



# Quarterly Financial Report

1 JANUARY – 31 MARCH 2023

**LPKF**  
Laser & Electronics

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## AT A GLANCE

### LPKF Laser & Electronics SE





### Key Group figures after 3 months 2023

	<b>3 Months 2023</b>	3 Months 2022
Revenue (Mio. EUR)	20.2	25.8
EBIT (Mio. EUR)	-6.6	1.0
EBIT margin (%)	-32.4	4.0
Free Cash Flow (Mio. EUR)	-4.6	-9.1
EPS, diluted (EUR)	-0.27	0.03
Incoming orders (Mio. EUR)	39.6	24.0

	<b>As of 03/31/2023</b>	As of 03/31/2022
Net working capital (Mio. EUR)	23.3	29.2
Equity ratio (%)	66.8	70.2
Orders on hand (Mio. EUR)	82.6	60.8
Employees	755	746

## Segments and markets

<b>DEVELOPMENT</b>	<b>ELECTRONICS</b>
 <p>Systems for printed circuit board development and research, Systems for biotechnology</p>	 <p>Systems for electronics production and the manufacture of glass components</p>
<b>WELDING</b>	<b>SOLAR</b>
 <p>Systems for plastic welding</p>	 <p>Systems for the production of solar cells and for laser transfer printing</p>

# LETTER TO OUR SHAREHOLDERS

Garbsen, April 27th, 2023

Dear Shareholders,

At the start of 2023, LPKF has gained momentum in terms of order intake while revenue and earnings developed in line with our guidance. Revenues reached EUR 20.2 million (1Q22 EUR 25.8 million including customer push outs from 2021) resulting in an EBIT of EUR -6.6 million (1Q22 EUR 1.0 million). The revenue development is characterized by the seasonality of our deliveries while the disproportionate but expected decline in EBIT is the result of lower revenue and the different product mix of the first quarter.

The LPKF Group's order situation continues to develop very positively. At EUR 39.6 million, incoming orders were up 65% year-on-year (1Q22: EUR 24.0 million). The LPKF Group closed the first quarter of 2023 with an order backlog of EUR 82.6 million (1Q22: EUR 60.8 million), approx. EUR 67 million of which are due for delivery in the current year. In all segments, the strong order situation underpins the demand for our solutions and the announced strong second half of the year.

Our own ambitions in terms of revenue development and profitability are higher than our forecast for 2023. As such, we believe we are on the right track and will continue to work diligently towards reaching our ambitions in the coming years. We can already look back on many milestones having been achieved that give us comfort that we are heading in the right direction.

In our core business, we are actively developing our product portfolio. In Electronics, improvements such as Tensor technology were introduced to the market and resources were focused within our product lines. The Development segment has been stable and profitable in recent years, contributing an outstanding result last year. The Solar segment is providing increasingly efficient systems for processing thin-film solar modules, while evaluating the processing of even more efficient semiconductors such as perovskites. In the Welding segment, attractive future markets were addressed; initial orders were won for the welding of batteries for electric vehicles as well as a variety of medical technology components. These developments will help us achieve a high single-digit growth rate in our core business in the medium term.

In the new business areas, the move to meaningful revenue ramp continuous to be slower than originally expected. However, we continue to invest a significant amount of resources into LIDE and ARRALYZE and as a result, continue to make encouraging progress. One tangible outcome was the order received in January 2023 in the semiconductor sector. We were able to demonstrate that leading semiconductor companies are attracted by our advanced LIDE technology offering. That allowed us to deliver and commission systems in the semiconductor and display areas. The development agreement for display solutions concluded last year with a leading manufacturer also underpins the potential of LIDE technology. Our Vitron (LIDE) foundry is already producing customer samples in the low

million euro range albeit in small batch for now. In the ARRALYZE business, we successfully published papers in relevant scientific journals and specifically with the renowned Royal Institute of Technology in Stockholm. We also delivered the first systems to our beta customers. These significant milestones show the tangible progress made in the new business areas in which we are investing as a company. The areas are already staffed with more than 70 colleagues, also in preparation of what is to come.

