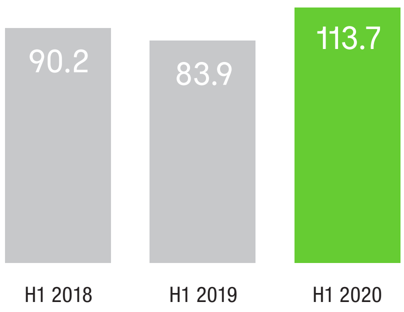
INTERIM REPORT 2020

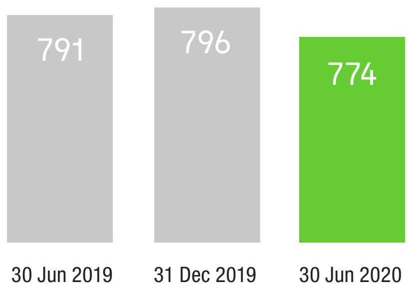
SENSIRION

Key Figures

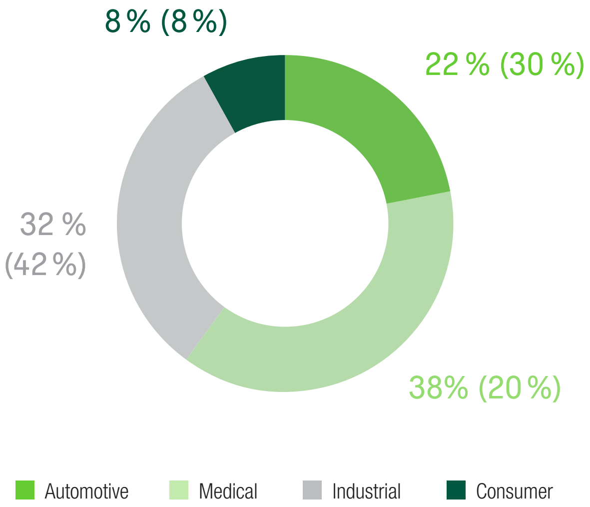
REVENUE (IN CHF MILLION)



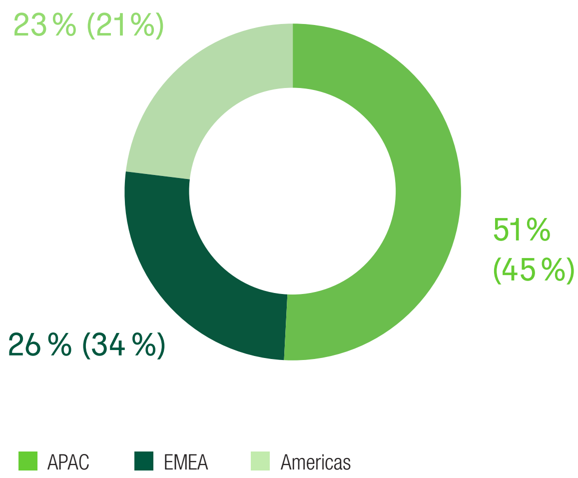
NUMBER OF EMPLOYEES (FTE)



REVENUE BY MARKET H1 2020 (H1 2019)



REVENUE BY REGION H1 2020 (H1 2019)



113.7 REVENUE IN CHF MILLION

54.7% GROSS MARGIN

19.7% ADJUSTED EBITDA MARGIN

10.3 FREE CASH FLOW IN CHF MILLION

Key Figures

Consolidated, in millions of CHF	H1 2020	Δ in %	H1 2019
Revenue	**113.7**	**35.5 %**	**83.9**
Gross profit	**62.2**		**44.6**
– as % of revenue	54.7 %		53.2 %
Operating profit (loss)	**14.3**	**830.1 %**	**(2.0)**
– as % of revenue	12.6 %		(2.3 %)
Profit (loss) for the period	**11.1**	**693.5 %**	**(1.9)**
– as % of revenue	9.7 %		(2.2 %)
Earnings per share (in CHF)	**0.72**		**(0.12)**
EBITDA[1]	**20.1**	**321.1 %**	**4.8**
– as % of revenue	17.7%		5.7 %
Adjusted EBITDA[2]	**22.5**	**167.7 %**	**8.4**
– as % of revenue	19.7 %		10.0 %
Cash flow from operating activities	**17.0**		**11.1**
Capital expenditures[3]	**(6.7)**		**(10.1)**
Free cash flow[4]	**10.3**		**1.0**
	30 June 2020		**31 December 2019**
Total assets	**243.2**		**215.5**
Total liabilities	**80.1**		**59.3**
Total equity	**163.1**		**156.2**
Net cash (Net debt)[5]	**56.1**		**48.0**
Number of employees (FTE)	**774**	**(2.8 %)**	**796**

