

Quarterly Financial Report

1 JANUARY - 31 MARCH 2022

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## AT A GLANCE

### LPKF Laser & Electronics AG

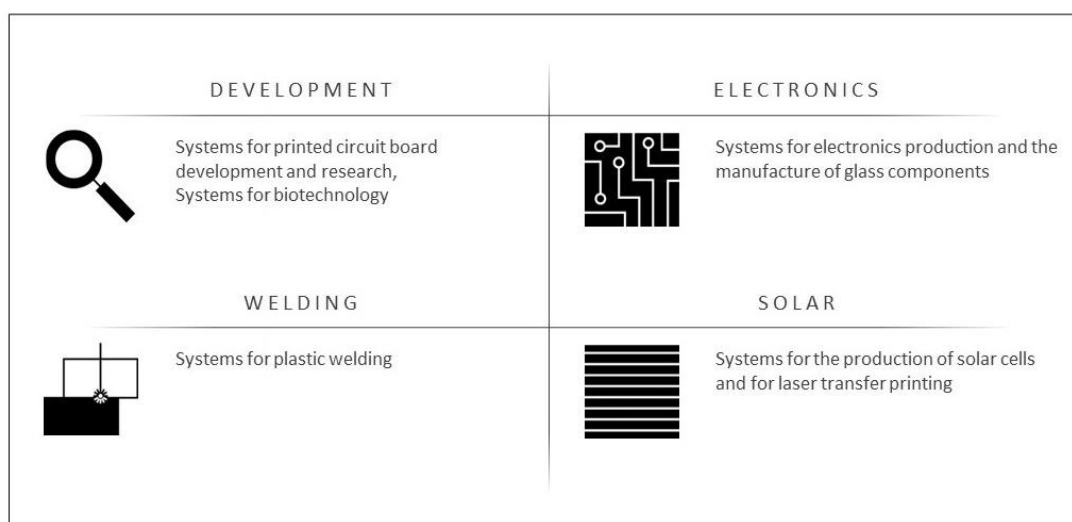
### Key Group figures after 3 months 2022

	<b>3 Months 2022</b>	3 Months 2021
Revenue (Mio. EUR)	25.8	16.3
EBIT (Mio. EUR)	1.0	-4.1
EBIT margin (%)	4.0	-25.5
Free Cash Flow (Mio. EUR)	-9.1	-2.1
EPS, diluted (EUR)	0.03	-0.12
Incoming orders (Mio. EUR)	24.0	21.5

	<b>As of 03/31/2022</b>	As of 03/31/2021
Net working capital (Mio. EUR)	29.2	19.5
Equity ratio (%)	70.2	74.6
Orders on hand (Mio. EUR)	60.8	43.5
Employees	746	700

## Segments and markets



## LETTER FROM THE MANAGEMENT BOARD

Garbsen, April 28th, 2022

Ladies and Gentlemen,

Despite a challenging year in 2021, we were able to increase revenue, earnings and order intake in the first quarter of 2022. Revenue increased by 59% to EUR 25.8 million, reaching the upper end of our quarterly forecast. We are particularly pleased that all segments were able to contribute to this growth. Our earnings also improved significantly and were at the upper end of our expectations. EBIT amounted to EUR 1.0 million in the first quarter, compared to a loss of EUR 4.1 million in the year ago quarter. This positive development was driven by the high demand for our technology and products, as well as by the project postponements from last year that we had previously communicated.

We continue to make targeted investments in the development and commercialization of key technologies. These specifically include the build-up of capacities for the innovative LIDE (Laser Induced Deep Etching) technology and the developments of the ARRALYZE technology, which addresses the rapidly growing life science market.

Our investments in the future are step by step paying off. In the first three months of the year, we also recorded a 12% year-on-year increase in incoming orders to EUR 24.0 million. These include the first LIDE systems for a new customer in Asia, who is using them to realize vias for new types of display applications. We are also pleased to report the first orders in the electronics sector for our newly developed Tensor systems. LPKF also won a customer in our welding segment, who is an innovation leader for batteries in the automotive sector. In addition, we made encouraging progress with our ARRALYZE technology and published the first scientific paper on the topic of "Suitability of glass arrays for single cell experiments" following the successful presentation at SLAS Boston.

