

TOMORROW'S TECHNOLOGY TODAY

Half-Yearly Financial Report of LPKF Laser & Electronics SE
1 January – 30 June 2024

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AT A GLANCE

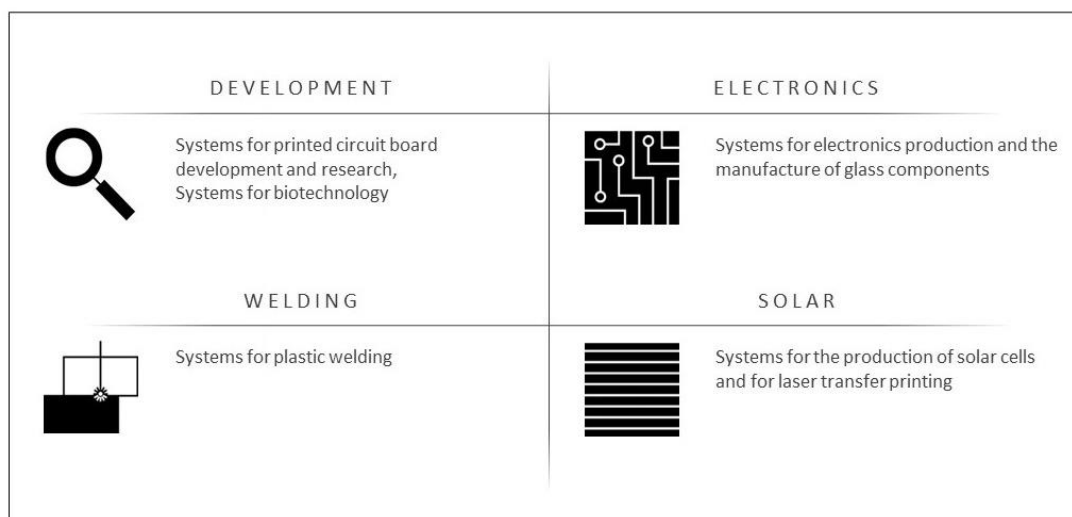
LPKF Laser & Electronics SE

Key Group figures after 6 months 2024

	6 months 2024	6 months 2023*
Revenue (Mio. EUR)	55.2	47.9
EBIT (Mio. EUR)*	-5.5	-7.1
EBIT margin (%)*	-10.0	-14.9
Adjusted EBIT (Mio. EUR)	-5.1	-7.1
Adjusted EBIT margin (%)	-9.2	-14.9
Free Cash Flow (Mio. EUR)	-6.1	-8.5
EPS, diluted (EUR)	-0.28	-0.31
Incoming orders (Mio. EUR)	61.1	66.2
	As of 06/30/2024	As of 06/30/2023*
Net working capital (Mio. EUR)	38.8	26.7
Equity ratio (%)	64.1	64.5
Orders on hand (Mio. EUR)	65.5	81.4
Employees	760	763

*After adjustments in accordance with IAS 8.41 ff. (see notes on the preparation of the financial report)

Segments and markets



LETTER FROM THE MANAGEMENT BOARD

Garbsen, 25 July 2024

Dear shareholders,

We are reporting to you today on our business performance in the first half of 2024. LPKF performed solidly in a challenging environment in the first six months. Like many mechanical engineering companies, we are experiencing a continued reluctance to invest in some of our target markets, but at the same time good business development in the semiconductor and solar segments.

Strategically, we have made important progress in the first six months: leading semiconductor manufacturers have announced the switch to glass for the integration of high-performance chips, which is currently leading to a significant increase in demand for our LIDE technology. We see good opportunities for LPKF here due to the megatrend of AI, which is driving the transformation in the semiconductor market. Furthermore, we launched CellShepherd, a promising new product for cell analysis in the biotech market, at the beginning of this year.

Let us now turn to the key figures for the reporting period: Revenue reached EUR 55.2 million after six months (1HY 23: EUR 47.9 million), adjusted earnings before interest and taxes (EBIT) amounted to EUR 5.1 million and EBIT to EUR -5.5 million (1HY 23: EUR -7.1 million).

A look at the second quarter shows revenue of EUR 29.8 million (Q2 23: EUR 27.7 million) and EBIT of EUR -1.1 million (Q2 23: EUR -0.4 million). Adjusted EBIT amounted to EUR -0.8 million in the second quarter. This is in line with our own forecast (revenue of between EUR 28 million and EUR 33 million, adjusted EBIT in the range of EUR -3 million to EUR 2 million).