[1] Defined as profit (loss) for the period excluding net interest expenses, income taxes, depreciation and amortization.

[2] Defined as EBITDA adjusted for net finance costs excluding net interest expenses, share of profit or loss of equity-accounted investees, costs related to IPO Loyalty Share Program and expenses on social security relating to gain in excess of formula value.

[3] Defined as the sum of acquisition of property, plant, and equipment, proceeds from sale of property, plant, and equipment, acquisition of intangible assets and development expenditure.

[4] Defined as the sum of cash flows from operating activities and cash flows from investing activities, excluding M&A activities.

[5] Defined as the sum of cash and cash equivalents less loans and borrowing less lease liabilities (current and non-current).

Dear Shareholders

We look back on a special first half of 2020 which was marked by three major factors: first, ramp-ups of various new projects of the recently launched product families of particulate matter (PM2.5) and carbon dioxide (CO_2) sensors turned out better than expected despite the COVID-19 pandemic. Second, the existing business with humidity, gas and liquid flow sensors showed some slowdown in the automotive sector after a strong first quarter, while the other markets (industrial, medical and consumer) proved to be quite robust until mid-year. However, the latter was partly due to increased inventory build-up by key customers. Third, COVID-19 led to a one-time effect in the form of increased global demand for gas flow sensors for ventilators, which has been a major challenge for us in recent months. As a result, we increased our outlook for the full year 2020 in mid-June. It is difficult to make an assessment for the second half of the year due to the continuing low visibility in all markets. In the mid and long term, growth prospects remain strong due to existing market trends, as well as the strong technology base and product pipeline.

Revenue growth because of new products and gas flow sensors for ventilators

Consolidated revenue amounted to CHF 113.7 million (+35.5 % year-on-year, +39.9 % organic, -4.4 % foreign currency effects). CHF 24.0 million of this amount (prior-year period CHF 2.6 million) came from the business with gas flow sensors for ventilators. Even without the one-off COVID-19 effect of the ventilation business, the first half of the year showed good growth of +10.3 % compared to the same period of the previous year. The gross margin was stable at 54.7 % and the adjusted EBITDA margin reached 19.7 %. Operating income amounted to CHF 14.3 million, resulting in a net profit for the period of CHF 11.1 million. Operating cash flow reached CHF 17.0 million; free cash flow CHF 10.3 million.

Growth in industrial, stable automotive, one-time effect in medical market

With revenue of CHF 25.5 million, the automotive market achieved a slight increase over the same period last year (+2.1 %). In the existing Tier II business with sensor components, we recorded a decline in sales in the second quarter due to the numerous production closures at OEMs. Thanks to the successful ramp-up of the first particulate matter sensor module, the decline in the components business could be compensated.

Revenue in the medical market amounted to CHF 42.8 million (+148.1 % compared to the previous year). This increase is mainly a consequence of the COVID-19-related increase in demand for gas flow sensors for ventilators, which had an impact on sales of CHF 24.0 million (prior-year period CHF 2.6 million). With a significant market share in flow sensors for ventilators, we feel particularly committed to responding to these short-term demands with as much agility as possible, thereby making an important contribution to mitigating the negative consequences of the pandemic. Since March, a dedicated task force has been working intensively to increase production capacities by a factor of 8-10 within a few weeks, which has been very successful thanks to the great efforts of our employees. Deliveries will peak in the second and third quarters. The further development is currently uncertain and depends crucially on the future course of the pandemic. At present, we expect demand to normalize from the beginning of 2021.