The interest in our solutions is high, and the increasing order numbers together with the results from the first quarter give us confidence for 2022. As of 31 March 2022, our orders on hand stand at EUR 60.8 million, up 40% on the previous year. This provides the momentum needed to significantly increase both revenue and earnings in the current year.

Thanks to the targeted further development of our product portfolio and our focus on growth markets, LPKF is well positioned to participate in the megatrends of miniaturization, digitalization and clean production. To this end, we will continue to make targeted investments in our technology to fuel growth.

Sustainability is an integral part of our strategy. As an innovative technology company, we provide our customers with smart solutions that improve their carbon footprint thanks to lower material use and higher product quality. We have also set ourselves specific ESG targets and backed these up with measures. This allows us to make our results in this area

measurable. Together with this quarterly report, we are publishing a “[separate non-financial consolidated report](#)” that provides our stakeholders with a more comprehensive insight into our understanding of sustainability.

Short term visibility remains challenging. We continue to closely monitor the lockdown in China and the uncertainties in supply chains and logistics, and we are continuing to implement our countermeasures including increasing inventories of critical components. Challenges on outbound logistics, especially in the Solar Segment, have been considered in our Q2 guidance. Our goal remains to deliver long-term sustainable and profitable growth.

For the second quarter of 2022, we anticipate revenue of between EUR 25 million and EUR 30 million and EBIT in the range of EUR -1.5 million to EUR +2.5 million. For the full year 2022, we confirm our forecast and continue to expect consolidated revenue of between EUR 110 million and EUR 130 million and an EBIT margin between 2% and 7%. In this context, we continue to invest in our LIDE and ARRALYZE technologies.

We thank you for your continued support and trust.

Best regards,



Dr. Klaus Fiedler  
Chief Executive Officer



Christian Witt  
Chief Financial Officer

# INTERIM MANAGEMENT REPORT AS OF 31 MARCH 2022

## 1 BASIC INFORMATION ON THE GROUP

The basic information on the LPKF Group in the combined management and Group management report for 2021 continues to apply unchanged. Changes in the scope of consolidation are presented in the notes to this interim report under "Notes on the preparation of the quarterly financial report".

## 2 REPORT ON ECONOMIC POSITION

### 2.1 NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF THE GROUP

#### Results of operations

In the first quarter of 2022, LPKF generated revenue of EUR 25.8 million, an increase of 58.3 % year-on-year (Q1 2021: EUR 16.3 million). Each business unit improved on its prior-year sales. The increase is mainly attributable to the Solar segment (+ 5.5 million), which delivered machines in the first quarter that could not be delivered by the deadline of December 31, 2021 due to logistics bottlenecks. Otherwise, as expected, there were no further system deliveries in Q1 in the Solar segment. The Development segment achieved sales growth of EUR 1.9 million to EUR 7.2 million, while the Electronics segment increased its sales by EUR 1.0 million to EUR 7.6 million. The Welding segment increased its sales by EUR 1.1 million to EUR 4.3 million.

The higher revenue in the first three months resulted in positive EBIT (earnings before interest and taxes) of EUR 1.0 million (previous year: EUR -4.1 million).

As of 31 March 2022, orders on hand amounted to EUR 60.8 million, 40 % above the previous year's figure of EUR 43.5 million. In the current financial year, major existing orders in the Solar segment will not be delivered until the second quarter, as agreed.

At EUR 24.0 million, incoming orders were above the previous year's level of EUR 21.5 million.

In own work capitalized, EUR 1.5 million was recognized for the development costs of products and software (previous year: EUR 1.1 million). At EUR 0.6 million, other income was lower than in the previous year (EUR 1.0 million). This decrease was mainly due to lower income from exchange rate differences (EUR - 0.3 million) and effects from the use of short-time working (EUR - 0.1 million) in the prior-year period.

At 26%, the material cost ratio was below the previous year's figure of 31%. This was due to the product mix and higher service sales.

As of 31 March 2022, 746 people were employed by the LPKF Group, 46 more than on 31 March 2021. The increase in the number of employees is mainly attributable to the LIDE and Arralyze divisions. At EUR 12.9 million, staff costs in the reporting period were up on the previous year of EUR 11.5 million. The rise is mainly due to the increase in the workforce. The use of short-time work in the previous year reduced personnel expenses in Q1 2021 by an additional EUR 0.3 million.

