

Mandatory publication
pursuant to Sections 34, 27 para. 3, sentence 1, 14 para. 3 sentence 1 of the German
Securities Acquisition and Takeover Act
(Wertpapiererwerbs- und Übernahmegesetz, WpÜG)

First Sensor

Joint reasoned statement of the Management Board and Supervisory Board

of

First Sensor AG
Peter-Behrens-Straße 15
12459 Berlin
Germany

pursuant to Section 27 Abs. 1 WpÜG

**regarding the voluntary public takeover offer
(Cash offer)**

of

TE Connectivity Sensors Germany Holding AG
Ampèrestraße 12-14
64625 Bensheim
Germany

to

the shareholders of First Sensor AG

dated 8 July 2019

First Sensor-Shares: ISIN DE0007201907
Tendered First Sensor-Shares: ISIN DE000A2YPGK8

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1. General information on this statement

On 8 July 2019, TE Connectivity Sensors Germany Holding AG with its registered office in Bensheim, Germany ("**Bidder**"), pursuant to Sections 34, 14 Abs. 2 und 3 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**") published an offer document pursuant to Section 11 WpÜG and on the same day a correction of the offer document pursuant to Section 12 WpÜG (the corrected offer document the "**Offer Document**") for its voluntary public takeover offer (the "**Offer**") to all shareholders of First Sensor AG with its registered office in Berlin, Deutschland ("**First Sensor**", "**First Sensor AG**" or the "**Company**", and together with its subsidiaries consolidated in the consolidated financial statements dated 31 December 2018 also referred to as the "**First Sensor-Group**", and the shareholders of First Sensor, the "**First Sensor-Shareholders**" and each individually a "**First Sensor-Shareholder**") (the "**Transaction**").

The Offer refers to the acquisition of all no-par value bearer shares in First Sensor (ISIN: DE0007201907) (the "**First Sensor-Shares**", and each individually a "**First Sensor-Share**") with a proportional amount of the share capital of EUR 5.00 per share including all ancillary rights, in particular the right to dividends, existing at the time of settlement of the Offer, for a purchase price in cash of EUR 28.25 per First Sensor-Share ("**Offer Price**").

The Offer Document was provided to the management board of First Sensor (the "**Management Board**") on 8 July 2018. On the same day, the Management Board forwarded the Offer Document to the Supervisory Board of First Sensor (the "**Supervisory Board**") and to the competent works council of First Sensor.

The Management Board and the Supervisory Board have carefully evaluated the Offer and hereby issue a joint reasoned statement regarding the Bidder's Offer pursuant to Section 27 WpÜG (the "**Statement**"). This Statement was discussed and adopted by both the Management Board and the Supervisory Board on 17 July 2019.

2. Legal basis of this statement

Pursuant to Section 27 para. 1 sentence 1 WpÜG, the management board and the supervisory board of a target company must issue a reasoned statement on a takeover offer as well as any changes thereto. The statement can be issued jointly by the management board and the supervisory board of the target company.

In accordance with Section 27 para. 1 Sentence 2 WpÜG, the Management Board and the Supervisory Board have in particular to discuss in their Statement (i) the type and amount of the consideration offered, (ii) the expected consequences of a successful offer for the target, the employees of the target and their representative bodies, the terms and conditions of employment, and the locations of the target, (iii) the objectives pursued by the Bidder through the Offer, and (iv) the intention of the members of the management board and the members of the supervisory board, insofar as they hold securities in the target, to accept the Offer.

The Management Board and the Supervisory Board have decided to issue a joint statement in relation to the Offer from the Bidder.

3. Facts

All information, forecasts, estimates, assessments, forward-looking statements, and intentions contained in this Statement are based on the information available to the Management Board and the Supervisory Board upon publication of this Statement and reflect their estimates or intentions at this point in time. Forward-looking statements express intentions, views, or expectations and involve unknown risks and uncertainties, as these relate to events and depend on circumstances, which will take place in the future. Words such as "may", "should", "aim", "will", "expect", "intend", "assess", "anticipate", "believe", "plan", "determine" or similar expressions indicate forward-looking statements.

The expectations contained in such forward-looking statements are based on justified and comprehensible assumptions and are accurate and complete to the best knowledge as of the present day. However, the underlying assumptions can change after the date of publication of this Statement due to, inter alia, political, economic or legal developments.

The Management Board and the Supervisory Board do not intend to update this Statement and shall not assume any obligation to update this Statement, provided that such updates are not mandatory under German law.

The information contained in this Statement relating to the Bidder, the persons acting jointly with the Bidder and the Offer are based on information included in the Offer Document and the business combination agreement entered into with the Bidder as well as other information in the public domain, unless expressly stated otherwise. The Management Board and the Supervisory Board were not able to inspect documentation of the Bidder prior to issuing this Statement, so that the Management Board and the Supervisory Board are possibly not able to take account of important circumstances, which relate to the Bidder.

The Management Board and the Supervisory Board are also not in the position to verify the intentions set out by the Bidder in the Offer Document or to influence the implementation of the Bidder's intentions. Details regarding the Bidder's intentions are exclusively based on the information provided by the Bidder in the Offer Document, unless reference is made to another source.

4. Statement of the competent works council

Pursuant to Section 27 para. 2 WpÜG, the competent works council of First Sensor can provide the Management Board with a statement regarding the Offer, which the Management Board must enclose with its Statement pursuant to Section 27 para. 2 WpÜG, notwithstanding its obligation pursuant to Section 27 para. 3 sentence 1 WpÜG. The Management Board was informed by the competent works council that it will provide a statement. The statement of the works council was not available at the time of publication of this Statement.

5. Publication of this Statement and potential changes to the offer

This Statement and/or additional statements regarding possible changes to the Offer, will be published in accordance with Section 27 para. 3 and Section 14 para. 3 sentence 1 WpÜG on the internet at the website of the Company at <http://www.first-sensor.com> under the heading *Investor Relations*. Copies of the statements will be held for distribution free of charge at First Sensor AG, Peter-Behrens-Straße 15, 12459 Berlin Germany, and can be requested to be sent free of charge at the e-mail address ir@first-sensor.com or telephone number +49 30 639923-760, as well as fax number +49 30 639923-719. The Internet address at which the publication is made available, as well as the location for distribution free of charge, will be published through a notice in the Federal Gazette (*Bundesanzeiger*).

6. Independent examination by the First Sensor-Shareholders

The Management Board and the Supervisory Board point out that the description of the Bidder's Offer that is contained in this Statement does not claim to be complete and that provisions of the Offer Document alone are determinative for the content and completion of the Offer. Where this Statement refers to, cites, summaries or reproduces the Offer or the Offer Document, these are only references, as a result of which the Management Board and the Supervisory Board are neither adopting the Offer nor the Offer Document, nor are they assuming any guarantee for the correctness or completeness of the Offer and the Offer Document. Each First Sensor-Shareholder is responsible for taking note of the Offer Document, forming an opinion on the Offer and taking any necessary measures. The Management Board and Supervisory Board further point out that First Sensor-Shareholders who wish to accept the Offer should examine whether the acceptance of the Offer is compatible with their individual legal circumstances. Such individual circumstances cannot be examined by the Management Board and the Supervisory Board and taken into account in their recommendations. The Management Board and Supervisory Board recommend that all persons who receive the Offer Document outside the Federal Republic of Germany or who wish to accept the Offer but are subject to the securities laws of a jurisdiction other than the Federal Republic of Germany inform themselves about the respective legal situation and act in accordance with it. The Management Board and Supervisory Board recommend that shareholders seek individual tax and legal advice where necessary.

Insofar as First Sensor-Shareholders accept the Offer or not, they are responsible for complying with the requirements and conditions described in the Offer Document and recommend that all First Sensor-Shareholders read this Statement and the Offer Document carefully before deciding to accept the Offer.

The Offer Document is available on the Internet at <http://www.sensor-angebot.de> and can be obtained in the form of printed copies free of charge from Deutschen Bank Aktiengesellschaft, Post IPO Services, Taunusanlage 12, 60352 Frankfurt am Main.

Overall, each First Sensor-Shareholder must make an independent decision about whether and to what extent to accept the Offer, in consideration of the overall situation, own individual circumstances (including the personal tax situation) and a personal assessment of the future development of the value and the stock exchange price of the First Sensor-Shares. To make this decision, the First Sensor-Shareholders should use all sources of information available to them and take sufficient account of their personal interests. The Management Board and the Supervisory Board assume no responsibility for this decision by the First Sensor-Shareholders.

7. General information regarding First Sensor AG

7.1 Legal basis of First Sensor AG

First Sensor AG is a listed German stock corporation with its registered office in Berlin, Germany and is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) Berlin (Charlottenburg) under HRB 69326. The business address of the Company is Peter-Behrens-Straße 15, 12459 Berlin, Germany. The fiscal year of First Sensor AG is the calendar year.

Pursuant to Section 1 para. 1 of the articles of association of the Company, the business purpose of the Company is the development, production and distribution of sensor systems of all kinds as well as electronic components and devices in Germany and abroad.

The company is allowed to establish domestic or foreign branches, to conclude company agreements and to participate in other companies. In addition, it is entitled to take all measures that are suitable for the purpose of the company.

7.2 Members of the Management board and of the Supervisory Board

The members of the Management Board of First Sensor are

- Dr. Dirk Rothweiler, chairman of the Management Board/Chief Executive Officer (*Vorstandsvorsitzender*) and
- Dr. Mathias Gollwitzer, Chief Financial Officer (*Finanzvorstand*).

The supervisory board of First Sensor consists of six members. The current members of the Supervisory Board are

- Prof. Dr. Alfred Gossner (Chairman),
- Prof. Dr. rer. nat. Christoph Kutter (Deputy Chairman),
- Mr. Marc de Jong,
- Mr. Guido Prehn,
- Mr. Tilo Vollprecht (employee representative) and

- Ms. Olga Wolfenberg (employee representative).

7.3 Capital structure and shareholder structure of First Sensor

At the time of this Statement, the Company's share capital amounts to EUR 51,146,980.00 and is divided into 10,229,396 First Sensor-Shares each representing a pro rata amount of the share capital of EUR 5.00 per First Sensor-Share. The First Sensor-Shares are no-par value bearer shares. The First Sensor-Shares grant one vote each. The Company does not hold any treasury shares.

The First Sensor-Shares are admitted to trading on the regulated market with further admission requirements (Prime Standard) on the Frankfurt Stock Exchange and are traded in the electronic trading system XETRA of the Frankfurt Stock Exchange as well as over the counter on the stock exchanges in Berlin-Bremen, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich and Stuttgart.

According to the voting rights notifications, which First Sensor received from its shareholders and which are published on the company's website at <http://www.first-sensor.com> under Investor Relations, the following shareholders hold more than 3% of the voting rights in First Sensor:

Shareholder	Shareholding in %
FS Technology Holding S.à.r.l.	40.05
Gerlin NV	7.82
Midlin NV	5.65

The remaining First Sensor-Shares are in free float.

First Sensor has established three stock option plans for its Executive Board members and executives, based on Contingent Capital 2013/I, Contingent Capital 2016/I and Contingent Capital 2017/I.

Due to the Contingent Capital 2013/I, underlying the Stock Option Plan 2013, the share capital of First Sensor is, according to the articles of association of the Company, conditionally increased by up to EUR 425,000.00 by issuing up to 85,000 no-par value bearer shares with dividend rights from the beginning of the fiscal year in which they are issued. The conditional capital increase will only be implemented to the extent that the holders of subscription rights issued by First Sensor as part of a stock option plan granted by resolution of the Annual General Meeting on 20 August 2013, adjusted by resolution of the Annual General Meeting on 28 May 2015, with the authorization to issue subscription rights until 31 December 2016, have exercised their subscription rights.

At the time of publication of this statement, 47,000 options from Contingent Capital 2013/1 may still be exercised under the Stock Option Plan 2013. This exercise could

lead to the issuance of up to 47,000 additional First Sensor-Shares by the end of the Additional Acceptance Period (as described under Section 5.3 of the Offer Document).

7.4 Structure and business activities of First Sensor AG and First Sensor Group

The First Sensor Group consists of the parent company First Sensor AG, based in Berlin, and ten subsidiaries in which First Sensor AG holds a majority stake or all of the shares. The following overview shows the companies of the First Sensor Group, including the percentage of shares held by First Sensor AG:

Company	Seat	Participation
First Sensor Lewicki GmbH	Oberdischingen, Germany	100 %
First Sensor Microelectronic Packaging GmbH	Dresden, Germany	100 %
First Sensor Mobility GmbH	Dresden, Germany	85 %
First Sensor France S.A.S.	Paris, France	100 %
First Sensor Inc.	Westlake Village, USA	100 %
First Sensor Singapore (FSG) Pte. Ltd.	Singapur	100 %
Klay Instruments B. V.	Dwingeloo, Netherlands	100 %
First Sensor Technics Ltd	Shepshed, County Leicestershire, England	100 %
First Sensor Corp.	Montreal, Canada	100 %
First Sensor Scandinavia AB	Kungens Kurva, Sweden	51 %

The subsidiaries of First Sensor AG are deemed to be persons acting jointly with each other and with First Sensor AG pursuant to Section 2 para. 5 sentence 2 in conjunction with sentence 3 WpÜG.

