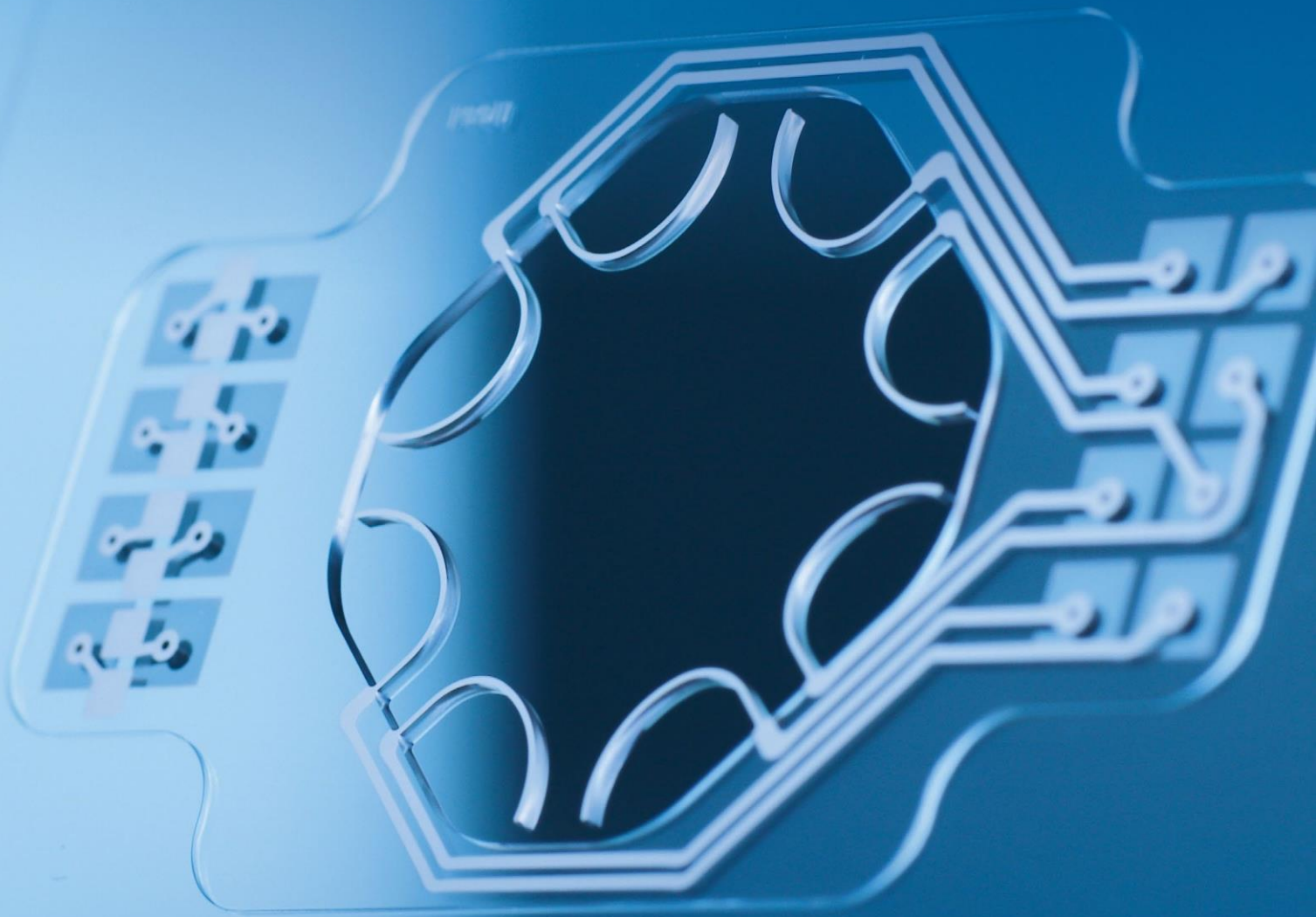


TOMORROW'S TECHNOLOGY TODAY



Remuneration Report

The Remuneration Report describes the principles and structure of the compensation for the Management Board and Supervisory Board of LPKF Laser & Electronics SE ("LPKF") and reports on the compensation granted and owed in the 2024 financial year to the current and former members of the Management Board and Supervisory Board. The report was prepared by the Management Board and the Supervisory Board in accordance with the requirements of Section 162 of the German Stock Corporation Act (AktG).

1. REVIEW OF THE 2024 FINANCIAL YEAR

1.1 APPROVAL OF THE 2023 REMUNERATION REPORT

The Remuneration Report, prepared in accordance with the requirements of Section 162 of the German Stock Corporation Act (AktG), concerning the compensation granted and owed to the current and former members of the Management Board and Supervisory Board in the 2023 financial year, received approval from 89.66% of the votes at the Annual General Meeting and was thus approved. The Management Board and the Supervisory Board regard this vote as confirmation of the format used, which will therefore be fundamentally retained for this Remuneration Report.

1.2 REVIEW OF THE MANAGEMENT BOARD REMUNERATION SYSTEM

Following its preparation by the then Remuneration and ESG Committee, the system for members of the Management Board – which was decided upon by the Supervisory Board and approved at the 2023 Annual General Meeting by a majority of 97.65% of the votes – was applied in all cases to the members of the Management Board who held office during the 2024 financial year. After the remuneration system was subjected to a comprehensive review in the 2022 financial year and the key points were revised during the 2023 financial year, each time with the assistance of external remuneration consultants, the Supervisory Board did not find any need for further adjustments in the 2024 financial year.

1.3 PERSONNEL CHANGES

In April 2024, the Supervisory Board decided to extend the appointment of Dr. Klaus Fiedler as Chair of the Management Board until 31 December 2028. The accession agreement entered into force on 1 January 2025.

Christian Witt has resigned from his board position by mutual agreement at the end of 31 October 2024. The associated Management Board service contract ended prematurely on 31 December 2024, thereby 4 months earlier than the originally agreed date. Due to the premature termination of the service contract, Mr. Witt received compensation in accordance with the regulations of the applicable executive compensation system. The Performance Stock Options of tranches 2023 and 2024, which

have been granted under the LTI plan and not yet exercised, remain valid in full and can be exercised after the regular performance period and the waiting period have expired in accordance with the actual achievement of targets and in accordance with the provisions of the LTI plan. Upon completion of the order, the acquisition and holding obligation under the applicable Share Ownership Guidelines (SOG) also came to an end.

The term of office of the Supervisory Board member Prof. Dr.-Ing. Ludger Overmeyer ended with the conclusion of the Annual General Meeting on 5 June 2024. This resulted in new elections having to be held. Following the recommendation of the Supervisory Board, Mr. Prof. Dr.-Ing. Ludger Overmeyer was re-elected until the end of the Annual General Meeting in 2028.

