

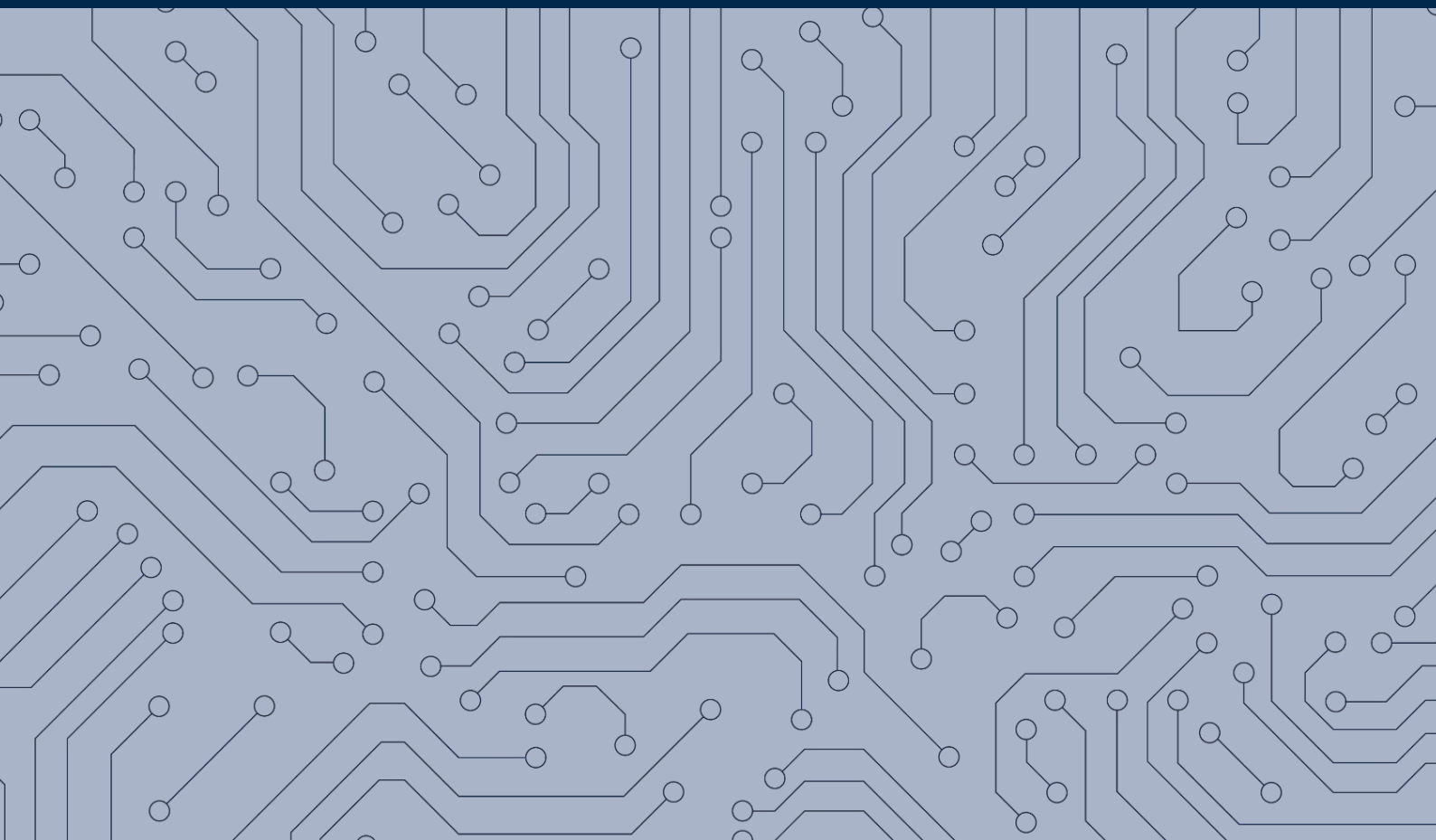
First Sensor 

is now part of



Interim Report on Q1 2024

FIRST SENSOR AG, BERLIN



TO OUR SHAREHOLDERS

Dear Shareholders and Business Partners,

As was the case in 2023, First Sensor has made a somewhat soft start to the new 2024 financial year as well. Sales amounted to €30.3 million, almost matching the previous year's level. This performance is in line with expectations given that we are currently experiencing temporarily weaker demand from nearly all sales markets. The economic lull is continuing into 2024 and current leading indicators are still not pointing to a swift economy recovery. However, we believe that we will see moderate catch-up effects in the quarters to come.

