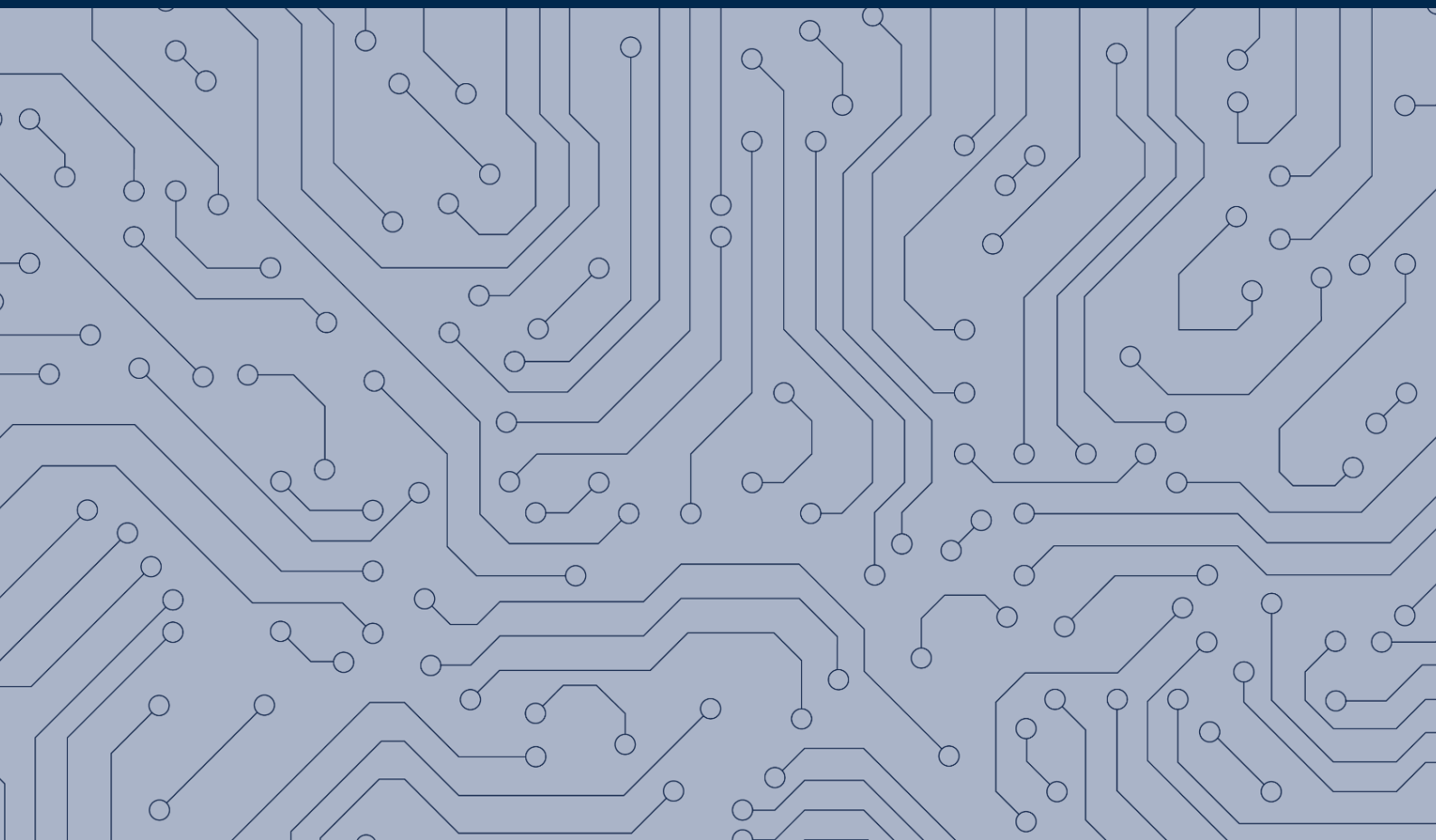


First Sensor   
is now part of



# Interim Report on Q1 2022/2023

FIRST SENSOR AG, BERLIN



## TO OUR SHAREHOLDERS

Dear Shareholders and Business Partners,

First Sensor has enjoyed a successful first quarter in the 2023 financial year. At €30.7 million, sales have not yet achieved the anticipated level. The supply problems for certain components are still ongoing. We are therefore experiencing higher inventory levels primarily as a result of higher semi-finished products due to the on-going supply chain challenges. Moreover, the relocation of production from Dortmund is not yet fully complete, hence the absence of these sales contributions. However, we are confident that we will see a catch-up effect in the quarters to come.

By contrast, there was already an encouraging trend in profitability in the first quarter. Despite substantial increases in the costs of materials, the EBIT margin was 5.6% and thus slightly higher than the range intended for the 2023 financial year of between 3% and 5%. This is also a result of the closer cooperation with the TE Connectivity group sales organization and provides a good foundation for the rest of the year.