In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board has established and staffed the following committees:

- Audit, Risk and ESG Committee: Alexa Siebert (Chair), Jean-Michel Richard, Anka Wittenberg
- Compensation and Nomination Committee: Anka Wittenberg (Chair), Dirk Rothweiler, Jean-Michel Richard
- Strategy Committee: Dirk Rothweiler (Chairman), Alexa Siebert, Ludger Overmeyer

2. COMPENSATION OF THE MANAGEMENT BOARD

2.1 PRINCIPLES OF MANAGEMENT BOARD REMUNERATION

The remuneration of the Management Board is a key control element in the implementation of LPKF's corporate strategy and growth ambitions. This includes providing the right incentives for implementing and executing the corporate strategy in full. With this in mind, the performance targets for the performance-based remuneration components include financial and sustainability-related targets. To increase the focus on LPKF's long-term development, the LTI is the largest component of the performance-based remuneration. In order to support the share culture at LPKF and bring the interests of the Management Board into alignment with those of shareholders and stakeholders, the LTI is designed as a share-based remuneration component and share ownership guidelines are in place for the Management Board.

2.1.1 PROCESS FOR DETERMINING MANAGEMENT BOARD REMUNERATION

The Supervisory Board, in consultation with its Remuneration and Nomination Committee, establishes the remuneration system for the members of the Management Board. The remuneration system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval. After significant changes have been made, and at least once every four years, the Supervisory Board shall resubmit the remuneration system to the Annual General Meeting for approval. The current remuneration system was approved by the Annual General Meeting in 2023 with a majority of 97.65% of the votes and was applied in all cases to those members of the Management Board serving in the 2024 financial year.

2.1.2 APPROPRIATENESS OF THE COMPENSATION FOR THE EXECUTIVE BOARD

The compensation for members of the Management Board is determined by the Supervisory Board. In accordance with the German Stock Corporation Act, the Supervisory Board ensures that the compensation is commensurate with the duties and performance of each individual member of the Management Board, as well as with the economic situation of the company, and that it does not exceed the regular market level without special reasons. With that in mind, the Supervisory Board regularly performs a horizontal comparison of remuneration. The horizontal comparison compares the remuneration of the LPKF Management Board with Management Board remuneration in comparable companies (peer group). In the last horizontal comparison in February 2024, the following European companies for electronic devices and components were used as the peer group:

Company, Location	Company, Location
Basler, Germany	Manz, Germany
centrotherm, Germany	Mühlbauer, Germany
Dr. Höhle, Germany	Nynomic, Germany
First Sensor, Germany	PVA TePla, Germany
IQE, United Kingdom	Sequans Communications, France
Judges Scientific, United Kingdom	Stemmer Imaging, Germany
Kalray, France	SÜSS MicroTec, Germany
Lumibird, France	Viscom, Germany

The main criteria for identifying suitable peer companies were industry, revenue and market cap. Based on the positioning at that time, LPKF was in the 40th percentile in terms of revenue and in the 60th percentile in terms of market cap.

The appropriateness assessment also included consideration of the Management Board remuneration in relation to the remuneration structures within LPKF. The development of the Management Board's compensation was compared with the compensation of the senior management (defined as the first management level below the Management Board) and the compensation of the workforce as a whole (defined as the average compensation of full-time employees of LPKF SE in Germany). When doing so, the Supervisory Board did not find any indication that it had developed disproportionately or establish any grounds for adjusting it.

2.1.3 TARGET REMUNERATION

The employment contract for each member of the Management Board sets out their target remuneration, which is paid for 100% achievement of the targets set for the performance-based remuneration components. The target remuneration amount is based on standard market rates and

is largely dependent on the knowledge and experience relevant for the role of the respective Management Board member.

Target remuneration								
	Dr. Klaus Fiedler (CEO) (since 1 January 2022)				Christian Witt (CFO) (1 September 2018 until 31 December 2024)			
	2024		2023		2024		2023	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	350	50	325	49	300	48	300	48
Fringe benefits ¹⁾	7	1	9	1	25	4	30	5
Total non-performance-based target remuneration	357	50	334	50	325	52	330	52
Short-term variable remuneration (STI)	140	20	130	20	120	19	120	19
Long-term variable remuneration (LTI)	210	30	195	30	180	29	180	29
Total performance-based target remuneration	350	50	325	50	300	48	300	48
Total target remuneration	707	100	659	100	625	100	630	100

¹⁾ The values for fringe benefits reflect the fringe benefits actually incurred in the fiscal year.

2.2 OVERVIEW OF THE COMPENSATION OF THE MANAGEMENT BOARD IN THE 2024 FINANCIAL YEAR

The remuneration system for members of the Management Board of LPKF is geared toward long-term and sustainable company development. The total remuneration comprises non-performance-based and performance-based (variable) components. The non-performance-based components include a fixed annual salary (basic salary) as well as incidental benefits and benefits in kind.

The performance-based components consist of a short-term variable compensation (STI), which relates to the achievement of economic targets within a year, and a long-term variable compensation (LTI), which is measured over several years and is based on shares. In addition, penalty and clawback provisions, share ownership guidelines and a maximum remuneration are an integral part of the remuneration system. The company does not offer any pension or early retirement schemes for members of the Management Board.