FS Technology Holding S.à r.l. controls First Sensor AG and therefore is deemed to be a person acting jointly with First Sensor AG pursuant to Section 2 para. 5 sentence 2 in conjunction with sentence 3 WpÜG. The following companies directly or indirectly control FS Technology Holding S.à r.l. and thereby First Sensor AG and therefore are deemed to be persons acting jointly with each other and with First Sensor AG pursuant to Section 2 para. 5 sentence 2 in conjunction with sentence 3 WpÜG.:

Company	Seat
DPE Deutsche Private Equity Gesellschaft mbH	Munich, Germany
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	Rotterdam, Netherlands
Nationale-Nederlanden Nederland B.V.	Amsterdam, Netherlands
NN Group N.V.	Amsterdam, Netherlands
NN Insurance Eurasia N.V.	Amsterdam, Netherlands
Parcom Deutschland I GmbH & Co. KG	Munich, Germany
Private Equity Investments II B.V.	Den Haag, Netherlands

Beyond this, there are no other persons that are deemed to be persons acting jointly with First Sensor AG pursuant to Section 2 para. 5 sentence 2 WpÜG.

The First Sensor Group operates as a company which encompasses the development, production and sale of sensor chips, sensor components, sensors and sensor systems. In the growth market of sensor technology, First Sensor develops and manufactures standard products and customer-specific solutions for the ever-increasing number of applications in the Industrial, Medical and Mobility target markets. Value creation is characterized by two core competencies in particular. Firstly, the Group specializes in detecting physical parameters thanks to the design and manufacture of its silicon-based sensor chips. Secondly, it uses its expertise in microelectronic layout and connection technology to continue to process the sensor chips with the best “form factor” for the application. In this context, First Sensor is an expert in the areas of photonics, pressure and advanced electronics. In addition, First Sensor is generating increasing growth in its target markets through new applications that are created via system solutions (so-called sensor systems), for example. They do not just measure; they react intelligently to the measurement results and communicate with other systems. In addition, First Sensor Group sells a variety of its own standard sensors, which can be complemented by specific products of partner companies.

Strategically, First Sensor Group focuses on (i) participating in the promising growth of the technologically driven Industrial, Medical and Mobility target market, (ii) key customers and key products for profitable growth, (iii) pressing ahead with forward integration along the value chain as an expert in the before mentioned areas of photonics, pressure and advanced electronics, (iv) expanding its international presence in target markets by using the “made in Germany”-brand and (v) enhancing and preserving the companies operational excellence. Therefore, First Sensor Group is well positioned to

play an active role in the ongoing consolidation in the highly fragmented sensor systems market.

In the fiscal year 2018, First Sensor Group continued its growth course by achieving EUR 155.15 million in consolidated sales revenues (IFRS reported) and an EBIT margin of 7.9%. Sales grew by 5.2% compared to 2017 (EUR 147.5 million in consolidated sales revenues). The growth in sales is attributable to growing demand in sensors and sensor solutions in the Industrial and Medical markets. The Industrial market contributed 51.8% of sales, while Mobility contributed 25.9% and Medical 22.3%. Geographically, the strongest market in the fiscal year 2018 was Germany, posting EUR 63.2 million in sales revenues. The consolidated net income amounted to EUR 7.5 million (as compared to EUR 4.4 million in 2017). Earnings per share totaled at EUR 0.72.

As of 31 December 2018, 832 full-time employees and 140 part-time employees were employed by First Sensor Group.

8. General information of the bidder

8.1 Legal basis and capital structure of the Bidder

According to Section 6.1 of the Offer Document the Bidder, TE Connectivity Sensors Germany Holding AG, is a stock corporation under German law with registered office in Bensheim, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Darmstadt under HRB 99155. The current business address of the Bidder is Ampèrestraße 12-14, 64625 Bensheim. The share capital of the Bidder amounts to EUR 50,000 which is divided into 50,000 no par value shares. The Bidder was established on 24 April 2019 in Frankfurt am Main, Germany. The corporate purpose of the Bidder includes, inter alia, the acquisition, the sale and the administration of participations and interests in other companies/partnerships in Germany and abroad in the own name and for the own account especially in the function of a holding company as well as the acquisition, the use and the utilization of rights including industrial property rights from current and future technologies of associated companies. The Bidder is allowed to establish domestic or foreign branches.

The management board members (*Vorstandsmitglieder*) of the Bidder are:

- Mr. Jörg Mann, chairman of the management board (*Vorstandsvorsitzender*);
- Mr. Gerold Hiemenz, deputy chairman of the management board (*stellvertreter Vorstandsvorsitzender*); and
- Mr. Harold Gregory Barksdale.

The supervisory board members (*Aufsichtsratsmitglieder*) of the Bidder are:

- Mr. Mark Schlueter, chairman of the supervisory board (*Aufsichtsratsvorsitzender*);

- Mr. Henning Rademacher, deputy chairman of the supervisory board (*stellvertretender Aufsichtsratsvorsitzender*); and
- Ms. Martina Ullmann.

The Bidder holds no shares in other companies and has no employees.

8.2 Bidder's shareholder structure

Pursuant to Section 6.3 the following companies directly or indirectly hold participations in the Bidder:

- The sole shareholder of the Bidder is Tyco Electronics Germany Holdings GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany with registered office in Bensheim, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Darmstadt under HRB 86154.
- The sole shareholder of Tyco Electronics Germany Holdings GmbH is Tyco Electronics Group S.A., a stock corporation (*Société anonyme*) under the laws of Luxembourg with registered office in Luxembourg, registered in the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under number B123549.
- The sole shareholder of Tyco Electronics Group S.A. is TE Connectivity Ltd., a stock corporation (*Aktiengesellschaft*) under the laws of Switzerland with its registered office in Schaffhausen, registered in the commercial register of the Canton of Schaffhausen (*Handelsregisteramt des Kantons Schaffhausen*) under number CHE-114.934.754 ("**TE**" or "**TE Connectivity**" and together with its direct and indirect subsidiaries, the "**TE Group**"). TE is a publicly listed company that trades on the New York Stock Exchange under ticker symbol "TEL".

TE Connectivity Ltd. itself is not controlled by any of its shareholders.

Annex 1 of the Offer Document contains a list of the other companies and persons who are deemed to be persons acting jointly with the Bidder at the time of publication of the Offer Document within the meaning of section 2 para. 5 sentence 1 and sentence 3 WpÜG. The companies and persons named in Section 1 of Annex 1 to the Offer Document control the Bidder directly or indirectly ("**Bidder Parent Shareholders**"). The companies listed in Section 2 of Annex 1 are further (indirect) subsidiaries of the Bidder's parent shareholders, each of which does not control the Bidder.

Pursuant to Section 6.5 of the Offer Document, there are no further persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG.

8.3 Information about TE Group

TE Group is a global technology and manufacturing leader creating a safer, sustainable, productive, and connected future. The business of TE Group comprises designing and manufacturing connectivity and sensor solutions for a variety of industries, including transportation, industrial applications, medical technology, energy, data communications, and home. TE Group conducts its business through its three segments, Transportation Solutions, Industrial Solutions, and Communication Solutions.

- Transportation Solutions

The Transportation Solutions segment of TE Group offers its customers a variety of connectivity and sensor technology products, including terminals and connector systems and components, sensors, antennas, relays, application tooling, and wire and heat shrink tubing.

- Industrial Solutions

The Industrial Solutions segment of TE Group supplies products connecting and distributing power, data, and signals. The offering includes in particular terminals and connector systems and components, heat shrink tubing, relays, and wire and cable. These products are used in industrial equipment (including factory automation and process control, intelligent building, rail, solar and medical), aerospace, defense and marine (including oil and gas), and/or energy applications.

- Communication Solutions

The Communication Solutions segment of TE Group offers electronic components for data and devices and the appliances market. Products sold in this segment include terminals and connector systems and components, relays, heat shrink tubing, and antennas.

During the first half of TE Group's financial year 2018/2019 (i.e., until 29 March 2019) net sales of the TE Group amounted to USD 6,759 million (corresponding to approximately EUR 5,3835 million based on an average exchange rate of USD 1.0000 : EUR 0.8634 for the period from 29 September 2018 until 29 March 2019 (source: European Central Bank)) according to the consolidated statements of operations of TE Group as of and for the six months ended 29 March 2019 and prepared in accordance with the accounting principles generally accepted in the United States ("**U.S. GAAP**").

During the full financial year 2017/2018 ended 28 September 2018, net sales of the TE Group amounted to USD 13,988 million (corresponding to approximately EUR 11,761 million based on an average exchange rate of USD 1.0000: EUR 0.8408 for the period from 1 October 2017 until 28 September 2018 (source: European Central Bank)) according to the consolidated statements of operations of TE Group as of and for the fiscal year ended 28 September 2018 and prepared in accordance with U.S. GAAP.

As of 28 September 2018, TE Group employed approximately 80,000 people in total.

8.4 Irrevocable Undertakings with First Sensor-Shareholders

On 3 June 2019, the Bidder has entered into agreements with irrevocable undertakings for the acceptance of the Offer for 6,900,603 First Sensor-Shares in total (i.e., approximately 67.47% of the share capital and voting rights of First Sensor as of 3 July 2019) (each an “**Irrevocable Undertaking**”) with the following First Sensor-Shareholders:

- FS Technology Holding S.à r.l for a total of 4,097,212 First Sensor-Shares;
- Corecam Pte. Ltd. on behalf of various First Sensor-Shareholders for a total of 1,400,000 First Sensor-Shares;
- Gerlin N.V. for a total of 800,311 First Sensor-Shares;
- Midlin N.V. for a total of 577,548 First Sensor-Shares; and
- Mr Marc de Jong for a total of 25,532 First Sensor-Shares.

In the Irrevocable Undertakings with FS Technology Holding S.à r.l, Corecam Pte. Ltd., Gerlin N.V., Midlin N.V. as well as Mr. de Jong the relevant First Sensor-Shareholders and, in case of Corecam Pte. Ltd., Corecam Pte. Ltd. acting as an asset manager for the relevant First Sensor-Shareholders (together “**Selling Shareholders**”) have irrevocably undertaken to validly accept the Offer for the number of First Sensor-Shares under the respective Irrevocable Undertaking. A summary of the details of the Irrevocable Undertakings can be found in Section 6.8 of the Offer Document.

In the meantime, FS Technology Holding S.à.r.l., Gerlin NV, Midlin NV and the shareholders represented by Corecam Pte. Ltd. accepted the Offer for all of their First Sensor-Shares. This has been reflected in the announcement of the Bidder in accordance with Section 23 para. 1 sentence 1 no. 1 WpÜG (*Wasserstandsmeldung*) published on 15 July 2019.

Furthermore neither the Bidder nor persons acting jointly with the Bidder within the meaning of Section 2 para 5 WpÜG nor their subsidiaries have acquired First Sensor-Shares nor concluded any agreement for the acquisition of First Sensor-Shares during the six-month period prior to 3 June 2019 (the day of the publication of the decision to make the Offer) until 8 July 2019 (the day of the publication of the Offer Document).

Pursuant to Section 6.6 of the Offer Document, neither the Bidder nor persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG nor their subsidiaries hold any financial instruments or voting rights other than those mentioned above in relation to First Sensor, nor are any voting rights resulting therefrom attributable to them.

9. Possible future acquisitions

Pursuant to Section 6.9 of the Offer Document, the Bidder reserves the right, within the limits of the law, to acquire, directly or indirectly, First Sensor-Shares outside of the Offer on or off

the stock exchange. Any such purchases or arrangements to purchase First Sensor-Shares will be made in compliance with applicable laws.

Any information about such potential acquisitions, including the number and price of the acquired First Sensor-Shares, will be published in accordance with the applicable statutory provisions, especially Section 23 para. 2 WpÜG in conjunction with Section 14 para. 3 sentence 1 WpÜG, in the Federal Gazette (*Bundesanzeiger*) and on the internet at <http://www.sensor-offer.com>.

10. Information about the Offer

10.1 Implementation of the Offer

The Offer is being implemented by the Bidder in the form of a voluntary public takeover offer (cash offer) for the acquisition of all First Sensor-Shares pursuant to Section 29 para. 1 WpÜG. The Offer shall be implemented as a takeover offer under German Law, particularly the WpÜG and the Offer Regulation of the German Securities Acquisition and Takeover Act (*Angebotsverordnung zum Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG Offer Regulation**"). The Management Board and the Supervisory Board have not performed their own review of the Offer regarding compliance with the relevant legal regulations.

10.2 Publication of the decision to submit the Offer

The Bidder published its decision to submit the Offer pursuant to Section 10 para. 1 sentence 1 WpÜG on 3 June 2019. The publication is available to download on the Internet at <http://www.sensor-offer.com>.

10.3 Review by the BaFin and Publication of the Offer Document

The Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") approved the publication of the Offer Document on 5 July 2019.

