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PRESSRELEASE

InTiCa Systems AG publishes interim report for 9M 2021 – Profitable growth continued in the third quarter

Group sales increased to EUR 75.5 million (9M 2020: EUR 46.7 million)

EBIT margin of 3.9% in line with expectations

High inventory levels burden cash flow

Full-year forecast confirmed

Passau, November 18, 2021 – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first nine months of 2021. The profitable growth registered in the previous months continued in the third quarter. However, the record figures of the previous quarters could not be reached as it is becoming increasingly difficult to decouple from the problems of the automotive industry. Overall, sales increased by 61.9% to EUR 75.5 million in the first nine months and the EBIT margin was 3.9%.

„As you can see from the figures, at the end of the first nine months we are still well on track to achieve our targets for the full year. Nevertheless, the figures show that the pace of growth has slowed recently. We are now strongly noticing the impact of rising raw material prices and massive supply bottlenecks. Contrary to the recent rise in the intensity of new requests, customers are more frequently postponing order call-offs, sometimes with less than one month's notice. In order to service existing orders, we have to keep inventories and personnel available, leading to overcapacity and burdening our cash flow. Moreover, compared with the prior-year period, costs have risen as short-time working has ended“, comments Dr. Gregor Wasle, CEO of InTiCa Systems AG the business development.

Earnings, asset and financial position

Group sales in the first nine months of 2021 were significantly above the level of the prior-year period. Sales totalled EUR 75.5 million, an increase of 61.9% (9M 2020: EUR 46.7 million). Both segments contributed to the strong growth: While sales in the Automotive segment increased by 65.9% to EUR 57.3 million (9M 2020: EUR 34.5 million), the Industry & Infrastructure segment recorded a 50.3% increase to EUR 18.2 million (9M 2020: EUR 12.1 million).

At 64.1%, the ratio of material costs to total output in the reporting period was well above the prior-year level (9M 2020: 60.2%) due to a more material-intensive product mix and strained supply chains. By contrast, the personnel expense ratio (including agency staff) decreased from 22.0% to 21.3%. At the same time, other expenses increased from EUR 8.1 million in the prior-year period to EUR 10.7 million. This was primarily due to the expenses for agency staff, which increased from EUR 2.3 million in the first nine months of 2020 to EUR 4.8 million in the reporting period.

EBITDA (earnings before interest, taxes, depreciation and amortization) increased disproportionally by 98.6% to EUR 7.2 million (9M 2020: EUR 3.6 million), with the EBITDA margin also well above the previous year's level at 9.6% (9M 2020: 7.8%). EBIT (earnings before interest and taxes) was also clearly positive at EUR 2.9 million, compared with negative EBIT of minus EUR 0.6 million in the first nine months of 2020. At segment level, Automotive reported EBIT of EUR 1.9 million in the first nine months of 2021 (9M 2020: minus EUR 0.6 million) and the Industry & Infrastructure segment reported EBIT of EUR 1.0 million (9M 2020: minus EUR 0.04 million).

The financial result was minus EUR 0.4 million in the reporting period (9M 2020: minus EUR 0.5 million). While tax income of EUR 7 thousand was recorded in the first nine months of 2020, the Group recorded tax expenses of EUR 0.6 million in the reporting period. Group net income therefore amounted to EUR 1.9 million in the first nine months (9M 2020: minus EUR 1.1 million). Earnings per share were EUR 0.44 (9M 2020: minus EUR 0.25).

The operating cash flow was minus EUR 2.2 million in the first nine months (9M 2020: EUR 1.9 million). The year-on-year change was mainly due to the increase in inventories. Unlike the previous year, no new loans were taken out. Despite continued investment discipline, the total cash flow comprised an outflow of EUR 7.6 million in the first nine months (9M 2020: inflow of EUR 4.1 million), resulting in increased drawing on existing overdraft facilities. The equity ratio remained solid at 31.9% (December 31, 2020: 31.7%).

Outlook

The increased development and production of alternative drives for serial production will lead to a considerable hike in demand for InTiCa's products, from power electronics for energy generation to EMC filters for energy storage solutions and system solutions for hybrid and electric vehicles. InTiCa already has extensive references for serially manufactured products and new developments, especially in the areas of inductive components and modular assemblies. At currently over 55%, the share of e-solutions in total sales is well above the industry average.

“Demand remains high. This is reflected in orders on hand of EUR 117 million. However, in the present situation orders on hand are a less meaningful indicator. The deferral of orders is currently rising and this trend is expected to continue into 2022. To improve liquidity, we are currently doing our best to reduce inventories, which have increased significantly as a result of the short-term cancellation of order call-offs, and to cushion supply bottlenecks. In addition, progress is being made with the plan to set up a production facility for wage-intensive products in

Eastern Europe. The Board of Directors has examined several options and has its eye on a site in the Ukraine, close to Kiev. The aim is still to start production in 2022 to reduce pressure on the present sites and generate additional growth opportunities for the Group as well as to improve the cost structure for wage-intensive products“, comments Günther Kneidinger, Member of the Management Board.

The main risk factors for the development of our business this year are new measures to check the rising rate of Covid infections and the continued uncertainty about the availability of materials and price trends. In view of this, the Board of Directors expects the development in the fourth quarter to be similar to the third quarter. Therefore, it is not altering its guidance for the full year. It still expects that in 2021 as a whole, consolidated sales will rise to between EUR 85.0 million and EUR 100.0 million and the EBIT margin will be between 3.5% and 4.5%. While Group sales are currently expected to come in at the upper end of the range, the EBIT margin will probably be at the lower end of the forecast range. The material cost ratio should be optimized further in both segments, in line with the product portfolio, and the equity ratio should remain stable.

The complete interim report for 9M 2021 is available for download from the Investor Relations section of InTiCa Systems’ website at www.intica-systems.com.

InTiCa Systems AG

The Board of Directors

About InTiCa Systems:

InTiCa Systems is a European leader in the development, manufacture and commercialization of inductive components, passive analogue switching technology and mechatronic assemblies. It operates in the Automotive Technology and Industrial Technology segments and has about 850 employees at its sites in Passau (Germany), Prachatice (Czech Republic) and Silao (Mexico).

The Automotive Technology segment focuses on innovative products that raise the comfort and safety of cars, improve the performance of electric and hybrid vehicles and reduce carbon emissions. InTiCa Systems' Industrial Electronics segment develops and manufactures mechatronic assemblies for the solar industry and other industrial applications.

Forward-looking statements and predictions

This press release 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 developments and results are in fact dependent on a large number of factors; they contain different risks and imponderables and are based on assumptions that may not be accurate. 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.