	Component	Parameter	Objective
Non-performance based	Base salary	Paid in equal monthly installments at the end of each month	<ul style="list-style-type: none"> Reflects the role on the Management Board, experience, area of responsibility and market conditions Ensures adequate income, to prevent inappropriate risks from being taken
	Fringe benefits	Benefits in kind, company car (alternatively, cash allowance or flat rate for a rental car), insurance premiums	<ul style="list-style-type: none"> Grant of market customary fringe benefits in order to offer an attractive remuneration package
Performance-based	Short-term variable remuneration (STI)	<p>Target amount: approx. 40% of performance-based remuneration</p> <p>Plan type: target bonus</p> <p>Performance criteria:</p> <ul style="list-style-type: none"> 75% corporate targets <ul style="list-style-type: none"> 37,5% Revenue 37,5% EBIT margin 25% personal targets <p>Cap: 200% of target amount</p>	<ul style="list-style-type: none"> Incentivizing the (over)achievement of annual corporate targets Implementation of important milestones of the corporate strategy and sustainability aspects through personal targets Rewarding the individual contribution to success and sustainability
	Long-term variable remuneration (LTI)	<p>Target amount: approx. 60% of performance-based remuneration</p> <p>Plan type: Performance Stock Option Plan</p> <p>Plan term: Eight years</p> <ul style="list-style-type: none"> Four-year waiting period (including a three-year performance period) Four-year exercise period <p>Performance criteria:</p> <ul style="list-style-type: none"> 40% Relative TSR 40% ROCE 20% ESG-targets <p>Exercise price: average closing price during the last 30 trading days before allocation</p> <p>Cap:</p> <ul style="list-style-type: none"> The final number of performance stock options is limited to 150% of the provisionally allocated performance stock options. The payout is limited by the maximum remuneration. <p>Servicing: in shares</p>	<ul style="list-style-type: none"> Promoting the long-term growth of LPKF and incentivizing the creation of long-term shareholder value Linking the interests of the Management Board members with those of the shareholders Incentive to (over)achieve long-term financial and sustainability targets Promoting the share culture at LPKF
Other key regulations	Maximum remuneration	EUR 2.0 million per Management Board member	<ul style="list-style-type: none"> Limiting the total remuneration for a financial year
	Share Ownership Guidelines	<p>SOG target: 100% of gross base salary 2022</p> <p>Build-up: obligation to invest in LPKF shares amounting to at least 50% of the net STI payout per year until the SOG target is reached</p> <p>Condition: Performance stock options can only be exercised once the SOG target has been reached</p>	<ul style="list-style-type: none"> Linking the interests of the Management Board members with those of the shareholders Promoting the share culture at LPKF
	Malus / Clawback	Partial or full reduction / clawback of performance-related remuneration possible Compliance malus and clawback as well as performance clawback implemented	<ul style="list-style-type: none"> Strengthening the position of the Supervisory Board in the event of incorrect financial statements and intentional gross breaches of material duties by a member of the Management Board
	Severance payment cap	Maximum severance payments of two years' basic remuneration; may not exceed the remuneration for the remaining term of the contract	<ul style="list-style-type: none"> Prevents inappropriately high payments due to premature termination of the Management Board contract
	Company pension scheme	No company pension scheme for the members of the Management Board and therefore no pension or early retirement arrangements	

2.3 APPLICATION OF REMUNERATION COMPONENTS IN THE 2024 FINANCIAL YEAR

The components of the remuneration system and their specific application in the 2024 financial year are explained in detail below.

2.3.1 NON-PERFORMANCE-BASED REMUNERATION COMPONENTS

2.3.1.1 BASIC REMUNERATION

The members of the Management Board receive basic remuneration, which is paid in equal monthly installments at the end of each month. It is reviewed at regular intervals by the Supervisory Board and adjusted where necessary.

The basic remuneration of Dr. Fiedler increased by EUR 25,000 in the 2024 financial year, based on a contractual agreement. This annual adjustment was agreed upon when the service contract was concluded, in order to attract Dr. Fiedler to the position of CEO and offer him market-standard and competitive compensation.

Mr. Witt's basic remuneration in the 2024 financial year remained unchanged from the previous year.

2.3.1.2 FRINGE BENEFITS

In addition to basic salary, incidental benefits are granted to each member of the Management Board. These benefits include benefits in kind provided by the company, the use of a company car, contributions to health and care insurance and other types of insurance as well as absorption of other costs as is customary for the market.

The company car is also intended for personal use. As an alternative to a company car, Management Board members may also be offered a cash allowance or a flat rate for a rental car.

In the 2024 financial year, there was also Directors & Officers (D&O) insurance for the members of the Management Board with a deductible in accordance with the German Stock Corporation Act.

2.3.2 PERFORMANCE-BASED REMUNERATION COMPONENTS

2.3.2.1 SHORT-TERM VARIABLE REMUNERATION (STI)

How it works

The STI is designed as a target bonus and the target amount is set at around 40% of the performance-based remuneration. The payout amount depends on the achievement of corporate targets, which are based on the company's financial performance, and on the achievement of personal targets.

The corporate objectives consist of two key financial metrics for LPKF's corporate management and are weighted at 75% (37.5% each):

- Revenue according to the audited, consolidated annual financial statements of LPKF

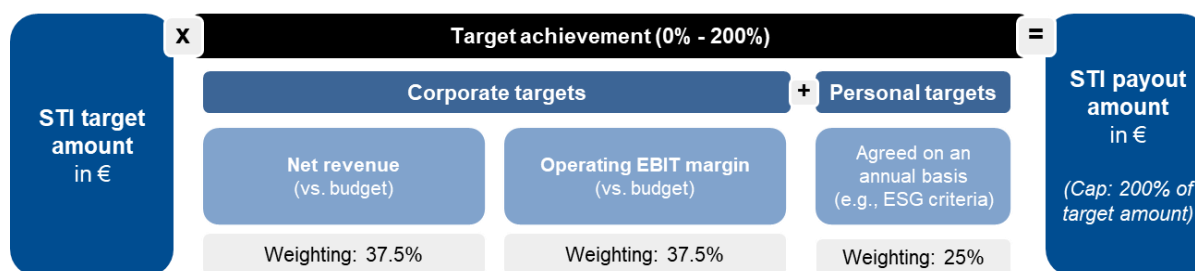
- Consolidated operating EBIT (earnings before interest and tax) as a percentage of consolidated group sales according to the audited consolidated annual financial statements of LPKF (EBIT margin)

The personal goals for each member of the Management Board are weighted at 25% and are agreed upon annually at the beginning of each financial year. Up to four personal targets may be set. Using personal targets enables the Supervisory Board to provide incentives for achieving important strategic objectives which may also be non-financial in nature and include, for example, environmental, social or governmental aspects (ESG targets). Both personal and corporate targets may be achieved within a range agreed each year between the Supervisory Board and the Management Board, which has a floor and a cap. With regard to the achievement of targets, the following percentages of the agreed target amount will be paid:

- Below the lower threshold: 0%
- Equal to the lower threshold: 25%
- Target: 100%
- Equal to the upper threshold: 200%
- Above the upper threshold: 200% (maximum amount)

A linear adjustment will be carried out for figures in between.

To calculate overall target achievement, the average of the respective target achievement for personal and corporate targets is determined in each case. The average figures calculated in this way are then multiplied by the respective weighting factor and added together to calculate overall target achievement.



Targets and extent to which targets were achieved for the 2024 financial year

At the beginning of the 2024 financial year, the Supervisory Board stipulated the following target figures and thresholds for the corporate targets and calculated the following target achievement levels based on actual figures:

Performance criteria	Lower threshold (25 % target achievement)	Target (100 % target achievement)	Upper threshold (200 % target achievement)	Target achievement
Net revenue (k€)	128,000	138,765	145,000	0%
Operating EBIT margin	4%	6.4%	8%	0%
Corporate targets				0%

On the basis of the consolidated financial statements, the target achievement level for the corporate targets was set at 0% for the 2024 financial year.

