InTiCa Systems

2024

INTERIM REPORT H1

H1 2024 in figures

The Group	Q2 2023 EUR ´000	**Q2 2024 EUR ´000**	H1 2023 EUR ´000	**H1 2024 EUR ´000**	Change vs. H1 2023
Sales	21,624	**19,362**	45,360	**39,416**	-13.1%
Net margin (net result for the period)	-1.7%	**-2.0%**	-0.3%	**-1.2%**	-
EBITDA	1,353	**1,702**	3,454	**3,700**	+7.1%
EBIT	-151	**81**	464	**453**	-2.4%
EBT	-481	**-434**	-156	**-520**	-
Net result for the period	-369	**-379**	-148	**-467**	-
Earnings per share (diluted/basic in EUR)	-0.09	**-0.09**	-0.03	**-0.11**	-
Total cash flow	-297	**-2,378**	-4,964	**-2,843**	-
Net cash flow for operating activities	2,112	**-30**	-852	**-39**	-
Capital expenditure	2,401	**913**	4,102	**2,184**	-46.8%

	Jun 30, 2023 EUR ´000	Dec 31, 2023 EUR ´000	**Jun 30, 2024 EUR ´000**	Change vs. Dec 31, 2023
Total assets	69,243	67,722	**66,782**	-1.4%
Equity	22,518	20,827	**19,993**	-4.0%
Equity ratio	32.5%	30.8%	**29.9%**	-
Number of employees incl. agency staff	846	761	**643**	-15.5%

The Stock	H1 2023	2023	**H1 2024**
Closing price (in EUR)	7.70	6.40	**3.60**
Period high (in EUR)	8.60	8.60	**6.40**
Period low (in EUR)	6.65	4.95	**3.58**
Market capitalisation at end of period (in EUR million)	33.01	27.44	**15.43**
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,

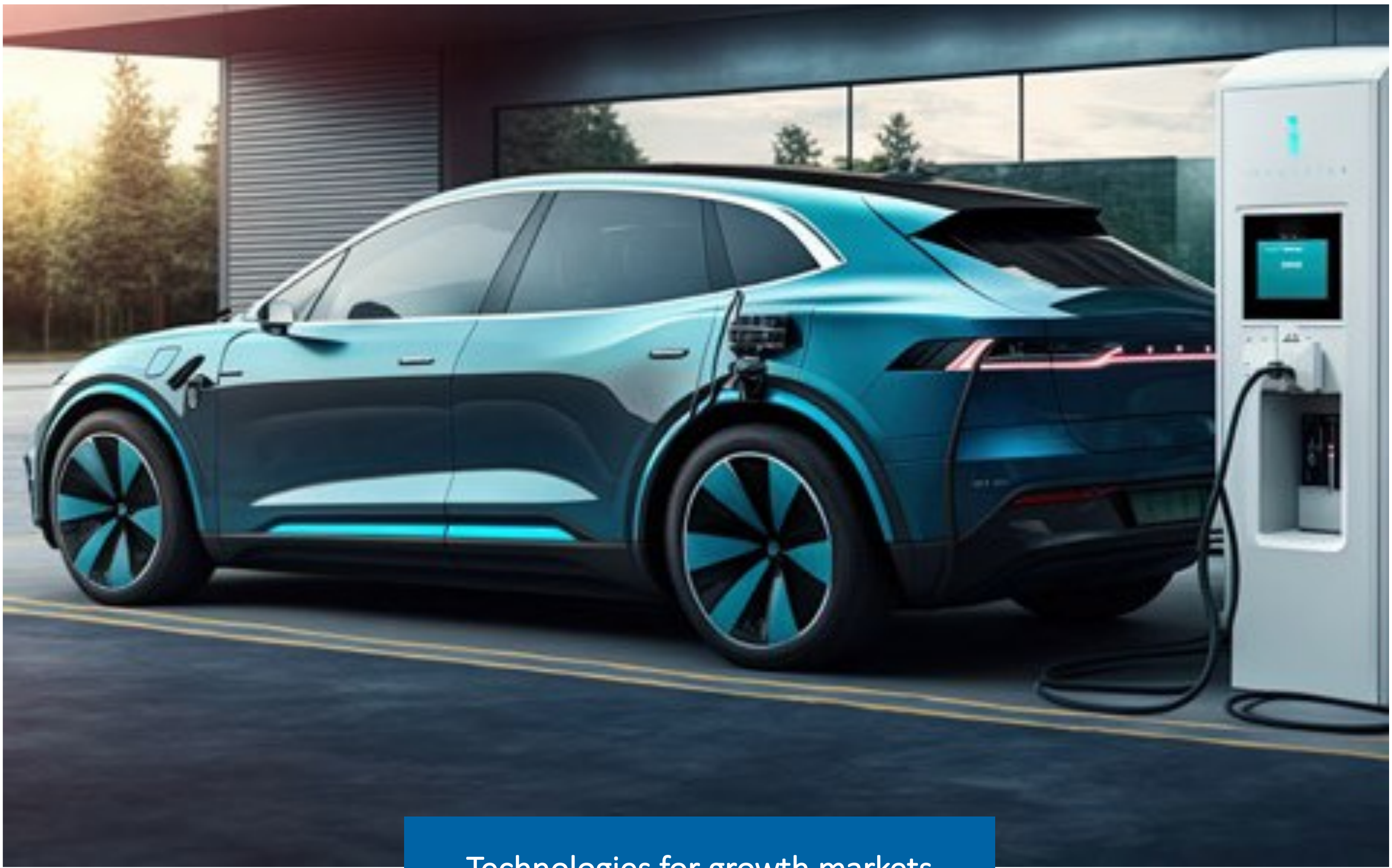
Unsatisfactory but not unexpected: that is probably the best way of summing up the past six months. Unsatisfactory, because a drop in sales of more than 10% is naturally not our goal. Nor are an EBIT margin of 1.1% and a loss for the period. That said, based on ongoing market developments, it was foreseeable that this would be a difficult year. Nevertheless, the extreme downturns in some areas such as charging points – where the European market for our products has slumped by 80% – were unexpected.