From the 2024 financial year onwards, our previous key performance indicator, the EBIT margin, will be replaced by investment volume. We have published further details on this in the forecast report of the 2023 Annual Report. We are planning to deliver an ambitious investment budget again in the 2024 financial year in order to lay the foundations for First Sensor's continued growth. However, by their nature, larger-scale investment projects in particular are not distributed evenly across the quarters. As such, the comparatively small share in the first quarter is not an indication for the further course of the year. Investment is focused on production in Berlin-Oberschöneweide, where the company is making progress with replacement investments and upgrades in order to optimize processes and efficiency, and also with a view to expanding capacity.

First Sensor has been performing well since its integration into TE Connectivity Ltd. and its affiliated companies (the TE Connectivity Group). The partnership is also plotting the course for First Sensor's successful future, which will ultimately benefit our customers, suppliers, employees and not least our shareholders. 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 INVESTMENTS AT A GLANCE

The First Sensor Group generated sales of €30.3 million in the first quarter of the 2024 financial year (October 1, 2023 to December 31, 2023) after €30.7 million in the same period of the previous year. This is equivalent to a slight reduction in sales of 1.4%, which is still in line with expectations for the start of the financial year, as we have been experiencing weak demand from almost all target markets for some time due to the economic situation.

Cash investment amounted to just €1.0 million in the first quarter after €5.1 million in the same period of the previous year. Planning suggests that this figure will increase significantly in the quarters to come.

Overall, first-quarter sales have not yet reached the level that would be necessary to achieve the guidance for the year as a whole of €135 to €145 million. Catch-up effects are anticipated in the quarters to come. Investing activities were likewise still well below the target level. This situation should balance out over the coming quarters.

STABLE ORDER SITUATION

€ thousand	Q1: Oct. 1 to Dec. 31, 2022	Q2: Jan. 1 to Mar. 31, 2023	Q3: Apr. 1 to Jun. 30, 2023	Q4: Jul. 1 to Sept. 30, 2023	Q1 FY 2024	Absolute change (Q1/Q1)	In %
Sales	30,722	35,654	35,760	32,474	30,295	-427	-1.4
<i>Product sales</i>	29,370	34,101	34,330	31,509	29,404	34	0.1
<i>Sales from services</i>	1,352	1,553	1,430	965	891	-461	-34.1
Incoming orders	25,081	33,742	20,880	25,521	24,107	-974	-3.9
Orders on hand	102,563	101,730	84,428	77,465	72,168	-30,395	-29.6
Book-to-bill	1.17	1.09	0.61	0.81	0.82	-	-

Incoming orders fell by 3.9% year-on-year to €24.1 million in the first quarter of the financial year (previous year: €25.1 million). Orders on hand amounted to €72.2 million (previous year: €102.6 million). This translates into a rolling book-to-bill ratio of 0.82. Since full integration into TE Connectivity's sales structures, the order situation is less indicative of the future course of business.

CONSOLIDATED INCOME STATEMENT (IFRS)

The First Sensor Group generated sales of €30.3 million in the first quarter of the 2024 financial year (October 1, 2023 to December 31, 2023) after €30.7 million in the same period of the previous year. This is equivalent to a slight reduction in sales of 1.4%, which is still in line with expectations for the start of the financial year, as we have been experiencing weak demand from almost all target markets for some time due to the economic situation.. Sales of between €135 million and €145 million are forecast for the year as a whole.

The cost of materials fell significantly by 16.4% to €14.3 million (previous year: €17.2 million) and the cost of materials ratio was down accordingly at 47.4% after 55.9% in the same period of the previous year. Meanwhile, inventories of finished goods and work in progress increased slightly by €1.5 million (previous year: €4.4 million), with the result that gross profit was practically unchanged at €17.6 million after €17.7 million in the same period of the previous year.

Staff costs remained stable at €10.4 million (previous year: €10.4 million) and the staff costs ratio was 34.5% (previous year: 33.9%). Other operating expenses were reduced further by 24.8% to €3.2 million (previous year: €4.3 million). Operating EBITDA improved to €4.0 million (previous year: €3.0 million) with an EBITDA margin of 13.1% (previous year: 9.9%).

€ thousand	Oct. 1 to Dec. 31, 2022	Oct. 1 to Dec. 31, 2023	Absolute change	In %
Sales	30,722	30,295	-427	-1.4
Other operating income	-275	155	430	n.a.
Changes in inventories of finished goods and work in progress	4,407	1,506	-2,901	-65.8
Other own work capitalized	16	0	-16	-100.0
Cost of materials/cost of purchased services	-17,157	-14,347	2,810	-16.4
Gross profit	17,713	17,608	-105	-0.6
Staff costs	-10,426	-10,443	-17	0.2
Other operating expenses	-4,259	-3,203	1,056	-24.8
EBITDA	3,028	3,962	934	30.9
Depreciation and amortization	-1,287	-1,794	-507	39.4
EBIT	1,727	2,168	441	25.5
Financial result	38	236	198	522.0
PROFIT BEFORE TAXES	1,765	2,405	640	36.2
Income taxes	0	-82	-82	n.a.
PROFIT OR LOSS FOR THE PERIOD	1,765	2,323	558	31.6

Depreciation and amortization increased on account of higher investment in previous periods to €1.8 million (previous year: €1.3 million). This resulted in EBIT of €2.2 million (previous year: €1.7 million). The EBIT margin was 7.2% (previous year: 5.6%).