Depreciation and amortization were on a par with the previous year's figure at EUR 1.9 million in the reporting period. Of this amount, EUR 0.9 million was attributable to depreciation and amortization from own work capitalized (previous year: EUR 0.9 million). At EUR 5.3 million, other operating expenses were up on the previous year's figure of EUR 4.1 million. This increase was mainly due to higher expenses for repairs and maintenance (+ EUR 0.2 million), advertising and selling expenses (+ EUR 0.2 million), and increased development costs (+ EUR 0.2 million). Furthermore, expenses for travel and entertainment, legal and consulting costs, and trade fair costs each increased by EUR 0.1 million.

Consolidated net profit after interest and taxes amounted to EUR 0.7 million (previous year: EUR -3.0 million).

### **Financial position**

The Group's cash and cash equivalents dropped from EUR 15.2 million as of 31 December 2021 to EUR 6.9 million in the reporting period. The net cash reserve of EUR 12.1 million at the end of 2021 fell to EUR 3.1 million.

In the reporting period, the positive consolidated net profit could not compensate for the increase in inventories of EUR 5.1 million, a higher level of receivables (EUR + 2.4 million), lower advance payments received for customer projects (EUR - 1.6 million), and the reduction in liabilities of EUR 0.9 million. Cash flow from operating activities was therefore negative at EUR -7.0 million and below the figure for the prior-year quarter (EUR -0.7 million).

Following negative cash flow from investing activities of EUR -2.1 million, there was free cash flow of EUR -9.1 million. The cash inflow from financing activities was EUR 0.5 million (previous year: cash outflow of EUR -0.7 million), mainly due to the short-term utilization of an overdraft facility.

The LPKF Group has the necessary funds for investments and further growth, comprising cash and cash equivalents and the available credit facilities. In the first three months of 2022, as in the 2021 financial year, the company did not take any public funds from the German government's economic stimulus packages, and is also not planning to for the remainder of the financial year and beyond.

### **Net assets**

Analysis of net assets and capital structure

Compared with 31 December 2021, non-current assets decreased by EUR 0.3 million to EUR 68.8 million. The change is primarily due to higher intangible assets (EUR + 0.7 million)

and lower property, plant and equipment (EUR - 0.4 million), a reduction in non-current receivables of EUR 0.3 million, and lower deferred tax assets (EUR - 0.4 million).

Current trade receivables increased by EUR 2.7 million to EUR 19.2 million during the reporting period. Inventories increased by EUR 5.1 million to EUR 33.6 million. The increase results from the production of solar systems for delivery in the second and third quarters as well as deliberately increased inventories to ensure the ability to deliver customer orders in the current situation on the procurement market. Cash and cash equivalents dropped by EUR 8.2 million to EUR 6.9 million as of 31 March 2022. Current assets increased by EUR 1.0 million overall to EUR 64.2 million.

The equity ratio increased from 69,7 % at the end of 2021 to 70.2 % as of 31 March 2022.

Non-current liabilities declined by EUR 0.2 million, primarily due to the scheduled repayment of loans and lower deferred tax liabilities. Current liabilities recorded a decrease of EUR 0.2 million, which was particularly due to less advance payments received for customer projects (EUR - 1.5 million) and lower trade payables (EUR - 0.9 million) with a simultaneous increase in provisions of EUR 0.8 million as of the reporting date, as well as increased current financial liabilities (EUR + 0.8 million) due to the utilization of an overdraft facility. Other liabilities increased by EUR 0.6 million.

Net working capital increased from EUR 19.3 million to EUR 29.2 million in the first three months. The increase was mainly due to higher inventories (EUR + 5.1 million) and higher trade receivables (EUR + 2.4 million).

Beyond this, the structure of the statement of financial position has not changed significantly.

#### Capital expenditure

In the first three months, the Group invested more than in the previous year. Other than additions to capitalized development costs of EUR 1.5 million, an amount of EUR 0.9 million was added in property, plant and equipment and other intangible assets.

#### Segment performance

The following table provides an overview of the operating segments' performance:

in Mio. EUR	Revenue		EBIT	
	3 Months 2022	3 Months 2021	3 Months 2022	3 Months 2021
Electronics	7.6	6.6	0.3	-1.0
Development	7.2	5.3	1.5	0.6
Welding	4.3	3.2	-1.2	-1.7
Solar	6.7	1.2	0.4	-2.0
<b>Total</b>	<b>25.8</b>	<b>16.3</b>	<b>1.0</b>	<b>-4.1</b>

The operating result (EBIT) of the segments contains the operating activities of the segments and the attributable intragroup allocations.