The reasons for the market weakness are basically well known. Investment of billions in digitalization and electrification coinciding with an economic downturn and geopolitical challenges. That is reflected in the figures released by automotive manufacturers and suppliers. A drop in sales and margins at Mercedes, supply bottlenecks at Audi, lower volumes and high upfront costs for new models at Porsche. ZF has reduced its sales guidance and plans to cut over 10,000 jobs in Germany, Bosch is also reducing its headcount in the face of poor demand, and the VW Group has introduced a strict savings programme. This list is by no means exhaustive.

For a tier 2 company like InTiCa, that means very high uncertainty and extreme volatility in order offtake. Orders are entered in the systems later and later and in some cases deleted at short notice or not fully called off. That does not only apply to new orders; it also affects existing orders where delivery was still planned for a period of several years. Liaison with customers is often slow and difficult because they are also confronted with uncertain trends.

This uncertainty makes planning of materials and warehousing more difficult, which in turn increases liquidity requirements and puts greater pressure on margins. Although we have been able to obtain small compensation payments in a few cases, the major issues are still under negotiation. However, there is little willingness to accept reduced volumes as a basis for adjusting prices. On the contrary, some OEMs are returning to past procurement practices. So far, we have managed to stave off price reductions and have even improved our gross margin and EBITDA margin thanks to continuous process optimization and a less material-intensive product mix compared with the previous year.

In any case, it is clear that optimizing liquidity and inventories has top priority for us at present. The forecast has been completely reviewed in the light of the continued changes in order offtake. Measures discussed include, in particular, modifying delivery terms, reducing the inventory buffer and implementing cost savings. Capital spending has already been scaled back significantly, as planned, with some of the measures dating from the past financial year.



Technologies for growth markets

The bad news is that the situation is unlikely to improve noticeably in the short term. Based on the information available to us from the market and directly from customers, we do not anticipate a recovery before 2025. On a long-term view, however, power electronics remain a key factor for the electrification of entire sectors of industry. In the automotive sector alone, one in three cars should be fully electric by 2030 – despite the present dip in demand. By 2035, that should increase to one in two.

To position InTiCa as well as possible for this and to reduce our dependence on individual market areas, we have adopted a new strategy, as already announced. At its heart is the strategic expansion of our product portfolio.

Alongside the present automotive business, our electronic components will in future also be used in commercial vehicles, buses, motorcycles, e-bikes and special vehicles for the construction and agricultural sectors. In addition, the company plans to address railways and aviation as new target markets. The introduction of the name Mobility more accurately reflects this range of activities. The previous Automotive business has been integrated fully into the renamed Mobility segment, preserving the comparability and continuity of the segment data.

The second segment, Industry & Infrastructure, has not been renamed but is also undergoing a strategic expansion, focusing on technology for frequency inverters, converters and EMC filters. Its product offering is to be extended selectively to enable it to serve new sectors and areas of application. Drawing on InTiCa's specific expertise in inductivity, the development of initial speciality products e.g. for industrial plant and medical technology started in 2023. These new products are marketed as "Tailored Solutions" and demand is developing very well, even though we are only just starting out. Since the beginning of August, the speciality product offer has been promoted by a separate micro-site on the InTiCa homepage.

We are convinced that this new approach will enable us to alleviate the present market weakness and grow again in the future. We are retaining our guidance for this year, though sales are expected to be at the lower end of the range. We would like to thank our shareholders most sincerely their trust in us in these challenging times, our business partners for their good collaboration, and naturally our employees for their hard work and ideas.

Passau, August 2024

Yours,

Dr. Gregor Wasle
Chairman of the
Board of Directors

Bernhard Griesbeck
Member of the
Board of Directors

Company Boards

Board of Directors

Gregor Wasle
Chairman of the Board of Directors
Engineering graduate

Strategy, investor relations, R&D, production, finance, human resources and IT

Bernhard Griesbeck
Member of the Board of Directors
Business administration graduate (FH)

Sales, logistics and quality management

Supervisory Board

Udo Zimmer
Chairman
Business administration graduate
Rottach-Egern

- *Managing Director of GUBOR Schokoladen GmbH,*
- *Managing Director of Hans Riegelein GmbH & Co. KG*
- *Managing Director of Rübezahl Schokoladen GmbH & Co. KG*

Werner Paletschek
Deputy Chairman
Business administration graduate
Fürstenzell

- *Managing director of OWP Brillen GmbH*

Christian Fürst
Member of the Supervisory Board
Business administration graduate
Thyrnau

- *Managing partner of ziel management consulting gmbh*
- *Managing partner of Fürst Reisen GmbH & Co. KG*
- *Chairman of the Supervisory Board of Electrovac AG*
- *Advisory Board of Eberspächer Gruppe GmbH & Co. KG*
- *Advisory Board of Karl Bach GmbH & Co. KG*

The Stock

InTiCa Systems' share price performance[1)]

Following the successful year-end rally in 2023, at the close of what had been a very positive year on the stock market, the markets initially continued their upward trend in the first half of 2024. Although the DAX had dropped to a low for the reporting period of 16,431.69 points by mid-January, by the end of the first quarter it was 10% higher than at the start of the year. While doubts about rapid interest cuts in the USA led to a temporary correction in April, pleasing quarterly figures and the prospect of an interest-rate cut by the ECB led to a rally on the markets in early May. Supported by declining US inflation data, the DAX closed at a new record of 18,869.36 on May 15, 2024, which was also the high for the period. At the end of the first six months, the DAX again slipped slightly, closing at 18,235.45 points on June 28, which was 8.6% above the closing level at end-December 2023. By contrast, the TecDAX ended the first six months at 3,326.63, slightly down on the start of the year.

Having ended 2023 at EUR 6.40, shares in InTiCa traded sideways in a range of EUR 6.00 to EUR 6.50 in the first weeks of 2024. At their highest point, the Xetra closing price was EUR 6.40. At the end of January, the share price dropped below EUR 6.00 and traded between EUR 5.00 and EUR 6.00 until mid-February. A renewed setback in mid -February pushed the price below EUR 4.00. Until the end of March, the share price fluctuated between EUR 4.00 and EUR 4.50 and ended the first quarter of 2024 at EUR 4.18. Following publication of the quarterly report at the end of May, which outlined the expected slow start to the year, the share suffered a further setback to a low for the period of EUR 3.58 on June 20, 2024. The closing price in XETRA trading was EUR 3.60 on June 28, 2024, so InTiCa Systems' market capitalization was EUR 15.4 million at the end of the first six months (December 31, 2023: EUR 22.7 million).