The Supervisory Board has set the following personal objectives for the 2024 financial year, which are derived from the company strategy and involve their implementation and operationalization:

Reduction of fixed costs and improvement of working capital: Identification and quantification of a cost-saving plan in cooperation with an external consulting firm to be commissioned, as well as consistent implementation of the adopted action plan.

ESG: Definition and description of a sustainability strategy and the sustainability goals derived from it, an internal control system, and the integration of the main short-, medium-, and long-term risks arising from sustainability aspects into the internal risk management system.

These objectives apply to both members of the Management Board jointly. This is intended to underline the commitment that the Management Board will work together on the priorities set by the Supervisory Board.

After the end of the financial year, the Supervisory Board, based on the results achieved, has determined the target achievement at 100%, taking into account the following aspects:

Reduction of fixed costs and improvement of working capital:

- Engagement of a consulting firm and a transformation manager as an interim solution
- Identification and quantification of cost-saving potential
- Development of a cost program with a clear action plan, prioritization and responsibilities
- Implementation of the cost-saving plan

ESG:

- double materiality analysis
- Definition and description of the company's business model, strategy, and sustainability policy
- Definition and description of the time-bound sustainability goals derived from the materiality analysis for short-, medium-, and long-term periods
- Definition and description of the periodic internal control cycle in relation to sustainability aspects and objectives
- Integration of the most important short-, medium- and long-term risks derived from sustainability aspects into the company's risk management system

Based on the individual target amounts and the achievement of corporate and personal targets, the following STI payouts for the 2024 financial year result:

STI payout 2024

STI payout for 2024 financial year

	Target amount in €k	Target achievement			Payout amount in €k
		Corporate targets (Weighting: 75%)	Personal targets (Weighting: 25%)	Overall	
Dr. Klaus Fiedler	140	0%	100%	25%	35
Christian Witt*	120	n/a	n/a	n/a	80

*Christian Witt received a one-off, lump-sum settlement of all entitlements under the STI plan as part of the premature ending of his position on the Management Board.

Contrary to the recommendation of the German Corporate Governance Code in section G.12, which states that in the event of the termination of a Management Board contract, the payment of any outstanding variable remuneration components that fall within the period up to the termination of the contract should be made in accordance with the originally agreed targets and comparison parameters, and in accordance with the due dates or holding periods stipulated in the contract, a one-off, lump-sum settlement of all outstanding short-term variable remuneration claims under the STI plan was made in connection with the termination of Christian Witt's Management Board activities. In the opinion of the Supervisory Board, this was in the interest of the company in order to enable an amicable settlement and final settlement. Based on this contractual agreement, Mr. Witt will therefore receive a lump sum payment of EUR 80,000.

2.3.2.2 LONG-TERM VARIABLE COMPENSATION (LTI)

How it works

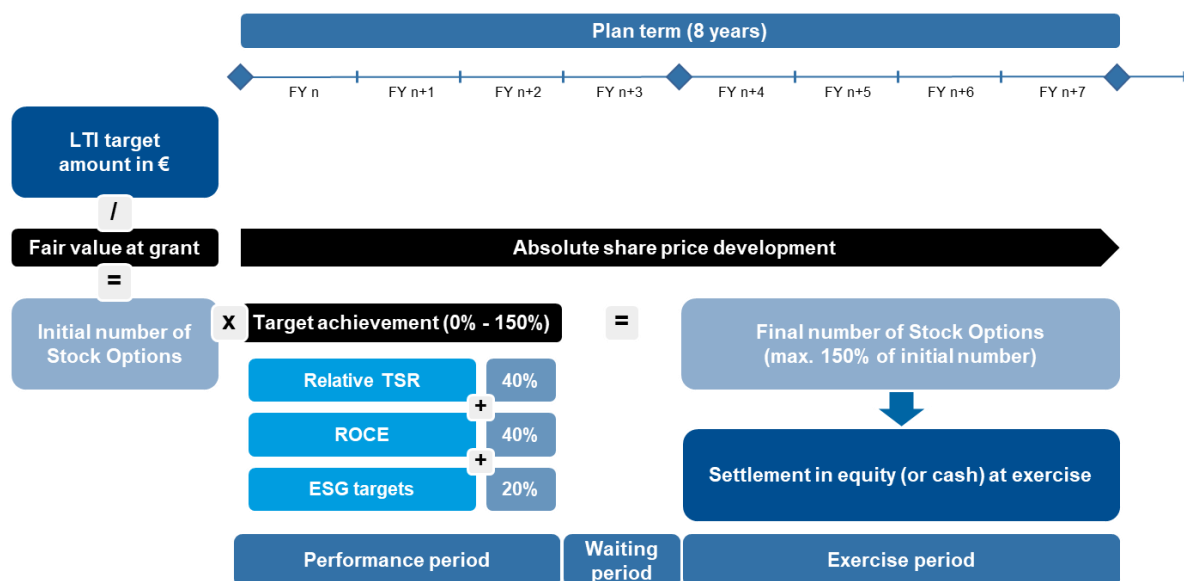
The LTI is designed as a Performance Stock Option Plan, which is allocated on an annual basis with a target amount of approximately 60% of the performance-related compensation and a plan duration of eight years.

At the beginning of the LTI tranche, the members of the Management Board are allocated a preliminary number of Performance Stock Options (PSO), which is calculated by dividing the LTI target amount by the fair value of a Performance Stock Option at the time of allocation.

The final number of performance stock options depends on the achievement of financial and ESG targets during a three-year performance period. The Supervisory Board set the development of LPKF's total shareholder return (TSR) compared to an individually determined peer group and the return on capital employed (ROCE) as financial targets, both weighted at 40%. The ESG targets are weighted at 20% and are determined annually for each LTI tranche using a predefined catalog of ESG criteria. The final number of performance stock options can be between 0% and 150% of the provisional number of performance stock options. The provisionally allocated performance stock options must be held for four years ("waiting period"). The waiting period is followed by an exercise period of four years. Accordingly, the final number of performance stock options can be exercised four years after the allocation date at the earliest.

The value of each performance stock option at the time of exercise is the difference between the LPKF share price on the exercise date and the average closing price of LPKF shares on the last 30 trading days prior to the allocation date ("exercise price"). In addition to the limit on the final number of performance stock options, the payout amount for each LTI tranche is limited by the maximum remuneration defined in the "maximum remuneration" section in accordance with Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act.