In addition to developing new and innovative customer solutions, sustainability is an integral part of our strategy. As an innovative technology company, we deliver smart solutions that can improve our customers' carbon footprint through reduced material use and higher product quality. Together with this quarterly report, we are publishing our [Group Non-Financial Report](#), which provides our stakeholders with a more comprehensive insight into our understanding of sustainability.

### Outlook

For the second quarter of 2023, we are targeting revenue of EUR 25 to 30 million and EBIT of EUR -3 to 1 million. This is in line with our expectations for the first half of 2023. Due to the high concentration of deliveries of customer projects, especially in the Solar segment, the main Group revenue and earnings contribution is expected in the second half of the year. We confirm our forecast for 2023, according to which we expect revenue of EUR 125 to 140 million and EBIT of 3% to 7%. This forecast includes risks from the current economic and political environment.

In the medium term, we aim to achieve an attractive single-digit growth rate for our core business, which we are driving forward with ever new innovations through active product portfolio management. In addition to our core business, our new business initiatives LIDE and ARRALYZE are expected to contribute low triple-digit million euro revenue in the medium term. Based on the growth in revenue and the resulting economies of scale, we aim to achieve an attractive double-digit EBIT margin for the LPKF Group.

We thank you 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 31 MARCH 2023

## 1 BASIC INFORMATION ON THE GROUP

The basic information on the LPKF Group in the combined management and Group management report for 2022 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 2023, LPKF generated revenue of EUR 20.2 million, a decrease of -21.7 % year-on-year (Q1 2022: EUR 25.8 million). Each business unit fell short of the prior-year sales. The reason for this is that major deliveries by the LPKF Group are scheduled for the second half of the year to an even greater extent than in 2022. It is also worth noting that 1Q22 revenues were higher than anticipated as a result of customer push outs from the prior quarter especially in Solar. The Solar segment was able to keep its previous year's turnover stable at EUR 6.5 million (EUR -0.2 million). The Development segment saw a drop in revenue of EUR -1.5 million to EUR 5.7 million, while the Welding segment's revenue fell by EUR -1.5 million to EUR 2.8 million. The largest drop in sales of EUR -2.4 million to EUR 5.2 million took place in the Electronics segment.

The lower sales in the first three months resulted in a negative EBIT (earnings before interest and taxes) of EUR -6.6 million (previous year: EUR 1.0 million).

As of 31 March 2023, orders on hand amounted to EUR 82.6 million, 36 % above the previous year's figure of EUR 60.8 million. In the current financial year, major orders will not be delivered until the second half of the year, as agreed.

At EUR 39.6 million, incoming orders were significantly above the previous year's level of EUR 24.0 million.

In own work capitalized, EUR 1.5 million was recognized for the development costs of products and software (previous year: EUR 1.6 million). At EUR 0.8 million, other income was higher than in the previous year (EUR 0.6 million). The increase is mainly due to higher grants for research and development activities (+EUR 0.1 million) and higher exchange rate income (+EUR 0.1 million).

At 34%, the material cost ratio was above the low previous year's figure of 26%. This was due to the product mix and lower service sales.

As of 31 March 2023, 755 people were employed by the LPKF Group, 9 more than on 31 March 2022. At EUR 13.5 million, staff costs in the reporting period were up on the previous year of EUR 12.9 million. The increase is mainly due to the expansion of the workforce and salary increases.

At EUR 2.2 million, depreciation and amortization in the reporting period was higher than in the previous year (EUR + 0.3 million). Of this amount, EUR 1.1 million was attributable to depreciation and amortization from own work capitalized (previous year: EUR 0.9 million). At EUR 6.5 million, other operating expenses were up on the previous year's figure of EUR 5.3 million. This increase was mainly due to higher expenses for travel expenses (+ EUR 0.4 million), legal and consulting fees (+ EUR 0.4 million) and rental, leasing and ancillary costs (+ EUR 0.3 million).

The LPKF Group did not recognize any deferred tax assets on the loss incurred in the first quarter. Deferred tax assets are already recognized in full up to the amount of deferred tax liabilities in accordance with IAS 12.

Consolidated net profit after interest and taxes amounted to EUR -6.6 million (previous year: EUR 0.7 million).