In the first half of 2024, 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 2023 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 24, 2024, which was held virtually again, is also available on the website. At the AGM, shareholders were able to inform themselves about fiscal 2023 and the current situation at InTiCa Systems SE.

1) Price data based on Xetra, source: Bloomberg

Key data on the share

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

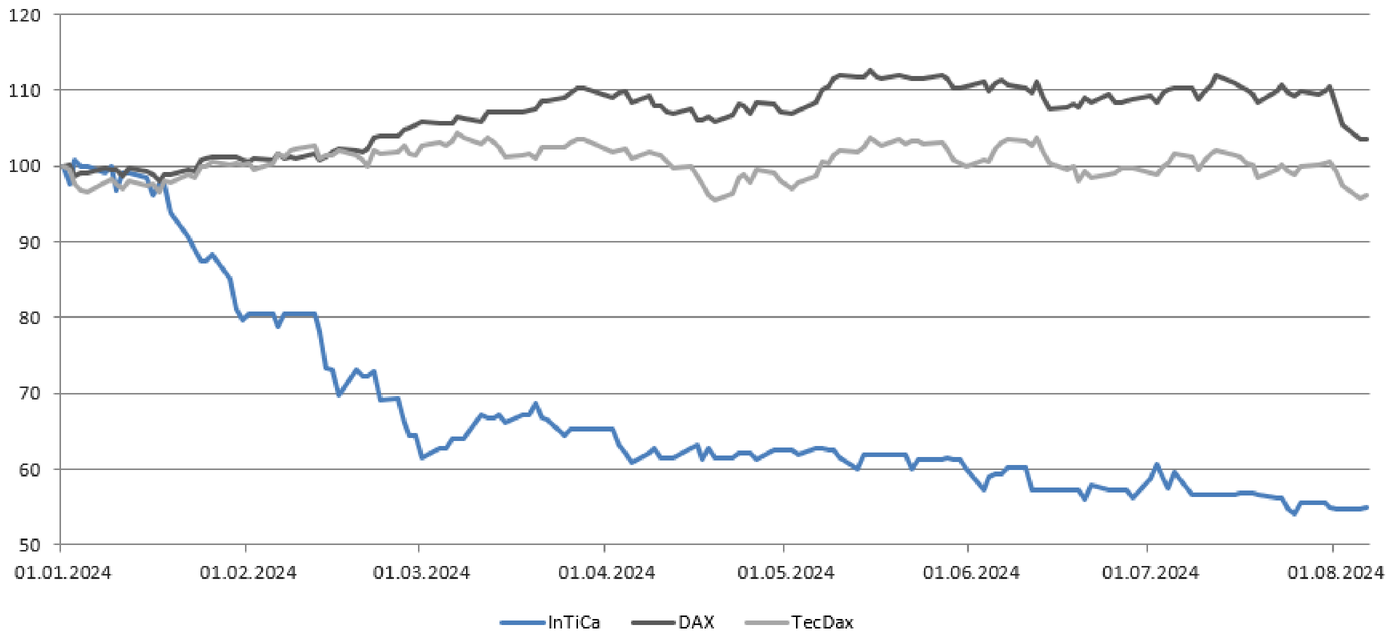
Shareholder structure

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

As of August 1, 2024

Share price performance

in %



Interim Management Report

for the period from January 1 to June 30, 2024

Economic report

General economic conditions

According to the most recent World Economic Outlook published by the International Monetary Fund (IMF) in July, global economy activity has picked up since the turn of the year, with world trade benefiting in particular from strong technology exports from Asia. The pace of global disinflation slowed in the reporting period. While the downward trend in the price of goods is continuing, inflation is above-average in the service sector and in many countries wage rises are above price inflation. Central banks are therefore cautious about interest rate cuts and normalizing monetary policy.

Overall, the IMF still expects global GDP growth to be 3.2% in 2024. Regional output divergence across different economies recently narrowed somewhat, becoming better aligned with potential. In the United States, moderating consumption and a negative contribution from net trade slowed the strong growth seen for a prolonged period. The IMF has also revised its outlook for Latin America slightly downward, reflecting the near-term impact of flooding in Brazil and more moderate demand in Mexico. By contrast, the Chinese economy has recently firmed again and in Europe there were visible signs of an economic recovery thanks to stronger momentum in the service sector. In Germany, the continued weakness of the manufacturing sector is holding back the recovery and the IMF is still projecting below-average growth of 0.2% in 2024.

In the IMF's view, the biggest risk is persistent inflation. For example, further trade or geopolitical tensions could increase price pressure and result in ongoing stickiness in wage and price inflation. The risk of persistently high inflation is holding back the interest rate turnaround, which in turn increases foreign trade, fiscal and financial risks. If borrowing costs rise, financial stability could also be affected. The upcoming elections in the USA are heightening the uncertainty. In particular, there is concern that higher trade tariffs and increased protectionism worldwide could ratchet up industrial policy.

Market and market environment

Mobility (formerly Automotive)

The German automotive industry association (VDA) reports that the majority of international car markets developed positively in the first half of the year. The strongest growth was in Brazil (+15.4%), Mexico (+11.9%) and India (+7.3%). By contrast, the major world markets have recently shown signs of weakening. In China, in particular, there was a significant market decline in the second quarter in the wake of weak consumer spending. Although registrations of new passenger cars increased by 3.3% in the first six months, a year-on-year decline of 7.7% was registered in June alone. A similar trend was seen on the US market, with a decline of 3.4% in June, although growth was 2.1% in the first six months. By contrast, the European passenger car market (EU & EFTA & UK) was basically stable in the reporting period. In June, new registrations were 3.6% higher than in the previous year, with a total rise of 4.4% in the first six months. The five largest individual markets except for France were actually slightly above the average. Nevertheless, so far this year the sales gap compared to 2019 is still 18%.

Germany is also well below the pre-crisis level. New registrations of passenger cars increased by 5% in the first six months, starting from a low level, with demand for foreign brands (+10%) growing faster than demand for German models (+3%). The persistently low sales figures for electric cars had a downside effect. 9% fewer new vehicles were registered in the first six months of this year than in the first half of the previous year. The 13% increase in demand for plug-in hybrids (PHEV) could not offset the 16% drop in battery electric vehicles (BEV) resulting from the abrupt withdrawal of subsidies and weak macroeconomic trend. The VDA now projects that new registrations of electric cars will be down 17% this year (previously: -9%). It has also downgraded its forecast for the production of electric cars, although it still assumes growth of 5% (previously: +17%). Overall, 6% fewer cars were produced in Germany in the reporting period than in the first half of 2023. By contrast, orders are 3% up on the previous year. Therefore, there has recently been a significant improvement in the assessment of the situation. However, while most companies are now positive about their current business, medium-term expectations are still subdued. In the June survey by the ifo Institute, the indicator for the next six months dropped from -13.8 to -21.0 points. In addition to the transformation of the automotive industry, the general uncertainty has been heightened by the dispute between the EU and China on punitive customs tariffs.