A profit of €2.3 million is reported for the first three months of the financial year (previous year: €1.8 million). This corresponds to earnings per share outstanding of €0.22 (previous year: €0.17).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

ASSETS			
€ thousand	Sept. 30, 2023	Dec. 31, 2023	Absolute change
Non-current assets	77,205	76,017	-1,188
Inventories	43,622	46,253	2,631
Trade receivables	16,599	10,848	-5,751
Other current assets	576	1,424	848
Financial assets*	29,458	29,283	-175
Cash and cash equivalents*	1,531	974	-557
Total ASSETS	168,991	164,799	-4,192

*Cash pool receivables are no longer reported as a component of cash and cash equivalents since the 2023 financial year. The prior-year figures have been restated.

Total assets declined by €4.2 million as against September 30, 2023 to €164.8 million (September 30, 2023: €169.0 million). Within assets, there were significant changes in trade receivables, which decreased by €5.8 million to €10.8 million (September 30, 2023: €16.6 million). This was offset by an increase in inventories of €2.6 million to €46.3 million (September 30, 2023: €43.6 million).

Financial assets predominantly include receivables from shareholders from cash pooling, which changed only insignificantly and amount to €29.3 million (September 30, 2023: €29.5 million). On the basis of financial assets combined with cash and cash equivalents, First Sensor has a net cash position of €22.0 million as of December 31, 2023 (September 30, 2023: €24.2 million).

EQUITY AND LIABILITIES

€ thousand	Sept. 30, 2023	Dec. 31, 2023	Absolute change
Equity	126,835	128,659	1,824
Non-current financial liabilities	7,518	6,932	-586
Non-current liabilities	2,505	2,477	-28
Current financial liabilities	4,540	6,181	1,641
Trade payables	14,736	14,828	92
Current liabilities	12,857	5,722	-7,135
Total EQUITY AND LIABILITIES	168,991	164,799	-4,192

As a result of the reduction in total assets since September 30, 2023, the equity ratio climbed from 75.1% to 78.1% over the course of the first quarter. The profit for the period allowed equity to climb by €1.8 million. Within equity and liabilities, there were other significant changes in current liabilities with decreases in VAT liabilities and other provisions. Meanwhile, current financial liabilities rose by €1.6 million to €6.2 million due to the changing maturity structure at the start of the financial year (September 30, 2023: €4.5 million).

WORKING CAPITAL

€ thousand	Sept. 30, 2023	Dec. 31, 2023	Absolute change	In %
Working capital	45,468	42,250	-3,218	-7.0
Capital employed	122,677	118,350	-4,327	-3.5

Working capital declined by 7.0% over the first quarter of 2024 and amounts to €42.3 million (September 30, 2023: €45.5 million). Capital employed likewise decreased by €4.3 million to €118.4 million as of the end of the reporting period.

CASH FLOW

€ thousand	Oct. 1 to Dec. 31, 2022	Oct. 1 to Dec. 31, 2023
Operating cash flow	-5,593	773
Cash flow from investing activities*	9,437	-546
Cash flow from financing activities	-3,633	-782
Free cash flow	3,844	226

* Payments into and out of the cash pool represent changes in investments in financial assets and were reported under "Cash flow from investing activities" for this quarter and retrospectively for the same quarter of the previous year.

Following the first quarter of the 2024 financial year, cash flow from operating activities was positive again at €0.8 million (previous year: €-5.6 million). Cash flow from investing activities amounted to €-0.5 million (previous year: €9.4 million), which was still well short of the planned level for the year as a whole. Cash flow from financing activities was defined by lower repayments and amounted to €-0.8 million (previous year: €-3.6 million). Free cash flow was also positive after the first three months at €0.2 million (previous year: €3.8 million).

KEY FIGURES FOR FIRST SENSOR SHARES

	Sept. 30, 2023	Dec. 31, 2023	Absolute change	Change in %
Share capital (€)	51,657,480	51,657,480	0	0
Number of shares (basic)	10,331,496	10,331,496	0	0
Number of shares (diluted, weighted)	10,338,700	10,338,700	0	0

FINANCIAL CALENDAR

April 24, 2024	2024 Annual General Meeting
May 15, 2024	Publication of interim report (half-year report) as of March 31, 2024
August 14, 2024	Publication of interim report on Q3 2024

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First Sensor AG has prepared this quarterly statement in accordance with the International Financial Reporting Standards (IFRS). However, this 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. The quarterly statement contains forward-looking statements. The actual results may differ significantly from the expectations for future development.