At EUR 61.1 million, incoming orders after six months were 8% down on the previous year (1HY 23: EUR 66.2 million). The order backlog fell from EUR 81.4 million in the previous year to EUR 65.5 million. The order situation reflects the aforementioned reluctance to invest on the part of some customer groups and is unsatisfactory overall. In contrast, the outlook for our project pipeline is clearly positive. In the second quarter and currently, we are experiencing a strong increase in demand in the semiconductor, solar and depaneling sectors and are focusing on generating orders and revenue from this in the current financial year.

Highlights in the reporting period

In our core business, we are working on further developing and focusing our product portfolio. The introduction of our Tensor technology in the Electronics segment has brought our customers tangible competitive advantages. We are now seeing this in the continued positive business development of laser systems for separating printed circuit boards.

In the Development segment, we are the market leader with our Rapid PCB Prototyping systems. We have an attractive product portfolio and a well-filled project pipeline. However, incoming orders in the first half of the year were down on the same period last year due to the reluctance of some customers to invest. Our ARRALYZE division has now entered the commercialization phase. The CellShepherd® was developed in response to the growing demand for technologies that are capable of analyzing cell populations at single cell level.

The global trend towards renewable energies is boosting our solar business. Against the backdrop of rising global demand for production capacities for thin-film solar modules, we expect further orders from various regions in the current year and are positive about further developments in this segment.

The Welding segment continues to fall well short of our expectations in terms of revenue, earnings and incoming orders. We are feeling the effects of customers' investment weakness here, particularly in the automotive industry. We have changed our sales structure in individual regions in order to proactively counter the intensified competitive situation and were able to pilot a new technology with a key customer to expand our addressed market areas. Despite the challenges mentioned above, we see that the megatrends driving laser plastic welding are intact and that we are benefiting from them.

With our patented LIDE process for glass processing, we have the key technology with which semiconductor manufacturers can further increase the performance of their microchips. Several major semiconductor manufacturers have publicly announced a paradigm shift: they will use glass as a substrate material for advanced packaging, particularly in the field of AI-driven high-performance computing. This has set the entire semiconductor industry in motion - and we are clearly feeling this dynamic in the high demand for LIDE systems and services from our foundry. We offer a process with a very high level of maturity that has already proven itself in mass production. Together with partner companies that specialize in different value-added steps in the supply chain, we offer solutions that meet industry requirements. We work together with various manufacturers to establish a broad portfolio business.

Outlook

We are continuing to work on achieving significant growth and, on this basis, increasing the Group's profitability to an attractive double-digit EBIT margin in the medium term. The first six months have proven to be difficult in terms of converting customer projects into orders, particularly in the Development and Welding segments. At the same time, we are seeing a positive trend in the Semiconductor, Depaneling and Solar markets, which is counteracting the current weak market environment and gaining further momentum, particularly in the semiconductor sector.

As announced, we are now working with an experienced external consultant to optimize our cost structure and improve our profitability. Together, we have begun to identify further structural improvement opportunities and continue to implement the operational measures already taken to improve efficiency. These measures should already bring us the first operational improvements in the current financial year.

For the third quarter of 2024, we expect revenue of between EUR 26 million and EUR 31 million and adjusted EBIT in the range of EUR -3 million to EUR 2 million.

We assume that the reluctance to invest within some target markets will also have a negative impact in the second half of the year and have narrowed our forecast for 2024. For the 2024 financial year, we now expect consolidated sales of EUR 130 to 135 million (previously: EUR 130 - 140 million) and an adjusted EBIT margin of between 4% and 7% (previously: 4% - 8%).

In the medium term, we are aiming for attractive average growth in the upper single-digit percentage range for the core business, revenue in the low triple-digit millions for the new business areas and an attractive double-digit EBIT margin for the Group.

We would like to thank our employees at all our locations for their commitment and you, our shareholders, for your continued support and trust.

With kind regards



Dr. Klaus Fiedler

Chief Executive Officer



Christian Witt

Chief Financial Officer

INTERIM MANAGEMENT REPORT AS OF 30 JUNE 2024

1 BASIC INFORMATION ON THE GROUP

The basic information on the LPKF Group in the combined management and Group management report for 2023 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 half-yearly financial report".

2 REPORT ON ECONOMIC POSITION

2.1 COURSE OF BUSINESS

Sector-specific environment

In addition to the macroeconomic environment, LPKF Laser & Electronics SE's business performance is also influenced by the development of individual sectors. These include the electronics industry with a focus on consumer electronics, the semiconductor industry, the automotive industry, the solar industry and the plastics processing industry.

In 2023, sales of smartphones fell by around 3.2% to 1.17 billion devices. According to Statista, sales figures are expected to rise again to around 1.21 billion in 2024. At the beginning of 2024, the smartphone market was already recovering and showing positive growth compared to the same period in the previous year. According to market research company Canalys, 296.2 million devices were sold in the first quarter of 2024, compared to 269.8 million in the first quarter of 2023. This corresponds to growth of 9.7%.