The 2024 Annual General Meeting has approved the creation of conditional capital to service subscription rights. The LTI 2024 was therefore granted as real share options in the form of Performance Stock Options (PSOs).



Allocations from the long-term incentive (LTI) in the 2024 financial year

In the 2024 financial year, a tranche of the LTI was allocated to the members of the Management Board on 17 June 2024 ("LTI 2024"). The valuation of the granted share options was carried out using a Monte Carlo simulation, which resulted in a fair value per option of EUR 1.26 for the CEO and EUR 1.60 for the CFO. The different fair values result from the maximum remuneration of EUR 2 million stipulated in the remuneration system and the resulting different LTI payout ceilings for the CEO and CFO. These caps influence the valuation by limiting the potential payout value of the options.

LTI 2024 - 2031

	Overview LTI 2024 - 2031					
	LTI target amount in €k	Fair Value at allocation in €	Number of provisional PSO	minimal number PSO	maximum number PSO	Exercise price
Dr. Klaus Fiedler	210	1,26	166.667	0	250.001	8,08
Christian Witt	180	1,60	112.500	0	168.750	8,08

Achievement of the target for the LTI is based on the total shareholder return (TSR) and return on capital employed (ROCE) financial performance criteria as well as on sustainability-related targets.

The TSR represents the return on LPKF shares; the share price is taken into account on the assumption that dividends will be reinvested. The TSR performance of LPKF is measured in comparison to the following peer group, which is defined by the Supervisory Board and consists of selected competitors:

Company, Location	Company, Location
Aixtron, Germany	Manz, Germany
Basler, Germany	SMA Solar Technology, Germany
centrotherm, Germany	SÜSS MicroTec, Germany
Comet, Switzerland	technotrans, Germany
Dr. Höhle, Germany	Viscom, Germany

In order to measure relative TSR performance, LPKF's TSR performance and that of the comparable companies is ranked over the three-year performance period. Achievement of the target is calculated based on the resulting positioning of LPKF within the peer group.

The ROCE refers to the ratio between consolidated operating EBIT and capital employed. The decisive factor is the average ROCE over the three financial years of the performance period. Prior to commencing allocation, the Supervisory Board determined a target value and lower and upper thresholds. Achievement of the target is calculated based on the actual three-year average ROCE.

In addition to financial performance criteria, the LTI contains 20% ESG targets in order to anchor LPKF's sustainability strategy firmly in the remuneration system for the Management Board. To this end, prior to the issuance of the LTI tranche 2024 allocated in the reporting year, the Supervisory Board selected the following two specific ESG goals from a list of criteria, each with equal weighting, as performance criteria, which relate to the criteria of sustainable value chain and employee engagement:

- Increase the percentage of system sales revenue from products that fully meet the specified and agreed key performance indicators (KPIs) to 95% (weighting 10%)
- Increase the percentage of business-critical positions for which a successor or a succession strategy has been defined, so that the position can be filled within six months, to 90% (weighting 10%)

LTI 2024 - 2031

	Targets and thresholds LTI 2024 - 2031			
	Weighting	Lower threshold (50% target achievement)	Target value (100% target achievement)	Upper threshold (150% target achievement)
TSR	40%	25th percentile	50th percentile	-2.148
	Weighting	Lower threshold (0% target achievement)	Target value (100% target achievement)	Upper threshold (150% target achievement)
ROCE	40%	12,2%	15,2%	18,2%
ESG: Zero Defects Operation	10%	90%	95%	100%
ESG: Share of business-critical positions with successor	10%	80%	90%	100%

Compensation granted and owed from long-term variable compensation in the 2024 financial year

Due to the change from a former LTI with a one-year performance period to the current LTI with a four-year vesting period in the 2023 financial year, there were no payments to be considered as compensation granted and owed in the 2024 financial year.

2.4 COMPENSATION CAPS ("CAP") AND MAXIMUM COMPENSATION

Remuneration for members of the Management Board is limited in two respects. Firstly, the performance-based remuneration components are subject to an upper limit. The STI is limited to 200% of the target amount and the maximum number of performance stock options is limited to 150% of the performance stock options originally allocated.

Secondly, the Management Board members' total remuneration, i.e. total non-performance-based remuneration (basic salary and incidental benefits) plus performance-based remuneration components (STI and LTI), is limited by the maximum remuneration under Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act. The maximum remuneration limits the total remuneration paid out for one financial year irrespective of the actual payout date. It thus also represents an absolute limit on possible payouts under the LTI.

The maximum remuneration is set at EUR 2,000,000 for each member of the Management Board. As can be seen from the table "guaranteed and owed compensation", the maximum compensation provided for in the compensation system of EUR 2,000,000 was adhered to for all members of the Management Board for the 2024 financial year.

2.5 SHARE OWNERSHIP GUIDELINES

The remuneration system contains share ownership guidelines (SOG) in order to further align the interests of Management Board members and shareholders and to strengthen the share culture at LPKF. The members of the Management Board are required to invest 100% of their gross basic remuneration in LPKF shares (SOG target) and to hold these shares until they leave the Management Board or begin a release from duties. The SOG target is calculated based on the gross basic remuneration at the beginning of the period of service as a Management Board member or the gross basic remuneration on the date the SOG came into effect.

A SOG target of EUR 300,000 has been agreed for Mr. Dr. Fiedler. This amount corresponds to 100% of the gross base remuneration at the beginning of the term of office as Chair of the Management Board in the 2022 financial year. Deviating from the regulations of the remuneration system, a SOG target of EUR 285,000 was agreed with Mr. Witt. This value also corresponds to the gross base remuneration for the 2022 financial year (excluding additional remuneration for the temporary assumption of the role of Chair of the Management Board).

Until the SOG target is reached, the members of the Management Board must invest at least 50% of the net STI payment per year. As a further restriction, the Management Board members may only exercise performance stock options from the LTI if the SOG target has been met, even if the waiting period for such performance stock options has already expired.

The SOG came into force for both members of the Management Board on 1 January 2023. The STI payments that were first paid out for the 2023 financial year in April 2024 are decisive for the annual purchase obligation.

With his resignation from the Management Board and the commencement of his leave of absence on 1 November 2024, Christian Witt's obligation to hold the shares acquired under the applicable SOG also came to an end. Future purchase obligations no longer exist either.

Share Ownership Guidelines					
	SOG target amount in €k	Status quo 31.12.23 in €k	Investment Volume 2024 in €k	Staus quo 31.12.24 in €k	in % of shareholding requirement
Dr. Klaus Fiedler	300	20	20	40	13%
Christian Witt*	285	0	0	0	0%

*The obligation to acquire and hold shares under the Share Ownership Guidelines no longer applies to Christian Witt as a result of the termination of his position on the Management Board on October 31, 2024.