### **Financial position**

The Group's cash and cash equivalents dropped from EUR 12.8 million as of 31 December 2022 to EUR 7.7 million in the reporting period. The net cash reserve of EUR 11.7 million at the end of 2022 fell to EUR 7.0 million.

In the reporting period, the negative consolidated result was partially offset by an increase in inventories of EUR 4.8 million, a lower level of receivables (EUR - 7.2 million), higher advance payments received for customer projects (EUR + 1.3 million), as well as the reduction of liabilities in the amount of EUR 0.9 million. Cash flow from operating activities was therefore negative at EUR -2.8 million, but significantly higher than the figure for the prior-year quarter (EUR -7.0 million).

Following negative cash flow from investing activities of EUR -1.9 million, there was free cash flow of EUR -4.6 million. The cash outflow from financing activities was EUR -0.7 million (previous year: cash inflow of EUR 0.5 million).

The LPKF Group has the necessary funds for investments and further growth, comprising cash and cash equivalents and the available credit facilities.

### **Net assets**

#### Analysis of net assets and capital structure

Compared to December 31, 2022, non-current assets decreased by EUR -0.1 million to EUR 67.0 million. The change mainly results from higher intangible assets (+EUR 0.3 million) with lower property, plant and equipment (-EUR 0.6 million) and increased deferred tax assets (+EUR 0.2 million).

Current trade receivables decreased by EUR -7.3 million to EUR 20.1 million during the reporting period. Inventories increased by EUR 4.4 million to EUR 32.1 million. The increase resulted from the production of equipment for deliveries in the second and third quarters.

Cash and cash equivalents decreased by EUR -5.1 million and amounted to EUR 7.7 million as of March 31, 2023. Overall, current assets decreased by EUR -6.7 million to EUR 64.6 million.

The equity ratio decreased from 69,7 % at the end of 2022 to 66.8 % as of 31 March 2023.

Non-current liabilities increased by EUR 0.1 million to EUR 4.4 million. This is due to higher deferred income for grants (+ EUR 0.2 million) and increased deferred tax liabilities (+ EUR 0.1 million). By contrast, non-current financial liabilities decreased by EUR 0.2 million due to the scheduled repayment of loans. At EUR 39.6 million, current liabilities are at the same level as at December 31, 2022. Advance payments received on customer projects increased by EUR 1.0 million, while trade payables decreased by EUR 0.9 million. Furthermore, short-term provisions were EUR 0.1 million higher at the reporting date, current financial liabilities decreased by EUR 0.3 million and other liabilities increased by EUR 0.1 million.

Net working capital decreased from EUR 26.0 million to EUR 23.0 million in the first three months. The decrease was mainly due to a lower level of receivables (- EUR 7.3 million), which was offset by an increase in inventories by EUR 4.4 million.

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

#### Capital expenditure

In the first three months, capital expenditure in the Group was slightly lower than in the previous year. In addition to additions to capitalized development costs of EUR 1.5 million, property, plant and equipment and other intangible assets added a further EUR 0.4 million.

#### Segment performance

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

in Mio. EUR	Revenue		EBIT	
	3 Months 2023	3 Months 2022	3 Months 2023	3 Months 2022
Electronics	5.2	7.6	-2.5	0.3
Development	5.7	7.2	-0.7	1.5
Welding	2.8	4.3	-1.9	-1.2
Solar	6.5	6.7	-1.5	0.4
<b>Total</b>	<b>20.2</b>	<b>25.8</b>	<b>-6.6</b>	<b>1.0</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 2023:



Area	<b>03/31/ 2023</b>	12/31 2022
Production	144	136
Sales	143	138
Development	212	211
Service	103	98
Administration	153	157
<b>Total</b>	<b>755</b>	<b>740</b>

The total number of employees as of 31 March 2023 was 700 (31 December 2022: 693) full-time equivalents (FTE).

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

From LPKF's perspective, the global economic and geopolitical situation remains tense. The International Monetary Fund has a similar outlook for 2023 in view of the turbulence in the financial sector, persistently high inflation, the effects of the war in Ukraine, and the aftermath of the global pandemic. For example, the International Monetary Fund expects a recession for Germany in 2023. LPKF continues to expect adverse effects from cost inflation and some ongoing material bottlenecks in 2023. However, the company does not expect the inflation effects to accelerate compared to the current situation. The effects can generally be compensated.

