome capacity bottlenecks but the Board of Directors sees further scope for optimization. The Industrial Electronics segment should stabilize further, even though business conditions remain challenging. Product innovations and further internationalization should open the door to new markets. InTiCa Systems’ ability to offer customer-specific solutions, combined with greater vertical integration and systems solution competence, is its main competitive advantage in addressing the opportunities that arise. In-house manufacturing is expected to be over 80% again in 2017.

At the end of the first quarter of 2017, orders on hand were well above the prior-year level at EUR 47.9 million (March 31, 2016: EUR 36.3 million). 83% of orders were for the Automotive Technology segment (March 31, 2016: 84%). Overall, the Board of Directors expects orders on hand to rise in the Automotive Technology segment and the Industrial Electronics segment.

At present, the Board of Directors assumes that, given a stable economic environment, Group sales will rise to around EUR 47 million to EUR 50 million in 2017 and the EBIT margin will improve to around 3%. The material cost ratio should drop further and the equity ratio should be held stable.

Further information on the segments can be found in the annual report for 2016 in section 5 "Outlook".



Consolidated interim financial statements in accordance with IFRS

The unaudited consolidated interim financial statements for InTiCa Systems AG and its subsidiaries as of March 31, 2017, have been drawn up in accordance with the International Financial Reporting Standards (IFRS), as applicable for use in the European Union, and the supplementary commercial law regulations set out in sec. 315a paragraph 1 of the German Commercial Code (HGB). No audit review has been conducted of the consolidated interim financial statements.

Forward-looking Statements and Predictions

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

Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2017

Consolidated Balance Sheet

of InTiCa Systems AG in accordance with IFRS as of March 31, 2017

Assets	Mar 31, 2017 EUR ´000	Dec 31, 2016 EUR ´000
Non-current assets		
Intangible assets	4,487	4,454
Property, plant and equipment	19,300	19,346
Deferred taxes	1,076	1,165
Total non-current assets	**24,863**	**24,965**
Current assets		
Inventories	7,992	6,974
Trade receivables	9,866	8,514
Tax assets	1	2
Other financial assets	286	128
Other current receivables	711	539
Cash and cash equivalents	280	355
Total current assets	**19,136**	**16,512**
Total assets	**43,999**	**41,477**

Equity and liabilities

	Mar 31, 2017 EUR ´000	Dec 31, 2016 EUR ´000
Equity		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	-1,313	-1,471
Currency translation reserve	-1,295	-1,414
Total equity	**17,004**	**16,727**
Non-current liabilities		
Interest-bearing non-current liabilities	9,617	9,835
Deferred taxes	1,582	1,582
Total non-current liabilities	**11,199**	**11,417**
Current liabilities		
Other current provisions	1,269	1.084
Tax payables	3	3
Interest-bearing current financial liabilities	11,213	8,900
Trade payables	2,686	2,727
Other financial liabilities	363	274
Other current liabilities	262	345
Total current liabilities	**15,796**	**13,333**
Total equity and liabilities	**43,999**	**41,477**
Equity ratio	39%	40%

Consolidated Statement of Profit and Loss and other Comprehensive Income

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to March 31, 2017

	Jan 1 - Mar 31, 2017 EUR ´000	Jan 1 - Mar 31, 2016 EUR ´000	Change 2017 vs. 2016
Sales	**12,275**	**11,310**	**+8.5%**
Other operating income	84	38	+121.1%
Changes in finished goods and work in process	-120	-440	-
Other own costs capitalized	300	300	0%
Material expense	6,872	6,204	+10.8%
Personnel expense	2,751	2,407	+14.3%
Depreciation and amortization	1,053	1,112	-5.3%
Other expenses	1,505	1,308	+15.1%
Operating profit (EBIT)	**358**	**177**	**+102.3%**
Cost of financing	110	116	-5.2%
Other financial income	0	0	-
Profit before taxes	**248**	**61**	**+306.6%**
Income taxes	90	-12	-
Net profit for the period	**158**	**73**	**+116.4%**
Other comprehensive income			
Exchange differences from translating foreign business operations	119	-14	-
Other comprehensive income, after taxes	**119**	**-14**	**-**
Total comprehensive income for the period	**277**	**59**	**+369,5%**
Earnings per share (diluted/basic in EUR)	0.04	0.02	+116.4%
EBITDA	**1.411**	**1.289**	**+9.5%**