## 2.2 EMPLOYEES

The following table shows the development in employee numbers in the first three months of 2022:

Area	<b>03/31/ 2022</b>	12/31 2021
Production	137	136
Sales	139	141
Development	210	207
Service	100	100
Administration	160	162
<b>Total</b>	<b>746</b>	746

The total number of employees as of 31 March 2022 was 701 (31 December 2021: 702) full-time equivalents (FTE).

## 2.3 OVERALL ASSESSMENT OF THE GROUP'S ECONOMIC SITUATION

The first quarter of 2022 for LPKF was also largely dominated by external factors. Among other things, in the first quarter COVID-19 case numbers rose to new highs, which led to global bottlenecks in logistics, particularly due to the situation in China. There are ongoing global challenges relating to the availability of electronic components. In addition, further economic uncertainties arose due to the war in Ukraine, which need to be monitored.

The company recognized the challenge early on and countered it with targeted measures. The health and safety of employees and business partners remains a top priority. LPKF also responsibly ensured business continuity.

From the Management Board's point of view, the company successfully pressed ahead with crucial areas for long-term growth such as LIDE, AMP, the new Tensor technology and ARRALYZE, as well as the expansion of the customer and technology base in the Solar segment.

Despite the economic challenges at the beginning of the 2022 financial year, LPKF closed the first quarter with positive earnings of EUR 1.0 million and revenue growth of 58.3%.

The increase in forward-looking order figures is very encouraging. As of 31 March 2022, orders on hand amounted to EUR 60.8 million, 40% above the previous year's figure of EUR 43.5 million. At EUR 24.0 million, incoming orders were also above the previous year's level of EUR 21.5 million.

The Management Board is monitoring the current order situation and the performance of the individual market segments very carefully, especially considering the unclear overall economic outlook resulting from the changed market environment and supply situation. On the whole, there is still strong interest in LPKF's solutions, which is reflected in the positive level of incoming orders.

### 3 SUPPLEMENTARY REPORT

No other significant events with a material effect on the net assets, financial position and results of operations of LPKF have occurred since the reporting date on 31 March 2022.

### 4 OPPORTUNITIES AND RISKS

In the combined management report and Group management report for 2022, the opportunities and risks of the LPKF Group are presented and explained in detail in separate reports. These explanations continue to apply unchanged.

The ongoing war in Ukraine is associated with economic risks, in particular it may have an impact on the general demand situation, logistics and raw material supplies. These risks are continuously monitored by the company.

The company does not consider there to be any risks that jeopardize its continued existence at present, and no such risks for the future can currently be identified.

### 5 REPORT ON EXPECTED DEVELOPMENTS

#### 5.1 MANAGEMENT'S ASSESSMENT OF THE GROUP'S EXPECTED DEVELOPMENT

##### **Group performance**

Looking to the future, LPKF does not expect COVID-19 to have a lasting impact on the global economy. It is possible, however, that more infectious viral mutations of SARS-CoV-2, particularly in China, will continue to have a negative impact on economic development in the 2022 financial year due to tighter lockdowns.

In particular, bottlenecks in the procurement of electronic components and in logistics may continue to worsen before the situation eases. Added to this are the consequences of the Ukraine war on the global economy, which remain unforeseeable at the time of publication of this report. On the whole, the Management Board anticipates moderate overall economic growth in global GDP in the current year. The company is expecting that key customer industries will continue to face challenges in the aforementioned areas. Nevertheless, LPKF does expect conditions to improve in the 2022 financial year, also based on the order situation and the future order pipeline. This applies in particular to business areas that are benefiting from the advancing digitalization of the economy and industry, which is helping customers to make their production operations more efficient in terms of energy and resources.

The strategic focus of LPKF Laser & Electronics AG is on the development of innovative technologies that have the potential to bring about lasting changes to products, components and production in the electronics and semiconductor industries and beyond.

Thanks to the strategic and operational measures that the Management Board has successfully implemented over the past three years, the company today is financially stable and demonstrating sustained profitability. LPKF is able to expand its operating activities further through a stronger focus on customer needs. Investments in the development of new technologies and applications are being fully implemented. The Group's increased diversification in recent years has significantly reduced its dependence on individual market segments and customers.

