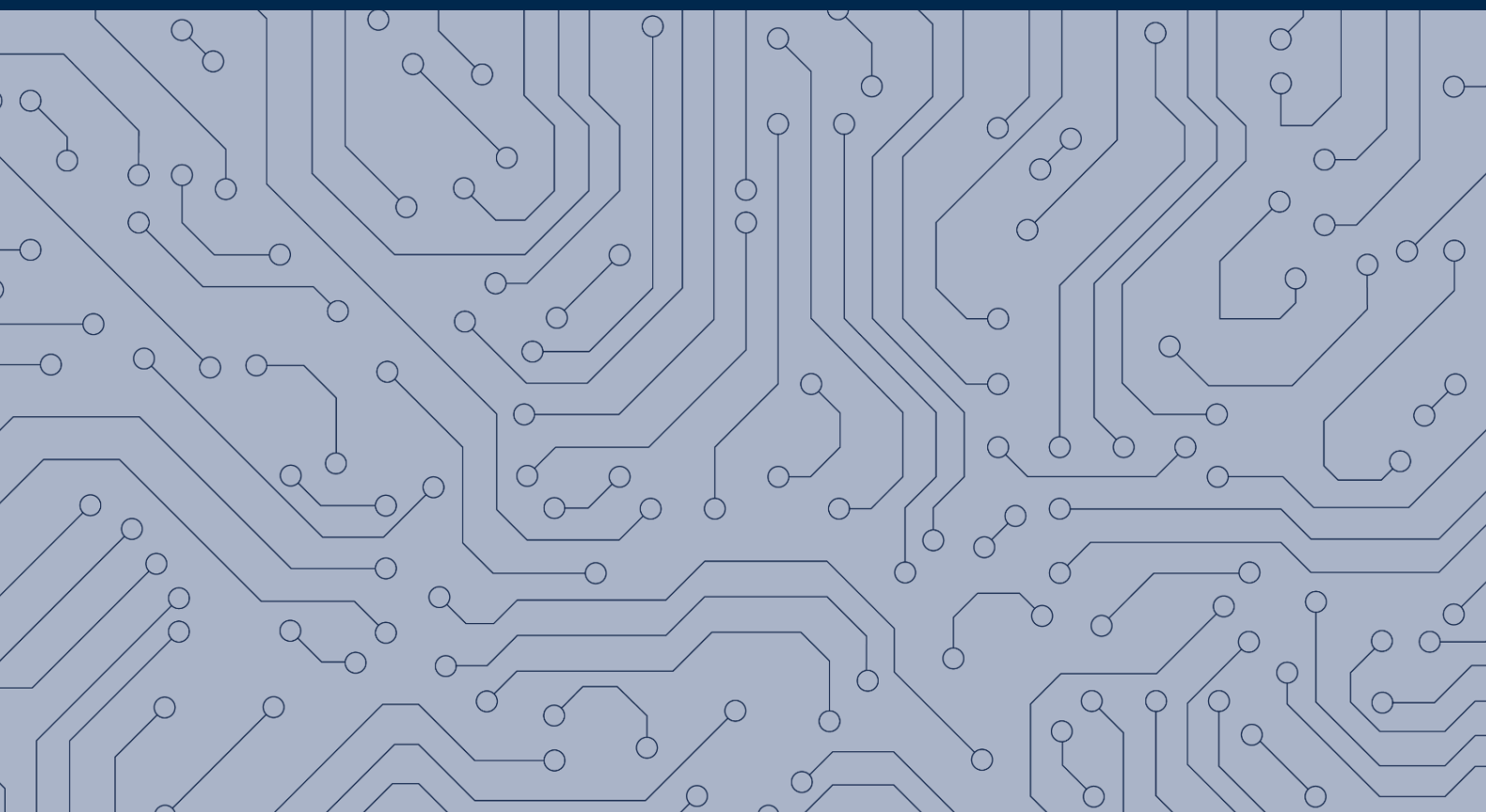


First Sensor 
is now part of



Interim Report on Q3 2022/2023

FIRST SENSOR AG, BERLIN



ABOUT THIS REPORT

Note on the reporting period

The reporting period is the nine months from October 1, 2022 to June 30, 2023.