Consolidated Cash Flow Statement

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to March 31, 2017

	Jan 1 - Mar 31, 2017 EUR ´000	Jan 1 - Mar 31, 2016 EUR ´000
Cash flow from operating activities		
Net profit for the period	158	73
Income tax expenditures / receipts	90	-12
Cash outflow for borrowing costs	110	116
Income from financial investments	0	0
Depreciation and amortization of non-current assets	1,053	1,112
Other non-cash transactions		
Net currency gains/losses	123	1
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	-1,018	482
Trade receivables	-1,353	-1,740
Other assets	-330	358
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	185	-24
Trade payables	-42	-137
Other liabilities	-10	251
Cash flow from operating activities	**-1,034**	**480**
Cash outflow for income taxes	1	0
Cash outflow for interest payments	-93	-117
Net cash flow from operating activities	**-1,126**	**363**
Cash flow from investing activities		
Cash inflow from interest payments	0	0
Cash outflow for intangible assets	-361	-318
Cash outflow for property, plant and equipment	-690	-663
Net cash flow from investing activities	**-1,051**	**-981**
Cash flow from financing activities		
Cash inflow from loans	0	2,000
Cash outflow for loan repayment installments	-420	-999
Cash outflow for liabilities under finance leases	0	0
Net cash flow from financing activities	**-420**	**1,001**
Total cash flow	**-2,597**	**383**
Cash and cash equivalents at start of period	-6,674	-7,388
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	7	3
Cash and cash equivalents at end of period	**-9,264**	**-7,002**

Consolidated Statement of Changes in Equity

of InTiCa Systems AG in accordance with IFRS for the period from January 1 to March 31, 2017

	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, 2016	**4,287**	**-64**	**15,389**	**-1,818**	**-1,349**	**16,445**
Net result for Q1 2016	0	0	0	73	0	73
Other comprehensive income, after taxes Q1 2016	0	0	0	0	-14	-14
Total comprehensive income for Q1 2016	0	0	0	73	-14	59
As of March 31, 2016	**4,287**	**-64**	**15,389**	**-1,745**	**-1,363**	**16,504**
As of January 1, 2017	**4,287**	**-64**	**15,389**	**-1,471**	**-1,414**	**16,727**
Net result Q1 2017	0	0	0	158	0	158
Other comprehensive income, after taxes Q1 2017	0	0	0	0	119	119
Total comprehensive income for Q1 2017	0	0	0	158	119	277
As of March 31, 2017	**4,287**	**-64**	**15,389**	**-1,313**	**-1,295**	**17,004**

Notes to the Consolidated Interim Financial Statements

for the period from January 1 to March 31, 2016

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems AG as of March 31, 2017, 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 2016, which were drawn up in accordance with the International Financial Reporting Standards valid as of the reporting date, as applicable for use in the European Union, and the relevant Interpretations. The consolidated interim financial statements have been prepared for the three-months period ending on March 31, 2017. Comparative data refer to the consolidated financial statements as of December 31, 2016, or the consolidated interim financial statements as of March 31, 2016. 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 2016. This is available at Investor Relations/Publications on the company's website at www.intica-systems.com/en.

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

Scope of consolidation

In addition to the parent company, InTiCa Systems AG, Passau, Germany, the InTiCa Systems s.r.o., Prachatice, Czech Republic, and the Sistemas Mecatrónicos InTiCa S.A.P.I. de C.V., Silao, Mexico are included in the consolidated financial statements. The Czech subsidiary is a wholly owned company, while InTiCa Systems AG holds 99% of shares in the Mexican company and InTiCa Systems s.r.o. holds 1%. The annual financial statements and interim financial statements of the Group companies are drawn up as of the last day of the Group's fiscal year or the interim reporting period. Compared with Q1 2016, the scope of consolidation of InTiCa Systems AG has been extended to include Sistemas Mecatrónicos InTiCa S.A.P.I. de C.V. in Silao, Mexico.

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

Segment report as of March 31, 2017
Segment sales and segment earnings

Segment	Automotive Technology		Industrial Electronics		Total	
In EUR ´000	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016
Sales	**10,086**	9,225	**2,189**	2,085	**12,275**	11,310
EBIT	**228**	267	**130**	-90	**358**	177

Key financial figures	Q1 2017 EUR ´000 or %	Q1 2016 EUR ´000 or %	Change 2017 vs. 2016
EBITDA	**1,411**	1,289	+9.5%
Net margin	**1.3%**	0.7%	
Pre-tax margin	**2.0%**	0.5%	
Material cost ratio (in terms of total output)	**55.2%**	55.5%	
Personnel cost ratio	**22.4%**	21.3%	
EBIT margin	**2.9%**	1.6%	
Gross profit margin	**45.5%**	43.9%	

are translated using the weighted average exchange rate for the fiscal year.