According to Fortune Business Insights, the global semiconductor market is expected to grow from USD 681.05 billion in 2024 to USD 2,062.59 billion in 2032, which corresponds to a compound annual growth rate of 14.9% over the forecast period (2024-2032). The global semiconductor industry is growing with increasing use of electronics and integration in applications such as networking of communication devices, data processing, industrial automation systems, consumer electronics, automotive and government projects. The growing global consumption of consumer electronics is also supporting the market growth. Moreover, the development of artificial intelligence, internet of things and machine learning technologies in the new age of electronic systems is opening up market growth opportunities. In addition, the potential increase in demand for faster and more advanced memory chips in data center applications is expected to drive market growth over the forecast period.

According to the Ifo Institute, Munich, the business climate in the German automotive industry deteriorated slightly in June compared to the previous month. The indicator fell to -9.3 points, compared to -9.1 in May. Domestic car production fell by 9% in the first half of 2024, with a total of 2.1 million cars produced. The VDA is adjusting its forecast for the production of electric cars in Germany due to the currently weaker than expected

development in demand for electric cars: A total of around 1.33 million electric cars are likely to be manufactured in Germany in 2024, 5% more than in the previous year (forecast at the beginning of the year: +16% to 1.47 million units).

The solar industry continues to grow. According to calculations by the US data service provider BloombergNEF (BNEF), 574 gigawatts (GW) of new photovoltaic systems could be installed worldwide in 2024. Last year, new installations amounted to 444 GW. This clearly exceeded expectations for new installations in 2023, according to BNEF's Global PV Outlook Report. Originally, forecasts had predicted an expansion of only 413 GW. BNEF also expects installation rates to continue to rise annually in the coming years. In 2024, an expansion of 574 GW is expected to be achieved worldwide, rising to 627 GW in 2025. For 2030, the analysis company expects installations of 880 GW.

The plastics-producing industry is continuing its negative trend. All key economic indicators such as production, turnover and foreign trade are declining. Demand for plastics will remain moderate in 2024. According to Plastics Europe, the order situation will not improve in the current year either. The association expects the production of plastics in primary forms in Germany to stagnate in 2024 compared to the previous year.

According to the VDMA, incoming orders in the German mechanical and plant engineering sector in May 2024 were around 27% lower than in the same month last year. After an increase in orders in the previous month, the industry is now recording a decline again, which is partly due to continued weak investment. Incoming orders were subject to strong fluctuations, reflecting the ongoing reluctance of customers to invest. In the three-month period from March to May 2024, orders were 13% below the previous year's figure in real terms. Domestic orders were down 25% and orders from abroad were down 8%. The euro countries contributed an 11% drop to this result, non-euro countries 6%.

Effects on the LPKF Group

Developments in the key sectors for LPKF varied greatly in the first half of 2024, which is partly reflected in the performance of the segments. Weak investment in individual sectors had a negative impact on the company's incoming orders, however, with clearly positive impetus from developments in the semiconductor market.

2.2 NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF THE GROUP

Earnings situation

The LPKF Group generated revenue of EUR 55.2 million in the first half of 2024, up 15.2% on the same period of the previous year (H1 2023: EUR 47.9 million). This is mainly due to the Solar segment (+ EUR 9.4 million). The Welding segment with revenue of EUR 10.0 million lay slightly above the previous year's level, while the Development (EUR - 2.4 million) and Electronics (EUR - 0.3 million) segments were down on the same period of the previous year.

Revenue in the second quarter of 2024 increased from EUR 27.7 million in the same period of the previous year to EUR 29.8 million. The increase in sales in the Solar segment (EUR +5.9 million) more than compensated for the decline in the other segments, Development (EUR - 2.2 million), Electronics (EUR -1.0 million) and Welding (EUR -0.6 million).

The order backlog amounted to EUR 65.5 million as at June 30, 2024 and was therefore -20% below the previous year's figure of EUR 81.4 million. At EUR 61.1 million, incoming orders were also down on the previous year's figure of EUR 66.2 million.

Own work capitalized in the first half of 2024 included EUR 2.2 million in development services for products and software (previous year: EUR 2.5 million). At EUR 1.6 million, other income was below the previous year's figure (previous year: EUR 1.8 million).

At 33%, the cost of materials ratio was slightly higher than the previous year's figure of 32%.

As of June 30, 2024, the LPKF Group employed 760 people, 3 fewer than on June 30, 2023.