The Bidder published the Offer Document on 8 July 2019 by (i) publication on the Internet at <http://www.sensor-offer.com> as well as (ii) keeping copies available for distribution free of charge at Deutsche Bank Aktiengesellschaft, Post IPO Services, Taunusanlage 12, 60325 Frankfurt am Main ("**Settlement Agent**").

Further details are provided in Section 1.5 of the Offer Document.

10.4 Acceptance of the Offer outside of the Federal Republic of Germany

The Offer may be accepted by all domestic and foreign First Sensor-Shareholders in accordance with the terms outlined in the Offer Document and the applicable statutory provisions. However, under Section 1.2 of the Offer Document, the Bidder points out that the acceptance of the Offer outside of the Federal Republic of Germany, the member states of the European Union and the European Economic Area or the United

States may be subject to certain legal restrictions as a result of local regulations. First Sensor-Shareholders who come into possession of the Offer Document outside of the Federal Republic of Germany, the member states of the European Union and the European Economic Area or the United States, who wish to accept the Offer outside of the Federal Republic of Germany, the member states of the European Union and the European Economic Area or the United States and/or who are subject to legal provisions other than those of the Federal Republic of Germany, the member states of the European Union and the European Economic Area or the United States are advised to inform themselves of the relevant applicable legal provisions and to comply with them. Under Section 1.2 of the Offer Document, the Bidder points out that it assumes no responsibility for acceptance of the Offer outside of the Federal Republic of Germany, the member states of the European Union and the European Economic Area or the United States being permissible under the relevant applicable legal provisions.

11. Background of the Offer

11.1 Economic and strategic background of the Transaction

According to Section 8.1 of the Offer Document, the Transaction, if successful, will combine the solutions and expertise of First Sensor-Group, in particular in the areas of low-pressure sensing and photonics (including avalanche photodiodes, cameras and digital imaging solutions), with TE Group's operational scale, customer base, and existing sensors technologies. This will result in a further increase of the sensors and application solutions offerings of both companies in key growth industries, particularly in the medical, industrial and transportation industry.

Given the growing worldwide demands for connectivity solutions, current and prospective customers of TE Group and First Sensor-Group are seeking an increasingly broad range of integrated sensor solutions. Such solutions are utilized in electronic and autonomous vehicles, smart and digital factories, as well as many different medical applications. Consequently, an increasing number of customers are demanding a product offering that combines complementary technologies and engineering expertise. The combination of expertise of TE Group and First Sensor-Group will allow them to further address strategic applications closely aligned with several long-term global growth trends in industrial, medical and transportation markets.

In particular, the low pressure portfolio of First Sensor-Group will complement the mid/high pressure portfolio of TE Group in the auto and medical markets, resulting in increased market opportunities. Additionally, the medical portfolio of First Sensor-Group will align with the strategic focus of TE Group. Furthermore, First Sensor-Group provides capabilities in optical sensing and camera-based sensing for industrial, heavy truck, and auto applications, as well as photodiodes, a key LiDAR component.

Overall, the Transaction will create a comprehensive global sensing solutions offering for customers worldwide in a wide range of industries. This will lead to a significant strengthening of the position of TE Group and First Sensor-Group in the market of sensor systems, benefitting all parties and stakeholders involved in the Transaction.

11.2 Business Combination Agreement

On 3 June 2019, First Sensor, the Bidder and TE entered into a business combination agreement (the “**Business Combination Agreement**”) which stipulates principal terms and conditions of the Offer as well as the agreements on mutual intentions with regard to the Offer. The material terms of the Business Combination Agreement can be summarized as follows:

11.2.1 Material terms of the Offer

In the Business Combination Agreement, the Bidder agreed to submit a voluntary public cash takeover offer with a consideration as set forth in Section 4 of the Offer Document and the Offer Conditions as set forth in Section 12.1 of the Offer Document.

11.2.2 Support of the Offer

The Management Board of First Sensor AG has undertaken to welcome and support the Offer subject to review of the Offer Document and acting in good faith and with regards to its duties. Subject to these conditions, it has undertaken to recommend its acceptance in a joint reasoned statement with the Supervisory Board pursuant to section 27 para. 1 WpÜG. In addition, the Management Board of First Sensor AG has undertaken to use its best efforts to cause the Supervisory Board of First Sensor AG to also welcome and support the Offer and to recommend its acceptance in the joint reasoned statement.

Such welcome, support and recommendation is subject to certain requirements agreed to in the Business Combination Agreement. In case of an announcement of a competing offer pursuant to Section 10 para. 1 and para. 3 WpÜG providing for a cash or share offer consideration that is higher than the Offer Price and, which is determined by the management board and the supervisory board of First Sensor AG, acting in good faith with regard to their duties, to be in the best interest of First Sensor and more beneficial for First Sensor and its shareholders than the Offer (the “**Superior Offer**”), neither the management board nor the supervisory board of First Sensor AG remain obliged to support this Offer. However, such obligation for the management board and the supervisory board of First Sensor AG remains in place if the Bidder exercises its right to amend this Offer by matching the Superior Offer.

Further, the members of the management board and the supervisory board of First Sensor AG intend to accept the Offer for First Sensor-Shares held by them (if any) to the extent possible in order to maintain eligibility to exercise their respective option

rights under the applicable stock option plans of First Sensor. (for details, see Section 20.1 (at the end) of this Statement)

11.2.3 Term of the Business Combination Agreement

The Business Combination Agreement has a fixed term of two years from the date of its conclusion, except for certain provisions regarding the workforce, employees and sites of First Sensor which have a fixed term of four years. In addition, the Business Combination Agreement provides each party with termination rights with immediate effect in certain defined circumstances.

12. Main content of the Offer

12.1 Subject matter of the Offer

Pursuant to the terms and conditions of the Offer Document, the Bidder offers to all First Sensor-Shareholders to acquire the non-par value bearer First Sensor-Shares (ISIN DE0007201907) held by them, each with a pro rata amount of the share capital of First Sensor AG of EUR 5.00, including all ancillary rights existing at the time of the settlement of the Offer.

12.2 Offer Price

As a consideration, the Bidder is offering the First Sensor-Shareholders an amount of EUR 28.25 in cash per First Sensor-Share.

12.3 Acceptance period and additional acceptance period

The period for acceptance of the Offer started with the publication of the Offer Document on 8 July 2019 and ends on 2 September 2019, 24:00 hrs (local time Frankfurt)/18:00 hrs (local time New York) ("**Acceptance Period**"). Under the circumstances listed below, the Acceptance Period for the Offer shall extend automatically, as follows:

- The Bidder may amend the Offer up to one working day (*Werktag*) before expiry of the Acceptance Period in accordance with Section 21 WpÜG. In the event of an amendment to the Offer in accordance with Section 21 WpÜG, the Acceptance Period pursuant to Section 5.1 of the Offer Document will be extended by two weeks if publication of the amended Offer takes place within the last two weeks before expiry of the Acceptance Period (Section 21 para. 5 WpÜG), i.e. until 30 August 2019, 24:00 hrs (local time Frankfurt am Main)/18:00 hrs (local time New York). In this event, the Acceptance Period is extended until 16 September, 2019, 24:00 hours (local time Frankfurt am Main) / 18:00 hours (local time New York). This shall apply even if the amended Offer contravenes statutory provisions.
- If a competing offer is made by a third party (the "**Competing Offer**") during the Acceptance Period of the Offer and if the Acceptance Period of the present Of-

fer expires prior to expiry of the acceptance period of the Competing Offer, the Acceptance Period of the present Offer shall be extended to correspond to the expiry date of the acceptance period of the Competing Offer (Section 22 para. 2 WpÜG). This shall apply even if the Competing Offer is amended or prohibited or contravenes statutory provisions.

- If a general meeting (*Hauptversammlung*) of First Sensor is convened in connection with the present Offer following publication of the Offer Document, the Acceptance Period will be extended in accordance with Section 16 para. 3 WpÜG to ten weeks after publication of the Offer Document, i.e. until 16 September 2019, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).

The period for acceptance of the Offer, including all extensions of such period in accordance with the provisions of the WpÜG (but excluding the Additional Acceptance Period as defined below), is uniformly referred to as the "**Acceptance Period**" in the Offer Document. The Bidder will publish each extension of the Acceptance Period in accordance with the statements in Section 21 of the Offer Document. With regard to the right of withdrawal in the event of an amendment to the Offer or the launching of a Competing Offer, please refer to the statements contained in Section 17.1 of the Offer Document.

Pursuant to Section 16 para. 2 WpÜG First Sensor-Shareholders that have not accepted the Offer within the Acceptance Period can still accept the Offer within two weeks after publication of the results of the Offer by the Bidder in accordance with Section 23 para. 1 sentence 1 no. 2 WpÜG (the "**Additional Acceptance Period**"), provided none of the Offer Conditions set forth in Section 12.1 of the Offer Document have ultimately lapsed as at the end of the Acceptance Period and such condition has not been effectively waived in advance. After the end of the Additional Acceptance Period, the Offer cannot be accepted anymore unless a sell-out right in accordance with Section 39c WpÜG (as further described in Section 16(g) of the Offer Document) exist. Subject to an extension of the Acceptance Period pursuant to Section 5.2 of the Offer Document, the Additional Acceptance Period will presumably begin on 6 September 2019 and end on 19 September 2019, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).

12.4 Offer conditions

Pursuant to Section 12 of the Offer Document and the agreements entered into with the First Sensor-Shares as a result of its acceptance are subject to the following conditions ("**Offer Conditions**"). With the correction published on 8 July 2019, the Bidder deleted the merger control clearance in Germany which was initially included as a condition of the Offer in the original Offer Document. By publication on 16 July 2019, the

Bidder announced that the merger control clearance in Austria contained in the Offer Document as a condition of the Offer had been granted.

12.4.1 Merger control clearance Hungary

After publication of this Offer Document and at the latest by 31 May 2020, the GVH has issued an administrative certificate, a clearance decision or the Transaction is deemed to be cleared because the applicable waiting period has expired.

12.4.2 Foreign investment clearance Germany

After publication of this Offer Document and at the latest by 31 May 2020, the BMWi has issued a clearance pursuant to section 61 sentence 1 AWW, or clearance is deemed to have been issued pursuant to Section 61 sentence 2 AWW.

12.4.3 Foreign investment clearance United States

After publication of this Offer Document and at the latest by 31 May 2020,

(a) the CFIUS has

- I. issued a written notification that it has determined that the Transaction contemplated hereby is not a “covered transaction” for purposes of Section 721 of the Defense Production Act of 1950 (“**Section 721**”), as amended; or
- II. issued a written notification pursuant to 31 CFR 800.601(a)(2) or 801.407(a)(4) that there are no unresolved national security concerns and that it has concluded all action under Section 721 with respect to the Transaction; or
- III. sent a report to the President of the United States requesting the President’s decision, and the President
 - (A) has announced a decision not to suspend or prohibit the Transaction pursuant to his authority under Section 721; or
 - (B) has not taken any action within fifteen (15) calendar days from the date the President received such report from CFIUS.

(b) First Sensor has submitted to the DDTC a notice of the Transaction pursuant to the International Traffic in Arms Regulation Section 122.4(b) and a period of sixty (60) days has elapsed between the date of receipt by the DDTC of such notice and settlement of the Offer.

12.4.4 Foreign investment clearance France

After publication of this Offer Document and at the latest by 31 May 2020, the French Ministry of the Economy has issued

- (a) a clearance decision pursuant to Articles L. 151-3 and R. 153-1 et seq. of the French Monetary and Financial Code; or

- (b) a tacit clearance decision in accordance with Article R. 153-8 of the French Monetary and Financial Code; or
- (c) a confirmation pursuant to Article R. 153-7 of the French Monetary and Financial Code;

in each case of (a)-(c) according to which the Transaction is not subject to the authorization process provided by Articles L. 151-3 and R. 153-1 and seq. of the French Monetary and Financial Code.

12.4.5 No issuance of instruments to receive First Sensor-Shares

After publication of this Offer Document and prior to expiry of the Acceptance Period, the Bidder has not received a letter from the management board of First Sensor AG stating that First Sensor has issued, or guaranteed, subscription rights, options, (convertible) bonds or other financial instruments granting a right to receive First Sensor-Shares.

12.4.6 No capital increase; no share split; no transformation measure; no intercompany agreement

After publication of this Offer Document and prior to expiry of the Acceptance Period, the general meeting of First Sensor has not adopted a resolution approving

- (a) a capital increase (including a capital increase from capital reserves); or
- (b) a share split, a consolidation of shares or a change of the rights or nature of shares; or
- (c) a measure pursuant to the German Transformation Act (*Umwandlungsgesetz*); or
- (d) the conclusion of an intercompany agreement within the meaning of Sections 291, 292 AktG

12.4.7 No insolvency of First Sensor

After publication of this Offer Document and prior to expiry of the Acceptance Period, First Sensor has not published any notification pursuant to Article 17 of Regulation (EU) No 596/2014 according to which

- (a) a loss equaling half of the share capital within the meaning of Section 92 (1) German Stock Corporation Act has been suffered; or
- (b) an insolvency proceeding has been instituted against the assets of First Sensor or the management board of First Sensor AG has applied for the institution of such proceeding; or
- (c) a reason has arisen that would necessitate the filing of an application for the institution of an insolvency proceeding.