Industry & Infrastructure

In the first half of 2024, the German electro and digital industry was unable to continue the dynamic growth seen in the previous year. According to the industry association ZVEI, from January to May, aggregate sector sales were down 7.2% year-on-year, with domestic sales (-7.9%) dropping faster than foreign sales (-6.6%). Since producer prices rose by 1.9% in the same period, price-adjusted output in the first five months was 9.7% below the previous year's level. According to the most recent survey by ZVEI, in April 2024, sector-wide capacity utilization was 80.5%.

The negative order situation seen in the first quarter has also become entrenched: across the sector, new orders decreased by 11.3% year-on-year in the first five months. There was a significant drop in both domestic orders (-14.5%) and foreign orders (-8.6%). In April, roughly one in two companies in the sector reported a lack of orders and this is currently seen as the biggest factor hampering production, well ahead of supply-side bottleneck factors such as the shortage of skilled workers and scarcity of materials. The recent very slight increase in order reach from 4.1 to 4.2 (production) months is small comfort.

While the business climate improved in the first quarter, it remained in negative territory in the second quarter. In June, it was -4 points. 19% of companies in the sector rated the present situation as good, 54% as stable, and 27% as poor. Looking ahead to the next six months, 18% of electro companies reckon that business will increase, 65% expect business to be steady and 17% expect their business to decline. While the business climate in the electrical drives segment is presently particularly negative at -26.6 points, sentiment in some other areas such as communication technology, medical technology and process automation remains clearly positive.

Significant events in the reporting period

The Supervisory Board of InTiCa Systems SE appointed Mr. Bernhard Griesbeck to the company's Board of Directors with effect from January 15, 2024. He succeeds the long-standing board member Mr. Günther Kneidinger, who left the Board of Directors by mutual agreement on September 30, 2023.

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

Earnings, asset and financial position

The sluggish business performance continued in the second quarter. In the Industry & Infrastructure segment, in particular, business remained at a low level due to the persistently low market demand for charging points and energy supply units. There is currently no sign of a market upturn in the near future. The Mobility segment posted a respectable performance in the reporting period. Above all, demand for new products such as stator coils for mild-hybrid applications and antennas was basically stable. However, margins are still under pressure and volatility remains high.

Consequently, the profitability situation is challenging. However, as a result of continuous process optimization and a more efficient product mix, it was possible to reduce both the material and the personnel cost ratios in the reporting period. The gross margin and EBITDA therefore improved year-on-year and the EBIT margin was in line with expectations. However, short-term cancellation and deferral of orders are hampering these efforts and making planning of materials and warehousing more difficult. This increases pressure on liquidity, so at the end of the first six months the Group again reported a loss for the period.

In view of this situation, liquidity management has very high priority. Intensive price negotiations are conducted with suppliers and customers but tend to be difficult. Although capital spending was reduced as planned, the total cash flow was therefore clearly negative in the first six months of 2024. By contrast, the operating cash flow was only slightly negative despite the loss for the period and a significant closing-date-related increase in receivables. The equity ratio slipped slightly in the reporting period but remains at a solid level.

Earnings position

Group sales declined by 13.1% year-on-year to EUR 39.4 million in the first six months of 2024 (H1 2023: EUR 45.4

million). While sales in the Mobility segment dropped only slightly year-on-year, by 1.1% to EUR 31.2 million (H1 2023: EUR 31.5 million), the Industry & Infrastructure segment saw significant postponements or even cancellation of orders by some customers. Compared to the very strong prior-year period, this resulted in a 40.5% decline in sales to EUR 8.2 million (H1 2023: EUR 13.9 million).

At 54.3%, the ratio of material costs to total output in the reporting period was clearly below the prior-year level (H1 2023: 61.4%). Alongside optimization of production workflows, this was mainly due to a less material-intensive product mix. The personnel expense ratio (including agency staff) also decreased slightly from 25.0% to 24.5%. At the same time, other operating expenses decreased from EUR 5.9 million in the prior-year period to EUR 5.1 million. The other operating expenses include expenses of EUR 0.5 million (H1 2023: EUR 1.7 million) for agency staff.

Depreciation of property, plant and equipment and amortization of intangible assets amounted to EUR 3.2 million in the reporting period (H1 2023: EUR 3.0 million), and spending on research and development was EUR 1.5 million (H1 2023: EUR 1.4 million). Development work focused principally on the product areas grouped in the e-solutions business.

Contrary to declining sales, EBITDA (earnings before interest, taxes, depreciation and amortization) increased to EUR 3.7 million (H1 2023: EUR 3.5 million), with the EBITDA margin improving significantly to 9.4% (H1 2023: 7.6%). EBIT (earnings before interest and taxes) amounted to EUR 0.5 million (H1 2023: EUR 0.5 million), and the EBIT margin was in line with expectations at 1.1% (H1 2023: 1.0%). At segment level, Mobility reported EBIT of minus EUR 0.3 million in the first six months of 2024 (H1 2023: minus EUR 0.1 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.7 million (H1 2023: EUR 0.5 million).

The financial result was minus EUR 1.0 million in the reporting period (H1 2023: minus EUR 0.6 million), with increased use of overdraft facilities and higher interest expense making themselves visible. Tax income was EUR 53 thousand in the reporting period (H1 2023: EUR 8 thousand). Group net income was therefore minus EUR 0.5 million in the first six months (H1 2023: minus EUR 0.1 million). Earnings per share were minus EUR 0.11 (H1 2023: minus EUR 0.03).

As a result of currency translation losses of EUR 0.4 million (H1 2023: gains of EUR 0.7 million) from the translation of foreign business operations, total comprehensive income was minus EUR 0.8 million in the first six months of 2024 (H1 2023: EUR 0.5 million).