At CHF 36.8 million, revenue in the industrial market was 5.4 % higher than in the first half of 2019. New business with CO_2 sensors and PM2.5 sensors for applications in household appliances were the main drivers of the sales increase. Revenue in the gas meter market, which saw COVID-19-related factory closures by our customers, declined. In contrast, the general demand in the industrial market has so far proven to be relatively robust against COVID-19 influences. We assume, however, that part of the demand in the first half of the year served to build up inventories in uncertain times.

In the consumer market, we generated CHF 8.6 million revenue (+27.4 % compared to the same period last year). This growth is attributable to new projects with humidity sensors and a robust ongoing business with the established portfolio. Especially in Asia, major customers launched new products based on our humidity sensor.

New production site in Debrecen, Hungary

In order to meet the growing demand for our sensors, we are expanding our production capacity with a new location in Debrecen, Eastern Hungary. Hungary was chosen because of its proximity to our customers in Europe, the good level of education of future employees and the support of local partners. The building will be realized and financed by a local "build-to-suit" partner. We have signed a long-term rental agreement. The ground-breaking ceremony took place at the end of June, and we expect construction work to be completed and production to begin by the end of 2021. Our current production sites in Switzerland and Asia and their employees are not affected by this.

Mid-term growth potential confirmed by successful expansion of product portfolios

The expansion of our environmental sensor portfolio is a pillar of our growth strategy. We have made significant progress in implementing this strategy over the past 12 months: the new product families of particulate matter (PM2.5) and carbon dioxide (CO_2) sensors, which were launched in 2018, are now making a significant contribution to revenue growth. Numerous nominations and projects make us confident for the coming years as well. The main application fields of the PM2.5 sensor are the automotive market, where the sensor monitors the fine dust content of the car's interior air, and the appliances market, specifically in air purifiers. We see various applications for the CO_2 sensor in the field of energy-optimized ventilation of buildings. Moreover, the successful launch of the PM2.5 sensor is also a first important milestone in our efforts to become a leading module and Tier II supplier in the automotive sector.

In order to further expand our technological leadership for the future, we have invested in a start-up in the optics sector and have secured exclusive rights for future sensor applications. The acquisition of technology is a long-term project, and we do not expect first products based on this novel technology for several years.

Energy efficiency, safety, health and increased comfort will continue to be the fundamental growth drivers for the use of increased sensor technology in the future. Our strategic priorities are aligned with these: we want to drive forward our market and technology leadership in existing markets, expand our portfolio and develop new technologies for future growth. The ramp-ups of the PM2.5 and CO_2 sensors show that we are on the right track with the implementation. Despite COVID-19-related restrictions in recent months, all strategic development projects are running as planned. Therefore, we confirm the strong medium- and long-term growth prospects, which are additionally supported by our broad diversification by markets and regions.

Outlook until year-end

In mid-June we increased our expectations for the full-year 2020 in view of the positive market trends and the COVID-19-related special effect from the ventilator business. We confirm this outlook and now expect consolidated revenue of CHF 210-230 million (previously CHF 200-240 million) for the full-year 2020. Nevertheless, the outlook for the second half of the year remains volatile and difficult to assess in view of the unclear further course of the global corona pandemic and its impact on the economy. For both the gross margin and adjusted EBITDA margin, assuming stable exchange rates and a moderate further course of the pandemic, we expect approximately the same profitability for the full current year as in the first half of 2020.

Special thanks to our employees

On behalf of the Board of Directors and the Executive Committee, we would like to express our sincere thanks to all Sensirion employees for their extraordinary commitment in difficult times. Once again, we have been able to feel our strong corporate culture and cohesion in recent months. We are proud that, as a result of these shared values, we were able to overcome all of the challenges we were confronted with. We would also like to thank you, dear shareholders, for your trust and your commitment to long-term innovation.