At EUR 29.6 million, personnel expenses in the reporting period were higher than in the previous year (EUR 27.2 million). The increase was mainly due to additions to personnel provisions and market-oriented salary adjustments.

At EUR 4.0 million, depreciation and amortization in the reporting period was below the previous year's figure (previous year: EUR 4.7 million). Of this, EUR 1.6 million was attributable to amortization of own work capitalized (previous year: EUR 2.3 million). At EUR 12.6 million, other operating expenses were up on the previous year's figure of EUR 12.2 million. This increase was mainly due to inflation in the areas of travel and entertainment expenses (+ EUR 0.6 million), research and development costs (+ EUR 0.4 million), costs for external and temporary staff (+ EUR 0.3 million), sales commissions (+ EUR 0.3 million) and costs for insurance and contributions (+ EUR 0.2 million). In contrast, expenses from exchange rate differences (EUR - 0.4 million) and miscellaneous other operating expenses (EUR - 0.4 million) fell.

In the first six months, the Group generated negative EBIT (earnings before interest and taxes) of EUR 5.5 million (previous year: EUR -7.1 million). EBIT in the second quarter amounted to EUR -1.1 million (previous year: EUR -0.5 million).

The use of overdraft facilities resulted in a small amount of interest expenses for short-term drawings and loans. After interest and taxes, the consolidated result after six months was EUR -7.0 million (previous year: EUR -7.6 million).

Financial position

The Group's cash and cash equivalents fell from EUR 10.7 million on December 31, 2023 to EUR 4.3 million in the reporting period.

Cash flow from operating activities in the first half of the year amounted to EUR -2.4 million, so it was negative but well above the figure for the same period of the previous year (EUR -5.1 million). The negative operating cash flow for the reporting period is mainly due to the negative consolidated result. Following the strong fourth quarter of 2023 and the high stock at the end of 2023, trade receivables decreased in the first half of the year, while trade payables fell at the same time. The movements in net working capital reduced cash flow by EUR 1.2 million in the first six months.

In the second quarter, the cash inflow from operating activities amounted to EUR 0.7 million. This is due to lower net working capital as of June 30, 2024 compared to the first quarter and due to a better consolidated result. At EUR 1.4 million, investments in the second quarter were roughly on par with the previous quarter (previous year: EUR 1.5 million).

Following a cash outflow from investing activities in the first half of the year of EUR -3.6 million (previous year: EUR -3.4 million), the free cash flow amounted to EUR -6.1 million (previous year: EUR -8.5 million). Financing activities resulted in a cash outflow in the amount of EUR -0.5 million (previous year inflow: EUR +0.1 million).

The LPKF Group has the necessary funds for investments and further growth, consisting of cash and cash equivalents and the available credit lines.

Financial position

Asset and capital structure analysis

As of June 30, 2024, non-current assets amount to EUR 65.7 million. There was an increase in intangible assets (+ EUR 0.6 million), while property, plant and equipment decreased by EUR 0.6 million.

The current trade receivables decreased by EUR 7.8 million to EUR 28.6 million. Inventories rose by EUR 1.9 million to EUR 33.1 million. Cash and cash equivalents decreased by EUR 6.4 million and amounted to EUR 4.3 million as of June 30, 2024. Current assets overall decreased by EUR 9.9 million to EUR 72.9 million.

Net working capital has decreased from EUR 40.0 million as of December 31, 2023 to EUR 38.8 million on June 30, 2024. Inventories increased by EUR 1.9 million and receivables decreased by EUR 7.8 million. Liabilities decreased by EUR 5.0 million, advance payments received for customer projects fell by EUR 0.2 million.

The equity ratio is 64.1 % as of June 30, 2024 and lies at the same level as at the end of 2023.

Non-current liabilities increased by EUR 0.6 million, primarily due to additions to non-current provisions for cash-settled share-based payments and higher deferred tax liabilities. Current

liabilities recorded a decrease of EUR -4.2 million to EUR 44.4 million. The main decrease resulted from lower trade payables (EUR -5.0 million). Current financial liabilities increased by EUR 0.5 million in particular due to the utilization of overdraft facilities. In addition, other liabilities increased by EUR 0.2 million.

Beyond this, the balance sheet structure has not changed significantly.

Investments

In the first six months of the year, the Group invested roughly the same amount as in the previous year. Investments in property, plant and equipment amounted to EUR 1.2 million (previous year: EUR 1.0 million), while additions to capitalized development costs amounted to EUR 2.2 million (previous year: EUR 2.8 million).