Non-current assets

Non-current assets decreased slightly to EUR 35.4 million as of June 30, 2024 (December 31, 2023: EUR 37.0 million), as property, plant and equipment declined from EUR 29.5 million to EUR 27.8 million due to lower capital expenditures. Intangible assets were EUR 5.3 million (December 31, 2023: EUR 5.1 million) and deferred taxes were EUR 2.3 million (December 31, 2023: EUR 2.4 million), in other words, roughly the same level as at year-end 2023.

Current assets

Current assets increased to EUR 31.4 million as of June 30, 2024 (December 31, 2023: EUR 30.7 million). This was mainly attributable to the rise in trade receivables as of the reporting date from EUR 7.7 million to EUR 12.3 million. At EUR 16.3 million, inventories remained below the year-end-level (December 31, 2023: EUR 18.7 million), while tax receivables fell from EUR 1.2 million to EUR 0.6 million, other financial assets decreased from EUR 0.6 million to EUR 0.4 million and other current receivables dropped from EUR 1.5 million to EUR 0.6 million. Cash and cash equivalents totalled EUR 1.2 million on June 30, 2024 (December 31, 2023: EUR 0.9 million).

Liabilities

Current liabilities increased to EUR 31.5 million in the first half of 2024 (December 31, 2023: EUR 29.8 million). This was mainly attributable to the rise in financial liabilities from EUR 18.1 million to EUR 22.2 million. Other current provisions also increased from EUR 1.3 million to EUR 1.5 million. By contrast, trade payables decreased from EUR 5.1 million to EUR 3.9 million. There was also a decrease in other current financial liabilities to EUR 2.6 million (December 31, 2023: EUR 3.0 million), while tax liabilities decreased to EUR 28 thousand (December 31, 2023: EUR 0.4 million) and other current liabilities dropped to EUR 1.2 million (December 31, 2023: EUR 2.0 million).

Non-current liabilities decreased from EUR 17.1 million to EUR 15.3 million as of June 30, 2024. In the reporting period, there was a decline in both non-current liabilities to banks, which decreased to EUR 9.9 million (December 31, 2023: EUR 11.0 million) and other non-current financial liabilities, which decreased to EUR 3.7 million (December 31, 2023: EUR 4.3 million). At EUR 1.7 million, deferred taxes remained at the year-end level (December 31, 2023: EUR 1.8 million).

Equity

Equity decreased slightly to EUR 20.0 million as of June 30, 2024 (December 31, 2023: EUR 20.8 million). This was attributable to the decrease in the profit reserve from EUR 1.4 million to EUR 0.9 million due to the loss for the period. In addition, the currency translation reserve changed from minus EUR 0.2 million to minus EUR 0.6 million. The capital stock of EUR 4.3 million, treasury stock of EUR 64 thousand and capital reserve of EUR 15.4 million were constant in the reporting period. Total assets decreased slightly to EUR 66.8 million at the end of the first half of 2024 (December 31, 2023: EUR 67.7 million). The equity ratio declined from 30.8% to 29.9%.

Liquidity and cash flow statement

The net cash outflow for operating activities was EUR 39 thousand in the first six months of 2024 (H1 2023: outflow of EUR 0.9 million). While the changes in working capital were largely balanced compared with the prior-year period, the improvement compared with the first half of 2023 was mainly due to income tax receipts. Excluding tax expense and interest payments, there was a cash inflow for operating activities of EUR 0.6 million (H1 2023: inflow of EUR 0.4 million).

The net cash outflow for investing activities was EUR 2.2 million in the reporting period (H1 2023: outflow of EUR 4.1 million). Investment in intangible assets amounted to EUR 0.7 million (H1 2023: EUR 0.9 million) and investment in property, plant and equipment was EUR 1.5 million (H1 2023: EUR 3.2 million). Given the measures taken in recent years and the continued uncertainty with regard to volumes in the present market conditions, lower capital expenditures of up to EUR 4.0 million have been budgeted for 2024 overall. Investments will focus primarily on an order received for higher quantities of an actuator coil for chassis systems in the Czech Republic and expanding production capacity for functional plastics components in Mexico. In addition, plants are required for the speciality products business.

The net cash flow for financing activities was minus EUR 0.6 million in the first half of 2024 (H1 2023: minus EUR 14 thousand). In the reporting period, cash inflows of EUR 2.1 million from the conversion of part of an overdraft facility amounting to EUR 1.5 million into a eurocredit and from a project-related loan (H1 2023: cash inflows of EUR 2.9 million) were offset by cash outflows of EUR 2.1 million for the repayment of loans (H1 2023: EUR 2.2 million) and EUR 0.6 million for lease payments (H1 2023: EUR 0.7 million).

This resulted in a total cash outflow of EUR 2.8 million in the reporting period (H1 2023: outflow of EUR 5.0 million). Cash and cash equivalents (less overdrafts) were minus EUR 15.0 million (June 30, 2023: minus EUR 8.6 million). As of the reporting date, InTiCa Systems SE also had assured credit facilities which could be drawn at any time totalling EUR 18.4 million.

Employees

The headcount was 643 on June 30, 2024 (June 30, 2023: 846). 14 of these employees were agency staff (June 30, 2023: 79). On average, the Group had 694 employees in the reporting period (H1 2023: 840), including agency staff in both cases.

Risks and opportunities

The management report in the annual report for 2023 provides full details of risk factors that could affect the business performance of InTiCa Systems in section 4 “Risk management and risk report”, while business potential is discussed in section 5 “Opportunities and management of opportunities”. There was no material change in the risk/opportunity profile of InTiCa Systems SE in the reporting period.

Outlook

The macroeconomic environment is still dominated by numerous risk factors. At present, there is no sign of an end to the war in Ukraine, or the currently escalating conflict in the Middle East and the US elections are also contributing to the uncertainty. That is compounded by the difficult situation in the markets served by InTiCa Systems SE, which is dominated by very high volatility, sluggish order patterns and lack of clarity about order offtakes. This makes the procurement of materials and warehousing more difficult and therefore puts pressure on liquidity.

Based on the available information, both from the market and directly from customers, there is presently no sign of a recovery in the short term. The Mobility segment assumes that there will be a further reduction in order call-offs in the second half of the year, while in the Industry & Infrastructure segment demand remains low in the area of photovoltaics and the downturn in charging points was unexpectedly sharp.

