Interim Report on Q3 2026

FIRST SENSOR AG, BERLIN

TO OUR SHAREHOLDERS

Dear Shareholders and Business Partners,

The 2026 financial year has so far been stable overall, yet there has been little reason to celebrate. In the third quarter, First Sensor generated sales of €19.2 million, which is roughly the same as in the previous quarter and an increase of €2.0 million compared to the same quarter in the previous year. Sales after nine months amounted to €59.4 million, which is €6.0 million below the same period in the previous year. The weak development of revenue is attributable to the general uncertainty on the market in particular. Some of our customers are hesitant and are either moving their orders to future periods or producing the necessary materials in house. In July, we therefore reduced the outlook for the overall business year from originally €85 to €95 million to sales of between €75 and €85 million.

The situation is similar with investments, the second key performance indicator that we control. The investment volume in the first nine months amounted to only €0.9 million. In line with general business development, the investment projects have been re-prioritized, with some being postponed until the next financial year. The planning of the investment volume for the current financial year has therefore been adjusted to €1.0 to €2.0 million.

We are currently drawing up strategic measures designed to help First Sensor technology make better use of its market opportunities.

A significant change was represented by the sale of the last subsidiary, First Sensor Lewicki GmbH, which was completed effective December 31, 2025. First Sensor AG remains, as the parent company of the former group, rooted in Berlin and continues to be publicly listed. However, the reporting has been simplified: Instead of a consolidated Group report, we have been reporting on First Sensor AG as an individual company since the interim report as of March 31, 2026.

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

Robin Maly Dirk Schäfer

OVERVIEW OF SALES, ORDERS, AND INVESTMENTS

Sales and orders

In the third quarter of 2026, revenue of €19.2 million was generated. This shows that sales have been relatively stable since the start of the financial year, and are even €2.0 million higher than in the same quarter in the previous year. Nevertheless, revenue in the first three quarters of the financial year has fallen short of management's expectations. The sales guidance has therefore been adjusted and management now expects sales of between €75 and €85 million. The weak development of revenue is attributable to the general uncertainty on the market in particular. Some customers are hesitant and are either moving their orders to future periods or producing the necessary materials in house.

€ thousand	June 30, 2025 Q3 FY 2025	Sept. 30, 2025 Q4 FY 2025	Dec. 31, 2025 Q1 FY 2026	March 31, 2026 Q1 FY 2026	June 30, 2026 Q1 FY 2026
Sales	17,203	30,301	20,530	19,578	19,230
Products	*15,849*	*28,943*	*18,922*	*18,122*	*17,761*
Services	*1,354*	*1,358*	*1,608*	*1,456*	*1,469*
Incoming orders	19,218	18,841	14,498	18,705	14,595
Orders on hand	45,161	34,351	41,648	44,137	40,444
Book-to-bill ratio	1.21	0.65	0.77	1.03	0.82

Incoming orders continue to fluctuate and reflect the general uncertainty in the market. The incoming orders in the third quarter were at the same level as in the first quarter. Following €14.5 million in the first quarter and €18.7 million in the second quarter, €14.6 million euros in new orders were posted in the third quarter. As such, the incoming orders in the third quarter are 24 percent lower than in the previous year. No clear trend can currently be identified.

The orders on hand stabilized at €40.4 million. The book-to-bill ratio reached 0.82 at the end of the third quarter, which meant that it fell short of expectations.

Due to the transition of accounting to German GAAP (HGB), the proportionate sales of the sold subsidiary First Sensor Lewicki GmbH are no longer reported here. The data only reflect the individual company of First Sensor AG, and so cannot be compared with previously reported disclosures.

Investments

The cash-relevant investments reached €0.9 million in the first three quarters, compared to €2.9 million in the same period of the previous year. The investment guidance has also been adjusted in line with the general development of business. An investment volume of between €1.0 and €2.0 million is now planned for the current financial year.