2.6 PENALTIES/CLAWBACK

The remuneration system for the Management Board also contains penalty and clawback provisions. Under certain circumstances, the Supervisory Board is authorized to reduce performance-based remuneration that has not yet been paid out (penalty) or reclaim performance-based remuneration that has already been paid out (clawback).

If performance-based remuneration was calculated and paid out on the basis of misstatements in the annual financial statements, the Supervisory Board can reclaim the difference to the relevant performance-based remuneration as calculated on the basis of the corrected annual financial statements.

In the event of an intentional breach of duty by a Management Board member in the form of

- non-compliance with material provisions of the LPKF code of conduct and/or a material obligation under the employment contract or
- a material breach of due diligence obligations within the meaning of Section 93 of the German Stock Corporation Act,

the Supervisory Board can reduce or reclaim performance-based remuneration at its reasonable discretion.

The possibility of reclaiming performance-based remuneration that has already been paid out applies to payouts that have been made no more than three years previously.

In the 2024 financial year, the Supervisory Board did not establish any reason to make use of the possibility provided by the remuneration system to reduce or reclaim variable remuneration components.

2.7 REMUNERATION-RELATED EVENTS

2.7.1 BENEFITS UPON DEPARTURE

When appointing Management Board members and with regard to the duration of Management Board employment contracts, the Supervisory Board complies with the provisions of Section 84 of the German Stock Corporation Act and with the recommendations of the German Corporate Governance Code. Management Board employment contracts are concluded for the period of the respective appointment. Initial appointments are generally for three years, while the maximum period for a reappointment is five years. Management Board employment contracts can include an ordinary option of termination on both sides. The mutual right to terminate employment contracts without notice for cause always remains unaffected.

2.7.1.1 SEVERANCE PAYMENT

The Management Board employment contracts may provide for severance payments in the event that the company terminates the employment contract early without good cause for which the

Management Board member is responsible or in the event that the Management Board member terminates the employment contract early for good cause for which the company is responsible. In such a case, the Management Board member may receive a severance payment of two years' annual remuneration, up to a maximum amount of the remuneration due for the remaining term of the contract after the end of the notice period. This severance payment will count toward any compensation that may be granted in connection with the post-contractual non-competition clause.

Mr. Witt received a severance payment of EUR 205,000 for the premature termination of the service contract. This corresponds to the compensation owed for the original remaining term of the contract until 30 April 2025 following his resignation on 31 December 2024.

The Management Board employment contracts do not provide for severance payments in the event that the company terminates the employment contract early for good cause for which the Management Board member is responsible or in the event that a Management Board member initiates the termination themselves without good cause for which the company is responsible. Furthermore, all vested and non-vested performance stock options allocated in connection with the LTI shall be forfeited without compensation. In view of securing the best possible candidate for the position of Chair of the Management Board and thus the long-term well-being of the company, a severance package was agreed upon in Dr. Klaus Fiedler's employment contract at the time of his initial appointment, in the event of his effective removal from office or effective resignation. This exception agreement will no longer be used in the context of the contract extension of Mr. Dr. Fiedler from the entry into force of the new service contract on 1 January 2025.

If the Management Board contract is terminated, the outstanding variable remuneration components not yet paid relating to the period before the end of the contract will generally be paid in accordance with the originally agreed targets and comparative parameters and in accordance with the due dates or holding periods stipulated in the contract. A pro rata share of the entitlement to STI will be deducted in these cases. LTI entitlements are dependent on the circumstances of the departure. A pro rata share of the entitlement to LTI will be deducted in a contractually defined "good leaver event," and all rights and entitlements will be lost in a "bad leaver event."

As a "good leaver", Christian Witt retains his entitlements under the LTI plan.

2.7.1.2 CHANGE OF CONTROL

In the event of a change of control, Management Board members have a one-time special right to terminate their employment contract with a notice period of six months, to end at the end of a month, and the option to step down from their mandate on the termination date. If the contract is terminated in this way, the Management Board member is entitled to the severance payment described above.

The contractually agreed provisions, dates and holding periods shall continue to apply to any performance stock options already vested at the time of the termination. Other provisions may apply in the event that the LTI can no longer reasonably be continued, e.g. in the case of a delisting.

2.7.1.3 RELEASE FROM DUTIES

In the event of termination of an appointment as a member of the Management Board or as CEO for cause in accordance with Section 84 (3) of the German Stock Corporation Act or in the event of resignation, the company may immediately release the member of the Management Board from their obligation to perform their duties while continuing to pay their salary.

Christian Witt resigned from his position on the Management Board by mutual consent as of 31 October 2024 and was subsequently released from his obligation to perform his duties until the expiry of his employment contract on 31 December 2024 with continued payment of his salary.

2.7.1.4 POST-CONTRACTUAL NON-COMPETITION CLAUSE – COMPENSATION

All members of the Management Board must observe a post-contractual non-competition clause lasting for six months after the end of their employment contracts. LPKF has an obligation to pay Management Board members monthly compensation of 50% (gross) of the average monthly basic remuneration they received in the last 12 months prior to their departure for the duration of the post-contractual non-competition clause. The leave compensation is to be credited against other payments made by LPKF to the member of the Management Board, such as transition payments and severance payments.

Mr. Witt and the company have mutually agreed to waive the post-employment non-compete clause as part of the termination of the employment relationship. Therefore, no compensation will be paid to Mr. Witt due to a non-compete clause in the 2024 financial year or in subsequent years.

2.7.1.5 PROVISIONS ON PENSIONS AND EARLY RETIREMENT

LPKF does not offer any pension or early retirement schemes for members of the Management Board. As such, there were no pension commitments for members of the Management Board who were in office in the 2024 financial year.

Pension commitments exist for former members of the board of directors and their surviving dependents (old-age, disability, and widow's pension). The former Chair of the Board, Bernd Hackmann, who was also a member of the Supervisory Board until July 2017, has reached retirement age and has been receiving his retirement benefits since January 2024. In the financial year 2024, a total of EUR 11,655 was paid to him.

2.7.1.6 CONTINUED PAYMENT OF REMUNERATION IN THE EVENT OF DEATH

If the appointment of a member of the Management Board ends early on account of their death while in office, the fixed monthly remuneration shall still be paid to their heirs for a period of three months.

All current LTI tranches will be paid out immediately if the appointment ends due to permanent disability or death.

2.7.2 PAYMENTS FROM THIRD PARTIES

No members of the Management Board were promised or granted payments from a third party in respect of their work as a member of the Management Board in the past financial year.