Development of the segments

The following table provides an overview of the development of the business segments:

in EUR million	Turnover		Adjusted EBIT	
	6 months 2024	6 months 2023	6 months 2024	6 months 2023
Electronics	12,7	13,0	-4,1	-3,1
Development	9,7	12,1	-2,6	-0,5
Welding	10,0	9,4	-2,0	-1,8
Solar	22,8	13,4	3,6	-1,7
Total	55,2	47,9	-5,1	-7,1

The adjusted EBIT of the segments includes the operating business of the segments and the Group allocations attributable to them. The difference between the adjusted EBIT (EUR -5 million) and the Group EBIT (EUR -5.5 million) is the result of special effects from costs associated with severance payments and the changes in the value of the share options issued, which are not allocated to the segment result.

2.3 WORKFORCE

The following overview shows the development of the workforce in the first six months 2024:

Range	June 30, 2024	December 31, 2023
Development	212	215
Production	150	150
Service	103	102
Distribution	145	142
Administration	150	152
Total	760	761

The total number of employees as of June 30, 2024 corresponds to 721 full-time equivalents (FTE), compared to 714 FTE at the end of 2023.

2.4 OVERALL ASSESSMENT OF THE GROUP'S ECONOMIC SITUATION

LPKF anticipates a mixed overall economic environment and further cost inflation in 2024. LPKF continues to monitor the impact of the Russian war of aggression on Ukraine with concern, although the Company has no business activities, receivables, employees or material known risks in Russia and Ukraine.

The LPKF Group is only moderately indebted in terms of working capital. In addition to its own cash and cash equivalents, LPKF also has liquidity reserves of EUR 25.0 million in cash following the conclusion of a new syndicated loan in October 2023. In addition to cash, the syndicated loan also includes a guarantee facility of EUR 15.0 million. The syndicated loan is provided by five global financing partners, has a term of three years and can be adjusted in terms of both amount and term with the approval of the financing partners.

The Management Board considers the earnings, net assets and financial position to be solid and orderly. It continues to assume that the Group has sufficient resources to continue its business activities for at least another twelve months and that the going concern assumption is appropriate as the basis for accounting.

3 SUPPLEMENTARY REPORT

No other significant events with a material effect on the net assets, financial position or results of operations of LPKF have occurred since the reporting date on 30 June 2024.

4 OPPORTUNITIES AND RISKS

The opportunities and risks of the LPKF Group are presented and explained in detail in separate reports in the combined management and group management report 2023. These explanations apply unchanged.

Risks continue to exist in the uncertain global economic and demand situation, which is also influenced by armed conflicts worldwide. This affects customers' investment activities and can lead to delays in the placement of orders.

There are currently no risks that could jeopardize the company's existence, nor are any risks discernible for the future.

5 REPORT ON EXPECTED DEVELOPMENTS

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

Economic environment

Experts at the Kiel Institute for the World Economy (IfW) expect global production to increase by 3.1% this year and next. The expected further decline in inflation towards the target of 2% is likely to be slow. The IfW assumes that monetary policy will have to remain restrictive for longer than expected. Further risks for the global economy are primarily of a geopolitical nature; an escalation of trade conflicts would have a negative impact on global economic activity.

The IfW expects only weak growth in Germany. According to the latest estimates, gross domestic product is likely to increase by 0.2% in the current year (spring forecast: 0.1%) and by 1.1% in 2025 (spring forecast: 1.2%). Inflation has flattened noticeably and is forecast at 2.2% in the current year and 1.9% in the coming year.

Group performance

Declining order backlogs and continued high financing and energy costs in Europe are leading to weak and possibly fragile growth in the advanced economies.

Despite the uncertain economic outlook, LPKF continues to expect growth for the Group in the current financial year.

LPKF Laser & Electronics SE's strategic focus is on developing innovative, less cyclical technologies that have the potential to permanently change products, components and manufacturing in the electronics, semiconductor and other industries.

In the opinion of the Management Board, the company is financially stable and sustainably profitable. LPKF is in a position to expand its business activities by focusing even more strongly on customer needs and operational improvements. Investments in the development of new key technologies and their applications are being made in full despite the difficult economic conditions in the meantime. The LPKF Group's significantly increased diversification in recent years has considerably reduced its dependence on individual market segments and customers.

The Management Board continues to see great potential to sustainably increase the company's turnover and earnings. This potential stems from the technologies mastered by LPKF, its ability to integrate these into high-performance solutions, the exceptional expertise of its employees and the resulting value added for its customers.