This is also reflected in orders on hand. At the end of the first six months, orders on hand were well below the prior-year level at EUR 82.3 million (June 30, 2023: EUR 111.9 million). 90% of orders were for the Mobility segment (H1 2023: 74%). One reason for the decline is that many customers are entering orders in the systems far later. Moreover, in some cases there has been a significant reduction in quantities of established products, which were to be ordered for several years.

Liaison with customers is often difficult and time-consuming. This also applies to negotiations on compensation payments, although some small successes have been achieved in isolated instances. So far, InTiCa has managed to stave off endeavours by OEMs to push through lower prices in the wake of international pressure. Conversely, however, there is little readiness by customers to accept reduced volumes as a basis for price rises.

On the procurement side, prices of the raw materials and other materials of relevance for InTiCa (copper wire, ferrite materials and plastic granulates) were recently stable, following modest reductions at the beginning of the year. However, the level is considerably higher than in the past and plastics suppliers have already announced initial increases for the third quarter. Materials are available and the supply chains have stabilized.

Despite the negative sentiment, there have also been positive developments. In particular, demand for new products such as stator coils for mild-hybrid applications and antennas is stable and new low to medium-volume orders for technical plastic parts have been acquired in Mexico. Moreover, a major EMC project for use in high-performance sports cars is currently at the industrialization phase.

Demand in the new area of “Tailored Solutions” has also developed very well. Since the beginning of August, the speciality product offer has been promoted by a separate micro-site on the InTiCa homepage. Drawing on its specific expertise in inductivity, InTiCa's product offering in the Industry & Infrastructure segment is to be extended selectively. For example, a patent application will be filed for the newly developed, innovative high-performance transformer, which features smaller dimensions and increased performance, and an intensive acquisition process has been launched to target potential customers/ their development departments.

InTiCa Systems SE is convinced that its strategic expansion of the product portfolio and repositioning of the segments published in mid-July will strengthen competitiveness and position the company optimally for future growth. The introduction of the name "Mobility" more accurately reflects the range of activities. Alongside the present automotive business, the renamed segment will in future include innovative electronic components for commercial vehicles, buses, motorcycles, e-bikes and special vehicles. In addition, the company plans to address railways and aviation as new target markets.

Optimizing liquidity and inventories has top priority at present. The forecast has been completely reviewed in the light of the continued changes in order offtake. Measures discussed include, in particular, modifying delivery terms, reducing the inventory buffer and implementing cost savings. Capital spending has already been scaled back significantly, as planned, with some of the measures dating from the past financial year.

At present, the Board of Directors still assumes that, taking into account the ongoing high uncertainty, Group sales will be between EUR 80.0 million EUR 95.0 million in 2024, while the EBIT margin will be between 0.0% and 2.5%. Sales are expected to be at the lower end of the range. Where possible, the material cost ratio should be optimized further in both segments and the equity ratio should remain stable. The assumptions underlying the forecast for 2024 are that the cyclical trend will not deteriorate further and geopolitical conflicts will not escalate. Unforeseeable negative effects could affect suppliers, have a direct impact on InTiCa Systems, or affect its customers, resulting in an inability to meet expectations.

Further information on the segments can be found in the annual report for 2023 in section 6 "Outlook".

Consolidated interim financial statements in accordance with IFRS

The unaudited consolidated interim financial statements for InTiCa Systems SE and its subsidiaries as of June 30, 2024, 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 interim report contains statements and forecasts referring to the future development of InTiCa Systems SE, which are based on current assumptions and estimates by the management that are made using information currently available to them. If the underlying assumptions do not materialize, the actual figures may differ substantially from such estimates. Future performance and developments depend on a wide variety of factors which contain a number of risks on unforeseeable factors and are based on assumptions that may prove incorrect. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.

Consolidated Interim Financial Statements

for the period from January 1 to June 30, 2024

Consolidated Balance Sheet

of InTiCa Systems SE in accordance with IFRS as of June 30, 2024

Assets	Jun 30, 2024 EUR ´000	Dec 31, 2023 EUR ´000
Non-current assets		
Intangible assets	5,273	5,142
Property, plant and equipment	27,833	29,525
Deferred taxes	2,283	2,371
Total non-current assets	**35,389**	**37,038**
Current assets		
Inventories	16,255	18,693
Trade receivables	12,338	7,728
Tax assets	593	1,182
Other financial assets	432	625
Other current receivables	608	1,510
Cash and cash equivalents	1,167	946
Total current assets	**31,393**	**30,684**
Total assets	**66,782**	**67,722**

Equity and liabilities	Jun 30, 2024 EUR ´000	Dec 31, 2023 EUR ´000
Equity		
Capital stock	4,287	4,287
Treasury stock	-64	-64
General capital reserve	15,389	15,389
Profit reserve	934	1,402
Currency translation reserve	-553	-187
Total equity	**19,993**	**20,827**
Non-current liabilities		
Interest-bearing non-current liabilities	9,897	10,958
Other liabilities	3,709	4,346
Deferred taxes	1,719	1,770
Total non-current liabilities	**15,325**	**17,074**
Current liabilities		
Other current provisions	1,495	1,272
Tax payables	28	375
Interest-bearing current financial liabilities	22,207	18,081
Trade payables	3,885	5,127
Other financial liabilities	2,608	2,983
Other current liabilities	1,241	1,983
Total current liabilities	**31,464**	**29,821**
Total equity and liabilities	**66,782**	**67,722**
Equity ratio	**29.9%**	30.8%

Consolidated Statement of Profit and Loss and other Comprehensive Income

of InTiCa Systems SE in accordance with IFRS for the period from January 1 to June 30, 2024

	Q2 2024 EUR ´000	Q2 2023 EUR ´000	H1 2024 EUR ´000	H1 2023 EUR ´000	Change 2024 vs. 2023
Sales	**19,362**	21,624	**39,416**	45,360	-13.1%
Other operating income	376	795	1,117	1,869	-40.2%
Changes in finished goods and work in process	-1,258	-668	-2,856	-1,335	-
Other own costs capitalized	150	211	301	423	-28.8%
Material expense	9,564	12,869	20,003	27,312	-26.8%
Personnel expense	4,633	4,937	9,212	9,690	-4.9%
Depreciation and amortization	1,621	1,504	3,247	2,990	+8.6%
Other expenses	2,731	2,803	5,063	5,861	-13.6%
Operating profit (EBIT)	**81**	-151	**453**	464	-2.4%
Cost of financing	515	333	973	624	+55.9%
Other financial income	0	3	0	4	-
Profit before taxes	**-434**	-481	**-520**	-156	-
Income taxes	-55	-112	-53	-8	-
Net profit / (loss) for the period	**-379**	-369	**-467**	-148	-
Other comprehensive income					
Exchange differences from translating foreign business operations	-366	71	-366	697	-
Other comprehensive income, after taxes	**-366**	71	**-366**	697	-
Total comprehensive income for the period	**-745**	-298	**-833**	549	-
Earnings per share (diluted/basic in EUR)	-0.09	-0.09	-0.11	-0.03	-
EBITDA	**1,702**	1,353	**3,700**	3,454	+7.1%