2.7.3 REMUNERATION FOR WORK ON SUPERVISORY BOARDS OR SIMILAR BODIES

The tasks of Management Board members also include the fulfillment of executive duties at affiliated companies within the meaning of Section 15 et seq. of the German Stock Corporation Act. The performance of such activities is fully compensated for with the compensation.

2.8 COMPENSATION GRANTED AND OWED IN THE 2024 FINANCIAL YEAR

2.8.1 CURRENT MEMBERS OF THE MANAGEMENT BOARD

The following tables show the remuneration granted and owed to the current members of the Management Board, including the relative share of the remuneration components in accordance with Section 162 of the German Stock Corporation Act. Remuneration granted and owed in accordance with Section 162 (1) sentence 1 of the German Stock Corporation Act is stated in the financial year in which the underlying activity for the remuneration was fully completed (“granted”) or became due but has not yet been fulfilled (“owed”). This includes basic salary paid in the financial year, incidental benefits accrued in the financial year and STI earned in the financial year. In contrast, the LTI is only included in the total compensation in the year in which a payable amount is determined.

Accordingly, the compensation reported for the 2024 financial year consists of:

- Basic salary paid in the 2024 financial year;
- incidental benefits received in the 2024 financial year;
- STI set for the financial year 2024, which will be paid out in the financial year 2025.

Remuneration awarded and due according to § 162 AktG - Current Management Board members

	Dr. Klaus Fiedler (CEO) (since 1 January 2022)				Christian Witt (CFO) (1 September 2018 until 31 December 2024)			
	2024		2023		2024		2023	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	350	89	325	88	300	74	300	85
Fringe benefits	7	2	9	2	25	6	30	9
Total non-performance-based remuneration	357	91%	334	91	325	80	330	94
Short-term variable remuneration (STI)								
STI 2023	-	-	34	9	-	-	21	6
STI 2024	35	9	-	-	80	20	-	-
Long-term variable remuneration (LTI)								
LTI 2020 - 2022	-	-	-	-	-	-	0	0
LTI 2022	-	-	0	0	-	-	0	0
Total performance-based remuneration	35	9	34	9	80	20	21	6
Total remuneration awarded and due according to Section 162 AktG	392	100	368	100	405	100	351	100

2.8.2 FORMER MEMBERS OF THE MANAGEMENT BOARD

The following table contains the fixed and variable remuneration components granted and owed to former members of the Management Board who have ceased their activities within the last ten financial years, including the respective relative share in accordance with Section 162 of the German Stock Corporation Act (AktG). The compensation reported for the financial year 2024 includes only the benefits received.

Remuneration awarded and due according to § 162 AktG - Former Management Board members

	Bernd Hackmann (CEO until 31 December 2008) (Member of Supervisory Board until 12 July 2017)				Bernd Hildebrandt (CEO until 17 May 2001) (Chairman of Supervisory Board until 31 May 2012)			
	2024		2023		2024		2023	
	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Base salary	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-
Total non-performance-based remuneration	-	-	-	-	-	-	-	-
Short-term variable remuneration (STI)	-	-	-	-	-	-	-	-
Long-term variable remuneration (LTI)	-	-	-	-	-	-	-	-
Total performance-based remuneration	-	-	-	-	-	-	-	-
Pension Benefits	12	100	-	-	17	100	17	100
Total remuneration awarded and due according to Section 162 AktG	12	100	-	-	17	100	17	100

3. COMPENSATION OF THE SUPERVISORY BOARD

The current remuneration system for the members of the Supervisory Board, as well as the amount of the Supervisory Board remuneration, was reviewed in the 2023 financial year with the support of an external, independent expert regarding its market conformity and competitiveness, and was subsequently revised. The revised remuneration system was approved by the 2023 Annual General Meeting with a majority of 97.45% of the votes and came into effect on 18 May 2023.

Below is an overview of the core elements of the remuneration system.

Remuneration system from 2023			
Fixed basic remuneration	Chairman of the Supervisory Board	EUR 70,000	
	Deputy Chairman of the Supervisory Board	EUR 52,500	
	Member of the Supervisory Board	EUR 35,000	
	Ratio	2 : 1.5 : 1	
Committee remuneration	Audit, Risk & ESG Committee	Chairman EUR 15,000	Member EUR 7,500
	Remuneration and Nomination Committee	EUR 10,000	EUR 5,000
	Strategy Committee	EUR 10,000	EUR 5,000
	EUR 1,000 for attending a meeting of the Supervisory Board and EUR 500 for attending a meeting of the Supervisory Board Committee, whether in person, by telephone or virtually. Attendance fees are only paid once for several meetings held on the same day.		

The remuneration system for the Supervisory Board takes account of the responsibilities and scope of activities of the members of the Supervisory Board. By monitoring the Management Board's consultation on and management of the company as incumbent upon it, the Supervisory Board helps to promote the business strategy and the company's long-term development.

The remuneration system for the Supervisory Board is regulated in Article 18 of the Articles of Incorporation. The respective amount of the fixed compensation takes into account the specific function and responsibility of the members of the Supervisory Board. The greater amount of time required by the Chairman of the Supervisory Board and the Deputy Chairman of the Supervisory Board to carry out their work is adequately reflected in higher basic remuneration. In addition, the greater amount of time required by the members of the committees of the Supervisory Board to carry out their work is adequately reflected in additional remuneration. The Chair of a committee receives a higher additional compensation due to the higher workload and additional responsibility. A distinction is made between the audit, risk and ESG committees and other committees.

Each member of the Supervisory Board receives a fixed basic remuneration of EUR 35,000 for each full financial year of their membership of the Supervisory Board. The Chair of the Supervisory Board receives double (EUR 70,000) and the Vice-Chair receives one and a half times (EUR 52,500) the fixed basic remuneration. Members of the Audit, Risk and ESG Committee receive an additional compensation of EUR 7,500, and members of other committees receive an additional compensation of EUR 5,000 each. The chairman of each committee receives double the amount of the additional compensation each time.

Members of the Supervisory Board who do not belong to the Supervisory Board for a full financial year or who hold the chairmanship or deputy chairmanship of the Supervisory Board or the chairmanship or membership of a committee receive a pro-rata compensation.

In addition, the members of the Supervisory Board receive a meeting fee of EUR 1,000 for each attendance – whether in person, by telephone or virtually – at a meeting of the Supervisory Board, and

a meeting fee of EUR 500 for a meeting of its committees. For several meetings that take place on the same day, the meeting fee is only paid once.

The members of the Supervisory Board will also be reimbursed for all expenses and the value added tax payable on their compensation and expenses.