The Management Board anticipates the following developments in the future:

- Megatrends such as miniaturization, artificial intelligence, connectivity, CO2 neutrality and demographic change will lead to high-precision manufacturing and analysis methods becoming more prevalent.
- Customer demand for efficient solutions for the manufacture of high-precision components and products remains high. The number of applications continues to increase. New product developments are proving their worth.
- LIDE technology and associated core competencies are being used for volume production, e.g. in the semiconductor industry, and are well on the way to establishing themselves as a key technology in this area.
- Green Energy will continue to gain importance and increase the demand for efficient solar modules.
- With ARRALYZE, LPKF gains access to the growth market of biotechnology, which is developing very dynamically due to the aging population and the trend towards individual therapies.

The Management Board will continue to drive the Company's growth in the current financial year with targeted measures:

- LPKF continues to invest in technology development to expand its leading position in laser micromaterial processing. In doing so, the company focuses on the specific parameters that are decisive for the economic success of its customers so that its customers gain a concrete competitive advantage. LPKF also develops disruptive applications for new growth markets along its core competencies.
- The scalability of solutions for customers is strengthened in a targeted manner, and non-scalable solutions are not pursued further in the long term.
- LPKF will specifically drive forward technologies that help customers save resources and produce more energy-efficiently.
- LIDE technology and related applications in the Advanced Packaging segment will be further expanded and the establishment in various application fields will be driven forward. LPKF will be established as a supplier to the semiconductor industry.
- The company will strengthen its sales activities and further expand and transform its market penetration in the individual segments.
- After-sales service will be further expanded as an additional growth platform.
- The organization, processes and systems will be designed to be scalable and geared to future growth.

- The Management Board will also pursue possible growth through M&A activities, but only where the resulting increase in value is clearly discernible.

LPKF will remain agile and flexible as a company in order to be able to react quickly to any changes in the economic environment. Overall, LPKF expects further profitable growth in the medium term even in a volatile economic environment. Financially, the Company is and will remain well positioned and has the necessary funds for investments and further growth.

Key financial indicators

Forecast for the 2024 financial year

In an environment that remains uncertain, LPKF expects consolidated revenue of EUR 130 - 140 million and an adjusted EBIT margin of between 4% and 8% for the 2024 financial year, which corresponds to an adjusted EBIT of EUR 5.2 million to EUR 11.2 million.

The company assumes that the continuing investment weakness in some target markets will also have a negative impact in the second half of the year and has narrowed its forecast for 2024. For the 2024 financial year, LPKF now expects consolidated revenue of EUR 130 to 135 million (previously: EUR 130 - 140 million) and an adjusted EBIT margin* of between 4% and 7% (previously: 4% - 8%), which corresponds to an adjusted EBIT of EUR 5.2 million to EUR 9.5 million.

For the third quarter of 2024, LPKF anticipates revenue of between EUR 26 million and EUR 31 million and an adjusted EBIT in the range of EUR -3 to 2 million.

Ambition for the years ahead

In the medium term, the company continues to expect sustainable growth in all segments. LPKF expects mid to high single-digit growth rates for its core business. The markets addressed by the new strategic business initiatives in the semiconductor, display and biotechnology sectors are targeted to generate annual revenue contributions in the low three-digit million range. In addition, LPKF aims to achieve an attractive double-digit EBIT margin in the Group through scaling effects.

*Adjusted EBIT is EBIT adjusted for restructuring and severance costs and changes in the long-term incentive (LTI) due to fluctuations in the performance factor or the share price. LPKF expects these costs to amount to 0.5 - 1.5% of revenue in the 2024 financial year. Adjusted EBIT is reported in order to be able to compare operating profitability between periods by eliminating special items.

6 RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable half-year reporting principles, the consolidated half-year financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Garbsen, 25 July 2024

LPKF Laser & Electronics SE

The Management Board

Dr. Klaus Fiedler



Christian Witt



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 30 JUNE 2024

in EUR thousand	01-06 / 2024	01-06 / 2023*
Revenue	55,177	47,913
Changes in inventories of finished goods and work in progress	1,266	2,925
Other own work capitalized	2,277	2,585
Other income	1,624	1,773
Cost of materials	-19,689	-18,239
Staff costs	-29,618	-27,150
Depreciation and amortization*	-3,981	-4,684
Impairment expenses (including reversals) on financial assets and contract assets	47	-78
Other expenses*	-12,606	-12,190
Operating Result (EBIT)	-5,503	-7,145
Finance income	1	12
Finance costs*	-566	-157
Earnings before tax	-6,068	-7,290
Income taxes	-888	-266
Consolidated net profit/loss	-6,956	-7,556
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluations of defined benefit plans	275	0
Tax effects	0	0
Items that will be reclassified to profit or loss		
Currency translation differences	246	-141
Other comprehensive income after taxes	521	-141
Total comprehensive income	-6,435	-7,697
in EUR		
Earnings per share (basic)	-0.28	-0.31
Earnings per share (diluted)	-0.28	-0.31