The Management Board still sees significant potential to increase the company's revenue and earnings. This potential arises from the technologies that LPKF has mastered, its ability to integrate them in high-performance solutions, the extraordinary expertise of its employees and the resulting value contribution for its customers.

The Management Board anticipates the following developments for the future:

- Megatrends such as miniaturization, digitalization and clean production methods will help to establish the laser as a dominant tool.
- Demand among customers for efficient, laser-based solutions for the production of components and products will remain high. The number of applications will grow. New product developments and sales channels will be established.
- LIDE technology will be used for the first time for volume manufacturing – e.g. in the semiconductor, display and other industries – and will become permanently established as a key technology.
- Green energy will continue to gain in importance and increase the demand for efficient solar modules.

LPKF assumes that the company's technologies will continue to be required to produce innovative and sustainable products in the electronics, semiconductor and solar industries. A large proportion of the company's revenue is dependent on customers who want to introduce new products or production technologies and require LPKF's laser technology to do so. This business is expected to take place as planned or, in the worst-case scenario, with delays. Pure customer capacity expansions, however, are dependent on short- and medium-term demand from end customers.

The Management Board will continue to drive forward the company's growth through targeted measures, even during the coronavirus pandemic:

- LPKF will continue to invest in technological development to extend its leading position in laser-based micromaterial processing. In doing so, the company will address the specific parameters that drive economic success for its customers, thereby creating a tangible competitive advantage for them.
- LPKF will specifically drive the development of technologies that help customers to conserve resources and make their production operations more energy-efficient.
- LIDE technology will be expanded further and its establishment in various application areas will be ramped up.
- The ARRALYZE technology platform was presented at SLAS in Boston and is to be built up into a growth area.

- The company will ramp up its sales activities and continue to build up market penetration in the individual segments.
- After-sales service will be further expanded as an additional growth platform.
- The Management Board will also target potential growth through M&A activities, but only where the value enhancement generated by these activities is clearly identifiable.

LPKF as a company will retain its agility and flexibility so that it remains capable of responding quickly to a range of macroeconomic developments. Overall, LPKF expects further profitable growth in the medium term, even in a volatile economic environment. The company is – and will remain – in a good financial position and has the necessary funds for investments and further growth.

### **Key financial indicators**

#### 2022 financial year

Against the backdrop of the current political and economic environment, the ability to plan and predict the development of LPKF's business is significantly limited in most of its divisions. In the current uncertain environment, LPKF expects consolidated revenue of EUR 110 - 130 million and an EBIT margin of between 2% - 7% for the 2022 financial year.

For the second quarter of 2022, we anticipate revenue of between EUR 25 million and EUR 30 million and EBIT in the range of EUR -1.5 million to EUR +2.5 million.

#### Subsequent years up to 2024

For subsequent years, the company continues to expect sustainable, profitable growth in all segments. Taking into account stronger revenue and earnings contributions from LIDE, LPKF continues to expect consolidated revenue of more than EUR 360 million and an EBIT margin of at least 25% for 2024, with further growth after that.

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 31 MARCH 2022

in EUR thousand	01-03 / 2022	01-03 / 2021
Revenue	25,794	16,256
Changes in inventories of finished goods and work in progress	848	2,375
Other own work capitalized	1,587	1,088
Other income	622	988
Cost of materials	-7,548	-7,362
Staff costs	-12,897	-11,455
Depreciation and amortization	-1,947	-1,867
Impairment expenses (including reversals) on financial assets and contract assets	-104	-20
Other expenses	-5,331	-4,148
<b>Operating Result (EBIT)</b>	<b>1,024</b>	<b>-4,145</b>
Finance income	7	1
Finance costs	-60	-134
<b>Earnings before tax</b>	<b>971</b>	<b>-4,278</b>
Income taxes	-263	1,252
<b>Consolidated net profit/loss</b>	<b>708</b>	<b>-3,026</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Revaluations of defined benefit plans	0	0
Tax effects	0	0
<b>Items that will be reclassified to profit or loss</b>		
Currency translation differences	452	780
<b>Other comprehensive income after taxes</b>	<b>452</b>	<b>780</b>
<b>Total comprehensive income</b>	<b>1,160</b>	<b>-2,246</b>
in EUR thousand		
Earning per share (basic)	0.03	-0.12
Earning per share (diluted)	0.03	-0.12