Moritz Lechner
Co-Chairman of the Board

Felix Mayer
Co-Chairman of the Board

Marc von Waldkirch
CEO

Condensed Consolidated Interim Financial Statements

Consolidated Income Statement

In thousands of CHF, for the six months ended 30 June	Note	2020	Δ in %	2019
Revenue	6	**113,690**	**35.5 %**	**83,888**
Cost of sales		(51,471)		(39,299)
Gross profit		**62,219**		**44,589**
– as % of revenue		54.7 %		53.2 %
Research and development expenses		(22,459)		(21,154)
Selling and distribution expenses		(11,828)		(13,909)
Administrative expenses		(13,644)		(11,483)
Operating profit (loss)		**14,288**	**830.1 %**	**(1,957)**
– as % of revenue		12.6 %		(2.3 %)
Finance income		79		233
Finance costs		(2,400)		(942)
Share of profit (loss) of equity-accounted investees, net of tax		(200)		(182)
Profit (loss) before tax		**11,767**		**(2,848)**
Income taxes		(694)		982
Profit (loss) for the period, attributable to owners of Sensirion Holding AG		**11,073**	**693.4 %**	**(1,866)**
– as % of revenue		9.7 %		(2.2 %)
Earnings per registered share				
Basic earnings per registered share (in CHF)	8	0.72		(0.12)
Diluted earnings per registered share (in CHF)	8	0.72		(0.12)
Earnings before interest, tax, depreciation and amortization (EBITDA)				
Earnings before interest, tax, depreciation and amortization (EBITDA)	7	**20,145**		**4,784**
– as % of revenue		17.7 %		5.7 %
Adjusted earnings before interest, tax, depreciation and amortization (Adjusted EBITDA)		**22,452**		**8,387**
– as % of revenue		19.7 %		10.0 %

The notes on pages 14 to 21 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (OCI)

In thousands of CHF, for the six months ended 30 June	2020	Δ in %	2019
Profit (loss) for the period, attributable to owners of Sensirion Holding AG	**11,073**	**693.4%**	**(1,866)**
Remeasurements of defined benefit obligation	(4,136)		(1,517)
Equity investment at FVOCI – net change in fair value	(110)		15
Related tax	779		767
Items that will not be reclassified to profit or loss	**(3,467)**		**(735)**
Foreign operations – foreign currency translation differences	(1,293)		(1,688)
Items that are or may be reclassified to profit or loss	**(1,293)**		**(1,688)**
Other comprehensive income for the period, net of tax	**(4,760)**		**(2,423)**
Total comprehensive income for the period, attributable to owners of Sensirion Holding AG	**6,313**	**247.2%**	**(4,289)**

The notes on pages 14 to 21 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Financial Position

In thousands of CHF	Note	30 June 2020	in %	31 December 2019	in %
Assets					
Cash and cash equivalents		69,370		60,321	
Trade receivables		33,703		21,576	
Prepaid expenses		2,029		1,520	
Other receivables		6,038		3,442	
Inventories		24,423		21,978	
Total current assets		**135,563**	**55.7%**	**108,837**	**50.5%**
Property, plant and equipment		62,691		64,176	
Right-of-use assets		12,640		11,934	
Financial assets	12	3,991		3,519	
Equity-accounted investees		1,590		2,865	
Intangible assets		17,698		17,240	
Goodwill		5,070		5,360	
Deferred tax asset		3,957		1,566	
Total non-current assets		**107,637**	**44.3%**	**106,660**	**49.5%**
Total assets		**243,200**	**100.0%**	**215,497**	**100.0%**
Liabilities					
Trade payables		7,877		5,472	
Accrued expenses		9,055		3,979	
Employee benefits		8,377		5,017	
Lease liabilities		2,095		1,801	
Other liabilities		12,471		1,562	
Total current liabilities		**39,875**	**16.4%**	**17,831**	**8.3%**
Employee benefits		29,125		30,887	
Lease liabilities		11,134		10,540	
Total non-current liabilities		**40,259**	**16.5%**	**41,427**	**19.2%**
Total liabilities		**80,134**	**32.9%**	**59,258**	**27.5%**
Equity					
Share capital		1,557		1,529	
Capital reserve		148,374		147,888	
Treasury shares reserve		(1,735)		(1,735)	
Translation reserve		(2,211)		(918)	
Revaluation reserve		2,284		2,394	
Retained earnings		14,797		7,081	
Total equity, attributable to owners of Sensirion Holding AG	11	**163,066**	**67.1%**	**156,239**	**72.5%**
Total liabilities and equity		**243,200**	**100.0%**	**215,497**	**100.0%**