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

Closing rates

	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 27.030	CZK 27.020	CZK 27.055
USA	USD 1.068	USD 1.056	USD 1.138
Mexico	MXN 20.075	MXN 21.774	-

Average rates

	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 27.020	CZK 27.033	CZK 27.039
USA	USD 1.065	USD 1.107	USD 1.102
Mexico	MXN 21.643	MXN 20.677	-

Segment information

The notes to the consolidated financial statements in the annual report for 2016 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, 2016.

Consolidated income statement

Group sales rose to EUR 12,275 thousand in Q1 2017, up from EUR 11,310 thousand in Q1 2016. Both segments reported sales growth. EBITDA rose from EUR 1,289 thousand to EUR 1,411 thousand. Group net income was EUR 158 thousand in the reporting period, compared with EUR 73 thousand in the first quarter of the previous year.

Consolidated balance sheet and cash flow statement

The capital stock of InTiCa Systems AG is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares with a theoretical pro rata share of the capital stock of EUR 1.00 per share. The equity ratio of around 39% as of March 31, 2017 (December 31, 2016: 40%) shows that the Group is still soundly financed.

The net cash outflow for operating activities was EUR 1,126 thousand in the first three months of 2017 (3M 2016: inflow of EUR 363 thousand). The total cash outflow in the reporting period was EUR 2,597 thousand (3M 2016: inflow of EUR 383 thousand). Cash and cash equivalents therefore declined from minus EUR 6,674 thousand as of December 31, 2016 to minus EUR 9,264 thousand as of March 31, 2017. Equity and liabilities changed as follows in the reporting period: equity increased to EUR 17,004 thousand (December 31, 2016: EUR 16,727 thousand), non-current liabilities dropped to EUR 11,199 thousand (December 31, 2016: EUR 11,417 thousand) due to planned repayment instalments, and current liabilities increased to EUR 15,796 thousand (December 31, 2016: EUR 13,333 thousand), mainly because of the increase in non-current liabilities to banks). On the asset side of the balance sheet, non-current assets declined to EUR 24,863 thousand (December 31, 2016: EUR 24,965 thousand), while current assets increased to EUR 19,136 thousand (December 31, 2016: EUR 16,512 thousand) due to the increase in inventories and trade receivables.

Events after the reporting date

No reportable events have occurred since the reporting date, March 31, 2017.

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 Mr. Dr. Dr. Axel Diekmann (Germany) have direct and indirect interests in the company's capital exceeding 10% of the voting rights.

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

InTiCa Systems AG has not issued any shares that allow direct exercise of control rights.