Due to extended delivery times, LPKF decided last year to continue to maintain an increased inventory level in the interest of its customers. This will be partially reduced in 2023.

The Management Board continues to assume that the Group has sufficient resources to continue its business operations for at least another twelve months and that the going concern assumption as the basis for accounting is appropriate.

## 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 2023.

## 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. Furthermore, the global risk of a recession persists, which could have an impact on the LPKF Group. In addition, tensions in the supply chain may continue to arise, leading to delays in projects. At the same time, however, a more strongly recovering supply chain could have a positive impact on delivery reliability.

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

Despite the current uncertain economic and geopolitical outlook, LPKF sees growth opportunities for the Group in the current financial year. These include all business units that are benefiting from increasing digitalization in business and industry and technologies that help customers to produce in a more resource-conserving, energy-saving and efficient manner.

LPKF Laser & Electronics SE's strategic focus is on the development of innovative technologies that have the potential to sustainably 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 thanks to the strategic and operational measures successfully implemented in recent years, so that sufficient resources are available for investments in the future. LPKF is in a position to expand its business activities by focusing even more strongly on the needs of its customers and making operational improvements. Investments in the development of new technologies and applications were made in full despite the difficult economic conditions in the meantime, and this is now paying off. For example, an order in the promising semiconductor sector was won in January 2023. The increased diversification of the LPKF Group in recent years has significantly reduced its dependence on individual market segments and customers. Only one major customer achieved a share of turnover exceeding 10%.

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

The Management Board anticipates the following developments in the future:

- Megatrends such as miniaturization, connectivity, CO<sub>2</sub> neutrality and demographic change will result in 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 and sales channels 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 the display and other industries as well.
- Green Energy will continue to gain importance, especially against the background of the current energy crisis, and will 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, giving its clients 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.
- 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 Board of Managing Directors 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**

#### 2023 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 125 - 140 million and an EBIT margin of between 3% - 7% for the 2023 financial year.

For the second quarter of 2023, we anticipate revenue of between EUR 25 million and EUR 30 million and EBIT in the range of EUR minus 3 million to EUR 1 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 LIDE and ARRALYZE 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.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### FROM 1 JANUARY TO 31 MARCH 2023

in EUR thousand	<b>01-03 / 2023</b>	01-03 / 2022
Revenue	20,235	25,794
Changes in inventories of finished goods and work in progress	2,719	848
Other own work capitalized	1,461	1,587
Other income	790	622
Cost of materials	-9,592	-7,548
Staff costs	-13,485	-12,897
Depreciation and amortization	-2,202	-1,947
Impairment expenses (including reversals) on financial assets and contract assets	22	-104
Other expenses	-6,510	-5,331
<b>Operating Result (EBIT)</b>	<b>-6,562</b>	<b>1,024</b>
Finance income	7	7
Finance costs	-58	-60
<b>Earnings before tax</b>	<b>-6,613</b>	<b>971</b>
Income taxes	6	-263
<b>Consolidated net profit/loss</b>	<b>-6,607</b>	<b>708</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	8	452
<b>Other comprehensive income after taxes</b>	<b>8</b>	<b>452</b>
<b>Total comprehensive income</b>	<b>-6,599</b>	<b>1,160</b>
in EUR		
Earnings per share (basic)	-0.27	0.03
Earnings per share (diluted)	-0.27	0.03