12.5 Nonfulfillment of the Offer Conditions; waiver of Offer Conditions

The Offer Conditions set out in Section 12 of the Offer Document shall each constitute independent and separable conditions. The Bidder may waive all or individual Offer Conditions in advance – to the extent permissible – pursuant to Section 21 para. 1 sentence 1 no. 4 WpÜG as long as such Offer Conditions have not ultimately lapsed.

A waiver is equivalent to the fulfilment of the relevant Offer Condition. If the Bidder waives any of the Offer Conditions within the last two weeks prior to expiry of the Acceptance Period, the Acceptance Period will be extended by two weeks (Section 21 para. 5 WpÜG), i.e., until 16 September 2019, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).

If the Offer Conditions set forth in Section 12 of the Offer Document have either not been satisfied until the applicable date or have definitively lapsed before these dates and the Bidder has not effectively waived them in advance, the Offer shall lapse. In this case, the contracts which come into existence as a result of accepting the Offer will cease to exist and will not be consummated (conditions subsequent); delivered First Sensor-Shares will be returned. Details of the procedure can be found in Section 12.2 of the Offer Document.

12.6 Publications concerning Offer Conditions

The Bidder will promptly announce on the internet at <http://www.sensor-offer.com> (in German and in an English translation) and in the Federal Gazette (*Bundesanzeiger*) if (i) an Offer Condition has been effectively waived in advance, (ii) an Offer Condition has been fulfilled, (iii) all Offer Conditions have either been fulfilled or have been effectively waived in advance or (iv) the Offer is not consummated because an Offer Condition has finally not been fulfilled or lapsed. Likewise, the Bidder will promptly announce at the end of the Acceptance Period, as part of the publication according to Section 23 para. 1 no. 2 WpÜG, which of the Offer Conditions of Section 12 of the Offer Document have been fulfilled by such time.

12.7 Stock exchange trading with Tendered First Sensor-Shares

Pursuant to Section 13.9 of the Offer Document, the tendered First Sensor-Shares (the "**Tendered First Sensor-Shares**") can be traded on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under ISIN DE000A2YPGK8. Trading will presumably start on the third banking day after the commencement of the Acceptance Period. Trading with the Tendered First Sensor-Shares on the regulated market of the Frankfurt Stock Exchange will be suspended (i) at the end of the last day of the Additional Acceptance Period if all Offer Conditions (as defined in Section 12 of the Offer Document) have been met or effectively waived or (ii) at the end of the third stock exchange trading day directly preceding the settlement of the Offer.

The acquirers of Tendered First Sensor-Shares traded under ISIN DE000A2YPGGK8 assume all rights and obligations arising from the contracts concluded by accepting the Offer with respect to these First Sensor-Shares. The Bidder points out that trading volumes and liquidity of the Tendered First Sensor-Shares depend on the specific acceptance rate and therefore may not exist at all or may be low and may be subject to heavy fluctuations. Therefore, it cannot be ruled out that, in the absence of demand, it will be impossible to sell Tendered First Sensor-Shares on the stock exchange.

The modalities for acceptance and settlement of the Offer are described under Section 13 of the Offer Document.

12.8 Settlement

Pursuant to Section 11 of the Offer Document and the correction of the Offer Document pursuant to Section 12 WpÜG published on 8 July 2019 and the Publication of the Bidder on 16 July 2019, the planned acquisition of the First Sensor-Shares by the Bidder subject to the Offer requires merger control clearance by the competent authority in Hungary as well as foreign trade clearance by the competent authorities in Germany, the United States of America and France. The details of the required clearances can be found in Section 11 of the Offer Document.

12.9 Applicable Law

According to Section 22 of the Offer Document, this Offer and the contracts concluded as a result of the acceptance of this Offer shall be governed by German law. The exclusive place of jurisdiction for all legal disputes arising out of, or in connection with, this Offer (and any contract concluded as a result of acceptance of this Offer) shall be, to the extent permitted by law, Frankfurt am Main, Germany.

12.10 Publications

Pursuant to Section 21 of the Offer Document, the Bidder will publish all publications and announcements required according to the WpÜG or the applicable capital market law provisions of the United States in connection with the Offer on the internet at <http://www.sensor-offer.com> (in German and in a non-binding English translation) and, to the extent necessary pursuant to the WpÜG, in the Federal Gazette (*Bundesanzeiger*).

The Bidder will publish the notifications pursuant to Section 23 para. 1 WpÜG as follows:

- on a weekly basis after publication of the Offer Document (Section 23 para. 1 sentence 1 no. 1 WpÜG),
- on a daily basis during the final week prior to the expiry of the Acceptance Period (Section 23 para. 1 sentence 1 no. 1 WpÜG),

- without undue delay after expiry of the Acceptance Period (Section 23 para. 1 sentence 1 no. 2 WpÜG),
- without undue delay after expiry of the Additional Acceptance Period (Section 23 para. 1 sentence 1 no. 3 WpÜG), and

without undue delay after having reached the shareholding required to exclude the other shareholders under Section 39a para. 1 and para. 2 WpÜG.

13. Decisiveness of the Offer Document

For further information and details (particularly details regarding the Offer Conditions, the Acceptance Periods, the acceptance and implementation modalities and the legal rights of withdrawal), the First Sensor-Shareholders are referred to the statements in the Offer Document. The above Sections 10 to 12 summarise or reflect certain information contained in the Offer Document. The description of the Offer in this Statement is not intended to be exhaustive and the Statement should be read in respect of the Bidder's Offer together with the Offer Document. The provisions of the Offer Document are solely decisive for the content of the Offer and its settlement. Each First Sensor-Shareholder is responsible for acquainting himself with the Offer Document and taking any steps that might be necessary from his or her point of view.

14. Type and amount of the consideration offered

Subject to the terms and conditions set out in the Offer Document, the Bidder offers an Offer Price, i.e. a consideration within the meaning of Section 27 para. 1 sentence 2 no. 1 WpÜG of EUR 28.25 in cash per First Sensor-Share.

In accordance with the corresponding statutory provisions of the Regulation on the Content of the offer document, the consideration to be granted in Takeover Offers and Mandatory Takeover Offers and the Exemption from the Obligation to Publish and Launch an Offer (*WpÜG-Angebotsverordnung* – “**WpÜG-Offer Regulation**”) the Offer Price corresponds to the higher of the two following values:

- Pursuant to Section 5 of the WpÜG-Offer Regulation, the consideration must, in the case of a voluntary public takeover offer pursuant to Sections 29 et seqq. WpÜG, be at least equal to the volume weighted average domestic stock exchange price of the First Sensor-Shares during the last three months prior to the publication of the decision to launch an offer pursuant to Section 10 para. 1 sentence 1 WpÜG on 3 June 2019.
- Pursuant to Section 4 of the WpÜG-Offer Regulation, the consideration must, in the case of a voluntary public takeover offer pursuant to Sections 29 et seqq. WpÜG, be at least equal to the highest consideration provided or agreed for the acquisition of First Sensor-Shares by the Bidder, a person acting jointly with the Bidder within the

meaning of Section 2 para. 5 sentence 1 and sentence 3 WpÜG or their subsidiaries within the last six months prior to the publication of this Offer Document.

The Bidder, any persons acting jointly with the Bidder within the meaning of Section 2 para. 5 sentence 1 and sentence 3 WpÜG and its and their subsidiaries have not made any acquisitions of First Sensor-Shares and have not entered into contractual obligations in this respect within the last six months prior to the publication of this Offer Document.

Pursuant to Section 10.1 of the Offer Document, the relevant three-month average price until and including 2 June 2019 (the last trading day prior to publication of the decision to submit an offer pursuant to Section 10 para. 1 WpÜG on 3 June 2019) equals EUR 22.41 per First Sensor-Share according to notification by BaFin. The Offer Price exceeds this minimum offer price by EUR 5.84, i.e. 26.1 %.

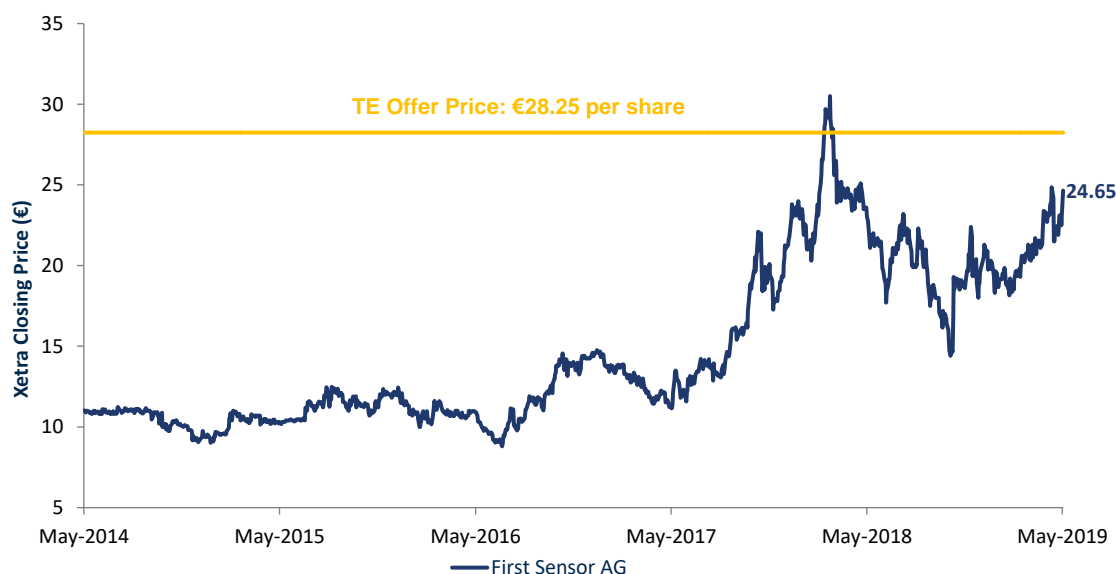
15. Assessment of the Fairness of the consideration offered

The Management Board and the Supervisory Board have diligently and intensively analyzed and assessed the fairness of the consideration offered for the First Sensor-Shares from a financial point of view and have especially considered the historical price developments of the First Sensor-Shares, the Company's growth potential on a stand-alone basis, as well as the fact that the Offer was the result of a competitive bidding process preceding the Bidder's Offer, at the end of which significant shareholders of First Sensor have undertaken to accept the Offer.

15.1 Comparison with historical stock exchange prices

To assess the fairness of the consideration offered from a financial point of view, the Management Board and the Supervisory Board have particularly compared the consideration with historical stock exchange prices of the First Sensor-Share.

Overview: Historical price development of First Sensor-Share



Source: Bloomberg, 24 May 2019. Based on Xetra closing prices.

On 26 May 2019, First Sensor issued an ad hoc announcement regarding ongoing negotiations between TE and First Sensor regarding a possible business combination. From that date, the First Sensor-Share price was influenced by information about a potential business combination between TE and First Sensor that ultimately led to this Offer. As a result, 24 May 2019 was the last trading day of the First Sensor-Shares on which the share price was unaffected by this information.

The closing price of First Sensor-Shares in XETRA trading on the Frankfurt Stock Exchange on 24 May 2019, the last trading day prior to the publication of the ongoing negotiations between First Sensor and TE, was EUR 24.65. The offer price includes a premium of EUR 3.60 (14.6%) on this price (source: Bloomberg).

The offer price contains a premium of EUR 6.80 (31.7%) on the weighted average domestic stock exchange price of First Sensor-Shares in XETRA trading on the Frankfurt Stock Exchange for the last three months prior to 24 May 2019, the last trading day prior to the publication of the ongoing negotiations between First Sensor and TE, in the amount of EUR 21.45 (source: Bloomberg).

The Offer Price contains a premium of EUR 5.84 (26.1%) on the three-month average price of the First Sensor-Shares determined by BaFin up to and including 31 May 2019 (the last trading day prior to the publication of the decision to make an Offer pursuant to Section 10 para. 1 sentence 1 WpÜG on 3 June 2019) in the amount of EUR 22.41.

Within the last 12 months prior to the publication of the decision to make an offer pursuant to Section 10 para. 1 sentence 1 WpÜG on 3 June 2019, the lowest price for First Sensor-Shares in XETRA trading on the Frankfurt Stock Exchange was EUR 14.40 (26 October 2018) and the highest price was EUR 26.85 (27 May 2019)

(source: Bloomberg). The Offer Price therefore includes a premium of EUR 1,40 (5,2 %) on the highest price and a premium of EUR 13,85 (96,2 %) on the lowest price.

15.2 Consideration of the growth potential of the First Sensor-Group on a stand-alone basis

In order to assess the fairness of the consideration offered, The Management Board and Supervisory Board have also considered the growth potential of the First Sensor-Group on a stand-alone basis, reflecting both on future opportunities and potential risks. The Management Board and Supervisory Board believe that the consideration offered is fair from a financial point of view when reflecting both on the growth potential and the increasing economic risks and uncertainties.

