

»» Quarterly Financial Report

1 January - 31 March 2021



LPKF

Laser & Electronics

» Table of contents

» LPKF Laser & Electronics AG at a glance	3
» Letter from the CEO	4
» Interim Management Report as of 31 March 2021	6
1 Basic information on the Group	6
2 Report on economic position	6
2.1 Net assets, financial position and results of operations.....	6
2.1.1 Results of operations.....	6
2.1.2 Financial position.....	7
2.1.3 Net assets	7
2.1.4 Segment performance.....	8
2.2 Employees	8
2.3 Overall assessment of the Group's economic situation.....	8
3 Supplementary report	9
4 Opportunities and risks	9
5 Report on expected developments	9
5.1 Management's assessment of the Group's expected development.....	9
5.1.1 Group performance.....	9
5.1.2 Key financial indicators.....	10
» Consolidated financial statements.....	12
» Financial calendar.....	17
» Publishing information	17

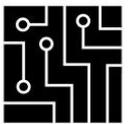
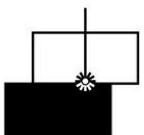
» LPKF Laser & Electronics AG at a glance

Key Group figures after 3 months 2021

	3 Months 2021	3 Months 2020
Revenue (Mio. EUR)	16.3	19.5
EBIT (Mio. EUR)	-4.1	-2.4
EBIT margin (%)	-25.5	-12.1
Free Cash Flow (Mio. EUR)	-2.1	-10.3
EPS, diluted (EUR)	-0.12	-0.07
Order entry (Mio. EUR)	21.5	21.2

	As of 03/31/2021	As of 03/31/2020
Net Working Capital (Mio. EUR)	19.5	22.8
Equity ratio (%)	74.6	70.1
Order backlog (Mio. EUR)	43.5	34.5
Employees	700	682

Segments and markets

LPKF Laser & Electronics AG			
Development	Electronics	Welding	Solar
			
Solutions for In-house PCB prototyping and micromaterial processing	Solutions for volume manufacturing PCB and PCBA LIDE - Thin glass manufacturing	Solutions for plastic welding in volume manufacturing	Solutions for thin-film photovoltaic module production and digital printing of ceramic inks via Laser Transfer Printing (LTP)

» Letter from the CEO

Garbsen, April 29th, 2021

Ladies and Gentlemen,

As Chief Financial Officer, I am pleased to report on the business performance of LPKF Laser & Electronics AG in the first quarter of 2021.

Overall, the first quarter was weak for LPKF. On the one hand, the year-on-year decline in revenue is almost exclusively attributable to the Solar segment, since the new orders we received and reported in September and December last year will not be delivered until the second half of the year as agreed with the customer. On the other hand, we could not compensate for this decline in revenue in the first three months with growth in the other segments. This is not satisfactory.

By contrast, incoming orders in the first quarter were slightly higher than in the prior-year quarter and significantly higher than the revenue achieved. It should be noted that the COVID-19 pandemic had little impact on the prior-year period. In the first quarter, the book-to-bill ratio was 1.3 and thus orders on hand increased further compared with the end of the year. This is a good basis for the growth expected in 2021.

We are seeing a gradual improvement in the coronavirus situation in various regions. In the US, the working environments of our customers are normalizing along with the growing vaccination rate; in Europe, people have learned to deal with the pandemic in the working environment; and Asia is following the development of global demand.

We also see positive impetus for our business from various technological developments, product innovations and sales initiatives. Momentum may come, for example, from the ongoing application of 5G technology and continued good demand for products we have launched in the last 15 months, such as in the Stencil area. We succeeded in acquiring new customers in medical technology and electromobility, broadening the fields of application and our customer base. These are all clear indications that the measures implemented in sales and product management will enable us to continue to take our share as the economy begins to recover. This will be our particular focus in the coming months.

The COVID-19 pandemic will continue to affect our daily lives and overall economic development. We have further adapted and, in some cases, strengthened our protective measures in the company in response to the rising infection figures. All employees for whom it is possible have already been working at home since February 2020, and our sites remain divided into sections with minimal physical interaction. Production at all sites continues to operate without restrictions. No company employee has been infected with COVID-19 since the pandemic began. We will continue to do everything we can to protect our employees, their families, our business partners and our communities, to minimize the economic impact, and to continue to serve our customers as effectively as possible during the pandemic.