Note on compliance with the International Financial Reporting Standards

First Sensor AG has prepared this quarterly statement in accordance with the International Financial Reporting Standards (IFRS). However, this interim report was not prepared in line with IAS 34, Interim Financial Reporting, and has been neither audited nor reviewed by an auditor. The amounts presented may differ from the exact mathematic amounts as a result of rounding effects.

Information on formal presentation

We are publishing this quarterly report exclusively in digital form. It is available as a full-content PDF in German and English. In the event of any discrepancies, the German version shall take precedence over the English translation.

For better readability, we refrain from references to rounding differences in this publication and use only the masculine form. It refers to persons of any gender.

Disclaimer

This quarterly report contains statements that are forward-looking and do not represent any incitement to buy, hold or sell shares of First Sensor AG, but rather are intended exclusively for information purposes with regard to possible future developments at the company. Forward-looking statements are those that address activities, events or developments that management intends, expects, projects, believes or anticipates will or may occur in the future. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from the results projected. Our results will be subject to many of the same risks that apply to the semiconductor, automotive, medical technology and industrial industries, such as general economic conditions, interest rate fluctuations, consumer spending patterns and technological changes. All future-oriented information in this interim report was produced on the basis of a probability-based plan and represents reasonable forward-looking statements regarding the future that cannot be guaranteed. It should be noted that all forward-looking statements only speak as of the date of this interim report and that First Sensor AG does not assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

TO OUR SHAREHOLDERS

Dear Shareholders and Business Partners

First Sensor continued to perform well in the third quarter of the 2023 financial year. Sales amounted to €102.1 million after the first nine months of the year, representing growth of €15.7 million or 18.2% and reflecting the successful integration into the TE Connectivity Group. This sales development was also consistent with expectations and the guidance for the 2023 financial year, which expects sales of between €130 million and €140 million.

Profitability also developed positively. Compared to EBIT of only little more than zero in the previous year, this reached €7.2 million after the first nine months of 2023. This put the EBIT margin after the first three quarters at 7.1% (previous year: 0.2%). This is still above the planned margin for the 2023 financial year (between 3% and 5%).

As things stand at present, we are dissatisfied only with the performance of inventories. Supply chain disruption, a lack of available materials and components and, last but not least, the relocation of production from the TE Connectivity location in Dortmund to Berlin-Oberschöneweide required us to increase inventories. With supply chains returning to normal and the successful ramp-up of key products in Oberschöneweide, this should normalize in the next few quarters.

The last few months have once again shown the massive benefits First Sensor enjoys thanks to being integrated into the TE Connectivity Group. €5.4 million was invested in the 2022 financial year and this is expected to rise to €7.0 million in the 2023 financial year. The main purpose of this investment is to expand capacity and modernize production facilities. This also includes the change from 4" to 6" production facilities for additional product lines. Of course, this development and expansion activities also creates more jobs.

Some time ago we announced that First Sensor was to be the exclusive European wafer production location within the TE Connectivity Group as a result of these various measures. This goal has been achieved, benefiting both parties. However, we have not yet reached our targets for our further plans and visions.

We are delighted by your interest in the ongoing development of our company and by your constructive support. As usual, we will keep you informed about the next steps in our journey.

The Management Board



Thibault Kassir



Robin Maly



Dirk Schäfer

SALES AND EARNINGS AT A GLANCE

The First Sensor Group generated sales of €35.8 million in the third quarter of the 2023 financial year (October 1, 2022 to September 30, 2023) after €30.2 million in the same period of the previous year. This equates to a rise of €5.5 million or 18.3%. Sales after the first nine months amounted to €102.1 million compared with €86.4 million in the same period of the previous year. Growth of €15.7 million or 18.2% after the first three quarters reflects the successful integration into the TE Connectivity Group. Sales development was also consistent with expectations and the guidance for the 2023 financial year, which expects sales of between €130 million and €140 million.