On 21 March 2019, First Sensor's Management Board published its earnings forecast (EBIT) for 2019. The Management Board expected sales in the range of EUR 160 million to EUR 170 million and a profit margin (EBIT) between 8.5% and 9.5%. First Sensor confirmed its revenue and profit forecast with the publication of the quarterly figures for the first quarter of 2019 on 14 May 2019, provided that the economic environment remains unchanged. First Sensor's Management Board sees attractive growth opportunities for First Sensor in the years to come, but also potential risks.

Industry associations and market research institutes continue to assume that the market for sensor technology will continue to grow in the coming years. In particular growth drivers are the megatrends of digitalization and artificial intelligence, which cannot be implemented without sensors. First Sensor is well positioned to systematically exploit the opportunities in the strategic target markets for the Group with its products and internal measures.

However, the current trade and financial policy uncertainties as well as economic risks and their potential impact on First Sensor-Group's business activities need to be closely observed. Therefore, the Management Board cannot rule out the possibility that these developments will have an impact on the course of business in 2019 and subsequent years.

15.3 Offer as a result of a competitive Bidding Process

The Offer is the result of a structured bidding process conducted by the Management Board with the ongoing involvement of the Supervisory Board since November 2018. Detailed discussions were held with potential interested parties and non-binding transaction offers (including possible offer prices) were submitted by bidders and reviewed by the Management Board and Supervisory Board.

15.4 Fairness Opinion

The Management Board, with the approval of the Supervisory Board, has also mandated Goldman Sachs Bank Europe SE, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am

Main, Germany ("**Goldman Sachs**") to act as financial advisor to the Company in connection with the Transaction. Goldman Sachs has prepared an opinion with respect to the fairness, as of the date of such opinion, from a financial point of view of the Offer Price of EUR 28.25 in cash per First-Sensor Share to the holders (other than Bidder, TE Connectivity, the Selling Shareholders and their respective affiliates) of First-Sensor Shares ("**Fairness Opinion**").

In the Fairness Opinion, dated 17 July 2019, Goldman Sachs, subject to the assumptions contained therein and as of the date of the Fairness Opinion (i.e. 17 July 2019), comes to the conclusion that the Offer Price of EUR 28.25 in cash per First-Sensor Share offered to the First Sensor-Shareholders (other than Bidder, TE Connectivity, the Selling Shareholders and their respective affiliates) under the Offer Document is fair from a financial point of view to such holders. A copy of the Fairness Opinion is attached to this Statement as an Annex.

Management Board and Supervisory Board have thoroughly reviewed the Fairness Opinion, discussed the supporting financial analyses in detail with representatives of Goldman Sachs and subjected them to an independent critical appraisal.

The Management Board and the Supervisory Board point out that the Fairness Opinion was provided solely for the information and support of the Management Board in connection with its consideration of the Offer and third parties, including the holders of First-Sensor Shares, cannot rely on the Fairness Opinion. The Fairness Opinion is neither addressed to third parties (including First Sensor-Shareholders) nor is it intended for the protection of third parties. Third parties (including First Sensor-Shareholders) may not derive any rights from the Fairness Opinion. No contractual relationship shall come into existence in this connection between Goldman Sachs and third parties who read the Fairness Opinion. Neither the Fairness Opinion nor the underlying mandate agreement between Goldman Sachs and the Company provide any protection to third parties (including First Sensor-Shareholders) or lead to an inclusion of third parties in their respective scope of protection and Goldman Sachs does not assume any liability to third parties (including First Sensor-Shareholders) in relation to the Fairness Opinion.

In particular, the Fairness Opinion is not addressed to First Sensor-Shareholders and is not a recommendation on the part of Goldman Sachs to the First Sensor-Shareholders as to whether or not any holder of First Sensor-Shares should tender their shares in connection with the Offer or accept the Offer. Goldman Sachs's consent to attach the Fairness Opinion to this Statement as an annex does not represent any expansion or addition to the persons to whom this Fairness Opinion is directed or who may rely on the Fairness Opinion, nor does it result in an inclusion of third parties in the scope of the Fairness Opinion or the underlying engagement letter. In addition, the Fairness Opinion does not make any statement with regard to the relative advantages and dis-

advantages of the Offer in comparison to any strategic alternatives that may be available to the Company.

In connection with rendering its Fairness Opinion, Goldman Sachs carried out a number of investigations. In these investigations Goldman Sachs used a number of factors, assumptions, procedures, restrictions and evaluations that are described in the Fairness Opinion.

Among others, Goldman Sachs's analysis is based on the Offer Document, the Business Combination Agreement, the Company's publicly accessible business and financial data, financial forecasts and supporting documents made available by the Company, discussions with members of the Company's senior management on business activities and the Company's prospects, comparisons of the Company's publicly available financial and stock exchange data with similar information for other listed companies as well as other business combinations and transactions. Goldman Sachs, with the Management Board's consent, and without assuming any responsibility for the accuracy and completeness thereof, has relied on the financial, legal, regulatory, tax, accounting and other information it has been provided with. With respect to financial projections and estimates prepared by the Company, Goldman Sachs, with the Management Board's consent, has assumed that they have been properly prepared on a basis that reflects the Company's current best available estimate and assessment of the Company's future development by the Management Board. In addition, Goldman Sachs has not independently valued or estimated the assets and liabilities (including contingent receivables, derivative or other off-balance sheet assets and liabilities) of the Company or the Bidder or any of its affiliates, and no such valuation or estimate has been provided to Goldman Sachs.

The Management Board and the Supervisory Board point out that the Fairness Opinion of Goldman Sachs is subject to certain assumptions and reservations and that a complete reading of the Fairness Opinion is necessary for understanding the examination underlying this Fairness Opinion and its findings. The Fairness Opinion of Goldman Sachs is based necessarily on the general economic and market conditions as of the date the Fairness Opinion (17 July 2019) was presented and the information available at that time. Developments occurring after this date (17 July 2019) could impact the assumptions made when preparing the Fairness Opinion and its results. Goldman Sachs is not obligated to update, correct or confirm its Fairness Opinion with respect to events based on circumstances, developments or events that occur after the date of the submission of the Fairness Opinion.

The Fairness Opinion is not an appraisal of the enterprise value, such as typically prepared by auditors and may not be considered as such. Hence, the Fairness Opinion also does not follow the standards for such expert opinions as they are prescribed by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, "IDW") (for the business valuation pursuant to IDW S 1; for the preparation of

Fairness Opinions pursuant to IDW S 8). Rather, the valuation of the Company is based on methods typically applied by investment banks in comparable transactions. A Fairness Opinion of the type submitted by Goldman Sachs therefore differs in important aspects from an appraisal of the enterprise value by a public auditor and from business valuations in general.

In addition, Goldman Sachs has not submitted an opinion on whether the Offer Conditions comply with the requirements of the WpÜG and the regulations promulgated in relation thereof or satisfy other legal requirements.

Please note that Goldman Sachs acted as financial advisor to First Sensor AG in connection with the Offer and was involved in the selection of potential bidders and participated in some negotiations that led to the transaction. Goldman Sachs receives fees for its services in connection with the Transaction depending on the execution of the Offer. In addition, the Company has agreed to indemnify Goldman Sachs against certain liabilities that may arise out of its engagement.

Furthermore, Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, the Bidder, TE and the selling First Sensor-Shareholders, any of their respective affiliates and, as applicable, portfolio companies and third parties or any currency or commodity that may be involved in the transactions contemplated by the Business Combination Agreement. Goldman Sachs has provided certain financial advisory and/or underwriting services to TE and/or its respective affiliates from time to time for which Goldman Sachs' Investment Banking Division has received, and may receive, compensation, including having acted as book-running manager in the August 2017 US\$ 500 million notes offering by Tyco Electronics Group S.A., a subsidiary of TE. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to the company, the Bidder, TE, the selling First Sensor-Shareholders and/or their respective affiliates and, as applicable, portfolio companies for which Goldman Sachs' Investment Banking Division may receive compensation. Affiliates of Goldman Sachs also may have co-invested with DPE Deutsche Private Equity B.V., the parent entity of FS Technology Holding S.à r.l., and its respective affiliates from time to time and may have invested in limited partnership units of affiliates of DPE Deutsche Private Equity B.V. from time to time and may do so in the future.

15.5 Overall assessment of the fairness of the consideration

Management Board and Supervisory Board have diligently and extensively analysed the fairness of the consideration offered by the Bidder. In consideration of the Fairness Opinion and based on the appraisal of the overall circumstances of the Offer, Management Board and Supervisory Board have agreed independently on the result that the consideration offered by the Bidder per First Sensor-Share is fair from a financial perspective and from a perspective of Section 31 para. 1 WpÜG. The Offer Price for First Sensor-Shares fulfils statutory requirements and in the opinion of the Management Board and the Supervisory Board fairly reflects the value of the Company.

The following aspects were particularly crucial for the Management Board and Supervisory Board:

- The Offer Price for the First Sensor-Shares is above the closing price (XETRA) of EUR 24.65 (premium of 14.6%) on 24 May 2019, the last trading day prior to the publication by First Sensor that negotiations will be conducted with the Bidder and TE regarding the Merger Agreement and the associated influence on the share price.
- Looking at the weighted three-month average price (XETRA) of EUR 21.45 before publication on 24 May 2019 the offer price for the First Sensor-Shares even includes a premium of 31.7%.
- If the three-month average price of EUR 22.41 determined by BaFin up to and including 31 May 2019 (the last trading day prior to publication of the decision to submit an offer pursuant to Section 10 (1) sentence 1 WpÜG on 3 June 2019) is applied, the offer price for the First Sensor-Shares still includes a significant premium of 26.1%.
- Looking at the last 12 months prior to the publication of the decision to make an offer pursuant to Section 10 (1) sentence 1 WpÜG on June 3, 2019, the premium to the lowest price for First Sensor-Shares in XETRA trading on the Frankfurt Stock Exchange of EUR 14.40 (26 October 2018) is 96.2 % and the premium to the highest price of EUR 26.85 (27 May 2019) is 5.2 % (source: Bloomberg).
- The offer price also reflects the growth opportunities and risks for the Company expected by the Management Board in the medium term adequate.
- The Offer Price is the result of a structured bidding process at the end of which significant shareholders of First Sensor, FS Technology Holding S.à.r.l., Gerlin NV, Midlin NV, Mr Marc de Jong and the shareholders represented by Corecam Pte Ltd. have undertaken to accept the Offer (see Section 9 of this Statement with regard to the Irrevocable Undertakings). The Irrevocable Undertakings are the result of negotiations between independent parties. The Management Board

and the Supervisory Board consider the fact that these shareholders have irrevocably undertaken to tender the shares at the Offer Price on the day of the announcement of the intention to submit an offer to be an important indication of the financial fairness of the Offer Price for the First Sensor-Shares.

- The Fairness Opinion commissioned by First Sensor at Goldman Sachs came to the conclusion that based on and subject to various assumptions and limitations described in the Fairness Opinion, the Offer Price is fair from a financial point of view. The Management Board and the Supervisory Board have convinced themselves about the plausibility and purposefulness of the processes, methods, and analyses used by Goldman Sachs.

Management Board and Supervisory Board are not providing an assessment regarding the company value of First Sensor pursuant to the valuation standard IDW S 1 and also not regarding whether, in the future, within the context of a legally prescribed, fair severance payment, for example, in connection with the possible implementation of a domination and profit and loss transfer agreement, a possible exclusion of minority shareholders (squeeze-out) or a possible transformation, a higher or lower amount than the Offer Price could be set or would be set in the future. Legally prescribed severance payments are measured on the basis of the enterprise value of First Sensor and are subject to judicial controls within the context of court procedures for verification (*Spruchverfahren*). In this regard, it must also be considered that an assessment on the basis of other valuation methods within the context of court proceedings may possibly result in a higher or lower value.

Against the backdrop of this, the Management Board and the Supervisory Board explicitly point out that First Sensor-Shareholders, who have already tendered their First Sensor-Shares for sale or intend to do so will not have any entitlement to a payment of the possible difference between the Offer Price and any statutory severance payment in the event that the statutory severance payment is actually higher than the Offer Price, even if such a measure takes place within one year after the final notification pursuant to Section 23 para. 1 sentence 1 no. 2 WpÜG (see Section 31 para. 5 sentence 2 WpÜG).

16. Objectives and intentions of the Bidder and anticipated consequences for First Sensor AG

In the Offer Document, the Bidder has detailed and described the main features of the cooperation between the parties already agreed with First Sensor in the Business Combination Agreement and the objectives and intentions with regard to First Sensor. The intentions of the Bidder, which are described or summarized below and discussed in Section 17, are contained in the Offer Document in Sections 9.1 to 9.6.

16.1 Future business activity, assets and future obligations of First Sensor

16.1.1 Business activity and strategy

According to Section 9.1.1 of the Offer Document the Bidder believes that the combination of First Sensor's business with their own will significantly strengthen their combined position in the market of sensor systems and contribute significantly to the value of both groups and will create a major long-term opportunity for their respective customers and shareholders. Consequently, the Bidder intends to merge their product offering with First Sensor's in order to create a more comprehensive global sensing solutions offering for customers in a wide range of industries.