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

Earnings

€ thousand	Oct. 1, 2024– June 30, 2025	Oct. 1, 2025– June 30, 2026
Revenue	65,412	59,366
Change in inventories of finished goods and work in progress	6,749	-3,679
Other operating income	863	24,453
Cost of materials	-32,069	-27,310
Staff costs	-31,494	-26,986
Depreciation, amortization and impairment losses on intangible assets and property, plant and equipment	-4,354	-3,988
Other operating expenses	-10,034	-8,119
Operating result	**-4,927**	**13,737**
Income from profit transfer agreements	1,388	1,758
Other interest and similar income	447	649
Interest and similar expenses	-52	-34
Income taxes	-299	-239
Earnings after tax	**-3,442**	**15,871**
Other taxes	-27	-17
Expenses / proceeds from profit and loss transfer agreements	3,469	-15,854
Net profit for the year / net loss for the year	**0**	**0**

Revenue after the first nine months amounted to €59.4 million compared with €65.4 million in the same period of the previous year. Totaling €6.0 million after three quarters, the decrease reflects stifled customer demand and the general uncertainty in the market. Customers have been observed shifting their orders to future periods or producing the necessary materials in house again. The sales development was therefore no longer within expectations after nine months, which assumed a sales level between €85 and €95 million for the 2026 financial year. The Management Board has therefore lowered the revenue guidance to between €75 and €85 million.

The change in inventories of finished goods and work in progress amounted to €-3.7 million in the reporting period (previous year: €6.7 million). This development is consistent with the decrease of inventories in the statement of financial position and predominantly concerns finished goods.

Other operating income amounted to €24.5 million (previous year: €0.9 million), of which €21.7 million was posted as profit from the disposal of the former subsidiary First Sensor Lewicki GmbH. Additionally, €2.2 million (previous year: €0.4 million) relating to revenue from the previous period has been recognized as other operating income.

The cost of materials was reduced to €27.3 million (previous year: €32.1 million). This development is largely the result of lower revenue and the simultaneous decrease in inventories. The cost of materials ratio (cost of materials relative to revenue) therefore fell by three percentage points to 46.0 percent (previous year: 49.0 percent).

Staff costs were €4.5 million lower than in the same period in the previous year, totaling €27.0 million (previous year: €31.5 million). For one, this was due to the reduction in staff numbers in connection with restructuring within the TE Group, and the short-time work introduced in the reporting period with the cost reimbursements by the German Federal Employment Agency. Consequently, the staff cost ratio (staff costs relative to revenue) decreased to 45.5 percent (previous year: 48.1 percent).

The operating result amounted to €13.7 million (previous year: €-4.9 million) and is essentially attributable to the proceeds from the sale of the former subsidiary First Sensor Lewicki GmbH as of December 31, 2025. As such, the operating result amounts to €-8.0 million excluding the special effect of the sales proceeds.

The write-offs decreased slightly to €4.0 million (previous year €4.4 million) in the reporting period, mainly as a result of lower investments.

The profit for the period before profit transfer amounted to €15.9 million (previous year: €-3.5 million) and is largely characterized by the proceeds from the sale of the former subsidiary First Sensor Lewicki GmbH as of December 31, 2025. This translates to basic/diluted earnings per share outstanding of €1.53 (previous year: €-0.34).

STATEMENT OF FINANCIAL POSITION

Assets

€ thousand	Sept. 30, 2025	June 30, 2026
Non-current assets	**57,058**	**45,537**
Current assets		
Inventories	34,885	30,655
Receivables and other assets		
1. Trade receivables	627	27
2. Receivables from affiliated companies	47,458	69,214
3. Other assets	4,961	3,166
Bank balances	203	374
Prepaid expenses	**223**	**215**
Total ASSETS	**145,415**	**149,187**

The total assets increased by €3.8 million to €149.2 million. On the assets side, material changes concerned the €21.8 million increase in receivables from affiliated companies due to the proceeds from the sale of First Sensor Lewicki GmbH, which in turn caused the cash pool receivables to increase. On the other hand, fixed assets decreased by € 11.5 million due to the derecognition of the financial investment of First Sensor Lewicki GmbH (€7.9 million) and due to the ongoing depreciation and amortization.

As of June 30, 2026, the receivables from affiliated companies no longer contained receivables under the terminated profit and loss transfer agreement with First Sensor Lewicki GmbH (previous year: €2.6 million). Likewise, there were no receivables from TE Connectivity Sensors Germany Holding GmbH under the profit and loss transfer agreement as of the reporting date (previous year: €3.9 million), as they are recognized as liabilities due to the net profit for the year. Of the €69.2 million (previous year: €47.5 million) in receivables from affiliated companies as of the reporting date, €58.6 million (previous year: €21.9 million) is attributable to cash pool receivables.

Inventories decreased by €4.2 million to €30.7 million (previous year: €34.9 million). The reduction in inventories applies to all inventory classes, although primarily finished goods (€2.5 million) and work in progress (€1.4 million).