EBIT in the third quarter of 2023 was €0.5 million (previous year: €1.0 million), bringing the figure to €7.2 million after nine months (previous year: €167 thousand). The EBIT margin after the first three quarters was 7.1% (previous year: 0.2%), higher than the margin planned for the 2023 financial year (between 3% and 5%).

DYNAMIC ORDER SITUATION

€ thousand	June 30, 2022	Sept. 30, 2022	Dec. 31, 2022	March 31, 2023	June 30, 2023	Absolute change (Q3/Q3)	in %
	Q3 FY2022	Q4 FY2022	Q1 FY2023	Q2 FY2023	Q3 FY2023		
Sales	30,230	28,973	30,722	35,654	35,760	5,530	18.3
<i>Product sales</i>	30,230	28,973	29,370	34,101	34,330	4,100	13.6
<i>Sales from services</i>	0	0	1,352	1,553	1,430	1,430	n/a
Incoming orders	32,650	13,243	25,081	33,742	20,880	-11,770	-36.0
Orders on hand	111,553	106,852	102,563	101,730	84,428	-27,125	-24.3
Book-to-bill ratio	1.06	1.21	1.17	1.09	0.61	-	-

Incoming orders declined by 35.3% year-on-year to €79.7 million in the first nine months of the financial year (previous year: €123.2 million). Orders on hand declined accordingly by €27.1 million to reach €84.4 million (previous year: €111.6 million), resulting in a lower rolling book-to-bill ratio of 0.61.

CONSOLIDATED INCOME STATEMENT (IFRS)

€ thousand	Oct. 1, 2021 – June 30, 2022	Oct. 1, 2022 – June 30, 2023	Absolute change	in %
Sales	86,397	102,126	15,729	18.2
Other operating income	763	997	234	30.7
Changes in inventories of finished goods and work in progress	184	9,623	9,439	>200
Other own work capitalized	102	16	-86	-84.1
Cost of materials/cost of purchased services	-41,022	-55,166	-14,144	34.5
Gross profit	46,423	57,596	11,173	24.1
Staff costs	-30,100	-32,211	-2,111	7.0
Other operating expenses	-10,909	-12,369	-1,460	13.4
EBITDA	5,414	13,016	7,602	140.4
Depreciation and amortization	-5,247	-5,773	-526	10.0
EBIT	167	7,243	7,076	>200
Financial result	-549	28	577	n/a
PROFIT BEFORE TAXES	-382	7,271	7,653	n/a
Income taxes	-8	2	10	n/a
PROFIT OR LOSS FOR THE PERIOD	-390	7,273	7,663	n/a

The First Sensor Group generated sales of €35.8 million in the third quarter of the 2023 financial year (October 1, 2022 to September 30, 2023) after €30.2 million in the same period of the previous year. This equates to a rise of €5.5 million or 18.3%. Sales after the first nine months amounted to €102.1 million compared with €86.4 million in the same period of the previous year. Growth of €15.7 million or 18.2% after the first three quarters reflects the successful integration into the TE Connectivity Group. On the whole, sales development was consistent with expectations and the guidance for the 2023 financial year, which expects sales of between €130 million and €140 million.

Inventories of finished goods and work in progress climbed by a substantial €9.4 million in the reporting period. This increase relates primarily to semi-finished goods and work in progress. Cost of materials also rose significantly to €55.2 million (previous year: €41.0 million), increasing more sharply than sales, due largely to higher prices for materials and energy. The cost of materials ratio thus also rose to 54.0% after 47.5% in the same period of the previous year. Gross profit improved 24.1% to €57.6 million (previous year: €46.4 million).

Staff costs rose by just 7.0% to €32.2 million (previous year: €30.1 million). The staff costs ratio thus decreased further to 31.5% (previous year: 34.8%). Other operating expenses rose to €12.4 million (previous year: €10.9 million). This put EBITDA at €13.0 million (previous year: €5.4 million).

Depreciation and amortization increased to €5.8 million in the reporting period as a result of the recent investment (previous year: €5.2 million), resulting in EBIT of €7.2 million (previous year: €167 thousand). The EBIT margin after the first nine months was 7.1% (previous year: 0.2%), putting it somewhat above the margin planned for the 2023 financial year (between 3% and 5%).