Additionally, the Bidder intends to leverage TE Group's operational scale, customer base and existing sensors expertise to enhance First Sensor's offered solutions and/or global reach, including low-pressure sensing, photonics (including avalanche photodiodes, cameras and digital imaging solutions).

The Bidder intends to add value to First Sensor-Group by supporting First Sensor's management board in fostering growth organically, e.g., via leveraging the global relationships of TE and its channel partners, including relationships with original equipment manufacturers (OEM) and the tiered supply chain of such OEMs. Additionally, the Bidder intends to add value to First Sensor-Group through potential synergies. Such synergies could result from, inter alia, opportunities to optimize procurement activities and manufacturing operations, as well as from cost saving measures through the efficiency and scale of the operations of TE. The Bidder's and the Bidder Parent Companies' current preliminary estimate, subject to further discussion and analysis with First Sensor, is that annual cost synergy effects of approximately up to EUR 15 million may be achieved until 2022 in the combined business. However, whether such synergies can actually be generated and to what extent this is possible can only be analyzed in detail after a successful completion of the Transaction.

According to Section 9.1.1, at the time of publication of this Offer Document no decisions on the future integration, organization and operation of the combined business have been taken.

16.1.2 Assets and future obligations

According to Section 9.1.2 the Bidder acknowledges the integrity of First Sensor-Group and its business and major assets and intend not to initiate or support any sale or other disposal of the business or material assets of First Sensor-Group and intend not to take any actions or measures targeting at or supporting such disposal, unless with the prior consent of First Sensor. The Bidder intends to enter into detailed discussions with the management board of First Sensor AG regarding the future utilization of First Sensor's operational assets and business operations.

The Bidder has no intentions to take any actions relating to, initiate or otherwise support the distribution of an extraordinary dividend or the change of the existing dividend policy of First Sensor.

In case of a termination of bank financing of First Sensor as a consequence of the change of control following the completion of the Transaction, the Bidder intends to provide financing assistance on arm's length basis vis-à-vis First Sensor up to an amount of EUR 35 million to substitute any bank financing.

The Bidder has no intentions or plans which would result in an increase of First Sensor-Group's current indebtedness outside the ordinary course of business. As described in more detail in Section 9.5.1 of the Offer Document, the Bidder intends to enter into a domination and profit and loss transfer agreement pursuant to Section 291 et seqq. AktG with itself as the dominating company and First Sensor as dominated company.

The Bidder has no further intentions which would have impacts on the use of the assets or the future obligations of First Sensor.

16.1.3 Company name

Pursuant to Section 9.1.3 of the Offer Document the Bidder has no intention to cause First Sensor or any member of the First Sensor-Group to change its company name after the completion of the Transaction.

16.2 Registered office of First Sensor and location of material parts of the business

According to Section 9.2 of the Offer Document the Bidder does not intend to relocate or close the corporate seat (*Satzungssitz*) and headquarters of First Sensor in Berlin, or locations of material parts of the business.

The Bidder intends to enter into detailed discussions with the management board of First Sensor AG regarding the future of material parts of First Sensor's business, including its main activities and important operations within the combined group.

In particular, the Bidder intends to maintain First Sensor's presence in Berlin and Dresden in the combined company post completion of the Transaction. This will include investing in and expanding the First Sensor presence in Berlin by rebalancing some of the legacy TE manufacturing operations.

Furthermore, measures to capitalize on the additive capabilities in Dresden shall be explored. The Bidder intends to maintain the R&D capability of First Sensor in Berlin and Dresden.

Furthermore, the Bidder intends to utilize the global go-to-market position of TE with a view to complement the strength of First Sensor in Europe in order to achieve growth of First Sensor's business.

Pursuant to Section 9.2 of the Offer Document the Bidder has no further intentions regarding the registered office and location of material parts of the business of First Sensor.

16.3 Employees, employee representation and employment conditions

Pursuant to Section 9.2 the Bidder acknowledges that the dedicated workforce of First Sensor is the foundation of the current and future success of the company and view the envisaged business combination as an opportunity for growth for First Sensor's workforce and other stakeholders. The Bidder is also committed to use its best efforts to retain the respective top talents amongst the First Sensor employees. The Bidder believes it can properly incentivize such employees of First Sensor and provide a welcoming and stimulating workplace and an opportunity to align these employees' individual strengths and goals with corresponding opportunities with First Sensor as well as potentially across the total global operations of TE Group.

The Bidder intends to continue and further strengthen a constructive dialogue with all of members of First Sensor's workforce. It also intends to support the management board of First Sensor AG in maintaining and developing an attractive and competitive framework to retain an excellent employee base.

The Bidder intends (i) not to cause First Sensor to take or initiate any action aiming at the amendment or termination of existing shop agreements (*Betriebsvereinbarungen*), collective bargaining agreements (*Tarifverträge*) or similar agreements of First Sensor existing under applicable laws, (ii) to respect the rights of the employees, works councils (*Betriebsräte*) and unions (*Gewerkschaften*) existing within or with regard to First Sensor and the First Sensor-Group under applicable laws, regulations, arrangements and agreements, and (iii) not to cause First Sensor to initiate any action aiming at a change of the employer's collective bargaining jurisdiction (*Tarifzuständigkeit auf Arbeitgeberseite*).

The Bidder has no intentions regarding a material change of employment conditions. In the event of compulsory redundancies pursuant to Section 111 of the German Works Council Constitution Act (*Betriebsverfassungsgesetz*) as part of any potential reorganization/operational change (*Betriebsänderung*), the Bidder will support First Sensor's measures to offer to the affected employees an appropriate social package, reflecting the usual provisions in social plans (*Sozialpläne*) appropriate to the respective industry and also recognizing the commitment and contribution of the employees of First Sensor.

16.4 Members of the management board and the supervisory board of First Sensor AG

According to Section 9.3 of the Offer Document the Bidder intends to work constructively with the management board of First Sensor AG in developing a detailed integra-

tion plan that will help ensure a smooth transition in connection with the completion of the Transaction while best positioning First Sensor's business for future growth and continued success. The Bidder intends to fully support the management board in the implementation of this plan and its overall strategy. The management board shall continue to manage First Sensor independently and exclusively in its own responsibility pursuant to and within the framework of German law. The Bidder will not issue directives to the management board of First Sensor AG unless a domination and profit and loss transfer agreement is in place. Until then the management board of First Sensor AG will continue to manage the operations of First Sensor AG independently and exclusively.

The Bidder acknowledges the current setup of First Sensor's supervisory board and the applicability of the rules of the Act on One Third Participation of Employees (*Drittelbeteiligungsgesetz*). It confirms the importance of the stability of the set-up of First Sensor's supervisory board and the continuity of its work for the success of First Sensor. The Bidder intends to be represented in the supervisory board in a manner which appropriately reflects its shareholding following completion of the Transaction. The Bidder therefore intends to be represented by four members of the supervisory board of First Sensor AG after completion of the Transaction. In the ad hoc notification dated 3 June 2019, First Sensor disclosed that the shareholder representatives of its supervisory board have stated to resign from their offices after completion of the Transaction. The Bidder intends to apply for the court appointment of its representatives to the supervisory board of First Sensor AG in accordance with Section 104 AktG. Such appointment shall become effective as of the date the resignation of the aforementioned shareholders representatives becomes effective.

16.5 Structural measures

In the Business Combination Agreement, Bidder and TE reserved the right to implement structural measures under company law such as company agreements pursuant to §§ 291 et seq. of the German Stock Corporation Act (*AktG*), mergers, squeeze-outs or delisting. Possible structural measures are described and explained in more detail by the Bidder in Section 9.5 of the Offer Document. The Bidder intends (i) to enter into a domination and profit and loss transfer agreement, (ii) to pursue a squeeze-out (either under stock corporation law or conversion law) (iii) to examine a delisting of First Sensor together with the Management Board of First Sensor, to the extent that this is economically and operationally expedient at the time and.

16.6 Intentions with regard to the business activities of the Bidder and the Bidder Parent Companies

Except for the effects on the assets, financial position and results of the Bidder and TE set forth in Section 15 of the Offer Document and the consequences described in Sections 8 and 9 of the Offer Document (in particular Section 9.1.2), the Bidder and the

Bidder Parent Companies have no intentions as a result of this Offer regarding their registered offices or the location of material parts of the business, their business activities, the use of the assets or future obligations of the Bidder and the Bidder Parent Companies, the members of the boards of the Bidder and the Bidder Parent Companies, or the employees, their representation and the employment conditions of the Bidder and the Bidder Parent Companies.

17. Assessment of the intentions of the Bidder and expected consequences

Management Board and Supervisory Board have carefully and thoroughly examined the intentions of the Bidder as set out in the Offer Document. The intentions of the Bidder described in more detail in the Offer Document correspond to the key points agreed in the Business Combination Agreement. The Management Board and Supervisory Board welcome the fact that the Bidder has created a reliable basis for First Sensor with the conclusion of the Business Combination Agreement, in particular that it has given significant covenants for the locations and employees of the First Sensor-Group for a period of four years. This creates a stable basis for future cooperation. Overall, the Offer Document represents the key elements and principles of the combination as agreed in the Business Combination Agreement.

17.1 Future business activity and strategy, assets and future obligations of First Sensor, Company Name

The Management Board and Supervisory Board welcome the Bidder's intentions with regard to the future business activities and strategy of First Sensor. They are convinced that with its size and expertise, the Bidder offers First Sensor the opportunity to integrate First Sensor's know-how in the fields of pressure and photonics into a comprehensive product portfolio. At the same time, the Bidder's global presence will enable it to accelerate the internationalization of First Sensor's solutions and standard business and to acquire new key customers even faster. The Management Board and Supervisory Board therefore see the Bidder as a strategic partner that supports and accelerates the path of profitable growth embarked upon by First Sensor.

Management Board and Supervisory Board welcome the fact that, according to Section 9.1.2 of the Offer Document, the Bidder acknowledges the integrity of the First Sensor-Group and does not intend to initiate or support a sale of the business or material assets of First Sensor, unless with the prior consent of First Sensor.

In addition, the Management Board and the Supervisory Board positively assess the fact that the Bidder has no intentions to initiate or otherwise support a change in the dividend policy. The Management Board and Supervisory Board explicitly welcome the Bidder's intention to replace bank financing, which may be terminated due to a change of control, as well as the Bidder's intention not to increase the Company's indebtedness outside the ordinary course of business.

Management Board and Supervisory Board welcome the Bidder's intention not to cause First Sensor or any member of the First Sensor-Group to change its company name after completion of the transaction.

17.2 Registered office of First Sensor and location of material parts of the business

The Bidder's intention with regard to the headquarters of First Sensor and the locations of major parts of the Company, in particular the intention not to relocate the Company's headquarters and the locations of major parts of the Company, to further strengthen the Berlin and Dresden locations, and to retain the research and development departments in Berlin and Dresden, is explicitly assessed positively by the Management Board and the Supervisory Board. The Management Board and Supervisory Board are also explicitly positive about the bidder's intention to complement First Sensor's sales strength in Europe with its international sales position.

17.3 Employees, employee representation and employment conditions

The Management Board and the Supervisory Board welcome the intentions of the Bidder with regard to the employees, employee representatives and employment conditions, in particular those which correspond to the assurances made in the Business Combination Agreement. The Bidder acknowledges that First Sensor's dedicated workforce is the foundation for the Company's current and future success and intends to continue and build on its constructive dialogue. From the point of view of the Management Board and Supervisory Board, considerable advantages for the employees, the employee representatives and the employment conditions within the First Sensor-Group could thus be secured within the framework of the Transaction. The Bidder does not intend to make any material changes to the terms and conditions of employment and to respect the rights of works councils and trade unions. In the view of the Management Board and Supervisory Board, this is an explicitly positive statement.

17.4 Members of the Management Board and the Supervisory Board of First Sensor AG

The Management Board welcomes the intention of the Bidder to jointly develop a detailed integration plan and that the Management Board of First Sensor shall manage the Company independently and without instructions from the Bidder until a possible domination agreement is concluded.

The Management Board and the Supervisory Board explicitly assess positively the fact that the Bidder acknowledges the composition of the Supervisory Board in accordance with the Act on One Third Participation of Employees (*Drittelbeteiligungsgesetz*) and does not wish to change it.

The Supervisory Board acknowledges the intention of the Bidder to be represented on the future Supervisory Board in accordance with its participation after completion of the transaction and takes a positive view of this. The Supervisory Board is also of the opinion that the composition of the Supervisory Board of a stock corporation should reflect the shareholders' shareholdings, taking into account the provisions of co-determination law.

17.5 Possible structural measures

The Management Board and the Supervisory Board are open to the intention of the Bidder to carry out possible structural measures after completion of the transaction, insofar as this is economically and operationally expedient at the time. The intended structural measures may result in cost and other advantages for the Company.