The notes on pages 14 to 21 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

	Attributable to owners of Sensirion Holding AG						
In thousands of CHF	Share capital	Capital reserve	Treasury shares reserve	Translation reserve	Reval-uation reserve	Retained earnings	Total equity
Balance at 1 January 2019	**1,514**	**144,530**	**(5,137)**	**1,022**	**1,856**	**16,648**	**160,433**
Profit (loss) for the period	–	–	–	–	–	(1,866)	(1,866)
Other comprehensive income for the period	–	–	–	(1,688)	479	(1,214)	(2,423)
Total comprehensive income for the period	**–**	**–**	**–**	**(1,688)**	**479**	**(3,080)**	**(4,289)**
Capital increases	15	–	–	–	–	–	15
Transaction with treasury shares	–	(3,402)	3,402	–	–	–	–
Equity-settled share-based payment transactions	–	2,564	–	–	–	–	2,564
Transactions with owners – contributions and distributions	**15**	**(838)**	**3,402**	**–**	**–**	**–**	**2,579**
Balance at 30 June 2019	**1,529**	**143,692**	**(1,735)**	**(666)**	**2,335**	**13,568**	**158,723**
Balance at 1 January 2020	**1,529**	**147,888**	**(1,735)**	**(918)**	**2,394**	**7,081**	**156,239**
Profit (loss) for the period	–	–	–	–	–	11,073	11,073
Other comprehensive income for the period	–	–	–	(1,293)	(110)	(3,357)	(4,760)
Total comprehensive income for the period	**–**	**–**	**–**	**(1,293)**	**(110)**	**7,716**	**6,313**
Capital increases	28	–	–	–	–	–	28
Equity-settled share-based payment transactions	–	486	–	–	–	–	486
Transactions with owners – contributions and distributions	**28**	**486**	**–**	**–**	**–**	**–**	**514**
Balance at 30 June 2020	**1,557**	**148,374**	**(1,735)**	**(2,211)**	**2,284**	**14,797**	**163,066**

The notes on pages 14 to 21 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Cash Flows

In thousands of CHF, for the six months ended 30 June	2020	2019
Cash flows from operating activities		
Profit (loss) for the period	**11,073**	**(1,866)**
Adjustments for:		
– Depreciation and amortization	8,164	7,416
– Loss (gain) on sale of intangible assets, property, plant and equipment and asset held for sale	(32)	(11)
– Other non-cash expense (income)	(21)	(774)
– Financial result without foreign exchange (gain) loss	687	709
– Share of loss (profit) of equity-accounted investees, net of tax	200	182
– Equity-settled share-based payment transactions	284	2,674
– Tax expense (income)	694	(982)
Changes in:		
– Trade and other receivables	(14,723)	811
– Prepaid expenses	(361)	(397)
– Inventories	(2,445)	2,313
– Trade and other payables	13,314	2,019
– Accrued expenses	3,603	(1,200)
– Employee benefits (except voluntary prepayments of employer contributions)	4,462	393
– Voluntary prepayments of employer contributions	(7,000)	–
Interest and bank charges paid	(195)	(36)
Income taxes paid	(682)	(90)
Short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liability	–	(78)
Net cash from operating activities	**17,022**	**11,083**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,752)	(5,440)
Proceeds from sale of property, plant and equipment	32	11
Acquisition of intangible assets	(1,258)	(3,562)
Development expenditure	(1,699)	(1,193)
Net cash from investing activities	**(6,677)**	**(10,130)**
Cash flows from financing activities		
Payment of lease liabilities	(988)	(1,102)
Proceeds from issue of share capital	28	15
Net cash from financing activities	**(960)**	**(1,087)**
Net change in cash and cash equivalents	**9,385**	**(134)**
Cash and cash equivalents at 1 January	60,321	53,938
Effect of movements in exchange rates on cash held	(336)	(453)
Cash and cash equivalents at 30 June	**69,370**	**53,351**

The notes on pages 14 to 21 are an integral part of these consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 Reporting entity

Sensirion Holding AG (the "Company") is domiciled in Switzerland. The Company's registered office is at Laubisrütistrasse 50, 8712 Stäfa. These consolidated financial statements comprise the Company, its subsidiaries (collectively the "Group" and individually "Group companies"), and their investments in equity-accounted investees.