The integration into the TE Connectivity Group is now almost complete. First Sensor products are now sold by the TE Connectivity sales organization. This means that we can supply customers in approximately 140 countries, which should have a very positive effect on sales. The investment in the capacity expansion at the Berlin-Oberschöneweide site and the relocation of production from the TE Connectivity site in Dortmund are well underway. They are the basis for the company's medium- and long-term growth trajectory.

With all these measures, we are plotting the course for First Sensor's ongoing future success as a part of the TE Connectivity Group. This is a connection that is proving fruitful not just for our customers, but also our suppliers, our 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 Executive Board



Thibault Kassir



Robin Maly



Dirk Schäfer

## SALES AND EARNINGS AT A GLANCE

The First Sensor Group generated sales of €30.7 million in the first quarter of the 2023 financial year (October 1, 2022 to September 30, 2023) after €29.1 million in the same period of the previous year. This translates into a sales increase of 5.5% and is therefore not yet in line with the growth rates expected for the full financial year. This modest start to the financial year is partially due to the unavailability of individual components, which is holding up deliveries to customers, and the fact that the relocation of production from Dortmund to Berlin is not yet fully complete and consequently the absence of these sales contributions.

Earnings have improved significantly as against the same period of the previous year in the first quarter of 2023. EBIT amounted to €1.7 million (previous year: €-973 thousand) with an EBIT margin of 5.6% (previous year: -3.3%). Changes in inventories of finished goods and work in progress had a positive effect, partly offset by significant increases in the cost of materials.

Overall, first-quarter sales have not yet reached the level that would be necessary to achieve the guidance for the year of €130 to €140 million. Significant catch-up effects are anticipated in the quarters to come. By contrast, profitability was already slightly higher than the range planned for an EBIT margin of between 3% and 5% for the year.

## STABLE ORDER SITUATION

€ thousand	Q1: Oct. 1 to Dec. 31, 2021	Q2: Jan. 1 to Mar. 31, 2022	Q3: Apr. 1 to Jun. 30, 2022	Q4: Jul. 1 to Sept. 30, 2022	Q1 FY 2023	Absolute change (Q1/Q1)	in %
Sales	29,124	27,043	30,230	28,973	30,722	1,598	5.5
<i>Product sales</i>	29,124	27,043	30,230	28,973	29,370	246	0.8
<i>Sales from services</i>	-	-	-	-	1,352	1,352	-
Incoming orders	34,300	56,260	32,650	13,243	25,081	-9,219	-26.9
Orders on hand	101,250	129,470	111,553	106,852	102,563	1,313	1.3
Book-to-bill	1.16	1.56	1.06	1.21	1.17	--	--

Order intake in the first quarter of the financial year fell by 26.9 percent year-on-year to €25.1 million (previous year: €34.3 million). Nevertheless, the order backlog still amounted to €102.6 million (previous year: €101.3 million). This results in a rolling book-to-bill ratio of 1.17, which signals a positive development for the further course of the financial year.

## CONSOLIDATED INCOME STATEMENT (IFRS)

The First Sensor Group generated sales of €30.7 million in the first quarter of the 2023 financial year (October 1, 2022 to September 30, 2023) after €29.1 million in the same period of the previous year. Sales development was initially slightly lower than planning, indicating sales of between €130 million and €140 million for the year.

The cost of materials rose significantly by 31.5% to €17.2 million (previous year: €13.0 million), predominantly as a result of price increases. The cost of materials ratio rose accordingly to 55.9% after 44.8% in the same period of the previous year. Thanks to a sharp increase in finished goods and work in progress of €4.4 million (previous year: €-0.4 million), gross profit nonetheless improved to €17.7 million (previous year: €16.3 million).

Staff costs declined slightly by 2.4% to €10.4 million (previous year: €10.7 million). In conjunction with the rise in sales, the staff costs ratio thus fell to 33.9% (previous year: 36.7%). Other operating expenses likewise declined significantly by 11.8% to €4.3 million (previous year: €4.8 million). Operating EBITDA improved to €3.0 million (previous year: €0.7 million) with an EBITDA margin of 9.9% (previous year: 2.6%).