17.6 Financial consequences for First Sensor

17.6.1 Financing of First Sensor

First Sensor AG has made use of bank financing. In some material loan agreements, lenders have a right of termination in the event of a change of control.

Whether and to what extent the loan agreements will be terminated by the lending banks in the event of a change of control cannot yet be assessed.

However, In the Business Combination Agreement the Bidder undertook to provide First Sensor with financial resources of up to EUR 35 million at normal market conditions as a replacement for the discontinuation of bank financing. Therefore the Management Board and Supervisory Board assume that a possible termination of loan agreements would not have any adverse effects on First Sensor. The extent of the Bidder's commitments is sufficient to fully compensate for any loan terminations.

In addition, the Management Board and Supervisory Board welcome the fact that the Bidder has not set out any intentions or plans in the Offer Document which would lead to an increase in the current indebtedness of the First Sensor-Group outside the ordinary course of business.

17.6.2 Tax consequences

The Management Board and Supervisory Board point out that the completion of the offer could have a negative impact on the tax situation of the company and the First Sensor-Group.

The First Sensor-Group had tax loss carryforwards in the amount of EUR 75,000 at the end of fiscal year 2018. This amount can be used proportionately in the course of fiscal year 2019 or additional current losses can arise.

The Management Board and the Supervisory Board draw attention to the fact that the execution of the Offer could result in the complete loss of these loss carryforwards.

Loss carryforwards are retained to the extent that the company in question has undisclosed reserves that are taxable in Germany. In certain circumstances, the opportunity may exist for the application of Section 8d KStG in order to utilize loss carryforwards in connection with a so called continuation-bound loss carryforward in the future.

17.6.3 Dividend policy of First Sensor

The Management Board and Supervisory Board assume that the Annual General Meeting will also decide on the distribution of a dividend to the shareholders of First Sensor in the future if the annual financial statements of the company show a corresponding net profit for the year and balance sheet profit. In the Offer Document, the Bidder did express its intention to not change First Sensor's previous dividend policy.

However, the Management Board and Supervisory Board point out that the future amount of net income and thus possible dividend payments cannot be predicted and that after the conclusion of a domination and profit and loss transfer agreement, as the Bidder intends to enter into, all future net income of First Sensor will be transferred to the Bidder, while outside shareholders will receive the guaranteed dividend stipulated in the domination and profit and loss transfer agreement if they have not made use of the compensation offer under the domination and profit and loss transfer agreement.

17.6.4 Impacts on existing business relationships

The Management Board and Supervisory Board currently do not expect that business partners will be able to terminate significant business relationships with the First Sensor-Group due to the execution of the Offer and a possible change of control.

17.7 Possible consequences for the employees, their employment conditions and their employment representations as well as locations of the Company

The completion of the Offer has no direct effect on the employees of the First Sensor-Group, their employment relationships and their existing rights and claims as well as on their employee representatives. The current employment relationships continue to exist with the respective company of the First Sensor-Group, without a transfer of operations being triggered by the completion of the transaction. The conditions of employment will not be affected by the completion of the offer.

The completion of the Offer also has no direct impact on the Company's locations. Even after completion of the Offer, the Company will initially remain an independent company that will continue to operate its locations. In this context, it is positive to note that the Bidder does not intend to relocate the headquarters and significant parts of the Company.

18. Possible impact on First Sensor-Shareholders

The following statements have the purpose of providing the First Sensor-Shareholders with the necessary information for an assessment of the consequences of acceptance or non-

acceptance of the Offer. The following information contains several aspects that the Management Board and the Supervisory Board consider relevant for the decision by the First Sensor-Shareholders regarding the acceptance of the Offer. However, such statements cannot be exhausting, because individual special features of individual shareholders cannot be taken into account. First Sensor-Shareholders must make an independent decision on whether and to what extent they accept the Offer. The following aspects can only be a guideline. Every First Sensor-Shareholder should sufficiently consider their personal circumstances when making the decision. The Management Board and the Supervisory Board recommend that each individual First Sensor-Shareholder should obtain expert advice, where necessary.

18.1 Possible impacts of accepting the Offer

In consideration of the statements above, all First Sensor-Shareholders intending to accept the Offer should note among others the following points:

- First Sensor-Shareholders who accept the Offer or have accepted the Offer will no longer profit from any positive development of the stock exchange price of the First Sensor-Shares and any positive business development of the First Sensor-Group.
- First Sensor-Shareholders who accept the Offer or have accepted the Offer are bound to their declaration of acceptance and they are only entitled to specific withdrawal rights described in the Offer Document.
- In the event of First Sensor-Shareholders who accept or have accepted the Offer, the contracts which were conditionally concluded for acceptance of the Offer shall be reversed if and to the extent that the Offer Conditions have not been fulfilled or the Bidder has not effectively waived them by the end of the Acceptance Period.
- Pursuant to Section 13.9 of the Offer Document, all Tendered First Sensor-Shares can be traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange from the third banking day following the beginning of the Acceptance Period until the end of the Additional Acceptance Period under a separate security identification number if all offer conditions have been met or effectively waived or at the end of the third stock exchange trading day preceding settlement of the Offer. However, the liquidity of the First Sensor Shares Tendered for Sale may be subject to strong fluctuations or may be non-existent or very low.
- After the completion of the Offer and the end of the one-year period pursuant to Section 31 para. 5 WpÜG, it is possible for the Bidder to additionally acquire further First Sensor-Shares at a higher price than the Offer Price of EUR 28.25 outside the stock exchange, without being required to adjust the consideration

for those First Sensor-Shareholders who have already accepted the Offer. Within the aforementioned one-year period, the Bidder can furthermore acquire First Sensor-Shares on the stock exchange at a higher price than the Offer Price of EUR 28.25, without being required to adjust the consideration for those First Sensor-Shareholders who have already accepted the Offer.

- First Sensor-Shareholders who accept the Offer shall not participate in any severance payment, which become payable by law (or on the basis of interpretation of the laws as a result of standing case law) in the case of specific structural measures that are implemented after the completion of the Offer (e.g. upon conclusion of a domination and/or profit and loss transfer agreement, squeeze-out or transformations). Such severance payments are measured on the basis of the enterprise value of First Sensor-Group and are subject to judicial controls within the context of court procedures for verification (*Spruchverfahren*). Such severance payments can be higher or lower than the Offer Price of EUR 28.25.

18.2 Possible impact of non-acceptance of the Offer

First Sensor-Shareholders who do not accept the Offer and also do not otherwise sell their First Sensor-Shares will remain First Sensor-Shareholders. However, they should, inter alia, note the Bidder's information under Section 16 of the Offer Document as well as the following:

- First Sensor-Shareholders who decide not to accept the Offer will continue to bear the risk of the future business development of First Sensor and other risks of First Sensor. If these risks materialize, the price of the First Sensor-Shares could significantly fall and the First Sensor-Shareholders could lose part or all of their investments.
- First Sensor-Shareholders bear the direct risk of future development of the stock exchange price of the First Sensor-Shares.
- First Sensor-Shares for which the Offer is not accepted will continue to be traded on the stock exchange until a possible delisting of the First Sensor-Shares takes place. It is uncertain whether the market price of the First Sensor-Shares will rise or fall in the near future or remain at a comparable level.
- The implementation of the Offer will presumably lead to a reduction of the free float of the First Sensor-Shares. The number of First Sensor-Shares in free float could even be reduced to such an extent that the liquidity of the First Sensor shares decreases considerably. As a result of this, it is possibly impossible to execute buy and sell orders for First Sensor-Shares, or in any case, not within an adequate time period.
- After successful completion of the Offer, the Bidder is expected to have the necessary qualified majority to resolve certain structural measures under stock corporation law

or other resolutions of substantial weight at the Annual General Meeting of the Company. In addition to the structural measures listed in the Offer Document in Section 9.5, such possible measures (to the extent legally permissible) may include, for example, amendments to the Articles of Association, capital increases, the exclusion of subscription rights of First Sensor-Shareholders in the event of capital measures, restructuring, mergers and dissolution (including dissolution by transfer) of the Company.

- After completion of the Offer, the Bidder will have a majority of votes with which it alone can decide on the distribution of dividends. Its interest in the payment of dividends may differ fundamentally from the interests of other shareholders.
- After completion of the Offer, the Bidder is expected to have a majority of votes which will allow it to conclude a domination and profit and loss transfer agreement with First Sensor. In this case, the Bidder would also be entitled to issue disadvantageous instructions to the Management Board of First Sensor for the Company or its business. If a domination and profit and loss transfer agreement exists, the entire net income for the financial year of First Sensor would be transferred to the Bidder, while outside shareholders would receive the guaranteed dividend specified in the domination and profit and loss transfer agreement if they have not made use of the compensation offer under the domination and profit and loss transfer agreement.
- The indemnities or compensation payments to the First Sensor-Shareholders in connection with the conclusion of a domination and profit and loss transfer agreement as well as other possible structural measures of the Bidder may be higher or lower than the value of the consideration offered. A number of possible measures would not create an obligation to pay compensation of any kind to First Sensor-Shareholders. It cannot be ruled out that such measures would also have a material adverse effect on the share price of First Sensor-Shares.
- After completion of the Offer or at a later point in time, the Bidder could also arrange for First Sensor to initiate the delisting in accordance with § 39 para. 2 BörsG within the scope of the law. The delisting would significantly affect the tradability of the First Sensor-Shares for shareholders, as trading in First Sensor-Shares would only take place outside the stock exchange, but possibly over the counter. This can have a negative effect on the value of the First Sensor-Shares.
- The Bidder could demand the transfer of the First Sensor-Shares of the outside First Sensor-Shareholders to the main shareholder in exchange for an adequate cash compensation (squeeze out), if it directly or indirectly holds the required number of First Sensor-Shares.
- If the Bidder holds First Sensor-Shares in the amount of at least 95% of the voting share capital of first Sensor upon completion of the Offer or within three months after the end of the Acceptance Period, the First Sensor-Shareholders who have not yet

accepted the Offer up to this time can accept the Offer subsequently (Section 39c WpÜG).

19. Official approvals and proceedings

According to Section 11 of the Offer Document, the expected acquisition of the First Sensor-Shares on the basis of the Offer requires merger control and foreign trade approvals. Further details are provided in Section 11 of the Offer Document.

20. Interests of the members of the Management Board and the Supervisory Board

20.1 Special Interests of the members of the Management Board and intentions to accept the Offer

The Management Board currently consists of the members Dr. Dirk Rothweiler and Dr. Mathias Gollwitzer.

The service contracts of the members of the Management Board contain provisions under which, in the event of a change of control, the members of the Management Board may resign from their office within one month of a change of control in accordance with the provisions of the respective service contract (in each case the "**Change of Control Right**").

The CEO of First Sensor AG, Dr. Rothweiler, does not intend to make use of the provision on resignation from office and termination of his contract of service in return for payment of a severance payment and to continue to hold office on the Executive Board after completion of the Offer. With an amendment agreement to his employment contract dated 2 June 2019, First Sensor has agreed with Dr. Rothweiler to extend his change of control right from one month to three months after the change of control in order to appropriately adjust the one-month period to the circumstances of the present case.

The CFO of First Sensor AG, Dr. Gollwitzer, has declared that after four years with the company, he intends to resign from his position after completion of the Offer. He therefore concluded a termination agreement (the "**Termination Agreement**") with the Supervisory Board on 2 June 2019, according to which he resigns from his position on the Management Board after completion of the Offer and his service contract ends at the end of the second month following completion of the Offer. Dr. Gollwitzer will receive a severance payment in accordance with the provisions of his service contract and has undertaken to be available to the Company as a consultant at arm's length conditions for a period of up to 6 months from the termination of his service agreement.

Given the strategic importance of the Transaction for the Company and its shareholders and employees, a special bonus was agreed with the members of the Management Board. The special bonus for Dr. Rothweiler may reach up to EUR 150,000.00 with the final amount to be determined and paid upon successful completion of the Transaction.

The amount of the special bonus for Dr. Gollwitzer has already been set at EUR 100,000.00 under his Termination Agreement.

The members of the Management Board of First Sensor hold First Sensor-Shares. Dr. Rothweiler holds 24,000 First Sensor-Shares and Dr. Gollwitzer 16,000 First Sensor-Shares. These shares are subject to a holding obligation according to the regulations of the stock option plans issued by First Sensor with the consequence that after a sale of these First Sensor-Shares, the stock options granted to the respective Management Board members can no longer be exercised. As his stock options would otherwise be subject to such forfeiture, Dr. Rothweiler intends not to accept the Offer for the 24,000 First Sensor-Shares held by him. Dr. Gollwitzer has stated that he will accept the Offer with respect to the 16,000 First Sensor-Shares he holds as the stock options granted to him have already been settled under his Termination Agreement with First Sensor at a share price corresponding to the Offer Price of EUR 28.25.

On 17 July 2019, following preliminary discussions of the corresponding drafts, the Management Board of the Company discussed and finally debated the content of this statement and adopted it unanimously.