For the benefit of the members of the Supervisory Board, liability insurance can be taken out to cover the risks arising from the performance of their duties as a Supervisory Board member (Directors and Officers Liability Insurance - D&O Insurance) with a total premium of up to EUR 30,000.

Compensation granted and owed in the 2024 financial year

The remuneration components granted and owed to current and former Supervisory Board members in the 2024 financial year, including the respective relative share in accordance with Section 162 of the German Stock Corporation Act, are shown below.

Remuneration awarded and due according to § 162 AktG - Supervisory Board members											
	Fixed remuneration			Committee remuneration			Attendance fee			Total remuneration	
	2024		2023	2024		2023	2024		2023	2024	2023
	in €k	in %	in €k	in €k	in %	in €k	in €k	in %	in €k	in €k	in €k
Jean-Michel Richard Chairman	70	71	68	13	13	10	17	17	7	99	84
Dr. Dirk Michael Rothweiler Deputy Chairman	53	64	51	15	18	11	15	18	7	83	68
Prof. Ludger Overmeyer	35	68	34	5	10	4	12	22	6	52	43
Alexa Siebert (since 8 June 2023)	35	51	20	20	29	10	14	20	6	69	36
Anka Wittenberg (since 17 May 2023)	35	51	23	18	25	10	17	24	6	69	40
Julia Kranenberg (until 17 May 2023)	-	-	12	-	-	1	-	-	0	-	13

The individually granted and owed compensation corresponds fully to the compensation system described.

4. COMPARISON OF THE DEVELOPMENT OF REMUNERATION AND INCOME

The table below shows a comparison of the development of Management Board and Supervisory Board remuneration with the development of LPKF's income and the development of average remuneration for employees on a full-time equivalents basis.

The disclosures for the Management Board and Supervisory Board are based on remuneration granted and owed within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act.

The remuneration for employees takes into account the average remuneration for staff of the LPKF Group in Germany. To ensure comparability, only employees and executives within the meaning of Section 5 (3) of the German Works Constitution Act (BetrVG) who are employed in Germany were taken into account. In addition, remuneration for part-time staff has been extrapolated into full-time equivalents.

On the basis of Section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EgAktG) and the interpretation variants of the Institute of Public Auditors in Germany (IDW), the comparison will gradually be expanded over future reporting years and will cover the full five-year period for the first time in the 2025 remuneration report.

Comparable Presentation												
	Annual change in remuneration and earnings											
	2024		2023		Change 2024 / 2023		Change 2023 / 2022		Change 2022 / 2021		Change 2021 / 2020	
	in €k	in €k	in €k	in %	in €k	in %	in €k	in %	in €k	in %	in €k	in %
Current members of the Management Board												
Dr. Klaus Fiedler	392	368	24	6,4%	-50	-12%	418	-	-	-	-	-
Christian Witt	405	351	54	15,4%	-145	-29%	60	14%	217	99%	-	-
Former members of the Management Board												
Bernd Hackmann	12	-	-	-	-	-	-	-	-	-	-	-
Bernd Hildebrandt	17	17	0	-	0	-	0	-	0	-	0	-
Members of the Supervisory Board												
Jean-Michel Richard	99	84	15	18%	15	22%	4	6%	59	995%	-	-
Dr. Dirk Michael Rothweiler	83	68	15	21%	17	32%	3	5%	1	2%	-	-
Prof. Ludger Overmeyer	52	43	9	20%	11	34%	0	0%	0	0%	-	-
Alexa Siebert	69	36	33	90%	36	-	-	-	-	-	-	-
Anka Wittenberg	69	40	29	73%	40	-	-	-	-	-	-	-
Former members of the Supervisory Board												
Julia Kranenberg	0	13	-13	-	-23	-63%	16	81%	20	-	-	-

Development of earnings										
Net revenue in €m (Group)	122.8	124.3	-	-1%	638	1%	30.13	32%	-	-3%
	90	37	1.447				1		2.688	
EBIT in €m (Group)	-	3.693	-	-	-	-46%	6.720	1131	-	-99%
	2.529		6.222	168%	3.086		2%		7.479	
Net income according to HGB in €m (LPKF SE)	-	-	-	-	-	-	-	-	-	-63%
	4.812	1.210	3.602	298%	1.210		1.388	100%	2.414	
Average remuneration of employees										
Employees (FTE) in Germany	61	59	3	4%	5	9%	3	7%	-1	-2%

5. OUTLOOK FOR THE 2025 FINANCIAL YEAR

Target total remuneration and maximum remuneration

In April 2024, the Supervisory Board decided to extend the appointment of Dr. Klaus Fiedler as Chair of the Management Board until 31 December 2028. The connection contract will come into force on 1 January 2025. Taking into account the horizontal remuneration comparison from February 2024, there will be no fundamental adjustment to the target remuneration of Dr. Klaus Fiedler.

Effective as of 1 April 2025, Mr. Peter Mümmeler will join the Management Board as Chief Financial Officer with an initial contract term of three years. The target total compensation is based on the framework conditions defined in the compensation system and offers a market-standard and at the same time competitive compensation. The limitations of the remuneration for both members of the Executive Board remain unchanged compared to the financial year 2024. Firstly, the performance-based remuneration components are subject to an upper limit. The STI is limited to 200% of the target amount and the maximum number of Performance Stock Options is limited to 150% of the originally allocated Performance Stock Options. The limitation of the total compensation in accordance with Section 87a Paragraph 1 Sentence 2 No. 1 AktG remains unchanged at EUR 2 million for all members of the Executive Board as the maximum ceiling for the financial year.

Structure and objectives for 2025

The current remuneration system, approved by the Annual General Meeting in 2023, will not be adjusted in the 2025 financial year.

The amount of the short-term incentive (STI) for the financial year 2025 remains at 40% of the total variable target compensation and is based on the individual degree of achievement of personal and company objectives. In terms of personal goals, there will be a focus on ESG aspects. The specific objectives of the short-term component for 2025 will be disclosed subsequently in the Remuneration Report 2025.

The long-term incentive scheme (LTI) will continue to account for 60% of the total variable target compensation and will consist of long-term financial and ESG targets that are closely linked to LPKF's corporate strategy. The ROCE, TSR and ESG targets will remain unchanged in terms of their weighting in 2025. The exact target and threshold values of the LTI tranche for 2025 will be disclosed subsequently in the 2025 Remuneration Report. The LTI 2025 will be granted by utilising the created conditional capital to service subscription rights as genuine share options in the form of Performance Stock Options (PSOs).

Garbsen, 19 March 2025

LPKF Laser & Electronics SE

The Management Board

Dr. Klaus Fiedler

Chairman of the Supervisory Board

Jean-Michel Richard