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS OF 31 MARCH 2022

in EUR thousand	<b>03/31/ 2022</b>	12/31/ 2021
<b>ASSETS</b>		
Intangible assets and goodwill	19,816	19,072
Property, plant and equipment	45,962	46,317
Trade receivables	436	696
Other non-financial assets	184	181
Deferred tax assets	2,383	2,766
<b>Non-current assets</b>	<b>68,781</b>	69,032
Inventories	33,615	28,536
Trade receivables	19,162	16,486
Income tax receivables	1,611	1,511
Other financial assets	0	13
Other non-financial assets	2,851	1,495
Cash and cash equivalents	6,936	15,167
<b>Current assets</b>	<b>64,175</b>	63,208
<b>Total assets</b>	<b>132,956</b>	132,240

in EUR thousand	<b>03/31/ 2022</b>	12/31/ 2021
<b>EQUITY</b>		
Subscribed capital	24,497	24,497
Capital reserve	15,463	15,463
Other reserves	12,472	12,021
Net retained profits	40,931	40,222
<b>Equity</b>	<b>93,363</b>	<b>92,203</b>
<b>LIABILITIES</b>		
Provisions for pensions and similar obligations	370	370
Other financial liabilities	2,612	2,630
Deferred income	626	676
Contract liabilities	127	141
Other provisions	54	68
Deferred tax liabilities	201	327
<b>Non-current liabilities</b>	<b>3,990</b>	<b>4,212</b>
Other provisions	3,031	2,270
Other financial liabilities	3,368	2,568
Trade payables	6,279	7,213
Contract liabilities	17,609	19,081
Other non-financial liabilities	5,316	4,693
<b>Current liabilities</b>	<b>35,603</b>	<b>35,825</b>
<b>Liabilities</b>	<b>39,593</b>	<b>40,037</b>
<b>Total equity and liabilities</b>	<b>132,956</b>	<b>132,240</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### AS OF 31 MARCH 2022

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
<b>As of 01/01/2022</b>	24,497	15,463	10,529
Consolidated net profit/loss			
Other comprehensive income after taxes			
<b>Total comprehensive income</b>	0	0	0
<b>As of 03/31/2022</b>	24,497	15,463	10,529

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
<b>As of 01/01/2021</b>	24,497	15,463	10,529
Consolidated net profit/loss			
Other comprehensive income after taxes			
<b>Total comprehensive income</b>	0	0	0
<b>As of 03/31/2021</b>	24,497	15,463	10,529



Other  
reserves

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	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve	Net retained profits	<b>Total equity</b>
	-276	490	1,278	40,222	92,203
				708	708
	0		452		452
	0	0	452	708	1,160
	-276	490	1,730	40,930	93,363

Other  
reserves

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	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve	Net retained profits	<b>Total equity</b>
	-361	490	-492	42,786	92,912
				-3,026	-3,026
	0		780		780
	0	0	780	-3,026	-2,246
	-361	490	288	39,760	90,666

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FROM 1 JANUARY TO 31 MARCH 2022

in EUR thousand	<b>01-03 / 2022</b>	01-03 / 2021
<b>Cash flow from operating activities</b>		
Consolidated net profit/loss	708	-3,026
Adjustments:		
Tax expenses	262	-1,252
Financial expenses	60	134
Financial income	-7	-1
Depreciation/amortization of non-current assets	1,947	1,867
Gains/losses on the disposal of property, plant and equipment	0	0
Impairment losses/reversals	289	231
Other non-cash expenses and income	1	124
Changes:		
Inventories	-5,181	-2,510
Trade receivables	-2,422	1,440
Other assets	-1,343	341
Provisions	738	-113
Trade payables	-943	-4,253
Other liabilities	-998	6,749
Other:		
Interest received	7	1
Income taxes refund (paid)	-95	-473
<b>Cash flow from operating activities</b>	<b>-6,977</b>	<b>-741</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets	-1,741	-1,133
Investments in property, plant and equipment	-417	-247
Revenue from the disposal of assets	69	0
<b>Cash flow from investing activities</b>	<b>-2,089</b>	<b>-1,380</b>

in EUR thousand	<b>01-03 / 2022</b>	01-03 / 2021
<b>Cash flow from financing activities</b>		
Interest paid	-60	-37
Proceeds from (financial) borrowings	1,214	0
Payments of lease liabilities	-182	-183
Payments for repaying loans	-455	-454
<b>Cash flow from financing activities</b>	<b>517</b>	-674
<b>Change in cash and cash equivalents</b>		
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-8,549</b>	-2,795
Cash and cash equivalents as of 1 January	15,167	20,074
Effects of exchange rate changes on cash and cash equivalents	318	475
<b>Cash and cash equivalents as of end of reporting period</b>	<b>6,936</b>	17,754