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20.2 Special Interests of the members of the Management Board and intentions to accept the Offer

According to the Articles of Association of First Sensor AG, the Supervisory Board consists of six members. The current members of the Supervisory Board are Prof. Dr. Alfred Gossner (Chairman), Prof. Dr. rer. nat. Christoph Kutter (Deputy Chairman), Marc de Jong, Guido Prehn, Tilo Vollprecht (Employee Representative) and Olga Wolfenberg (Employee Representative).

FS Technology Holding S.à.r.l. directly holds 4,097,212 First Sensor-Shares (equivalent to 40.05 % of First Sensor-Shares). FS Technology Holding S.à.r.l. has undertaken in the Irrevocable Undertaking to accept the Offer and to tender and transfer to the Bidder all First Sensor-Shares held by it in accordance with the terms and conditions set out in the Offer Document. The current member of the Supervisory Board, Mr. Guido Prehn, is a partner of DPE Deutsche Private Equity GmbH, a parent company of FS Technology Holding S.à.r.l. Prof. Dr. Alfred Gossner is a member of the Advisory Board of DPE Deutsche Private Equity GmbH.

A legal predecessor of FS Technology Holding S.à r.l. has promised Prof. Dr. Alfred Gossner a bonus. FS Technology Holding S.à r.l. and Prof. Dr. Alfred Gossner assume that the bonus will become due upon completion of the Transaction. The bonus will take into account the period for which Prof. Dr. Alfred Gossner was available as a member of the Supervisory Board as well as the value realization associated with the Transaction.

After completion of the Offer, the Bidder intends to be represented on the Supervisory Board of First Sensor in a manner that adequately reflects the Bidder's participation after the completion of the Offer. Against this background, the Supervisory Board members Prof. Dr. Alfred Gossner, Prof. Dr. rer. nat. Christoph Kutter, Marc de Jong and Guido Prehn have declared that they will resign from their positions as members of the Supervisory Board with the statutory period of one month after completion of the Offer.

In addition to Mr. Marc de Jong, who has irrevocably undertaken to accept the Offer, the other members of the Supervisory Board holding First Sensor-Shares have stated that they intend to accept the Offer in respect of all shares of First Sensor held by them.

The Company's Supervisory Board discussed and unanimously resolved the content of this statement on 17 July 2019 - following preliminary discussions of corresponding drafts.

20.3 Agreements with members of the Management Board and the Supervisory Board

As already described in more detail in Section 9 of this Statement, the Supervisory Board member Mr. Marc de Jong has irrevocably undertaken to accept the Offer and to tender and transfer to the Bidder all First Sensor-Shares held by him in accordance with the terms and conditions of the Offer Document. Mr. de Jong has not received any consideration in excess of the payment of the Offer Price for the conclusion of the Irrevocable Undertaking.

Apart from the Irrevocable Undertaking concluded between the Bidder and Mr. de Jong, the Bidder or persons acting jointly with the Bidder or its subsidiaries have not entered into any agreements, including indirect agreements, with individual members of the Management Board or the Supervisory Board and have not promised the members of the Management Board any extension of their service contracts.

20.4 No benefits of a monetary value or other benefits in connection with the Offer

The members of First Sensor's Management Board and Supervisory Board hereby declare that they acted solely in the interest of First Sensor when submitting this Statement. The Bidder and persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG have not exercised any influence over First Sensor or its executive bodies in connection with the Offer and this Statement.

In addition, the members of the Management Board and the Supervisory Board state that neither they nor persons acting jointly with them within the meaning of section 2 para. 5 WpÜG have been granted cash benefits or other monetary benefits in connection with the Bidder's Offer by the Bidder or persons acting jointly with the Bidder, nor have such benefits been specifically promised.

21. Recommendation

Taking into account the information available to the Management Board and the Supervisory Board, in particular the information in the Offer Document and this Statement, as well as the overall circumstances of the Offer and the objectives and intentions of the Bidder, the Management Board and the Supervisory Board are of the opinion that the consideration offered by the Bidder is appropriate within the meaning of Section 31 para. 1 WpÜG and that the execution of the Offer is in the interest of First Sensor AG and its shareholders.

For this reason, and taking into account the foregoing statements in this Statement, the Management Board and Supervisory Board recommend that all First Sensor-Shareholders accept the offer.

However, the decision to accept or reject the Offer should be made by each First Sensor-Shareholder in consideration of the overall circumstances, his individual circumstances and his personal assessment of the future development of the value and stock exchange price of the First Sensor-Shares. Subject to mandatory statutory provisions, the Management Board and Supervisory Board do not assume any responsibility in the event that the acceptance or non-acceptance of the Offer subsequently leads to adverse economic effects for a First Sensor-Shareholder.

Berlin, 18 July 2019

First Sensor Aktiengesellschaft

Managment Board

Supervisory Board

Annex: Fairness Opinion of Goldman Sachs Europe SE

PERSONAL AND CONFIDENTIAL

July 17, 2019

The Management Board (*Vorstand*)

First Sensor AG
Peter-Behrens-Strasse 15
12459 Berlin
Germany

Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders (other than TE Connectivity Sensors Germany Holding AG ("BidCo"), TE Connectivity Ltd. ("BidCo Parent"), the Selling Shareholders (as defined below) and their respective affiliates) of the outstanding no-par value bearer shares (*Stückaktien*) of First Sensor AG (the "Company"), each representing a pro rata amount (*rechnerischer Anteil*) of € 5.00 in the registered share capital (*Grundkapital*) of the Company (each, a "Share" and together, the "Shares") of the all-cash offer consideration in the amount of € 28.25 per Share (the "Offer Price") to be paid to the holders of Shares pursuant to the voluntary takeover offer (*freiwilliges Übernahmeangebot*) made by BidCo for all the Shares according to section 4 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*) ("WpÜG"), as it is set forth in the Offer Document, the Bidder published on July 8, 2019 (the "Offer Document").

As provided in the Business Combination Agreement between the Company, BidCo and BidCo Parent dated as of June 3, 2019 (the "BCA" and, together with the Offer Document, the "Transaction Documents"), BidCo and BidCo Parent have entered into four separate irrevocable undertakings with (i) FS Technology Holding S.à r.l., (ii) Gerlin NV, (iii) Midlin NV and (iv) Corecam Pte. Ltd. (together, the "Selling Shareholders"), according to which each of them irrevocably commits to BidCo and BidCo Parent to, subject to the terms and conditions of the irrevocable undertakings, tender their respective Shares into the Takeover Offer (together, the "Irrevocables").

Goldman Sachs Bank Europe SE (formerly known as Goldman Sachs AG) and its affiliates (collectively, "Goldman Sachs" or "we") are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, BidCo, BidCo Parent and the Selling Shareholders, any of their respective affiliates and, as applicable, portfolio companies and third parties or any currency or commodity that may be involved in the transactions contemplated by the Transaction Documents (together, the "Transaction"). We have acted as financial advisor to the management board (*Vorstand*) of the Company (the "Management Board") in connection with, and have participated in certain of the negotiations leading to, the Transaction. We expect to receive fees for our services in connection with the Transaction, the principal portion of which is contingent upon consummation of the Transaction, and the Company has agreed to indemnify us against certain liabilities that may arise, out of our engagement. We have provided certain financial advisory and/or underwriting services to BidCo Parent and/or its respective affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as book-running manager in the August 2017 US\$ 500 million notes offering by Tyco Electronics Group S.A., a subsidiary of BidCo Parent. We may also in the future provide financial advisory and/or underwriting services to the Company, BidCo, BidCo Parent, the Selling Shareholders and/or their respective affiliates and, as applicable, portfolio companies for which our Investment Banking Division may receive compensation. Affiliates of Goldman Sachs Bank Europe SE also may have co-invested with DPE Deutsche Private Equity B.V., the parent entity of FS Technology Holding S.à r.l., and its respective affiliates from time to time and may have invested in limited partnership units of affiliates of DPE Deutsche Private Equity B.V. from time to time and may do so in the future.

In connection with this opinion, we have reviewed, among other things, the finalized draft of the joint reasoned statement of the Management Board and the supervisory board (*Aufsichtsrat*) of the Company prepared in accordance with section 27 paragraph 1 WpÜG (*Gemeinsame begründete Stellungnahme des Vorstands und des Aufsichtsrats*) in the form approved by you, the Transaction Documents, the Annual Reports (*Geschäftsberichte*) of the Company (including the consolidated annual financial statements of the Company (*Konzernjahresabschlüsse*) contained therein) for the five financial years of the Company that ended on December 31, 2018; certain interim reports to shareholders of the Company; certain other public communications from the Company to its shareholders; certain publicly available research analyst reports for the Company; and certain internal financial analyses and forecasts for the Company prepared by its management as approved for our use by the Company (the "Forecasts"). We have also held discussions with members of the senior management of the Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Company; reviewed the reported price and trading activity for the Shares; compared certain financial and stock market information for the Company with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the sensor, lighting, photonics and opto industries as well as in other industries; and performed such other studies and analyses; and considered such other factors, as we deemed appropriate.

For purposes of rendering this opinion, we have, with your consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, us, without assuming any responsibility for independent verification thereof. In that regard, we have assumed with your consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company. We have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company, BidCo and BidCo Parent or any of their respective affiliates, and we have not been furnished with any such evaluation or appraisal. We have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the expected benefits of the Transaction in any way meaningful to our analysis. We have further assumed that the Transaction will be consummated on the terms set forth in the Transaction Documents, in each case without any waiver or modification of any term or condition the effect of which would be in any way meaningful to our analysis.

Our opinion does not address the underlying business decision of the Company to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company; nor does it address any legal, regulatory, tax or accounting matters. This opinion addresses only the fairness, from a financial point of view, to the holders (other than BidCo, BidCo Parent, the Selling Shareholders and their respective affiliates) of Shares as of the date hereof, of the Offer Price to be paid to such holders pursuant to the Takeover Offer, as it is set forth in the Transaction Documents. We do not express any view on, and our opinion does not address, any other term or aspect of the Transaction Documents, the Takeover Offer or the Transaction or any term or aspect of any other agreement or instrument contemplated by them or entered into or amended in connection with them including, without limitation, the Irrevocables, any potential enterprise agreement (*Unternehmensvertrag*) (e.g., a domination and/or profit and loss pooling agreement), any potential squeeze-out transaction, any potential merger transaction in accordance with the German Transformation Act (*Umwandlungsgesetz, UmwG*) or any other integration measures that may be entered into or taken, as applicable by BidCo, BidCo Parent or any of their respective affiliates subsequent to the completion of the Takeover Offer, the consideration contemplated thereby, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of the Company; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or class of such persons, in connection with the Transaction, whether relative to the Offer Price to be paid to the holders (other than BidCo, BidCo Parent, the Selling Shareholders and their respective affiliates) of Shares pursuant to the Takeover Offer, as it is set forth in the Transaction Documents or otherwise. We are not expressing any opinion as to the prices at which the Shares will trade at any time or as to the impact of the Transaction on the solvency or viability of the Company, BidCo, BidCo Parent, the Selling Shareholders and their respective affiliates or the ability of the Company, BidCo, BidCo Parent, the Selling Shareholders and their respective affiliates to pay or fulfill their respective obligations when they come due. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising, or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided solely for the information and assistance of the Management Board in connection with their consideration of the Transaction and our opinion does not constitute a recommendation as

to whether or not any holder of Shares should tender such Shares in connection with the Takeover Offer or any other matter. This opinion has been approved by a fairness committee of Goldman Sachs.

This opinion is not, is not intended to be and should not be construed to be, a valuation report (*Wertgutachten*) of the type typically rendered by qualified auditors (*Wirtschaftsprüfer*) or independent valuation experts. Accordingly, this opinion has not been prepared in accordance with the standards and guidelines for valuation reports prepared by qualified auditors as set by the German Institute of Public Auditors (*Institut der Wirtschaftsprüfer in Deutschland e.V., IDW*) ("IDW"). In particular, this opinion has neither been prepared in accordance with the standards and guidelines set forth by the IDW for the preparation of a company valuation (commonly referred to as "IDW S 1") nor the standards and guidelines set forth by the IDW for the preparation of a fairness opinion (commonly referred to as "IDW S 8"). An opinion like this as to whether a consideration is fair from a financial point of view differs in a number of important respects from a valuation report or a fairness opinion prepared by qualified auditors or independent valuation experts as well as from accounting valuations generally.

In addition, we do not express any view on, and our opinion does not address, whether or not the terms and conditions of the Takeover Offer are consistent with the requirements of the WpÜG and the regulations promulgated thereunder or comply with any other legal requirements.

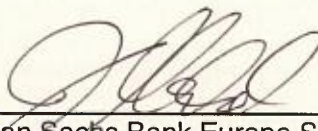
Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Offer Price to be paid to the holders (other than BidCo, BidCo Parent, the Selling Shareholders and their respective affiliates) of Shares pursuant to the Takeover Offer, as it is set forth in the Transaction Documents, is fair from a financial point of view to such holders.

Very truly yours,

Goldman Sachs Bank Europe SE



Goldman Sachs Bank Europe SE
Title: Managing Director



Goldman Sachs Bank Europe SE
Title: Managing Director