Sensirion is one of the world's leading manufacturers of digital microsensors and microsystems. The product range includes gas and liquid flow sensors, and differential pressure sensors, as well as environmental sensors for the measurement of humidity and temperature, volatile organic compounds (VOCs), carbon dioxide (CO_2) and particulate matter (PM2.5). Using Sensirion's microsensor solutions, OEM customers benefit from the proven CMOSens® Technology.

2 Basis of accounting

These unaudited interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorized for issue by the Board of Directors on 18 August 2020.

3 Use of judgments and estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those described in the last annual financial statements.

3.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets accessible to the Group on the measurement date for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change has occurred.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account when pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

4 Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019. As of 1 January 2020, Sensirion adopted various amendments to the existing International Financial Reporting Standards (IFRS) and Interpretations, none of which have a material impact on the consolidated financial statements of Sensirion.

5 Impact of the COVID-19 pandemic

These interim financial statements include the effects of the COVID-19 pandemic and the measures introduced by various governments. Various future scenarios have been evaluated and every indication of possible impairments of individual assets has been analyzed, with a focus on inventory and trade receivables. In order to minimize the risk of possible bad debt losses, individual payment terms have been agreed with customers, which contributed to an increase in advance payments from customers.

6 Segment reporting and disaggregation of revenue

6.1 Basis of segmentation

The Group operates in one industry segment, which encompasses the development, production, sales and servicing of sensor systems, modules and components. The allocation of resources and performance assessment is made at Group level. The Group's organization is not divided into business units, neither in the management structure nor in the internal reporting system.

6.2 Entity-wide disclosures and disaggregation of revenue

In thousands of CHF, for the six months ended 30 June, and as % of revenue	2020		2019	
Revenue – Geographic information by countries				
Switzerland	2,780	2.4 %	1,926	2.3 %
USA	24,052	21.2 %	15,256	18.2 %
China	21,879	19.2 %	9,570	11.4 %
South Korea	16,103	14.2 %	11,332	13.5 %
Germany	14,236	12.5 %	15,308	18.2 %
Australia	7,458	6.6 %	6,864	8.2 %
Other foreign countries	27,182	23.9 %	23,632	28.2 %
Total	**113,690**	**100.0 %**	**83,888**	**100.0 %**

In thousands of CHF, for the six months ended 30 June, and as % of revenue	2020		2019	
Revenue – Geographic information by region				
APAC	57,587	50.7 %	37,411	44.6 %
EMEA	29,265	25.7 %	28,605	34.1 %
Americas	26,838	23.6 %	17,872	21.3 %
Total	**113,690**	**100.0 %**	**83,888**	**100.0 %**

In thousands of CHF	30 Jun 2020		31 Dec 2019	
Non-current assets – Geographic information by countries				
Switzerland	79,185	79.4 %	79,575	78.3 %
South Korea	14,883	14.9 %	15,944	15.7 %
China	5,234	5.3 %	5,585	5.5 %
USA	292	0.3 %	367	0.4 %
Other foreign countries	95	< 0.1 %	104	< 0.1 %
Total	**99,689**	**100.0 %**	**101,575**	**100.0 %**

The geographic information on revenues in the table on the previous page is based on the customers' location. As additional voluntary information, revenue is allocated to end markets as follows:

In thousands of CHF, for the six months ended 30 June, and as % of revenue	2020		2019	
Revenue – per customer market				
Automotive	25,462	22.4 %	24,940	29.7 %
Medical	42,821	37.7 %	17,261	20.6 %
Industrial	36,833	32.4 %	34,960	41.7 %
Consumer	8,574	7.5 %	6,727	8.0 %
Total	**113,690**	**100.0 %**	**83,888**	**100.0 %**

7 Adjusted EBITDA

Management uses EBITDA and Adjusted EBITDA as key performance indicators because it believes they provide a more accurate assessment of the Group's business operations than the most closely comparable IFRS measure, profit (loss) before tax, and management believes that they and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in the Group's industry.