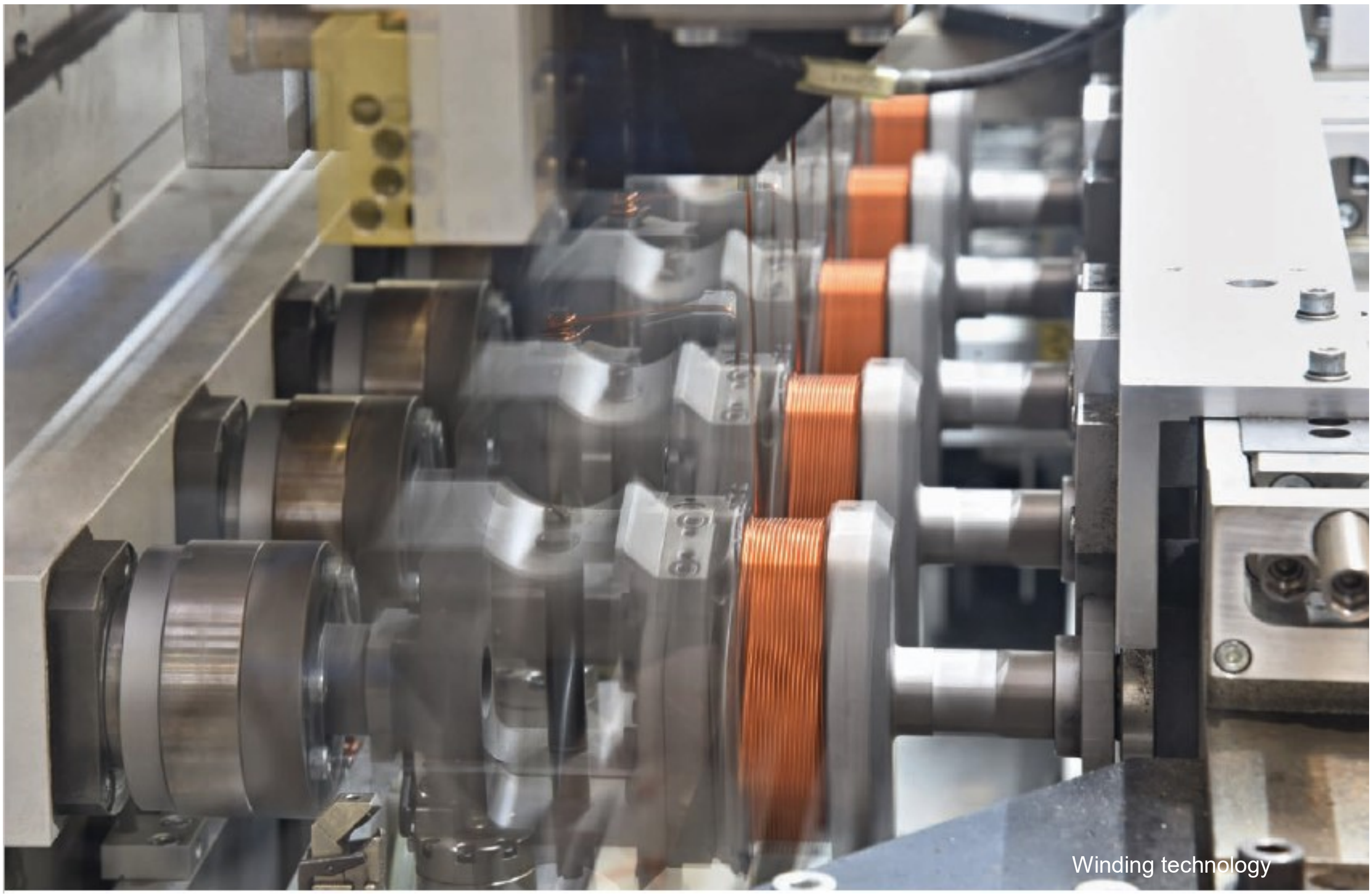
The appointment and dismissal of members of the Board of Directors is governed by sec. 84 and sec. 85 of the German Companies Act (AktG) and sec. 5 of the articles of incorporation. Pursuant to the statutory provisions (sec. 179 paragraph 1 AktG) any amendment to the articles of incorporation requires a resolution of the General Meeting. Resolutions of the General Meeting are adopted on the basis of a simple majority vote except for amendments for which the German Companies Act stipulates a larger majority. Under sec. 8 paragraph 4 of the company's articles of incorporation, the Supervisory Board may make amendments to the articles of incorporation, providing these are merely editorial.

In addition, under sec. 3 paragraph 3 of the articles of incorporation, the Supervisory Board may alter the articles of incorporation in the event of a capital increase out of the authorized capital 2012/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.

Under sec. 3 paragraph 3 of the articles of incorporation, the Board of Directors is authorized, until July 5, 2017, to increase the company's capital stock, with the consent of the Supervisory Board, by up to EUR 2,143,500.00 by issuing new shares for cash or contributions in kind in one or more tranches (authorized capital 2012/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.

On the basis of the resolution of the Annual General Meeting of May 29, 2008, the company was authorized, until November 28, 2009, to repurchase up to 10% of the capital stock of 428,700 shares at the date of the resolution. This resolution was used to purchase 263,889 shares in the company. As of March 31, 2017, InTiCa Systems AG still had treasury stock amounting to 64,430 shares (March 31, 2016: 64,430).

On the basis of a resolution adopted by the Annual General Meeting on July 6, 2012, the company is authorized, up to July 5, 2017, 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.


Winding technology

InTiCa Systems has loans amounting to EUR 5.9 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.

Responsibility Statement

(in accordance with sec. 37v paragraph 2 no. 3 WpHG)

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

Passau, May 22, 2017

The Board of Directors

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

Financial Calendar 2017

May 23, 2017	Publication of Interim Financial Statements for Q1 2017
July 21, 2017	Annual General Meeting in Passau
August 24, 2017	Publication of Interim Financial Statements for H1 2017
November 23, 2017	Publication of Interim Financial Statements for Q3 2017
December 13, 2017	Presentation at the Munich Capital Market Conference 2017

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