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS OF 31 MARCH 2023

in EUR thousand	<b>03/31/ 2023</b>	12/31/ 2022
<b>ASSETS</b>		
Intangible assets and goodwill	21,066	20,731
Property, plant and equipment	44,458	45,088
Trade receivables	11	27
Other non-financial assets	296	292
Deferred tax assets	1,140	916
<b>Non-current assets</b>	<b>66,971</b>	<b>67,054</b>
Inventories	32,050	27,677
Trade receivables	20,180	27,423
Income tax receivables	747	674
Other financial assets	0	0
Other non-financial assets	4,001	2,767
Cash and cash equivalents	7,726	12,785
<b>Current assets</b>	<b>64,704</b>	<b>71,326</b>
<b>Total assets</b>	<b>131,675</b>	<b>138,380</b>

in EUR thousand	<b>03/31/ 2023</b>	12/31/ 2022
<b>EQUITY</b>		
Subscribed capital	24,497	24,497
Capital reserve	15,463	15,463
Other reserves	12,681	12,674
Net retained profits	35,275	41,881
<b>Equity</b>	<b>87,916</b>	94,515
<b>LIABILITIES</b>		
Provisions for pensions and similar obligations	276	279
Other financial liabilities	995	1,216
Deferred income	542	383
Contract liabilities	276	227
Other provisions	41	30
Deferred tax liabilities	2,276	2,153
<b>Non-current liabilities</b>	<b>4,406</b>	4,288
Other provisions	3,560	3,476
Other financial liabilities	1,382	1,704
Deferred income	88	88
Trade payables	6,587	7,505
Contract liabilities	22,126	21,347
Other non-financial liabilities	5,610	5,457
<b>Current liabilities</b>	<b>39,353</b>	39,577
<b>Liabilities</b>	<b>43,759</b>	43,865
<b>Total equity and liabilities</b>	<b>131,675</b>	138,380

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### AS OF 31 MARCH 2023

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
<b>As of 01/01/2023</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 03/31/2023</b>	24,497	15,463	10,529

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



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>
	-208	490	1,863	41,881	94,515
				-6,607	-6,607
	0		8		8
	0	0	8	-6,607	-6,599
	-208	490	1,871	35,274	87,916

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FROM 1 JANUARY TO 31 MARCH 2023

in EUR thousand	<b>01-03 / 2023</b>	01-03 / 2022
<b>Cash flow from operating activities</b>		
Consolidated net profit/loss	-6,607	708
Adjustments:		
Tax expenses	-7	262
Financial expenses	59	60
Financial income	-7	-7
Depreciation/amortization of non-current assets	2,202	1,947
Gains/losses on the disposal of property, plant and equipment	1	0
Impairment losses/reversals	220	289
Other non-cash expenses and income	-1	1
Changes:		
Inventories	-4,754	-5,181
Trade receivables	7,179	-2,422
Other assets	-1,252	-1,343
Provisions	102	738
Trade payables	-910	-943
Other liabilities	1,191	-998
Other:		
Interest received	7	7
Income taxes refund (paid)	-178	-95
<b>Cash flow from operating activities</b>	<b>-2,755</b>	<b>-6,977</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets	-1,525	-1,741
Investments in property, plant and equipment	-352	-417
Revenue from the disposal of assets	4	69
<b>Cash flow from investing activities</b>	<b>-1,873</b>	<b>-2,089</b>

in EUR thousand	<b>01-03 / 2023</b>	01-03 / 2022
<b>Cash flow from financing activities</b>		
Interest paid	-59	-60
Proceeds from (financial) borrowings	0	1,214
Payments of lease liabilities	-204	-182
Payments for repaying loans	-414	-455
<b>Cash flow from financing activities</b>	<b>-677</b>	517
<b>Change in cash and cash equivalents</b>		
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-5,305</b>	<b>-8,549</b>
Cash and cash equivalents as of 1 January	12,785	15,167
Effects of exchange rate changes on cash and cash equivalents	246	318
<b>Cash and cash equivalents as of end of reporting period</b>	<b>7,726</b>	6,936

## NOTES ON THE PREPARATION OF THE QUARTERLY FINANCIAL REPORT

This financial report as of 31 March 2023 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.

### 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 %
<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 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

In February 2023, LPKF Laser & Electronics Vietnam Co., Ltd. based in Bac Ninh, Vietnam was founded to strengthen local and Asian sales and service activities.

**Transactions with related parties**

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

Garbsen, 27th April 2023

LPKF Laser & Electronics Societas Europaea

The Management Board



Dr. Klaus Fiedler



Christian Witt

## FINANCIAL CALENDAR

17 May 2023	Annual General Meeting
27 July 2023	Publication of the six-months report
26 October 2023	Publication of the nine-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](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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