Management defines EBITDA as profit (loss) for the period before net interest expenses, income taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for net finance costs excluding net interest expenses, share of loss (profit) of equity-accounted investees, net of tax, and the non-recurring expense from the IPO Loyalty Share Program (including social security expenses), that management believes is not indicative of operational performance. All expenses out of the IPO Loyalty Share Program have been recognized and settled by the end of 2019.

In thousands of CHF, for the six months ended 30 June	2020	2019
Reconciliation of profit (loss) to Adjusted EBITDA for the period		
Profit (loss) for the period	**11,073**	**(1,866)**
Net interest expenses	214	216
Income taxes	694	(982)
Depreciation	5,447	5,328
Amortization	2,717	2,088
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**20,145**	**4,784**
Adjusted for:		
– Net finance cost excluding net interest expenses	2,107	493
– Share of loss (profit) of equity-accounted investees, net of tax	200	182
– IPO Loyalty Share Program, including social security expenses	–	2,928
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	**22,452**	**8,387**

8 Earnings per registered share

The weighted-average number of registered shares for the period ended 30 June 2020 for the purpose of calculating both basic and diluted earnings per registered share amounts to 15,453,052 (30 June 2019: 15,057,974).

9 Share-based payment arrangement

9.1 IPO Loyalty Share Program (equity-settled and cash-settled)

The Group recognized the first part of its IPO Loyalty Share Program in employee benefit expenses in the amount of CHF 16,157 thousand (including social security expenses of CHF 2,399 thousand) in 2018. In 2019, the Group has recognized the second part of the program in profit or loss in the amount of CHF 6,549 thousand, including social security expenses of CHF 795 thousand. As a result, all liabilities out of the share program have been recognized in employee benefit expenses in previous years. Under the terms of the plan, the remaining allocated RSUs have been vested in early 2020. Detailed information about the IPO Loyalty Share Program can be found in the Company's last annual consolidated financial statements as at and for the year ended 31 December 2019.

10 Income taxes

Income taxes paid or owed in the individual countries and deferred taxes are recognized as taxes. As a result of the Swiss Tax Reform, the holding privilege for Sensirion Holding AG will no longer be applicable in the future. However, the tax burden is expected to remain lower due to the introduction of further tax-reducing measures. It is expected that the tax rate for the current year will be of a similar magnitude to the rate recorded at year-end 2019.

11 Equity

11.1 Share capital

In 2020, the Company increased its share capital from its conditional capital by CHF 28,037. At 30 June 2020, the share capital of Sensirion Holding AG is composed of 15,573,350 registered shares (31 December 2019: 15,292,984) with a nominal value of CHF 0.10 each.

11.2 Dividends

The Company has not paid any dividends in the periods presented.

12 Financial instruments

12.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at the reporting date, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As of 30 June 2020	Carrying amount					Fair value			
In thousands of CHF	Financial assets at amortized cost	FVPL – fair value through P/L	FVOCI – equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity securities	–	–	3,991	–	**3,991**	–	–	3,991	**3,991**
Other receivables	–	990	–	–	**990**	–	–	990	**990**
Total financial assets measured at fair value	**–**	**990**	**3,991**	**–**	**4,981**	**–**	**–**	**4,981**	**4,981**
Financial assets not measured at fair value									
Trade receivables	33,703	–	–	–	**33,703**	–	–	–	**–**
Cash and cash equivalents	69,370	–	–	–	**69,370**	–	–	–	**–**
Total financial assets not measured at fair value	**103,073**	**–**	**–**	**–**	**103,073**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value									
Trade payables	–	–	–	7,877	**7,877**	–	–	–	**–**
Lease liabilities	–	–	–	13,229	**13,229**	–	–	–	**–**
Total financial assets not measured at fair value	**–**	**–**	**–**	**21,106**	**21,106**	**–**	**–**	**–**	**–**