*After adjustments in accordance with IAS 8.41 ff. (see notes on the preparation of the financial report)

FROM 1 APRIL TO 30 JUNE 2024

in EUR thousand	04-06 / 2024	04-06 / 2023*
Revenue	29,781	27,678
Changes in inventories of finished goods and work in progress	-1,024	207
Other own work capitalized	1,057	1,124
Other income	607	983
Cost of materials	-8,396	-8,647
Staff costs	-14,496	-13,665
Depreciation and amortization*	-1,991	-2,395
Impairment expenses (including reversals) on financial assets and contract assets	0	-100
Other expenses*	-6,647	-5,704
Operating Result (EBIT)	-1,109	-519
Finance income	1	4
Finance costs*	-287	-95
Earnings before tax	-1,395	-610
Income taxes	-446	-273
Consolidated net profit/loss	-1,841	-883
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluations of defined benefit plans	0	0
Tax effects	0	0
Items that will be reclassified to profit or loss		
Currency translation differences	71	-149
Other comprehensive income after taxes	71	-149
Total comprehensive income	-1,770	-1,032
in EUR		
Earnings per share (basic)	-0.07	-0.03
Earnings per share (diluted)	-0.07	-0.03

*After adjustments in accordance with IAS 8.41 ff. (see notes on the preparation of the financial report)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2024

in EUR thousand	06/30/ 2024	12/31/ 2023
ASSETS		
Intangible assets and goodwill	22,672	22,043
Property, plant and equipment	42,403	43,040
Trade receivables	0	23
Other financial assets	301	301
Other non-financial assets	20	20
Deferred tax assets	296	245
Non-current assets	65,692	65,672
Inventories	33,137	31,269
Trade receivables	28,593	36,394
Contract Assets	869	0
Income tax receivables	1,180	955
Other non-financial assets	4,827	3,505
Cash and cash equivalents	4,266	10,678
Current assets	72,872	82,801
Total assets	138,564	148,473

in EUR thousand	06/30/ 2024	12/31/ 2023
EQUITY		
Subscribed capital	24,497	24,497
Capital reserve	15,463	15,463
Other reserves	12,785	12,174
Net retained profits	36,065	42,982
Equity	88,810	95,116
LIABILITIES		
Provisions for pensions and similar obligations	346	346
Other financial liabilities	1,210	1,391
Deferred income	340	374
Contract liabilities	267	99
Trade payables	172	172
Other provisions	443	185
Deferred tax liabilities	2,540	2,114
Non-current liabilities	5,318	4,681
Other provisions	3,095	3,067
Other financial liabilities	12,701	12,216
Deferred income	36	88
Trade payables	4,806	9,790
Contract liabilities	17,677	17,647
Other non-financial liabilities	6,121	5,868
Current liabilities	44,436	48,676
Liabilities	49,754	53,357
Total equity and liabilities	138,564	148,473

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS OF 30 JUNE 2024

	Other reserves		
in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
As of 01/01/2024	24,497	15,463	10,529
Consolidated net profit/loss			
Other comprehensive income after taxes			
Total comprehensive income	0	0	0
Changes in the consolidation scope			
Share-based payment			
As of 06/30/2024	24,497	15,463	10,529
in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
Adjusted as of 01/01/2023	24,497	15,463	10,529
Consolidated net profit/loss			
Other comprehensive income after taxes			
Total comprehensive income	0	0	0
Adjusted as of 06/30/2023	24,497	15,463	10,529

	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve	Net retained profits	Total equity
	-546	490	1,701	42,982	95,116
				-6,956	-6,956
	275		245		520
	275	0	245	-6,956	-6,436
				39	39
		91		0	91
	-271	581	1,946	36,065	88,810
		Other reserves			

	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve*	Net retained profits*	Total equity
	-208	490	1,920	41,228	93,919
				-7,556	-7,556
	0		-141		-141
	0	0	-141	-7,556	-7,697
	-208	490	1,779	33,672	86,222

*After adjustments in accordance with IAS 8.41 ff. (see notes on the preparation of the financial report)