## NOTES ON THE PREPARATION OF THE QUARTERLY FINANCIAL REPORT

This financial report as of 31 March 2022 complies in full with the rules set out in IAS 34. The interpretations of the International Financial Interpretations Committee (IFRIC) are observed. The figures of the previous period were calculated according to the same principles, provided that new standards did not require any changes. The same applies to the accounting and valuation methods and the calculation methods used in the interim financial statements. Standards to be applied in the current financial year have already been applied. Estimates of amounts reported in prior interim periods of the current financial year, in the last annual financial statements or in previous financial years have not been changed in this financial report. There have been no significant changes to the contingent liabilities and contingent assets since the last reporting date. This financial report has not been audited. Likewise, it has not been subject to a review. Information relating to events of particular importance after the end of the reporting period is included in the supplementary report of the interim management report.

As outlined in the interim management report, LPKF too was impacted by the effects of the COVID-19 pandemic, the war in Ukraine and other global economic distortions. For these interim financial statements, LPKF closely examined the items of impairment of capitalized development costs, deferred tax assets, inventories and trade receivables in particular. There was no need for any of these items to be written down.

Relief and support measures are outlined in the interim management report.

### Basis of consolidation

In addition to the Group's parent company LPKF Laser & Electronics AG, Garbsen, the following subsidiaries have also been included in the consolidated financial statements:

Name	Registered office	Equity interest in %
<b>Full consolidation</b>		
LPKF SolarQuipment GmbH	Suhl, Germany	100.0
LPKF WeldingQuipment GmbH	Fürth, Germany	100.0
LPKF Laser & Electronics d.o.o.	Naklo, Slovenia	100.0
LPKF Distribution Inc.	Tualatin (Portland), US	100.0
LPKF (Tianjin) Co. Ltd.	Shanghai, China	100.0
LPKF Laser & Electronics Trading (Shanghai) Co. Ltd.	Shanghai, China	100.0
LPKF (Shanghai) Trading Co., Ltd.	Shanghai, China	100.0
LPKF Laser & Electronics K.K.	Tokyo, Japan	100.0
LPKF Laser & Electronics Korea Ltd.	Seoul, Korea	100.0

LPKF Laser & Electronics (Hong Kong) Ltd. was closed to streamline and simplify the Group's structures. The operating business had already been transferred to other Group companies in previous years. The company was finally deleted from the local register with the

announcement on March 25, 2022. In January 2022, LPKF (Shanghai) Trading Co., Ltd. was founded with its registered office in Shanghai, China, and will replace the company LPKF (Tianjin) Co. Ltd. in the medium term.

### Transactions with related parties

There are no reportable business relations with persons affiliated to the LPKF Group.

Garbsen, 28th April 2022

LPKF Laser & Electronics Aktiengesellschaft

The Management Board



Dr. Klaus Fiedler



Christian Witt

## FINANCIAL CALENDAR

19 May 2022	Annual General Meeting (virtual event)
28 July 2022	Publication of the six-months report
27 October 2022	Publication of the nine-months report

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For more information on LPKF Laser & Electronics AG and the addresses of our subsidiaries, please go to [www.lpkf.com](http://www.lpkf.com). This financial report can also be downloaded from our website.

#### Disclaimer

This quarterly financial report contains forward-looking statements that are based on the Management Board's current estimates and forecasts and on information currently available. These forward-looking statements are not to be understood as guarantees of forecast future performance and results. Instead, future performance and results depend on a large number of risks and uncertainties and are based on assumptions that might not prove accurate. We disclaim any obligation to update these forward-looking statements. For mathematical reasons, rounding differences may occur in percentage figures and numbers in the tables, illustrations and texts of this report.

This quarterly financial report is published in German and English. In case of any discrepancies, the German version shall prevail.

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