Equity and liabilities

€ thousand	09.30.2025	06.30.2026
Equity	122,070	122,070
Special reserve	1,988	1,886
Provisions	7,137	4,750
Liabilities		
1. Liabilities to banks	4,061	2,439
2. Trade payables	5,738	4,014
3. Liabilities to affiliated companies	2,053	13,563
4. Other liabilities	2,368	466
Total equity and liabilities	145,415	149,187

The balance sheet inflation caused the equity ratio to fall from 83.9 percent to 81.8 percent. The inflation on the liabilities side was caused by the increase in liabilities to affiliated companies, resulting from the net profit for the year and the resulting transfer of profit to TE Connectivity Sensors Germany Holding GmbH.

The liabilities to banks decreased further due to repayments totaling €1.6 million. The utilized bank overdrafts amounted to €1 thousand (previous year: €405 thousand).

The trade payables decreased by €1.7 million to €4.0 million, predominantly as a result of the lower volume of business. Furthermore, First Sensor AG strives to settle its liabilities to suppliers in good time and maintain good business relationships.

As of June 30, 2026, the liabilities to affiliated companies contained liabilities of €12.0 million (previous year: €0 million) under the profit and loss transfer agreement with TE Connectivity Sensors Germany Holding GmbH, and trade payables of €1.6 million (previous year: €2.1 million).

The other liabilities decreased by €1.9 million to €0.5 million, as the liabilities from VAT decreased significantly.

First Sensor AG reported a positive net cash position of €47.0 million at the end of the third quarter of 2026 (previous year: €26.0 million); the increase was primarily due to the increase in cash pool receivables.

Working capital, i.e. inventories plus trade receivables less advance payments and trade payables, decreased to €35.7 million in the course of the first nine months (previous year: €46.8 million). One factor causing this was the reduction in inventories and improved receivables management, which made it possible to reduce the tied-up capital by more than €11 million. Capital employed remained almost unchanged, decreasing slightly to €124.5 million after €126.1 million as of the last balance sheet date.

It can also be assumed for the future that First Sensor AG will be in a position to finance operating business and planned growth from the resources at its disposal and in association with TE Connectivity.

Cashflow

€ thousand	9M 2025	9M 2026	Non-recurring effect Sale of FSL	9M 2026*
Cash flow from operating activities	11,344	8,804		8,804
Cash flow from investing activities	-2,383	29,684	-29,608	76
Cash flow from financing activities	-9,636	-37,914	-29,608	-8,306
Free cash flow	8,961	38,488	-29,608	8,880

*Adjusted for the effects from the sale of First Sensor Lewicki GmbH

After nine months, the cash flow from business activities is €8.8 million (previous year: €11.3 million), and therefore largely reflects the decline in sales in the current financial year.

The cash flow from investing activities is €29.7 million (previous year: €–2.4 million), and is essentially characterized by the sale of the former subsidiary First Sensor Lewicki GmbH. The cash paid for investments in intangible assets and property, plant and equipment amounted to €0.9 million after nine months (previous year: €2.9 million).

The cash flow from financing activities contains repayments and interest payments on bank loans as well as the change in cash pool receivables. The repayments and interest payments totaled €1.3 million (previous year: €1.3 million). As a result of the low residual debt of €52 thousand, the interest paid fell to €34 thousand. The change in cash pool receivables amounted to €-36.7 million (previous year: €-8.4 million) and is largely attributable to the posting of the profit transfer and the reporting of the cash pool receivable resulting from the sale of First Sensor Lewicki GmbH.

Excluding the non-recurring effect of the sale of shares in First Sensor Lewicki GmbH, the free cash flow of €8.9 million is at the same level as in the previous year (€9.0 million).

Key figures for the First Sensor share

€ thousand	Sept. 30, 2025	June 30, 2026
Issued capital (euros)	51,692,480	51,692,480
Number of shares (weighted, undiluted)	10,338,496	10,338,496
Number of shares (diluted)	10,338,496	10,338,496

Financial calendar

Date	Event
January 29, 2027	Publication of the 2026 Annual Report
April 7, 2027	2027 Annual General Meeting

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First Sensor AG also prepares its quarterly report in accordance with the accounting regulations of the German Commercial Code (HGB). However, this report has been neither audited nor reviewed by an auditor. The amounts presented may differ from the exact mathematical 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.