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM 1 JANUARY TO 30 JUNE 2024

in EUR thousand	01-06 / 2024	01-06 / 2023*
Cash flow from operating activities		
Consolidated net profit/loss*	-6,956	-7,556
Adjustments:		
Tax expenses	888	272
Financial expenses*	566	157
Financial income	-1	-12
Depreciation/amortization of non-current assets*	3,981	4,684
Gains/losses on the disposal of property, plant and equipment	-15	1
Impairment losses/reversals	201	448
Other non-cash expenses and income	324	1
Changes:		
Inventories	-2,059	-7,355
Trade receivables	7,964	3,479
Other assets	-2,189	-1,098
Provisions	281	-332
Trade payables	-4,981	-2,145
Other liabilities	324	4,778
Other:		
Interest received	1	12
Income taxes refund (paid)	-740	-401
Cash flow from operating activities	-2,411	-5,067
Cash flow from investing activities		
Investments in intangible assets	-2,444	-2,779
Investments in property, plant and equipment	-1,209	-1,005
Revenue from the disposal of assets	13	380
Cash flow from investing activities	-3,640	-3,404

in EUR thousand	01-06 / 2024	01-06 / 2023*
Cash flow from financing activities		
Interest paid	-457	-152
	368	2,695
Payments of lease liabilities*	-458	-457
Payments for repaying loans	0	-2,022
Cash flow from financing activities	-547	64
Change in cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	-6,598	-8,407
Cash and cash equivalents as of 1 January	10,678	12,785
Effects of exchange rate changes on cash and cash equivalents	186	258
Cash and cash equivalents as of end of reporting period	4,266	4,636

*After adjustments in accordance with IAS 8.41 ff. (see notes on the preparation of the financial report)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(selected explanatory information)

Notes on the preparation of the financial report

This financial report as of 30. Juni 2024 fully complies with the provisions of IAS 34. The interpretations of the International Financial Interpretations Committee (IFRIC) have been observed. The figures for the previous period have been calculated in accordance with the same principles, unless new standards require a change. The same applies to the accounting policies and calculation methods used in the interim financial statements.

Standards to be applied for the first time in the current financial year have already been applied. Estimates of amounts presented in previous interim reporting periods of the current financial year, the last annual financial statements or in previous financial years have not been changed in this financial report. Detailed explanations on the adjustment of prior-year figures in accordance with IAS 8 can be found in the notes to the consolidated financial statements as of December 31, 2023 in section B. Principles of preparation of the consolidated financial statements. There have been no material changes to contingent liabilities and contingent assets since the last reporting date. This financial report has not been audited or reviewed by an auditor. Information on events of particular significance after the balance sheet date is provided in the supplementary report of the interim management report.

Notes to the consolidated balance sheet: Reserve for share-based payment

Based on the approval of the adjusted remuneration system for the members of the Management Board at the Annual General Meeting on 17 May 2023 and the resolution on the authorization to issue share options to members of the Company's Management Board and the creation of Contingent Capital 2024/II as well as the corresponding amendment to the Articles of Association at the Annual General Meeting on 5 June 2024, share options were issued to the Management Board of LPKF Laser & Electronics SE at the end of June 2024. Detailed information on the general plan conditions is disclosed in the company's remuneration report for the 2023 financial year. The accounting of share-based payment transactions is governed by IFRS 2 "Share-based payment". Due to the structure of the LTI plan and the intention to settle the options issued with shares, the accounting regulations for equity-settled share-based payments are applied. Due to the short period between allocation and the reporting date of these interim financial statements, there are no material effects on the valuation as of the reporting date. The valuation of the share options granted on June 17, 2024 using a Monte Carlo simulation resulted in a fair value per option of € 1.26 for the CEO (166,667 options) and € 1.60 for the CFO (112,500 options). Based on this, a pro rata expense of EUR 0.1 million was recognized in the current reporting period and recognized in the reserves for share-based payment in equity. The annual allocations have a plan term of eight years, with a performance period of three years and a vesting period of

four years. No options are exercisable as of June 30, 2024. Full details of the type and content of the existing share-based payments and a description of the main option conditions, the calculation of fair values and the parameters used are provided in the notes to the consolidated financial statements for 2024.

Basis of consolidation

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

Name	Registered office	Equity interest in %
Full consolidation		
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 Shanghai 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 Vietnam Co., Ltd.	Bac Ninh/Vietnam	100.0

To streamline and simplify the Group structures, LPKF Laser & Electronics Trading (Shanghai) Co. Ltd. was finally wound up in the second quarter of 2024. Any activities of the company were already transferred to other Group companies in previous years.

Transactions with related parties

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

Garbsen, 25th July 2024

LPKF Laser & Electronics SE

The Management Board

Dr. Klaus Fiedler

CEO

Christian Witt

CFO

FINANCIAL CALENDAR

24 October 2024	Publication of the 9-months report
27 March 2025	Publication of Annual Report 2024
30 April 2025	Publication of 3-months report
04 June 2025	Annual General Meeting
24 July 2025	Publication of 6-months report
30 October 2025	Publication of 9-months report

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For more information on LPKF Laser & Electronics SE and the addresses of our subsidiaries, please go to www.lpkf.com. This financial report can also be downloaded from our website.

Disclaimer

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

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