As of 31 December 2019	Carrying amount					Fair value			
In thousands of CHF	Financial assets at amortized cost	FVPL – fair value through P/L	FVOCI – equity instru-ments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity securities	–	–	3,519	–	**3,519**	–	–	3,519	**3,519**
Other receivables	–	500	–	–	**500**	–	–	500	**500**
Total financial assets measured at fair value	**–**	**500**	**3,519**	**–**	**4,019**	**–**	**–**	**4,019**	**4,019**
Financial assets not measured at fair value									
Trade receivables	21,576	–	–	–	**21,576**	–	–	–	**–**
Cash and cash equivalents	60,321	–	–	–	**60,321**	–	–	–	**–**
Total financial assets not measured at fair value	**81,897**	**–**	**–**	**–**	**81,897**	**–**	**–**	**–**	**–**
Financial liabilities not measured at fair value									
Trade payables	–	–	–	5,472	**5,472**	–	–	–	**–**
Lease liabilities	–	–	–	12,341	**12,341**	–	–	–	**–**
Total financial liabilities not measured at fair value	**–**	**–**	**–**	**17,813**	**17,813**	**–**	**–**	**–**	**–**

12.2 Fair value measurement

The fair value of equity securities classified in level 3 has been determined by discounting the estimated future cash flows of the investee using a rate of return that comprises the time value of money and the risk of the investment.

As of 30 June 2020, the growth rates beyond the detailed planning periods have been set between 1.00 % and 2.00 % (2019: between 1.00 % and 2.00 %). The risk adjusted discount factors used for determination of fair value are set by 10.00 % and 36.29 % (2019: 11.00 % and 36.29 %).

The fair value for other receivables measured at FVPL and assigned to level 3 has been determined by discounting the estimated future cash flows using a risk adjusted discount factor of 11.00 % and a growth rate of 2.00 % (2019: 11.00 % respectively 2.00 %).

The estimated fair value would increase (decrease) if:

- the annual revenue growth rate was higher (lower);
- the EBITDA were higher (lower); or
- the risk-adjusted discount rate was lower (higher).

The valuation model for financial liabilities not measured at fair value, which mainly consists of lease liabilities, considers the present value of expected payments which have been discounted by using an incremental borrowing rate.

The following table shows a reconciliation in respect of recurring level 3 fair values.

In thousands of CHF	30 June 2020 Equity securities	30 June 2019 Equity securities	30 June 2020 Other receivables	30 June 2019 Other receivables
Opening amount	**3,519**	**3,445**	**500**	**–**
Acquisition of convertible loan	–	–	500	–
Change in status of investment	582	–	–	–
Profit (loss) included in OCI	(110)	15	–	–
Profit (loss) included in finance income	–	–	(10)	–
Closing amount	**3,991**	**3,460**	**990**	**–**

13 Related parties

As part of its normal business activities, the Group maintains the following transactions with associated companies:

In thousands of CHF	30 June 2020	31 December 2019
Other receivables	990	500

In thousands of CHF, for the six months ended 30 June	2020	2019
Sales and other income	36	37
Interest income	18	–

In 2019, the Group entered into a convertible loan agreement with its associated company. The loan is measured at FVPL and assigned to level 3 of the fair value hierarchy.

14 Subsequent events

In July 2020, Sensirion acquired a minority interest in a start-up commercializing a unique optical technology. The minority interest yields Sensirion the potential to develop advanced optical sensors for applications in its end markets.

The unaudited consolidated interim financial statements were approved for publication by the Audit Committee of the Board of Directors on 18 August 2020. No other events have occurred between 30 June 2020 and 18 August 2020 that would necessitate adjustments to the carrying values of the Group’s assets or liabilities, or which require additional disclosure.

Shareholder Information

Valor symbol	SENS
Reuters symbol	SENSI.S
Bloomberg symbol	SENS.SW
Valor number	40,670,512
ISIN	CH 040 670512 6
End of fiscal year	31 December
Exchange	SIX Swiss Exchange
Trading currency	CHF
Listed since	22 March 2018
Number of issued shares (as recorded in the commercial register)	15,573,350
Nominal value	CHF 0.10
Accounting standard	IFRS (International Financial Reporting Standard)

Financial Calendar

16 March 2021	Financial Year 2020 results and annual report
18 May 2021	Annual general meeting 2021

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