Consolidated Cash Flow Statement

of InTiCa Systems SE in accordance with IFRS for the period from January 1 to June 30, 2024

	Jan 1 - Jun 30, 2024 EUR ´000	Jan 1 - Jun 30, 2023 EUR ´000
Cash flow from operating activities		
Net profit for the period	-467	-148
Income tax expenditures / receipts	-53	-8
Cash outflow for borrowing costs	973	624
Income from financial investments	0	-4
Depreciation and amortization of non-current assets	3,247	2,990
Other non-cash transactions		
Net currency gains/losses	223	-460
Increase/decrease in assets not attributable to financing or investing activities		
Inventories	2,438	503
Trade receivables	-4,610	-1,729
Other assets	1,095	-974
Increase/decrease in liabilities not attributable to financing or investing activities		
Other current provisions	223	223
Trade payables	-1,242	-209
Other liabilities	-1,199	-412
Cash flow from operating activities	**628**	**396**
Cash outflow for income taxes	222	-663
Cash outflow for interest payments	-889	-585
Net cash flow from operating activities	**-39**	**-852**
Cash flow from investing activities		
Cash inflow from interest payments	0	4
Cash outflow for intangible assets	-672	-882
Cash outflow for property, plant and equipment	-1,512	-3,220
Net cash flow from investing activities	**-2,184**	**-4,098**
Cash flow from financing activities		
Cash inflow from loans	2,110	2,861
Cash outflow for loan repayment installments	-2,147	-2,218
Cash outflow for liabilities under finance leases	-583	-657
Net cash flow from financing activities	**-620**	**-14**
Total cash flow	**-2,843**	**-4,964**
Cash and cash equivalents at start of period	-12,081	-3,800
Impact of changes in exchange rates on cash and cash equivalents held in foreign currencies	-38	140
Cash and cash equivalents at end of period	**-14,962**	**-8,624**

Consolidated Statement of Changes in Equity

of InTiCa Systems SE in accordance with IFRS for the period from January 1 to June 30, 2024

	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, 2023	**4,287**	**-64**	**15,389**	**2,530**	**-173**	**21,969**
Net result for H1 2023	0	0	0	-148	0	-148
Other comprehensive income, after taxes H1 2023	0	0	0	0	697	697
Total comprehensive income for H1 2023	0	0	0	-148	697	549
As of June 30, 2023	**4,287**	**-64**	**15,389**	**2,382**	**524**	**22,518**
As of January 1, 2024	**4,287**	**-64**	**15,389**	**1,402**	**-187**	**20,827**
Net result H1 2024	0	0	0	-467	0	-467
Other comprehensive income, after taxes H1 2024	0	0	0	0	-366	-366
Total comprehensive income for H1 2024	0	0	0	-467	-366	-833
As of June 30, 2024	**4,287**	**-64**	**15,389**	**935**	**-553**	**19,994**

Notes to the Consolidated Interim Financial Statements

for the period from January 1 to June 30, 2024

Accounting based on the International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of InTiCa Systems SE as of June 30, 2024, 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 2023, 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, 2024. Comparative data refer to the consolidated financial statements as of December 31, 2023, or the consolidated interim financial statements as of June 30, 2023. 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 2023. This is available at Investor Relations/Publications on the company's website at http://www.intica-systems.com/en.

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

Scope of consolidation

In addition to the parent company, InTiCa Systems SE, Passau, Germany, InTiCa Systems s.r.o., Prachatice, Czech Republic, Sistemas Mecatrónicos InTiCa S.A.P.I. de C.V., Silao, Mexico and InTiCa Systems TOV, Bila Tserkva, Ukraine are included in the consolidated financial statements. The Czech and the Ukrainian subsidiaries are wholly owned companies, while InTiCa Systems SE holds 99% in the Mexican company and InTiCa Systems s.r.o. holds 1%. The annual financial statements and interim financial statements of the Group companies are drawn up as of the last day of the Group's fiscal year or the interim reporting period.

Compared with H1 2023, there has been no change in the scope of consolidation of InTiCa Systems SE.

Currency translation

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

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

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

	Closing rates		
	Jun 30, 2024	Dec 31, 2023	Jun 30, 2023
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.030	CZK 24.725	CZK 23.730
USA	USD 1.071	USD 1.108	USD 1.085
Mexico	MXN 19.697	MXN 18.665	MXN 18.628
Ukraine	UAH 43.355	UAH 42.208	UAH 40.000

	Average rates		
	Jun 30, 2024	Dec 31, 2023	Jun 30, 2023
	EUR 1	EUR 1	EUR 1
Czech Republic	CZK 25.014	CZK 24.007	CZK 23.690
USA	USD 1.081	USD 1.081	USD 1.081
Mexico	MXN 18.551	MXN 19.177	MXN 19.634
Ukraine	UAH 42.187	UAH 39.562	UAH 39.524

Segment information

The notes to the consolidated financial statements in the annual report for 2023 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, 2023.

Consolidated income statement / statement of comprehensive income

Group sales were EUR 39,416 thousand in the first six months of 2024, down from EUR 45,360 thousand in H1 2023. While sales in the Mobility segment (formerly Automotive) decreased only slightly, the Industry & Infrastructure segment recorded a significant decline compared to the prior-year period. EBITDA increased from EUR 3,454 thousand to EUR 3,700 thousand. Group net income was minus EUR 467 thousand in the reporting period, compared with minus EUR 148 thousand in the first half of the previous year.

Consolidated balance sheet and cash flow statement

The capital stock of InTiCa Systems SE is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares with a theoretical pro rata share of the capital stock of EUR 1.00 per share. The equity ratio of around 29.9% as of June 30, 2024 (December 31, 2023: 30.8%) shows that the company is still soundly financed.