A profit of €7.3 million is reported for the first nine months of the financial year (previous year: loss of €390 thousand). This corresponds to earnings per share outstanding (basic/diluted) of €0.70 (previous year: €-0.04).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

ASSETS			
€ thousand	Sept. 30, 2022	June 30, 2023	Absolute change
Non-current assets	70,702	69,684	-1,018
Inventories	39,715	46,116	6,401
Trade receivables	16,396	16,128	-268
Current assets	992	9,479	8,487
Cash and cash equivalents	36,543	23,405	-13,138
Total ASSETS	164,348	164,811	463

Total assets rose slightly by €0.5 million as against the September 30, 2022 reporting date to €164.8 million (previous year: €164.3 million). Within assets, there were significant changes relating to the reduction in cash and cash equivalents to €23.4 million (previous year: €36.5 million), which in 2022 comprised cash funds and receivables from shareholders (cash pooling), which were transferred to liabilities in 2023 due to the positive result. However, this was offset by the further €6.4 million increase in inventories to €46.1 million (previous year: €39.7 million) in order to meet delivery obligations. Trade receivables saw only an immaterial change despite the rise in sales, coming to €16.1 million after €16.4 million in the previous year.

EQUITY AND LIABILITIES			
€ thousand	Sept. 30, 2022	June 30, 2023	Absolute change
Equity	124,360	126,014	1,654
Non-current financial liabilities	9,738	8,098	-1,640
Non-current liabilities	2,723	2,642	-81
Current financial liabilities	6,271	8,725	2,454
Trade payables	11,733	12,873	1,140
Current liabilities	9,524	6,460	-3,064
Total EQUITY AND LIABILITIES	164,348	164,811	463

The equity ratio saw an immaterial change as of the reporting date and rose from 75.7% to 76.5%. Within equity and liabilities, the main changes were in financial liabilities, with non-current and current financial liabilities rising by a total of €0.8 million to €16.8 million. Besides scheduled repayments, these changes were due to reclassifications within lease liabilities. Trade payables were stable at €12.9 million (previous year: €11.7 million). Other current liabilities decreased by €3.1 million to €6.5 million as of the end of the reporting period, chiefly in liabilities from VAT.

After the third quarter of 2023, First Sensor has a positive net cash position of €6.6 million (September 30, 2022: €13.8 million).

WORKING CAPITAL

€ thousand	Sept. 30, 2022	June 30, 2023	Absolute change	in %
Working capital	44,136	49,364	5,228	11.8
Capital employed	121,461	124,671	3,210	2.6

Working capital was increased by €5.2 million to €49.4 million over the first nine months of the 2023 financial year mainly as a result of the increase in inventories. Capital employed rose in line with this by €3.2 million to €124.7 million as of the end of the reporting period.

CASH FLOW

€ thousand	Oct. 1, 2021 – June 30, 2022	Oct. 1, 2022 – June 30, 2023
Operating cash flow	-3,518	6,814
Cash flow from investing activities	-6,781	-8,197
Cash flow from financing activities	-24,862	-5,121
Free cash flow	-10,298	-1,383

Cash flow from operating activities amounted to €6.8 million (previous year: €-3.5 million) after the first nine months of the year, due primarily to the improvement in gross profit. Cash flow from investing activities came to €-8.2 million, reflecting high investment at the Oberschöneweide production site. The cash flow from financing activities was defined largely by repayments and amounted to €-5.1 million. Free cash flow was negative at €-1.4 million, chiefly as a result of increased investing activities.

KEY FIGURES FOR FIRST SENSOR SHARES

	Sept. 30, 2022	June 30, 2023	Absolute change	Change in %
Share capital (€)	51,612,480	51,657,480	45,000	0.1
Number of shares (weighted, basic)	10,307,988	10,328,859	20,871	0.2
Number of shares (diluted)	10,313,879	10,332,781	18,902	0.2

FINANCIAL CALENDAR

January 31, 2024 Publication of 2022/2023 annual report

April 24, 2024 2024 Annual General Meeting

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