€ thousand	Oct. 1 to Dec. 31, 2021	Oct. 1 to Dec. 31, 2022	Absolute change	in %
Sales	29,124	30,722	1,598	5.5
Other operating income	506	-275	-782	154.4
Changes in inventories of finished goods and work in progress	-388	4,407	4,795	-
Other own work capitalized	51	16	-35	-68.2
Cost of materials/cost of purchased services	-13,040	-17,157	-4,117	31.5
<b>Gross profit</b>	<b>16,254</b>	<b>17,713</b>	<b>1,459</b>	<b>9.0</b>
Staff costs	-10,678	-10,426	251	-2.4
Other operating expenses	-4,830	-4,259	571	-11.8
<b>EBITDA</b>	<b>746</b>	<b>3,028</b>	<b>2,282</b>	<b>305.9</b>
Depreciation and amortization	-1,719	-1,287	432	-24.6
<b>EBIT</b>	<b>-973</b>	<b>1,727</b>	<b>2,701</b>	<b>-</b>
Financial result	-237	38	275	-
<b>PROFIT BEFORE TAXES</b>	<b>-1,210</b>	<b>1,765</b>	<b>2,976</b>	<b>-</b>
Income taxes	0	0	0	-
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>-1,210</b>	<b>1,765</b>	<b>2,976</b>	<b>-</b>

Depreciation and amortization temporarily declined to €1.3 million (previous year: €1.7 million) as some investments have not yet been completed and have therefore not been capitalized. This resulted in EBIT of €1.7 million (previous year: €-1.0 million). The EBIT margin was 5.6% (previous year: -3.3%) and thus slightly higher than the planned range of between 3% and 5%.

A profit of €1.8 million is reported for the first three months of the financial year (previous year: loss of €-1.2 million). This corresponds to earnings per share outstanding of €0.17 (previous year: €-0.12).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

<b>ASSETS</b>			
€ thousand	Sept. 30, 2022	Dec. 31, 2022	Absolute change
Non-current assets	70,702	74,020	3,318
Inventories	39,715	43,247	3,532
Trade receivables	16,396	16,218	-178
Current assets	992	452	-540
Cash and cash equivalents	36,543	22,221	-14,322
<b>Total ASSETS</b>	<b>164,348</b>	<b>156,158</b>	<b>-8,190</b>

Total assets declined by €8.2 million as against September 30, 2022 to €156.2 million (September 30, 2022: €164.3 million). Within assets, there were significant changes in cash funds, comprising cash and cash equivalents and receivables from shareholders (cash pooling), which declined by €14.3 million to €22.2 million (September 30, 2022: €36.5 million).

## EQUITY AND LIABILITIES

€ thousand	Sept. 30, 2022	Dec. 31, 2022	Absolute change
Equity	124,360	126,282	1,922
Non-current financial liabilities	9,738	12,429	2,691
Non-current liabilities	2,723	2,432	-291
Current financial liabilities	6,271	124	-6,147
Trade payables	11,733	6,866	-4,867
Current liabilities	9,524	8,025	-1,499
<b>Total EQUITY AND LIABILITIES</b>	<b>164,348</b>	<b>156,158</b>	<b>-8,190</b>

As a result of a further reduction in total assets since September 30, 2022, the equity ratio climbed from 75.7% to 80.9% over the course of the first quarter. Within equity and liabilities, there were significant changes in current financial liabilities, which were repaid in full as planned by the end of the year. Similarly, trade payables declined by €4.9 million to €6.9 million (September 30, 2022: €11.7 million) as a result of optimized processes in the shared service center.

After the end of the first quarter of 2023, First Sensor has a positive net cash position of €9.9 million, €3.9 million less than at the end of the previous reporting period.

## WORKING CAPITAL

€ thousand	Sept. 30, 2022	Dec. 31, 2022	Absolute change	in %
Working capital	45,168	45,681	513	1.1
Capital employed	122,561	125,918	3,357	2.7

Working capital changed only insignificantly over first quarter of 2023 and amounts to €45.7 million (30 September 2022: €45.2 million). Capital employed increased by €3.4 million to €125.9 million.

## CASH FLOW

	Oct. 1 to Dec. 31, 2021	Oct. 1 to Dec. 31, 2022
Operating cash flow	2,300	-5,592
Cash flow from investing activities	-1,681	-5,096
Cash flow from financing activities	-1,380	-3,634
Free cash flow	618	-10,688

After the first quarter, the cash flows from operating activities amounts to €-5.6 million after a positive figure of €2.3 million in the first quarter of the 2022 financial year. The cash flow from investing activities rose sharply to €-5.1 million (previous year: €-1.7 million) as a result of ongoing capacity expansion. The cash flow from financing activities was defined by repayments and amounted to €-3.6 million. Free cash flow is negative at €-10.7 million after three months.

## KEY FIGURES FOR FIRST SENSOR SHARES

	Sept. 30, 2022	Dec. 31, 2022	Absolute change	Δ in %
Share capital (€)	51,612,480	51,637,480	25,000	0.05
Number of shares (weighted, diluted)	10,307,988	10,326,131	18,143	0.2
Number of shares (basic)	10,313,876	10,333,500	19,624	0.2

## FINANCIAL CALENDAR

April 25, 2023	2023 Annual General Meeting
May 15, 2023	Publication of interim report (half-year report) as of March 31, 2023
August 15, 2023	Publication of quarterly statement on Q3 2023

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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.