The net cash outflow for operating activities was EUR 39 thousand in the first six months of 2024 (H1 2023: outflow of EUR 852 thousand). The total cash outflow in the reporting period was EUR 2,843 thousand (H1 2023: outflow of EUR 4,964 thousand). Cash and cash equivalents therefore declined from minus EUR 12,081 thousand as of December 31, 2023 to minus EUR 14,962 thousand as of June 30, 2024. Equity and liabilities changed as follows in the reporting period: equity decreased to EUR 19,993 thousand (December 31, 2023: EUR 20,827 thousand) and non-current liabilities decreased to EUR 15,325 thousand (December 31, 2023: EUR 17,074 thousand). Current liabilities rose to EUR 31,464 thousand (December 31, 2023: EUR 29,821 thousand). On the assets side of the balance sheet, non-current assets decreased to EUR 35,389 thousand (December 31, 2023: EUR 37,038 thousand), while current assets rose slightly to EUR 31,393 thousand (December 31, 2023: EUR 30,684 thousand).

Events after the reporting period

On July 18, InTiCa Systems SE announced that it is changing the name of its Automotive segment to Mobility. This strategic decision highlights the company's future-oriented vision and paves the way to access new markets. Alongside the present automotive business, which comprises advanced solutions for the automotive industry, including e-mobility and autonomous driving, the renamed segment will in future include innovative electronic components for commercial vehicles, buses, motorcycles and e-bikes. Innovative solutions from InTiCa could also be used in special vehicles for the construction and agricultural sectors and in various types of trailers. In addition, the company plans to address railways and aviation as new target markets. The introduction of the name Mobility thus more accurately reflects the segment's range of activities. The previous Automotive business has been integrated fully into the renamed Mobility segment, preserving the comparability and continuity of the segment data.

No other reportable events have occurred since the reporting date on June 30, 2024.

Remuneration system of the Board of Directors and Supervisory Board

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

German Corporate Governance Code and corporate governance statement

The corporate governance statement for InTiCa Systems SE and the InTiCa Systems Group, which is required by sec. 289f and sec. 315d of the German Commercial Code (HGB), including the corporate governance report, is available on the internet at www.intica-systems.com in the section Investor Relations/Corporate Governance.

Related party transactions

No material transactions were conducted with related parties in the reporting period.

Other information

The capital stock of InTiCa Systems SE is EUR 4,287,000 and is divided into 4,287,000 no-par bearer shares, which constitute a theoretical pro rata share of the capital stock of EUR 1.00 per share. All shares have the same voting rights and dividend claims. The only exceptions are shares held by the company (treasury shares), which do not confer any rights on the company. The rights and obligations of the shareholders are set out in detail in the German Companies Act (AktG), in particular in sec. 12, sec. 53a et seq., sec. 118 et seq. and sec. 186.

Restrictions on the voting rights of shares could result from statutory provisions (sec. 71b and sec. 136 AktG). The Board of Directors is not aware of any other restrictions on the exercise of voting rights or the transfer of shares.

Under the provisions of German securities trading legislation, every investor whose proportion of the voting rights in the company reaches, exceeds or falls below certain thresholds as a result of the purchase or sale of shares or in any other way must notify the company and the Federal Financial Supervisory Authority (BaFin) thereof. The lowest threshold for such disclosures is 3%. Dr. Axel Diekmann (Germany) and Mr. Thorsten Wagner (Germany) have direct and indirect interests in the company's capital exceeding 10% of the voting rights.

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

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

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

In addition, under sec. 3 paragraph 3 of the articles of incorporation, the Supervisory Board may alter the articles of incorporation in the event of a capital increase out of the authorized capital 2022/1 to bring them into line with the extent of the capital increase and may make any other amendments associated with this provided that these are merely editorial.

On the basis of the resolution of the Annual General Meeting of July 15, 2022, the Board of Directors is authorized to increase the capital stock with the Supervisory Board's consent, in one or more tranches, up to July 14, 2027, by a total of up to EUR 2,143,500.00 in return for cash or contributions in kind under exclusion of shareholders' subscription rights (authorized capital 2022). Further details are given in sec. 3 paragraph 3 of the company's articles of incorporation, which can be downloaded from the company's website at Company/Downloads [available in German only].

On the basis of the resolution of the Annual General Meeting of May 29, 2008, the company was authorized, until November 28, 2009, to repurchase up to 10% of the capital stock of 428,700 shares at the date of the resolution. This resolution was used to purchase 263,889 shares in the company. As of June 30, 2024, InTiCa Systems SE still had treasury stock amounting to 64,430 shares (June 30, 2023: 64,430).

On the basis of a resolution adopted by the Annual General Meeting on July 15, 2022, the company is authorized, up to July 14, 2027, to purchase its own shares, in one or more tranches, up to a total of 10% of the capital stock at the time of adoption of this resolution or, if the capital stock is lower when this authorization is utilized, of the capital stock at the time when it is utilized. The company has not yet used this authorization.

InTiCa Systems SE has loans amounting to EUR 0.6 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 3 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, 2024
Segment sales and segment earnings

Segment	Mobility*		Industry & Infrastructure		Total	
In EUR ´000	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Sales	**31,172**	31,503	**8,244**	13,857	**39,416**	45,360
EBIT	**-271**	-68	**724**	532	**453**	464

* formerly Automotive

Key financial figures	H1 2024 EUR ´000 or %	H1 2023 EUR ´000 or %	Change 2024 vs. 2023
EBITDA	**3,700**	3,454	+7.1%
Net margin	**-1.2%**	-0.3%	-
Pre-tax margin	**-1.3%**	-0.3%	-
Material cost ratio (in terms of total output)	**54.3%**	61.4%	-
Personnel cost ratio	**24.5%**	25.0%	-
EBIT margin	**1.1%**	1.0%	-
Gross profit margin	**42.8%**	37.8%	-

Responsibility Statement

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

Passau, August 7, 2024

The Board of Directors

Dr. Gregor Wasle

Chairman of the
Board of Directors

Bernhard Griesbeck

Member of the
Board of Directors

Financial Calendar 2024

August 08, 2024	Publication of Interim Financial Statements for H1 2024
November 19, 2024	Publication of Interim Financial Statements for Q3 2024
December 31, 2024	End of the financial year

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