In the LIDE (Laser Induced Deep Etching) business, we continue to work intensively on opening up the market for various specific applications. As announced, we have been producing samples and small batches for our customers in the new clean room factory in Garbsen since December last year. In addition, we have made significant technological progress, e.g. significantly higher break resistance for rigid as well as foldable display glasses. We have thus overcome important technological hurdles in recent weeks and months. We expect customers to use our LIDE technology in a number of volume production applications. These are the next milestones for this area.

In the first three months, we generated consolidated revenue of EUR 16.3 million, around 17% less than in the previous year. This decline was mainly due to the Solar segment (EUR -3.0 million). At EUR 21.5 million, incoming orders were slightly above the previous year's figure of EUR 21.2 million. As of 31 March 2021, orders on hand amounted to EUR 43.5 million, significantly above the previous year's figure of EUR 34.5 million. The overall weak development of revenue in the first three months resulted in negative EBIT (earnings before interest and taxes) of EUR 4.1 million (previous year: EUR -2.4 million). At EUR -2.1 million, free cash flow in the first quarter was significantly better than in the previous year (EUR -10.3 million). The net cash position at the end of March was EUR 13.4 million (previous year: EUR 14.0 million) with cash and cash equivalents of EUR 17.8 million.

LPKF is well positioned and financially stable: we continue to be debt-free and have adequate cash reserves. We are continuing to invest in our development projects and are taking various measures to ensure that we can respond as quickly as possible to any significant short-term increases in demand when the economy recovers. We are confident that LPKF will successfully overcome the challenges posed by the current crisis, and that we will ultimately emerge stronger from this crisis.

Despite the weak first quarter, we believe that we will again grow significantly in 2021, especially in the second half of the year. The scheduled delivery of the solar orders we have received in the second half of the year will already contribute to this. We also expect to achieve profitable growth again in the other segments.

Overall, the company expects moderate macroeconomic growth in the current year. Against this background, LPKF anticipates growth of between 15% and 25% to consolidated revenue of EUR 110 million to EUR 120 million in 2021. The EBIT margin is expected to be between 10% and 13%.

In addition, the company sees a realistic chance of receiving and delivering a major order for LIDE (Laser Induced Deep Etching) technology in the current year.

We continue to expect sustainable, profitable growth in all segments in the coming years, and confirm our medium-term outlook.

I would like to take this opportunity to express my sincere thanks to my colleague and CEO Götz Bendele for the good and trusting cooperation over the past three years. We joined the Management Board in 2018 when the company was in a difficult phase. Together, we embarked on and successfully implemented a change of course towards growth, profitability and financial stability. Götz Bendele will leave LPKF on 30 April. On behalf of our employees too, I wish him every success for the future, both privately and professionally.

Best regards,



Christian Witt

Chief Financial Officer

» Interim Management Report as of 31 March 2021

1 Basic information on the Group

The basic information on the LPKF Group in the combined management and Group management report for 2020 continues to apply unchanged.

2 Report on economic position

2.1 Net assets, financial position and results of operations of the Group

2.1.1 Results of operations

In the first quarter of 2021, LPKF Laser & Electronics AG generated revenue of EUR 16.3 million, down 16.7% year-on-year (Q1 2020: EUR 19.5 million). The decrease is mainly attributable to the Solar segment (EUR -3.0 million), which, as expected, did not generate any significant revenue in the first quarter. The decline in revenue in the Welding segment (EUR - 0.7 million) was offset by a slight increase in revenue in the Electronics segment (EUR +0.4 million). At EUR 5.3 million, revenue in the Development segment just exceeded the previous year's figure of EUR 5.2 million.

The lower revenue in the first three months resulted in negative EBIT (earnings before interest and taxes) of EUR 4.1 million (previous year: EUR -2.4 million).

As of 31 March 2021, orders on hand amounted to EUR 43.5 million, 26% above the previous year's figure of EUR 34.5 million. In the current financial year, significant existing orders in the Solar segment will not be delivered until the second half of the year, as agreed.

At EUR 21.5 million, incoming orders were slightly above the previous year's level of EUR 21.2 million. The book-to-bill ratio is 1.3, i.e. the sum of incoming orders in the first quarter is greater than the sum of revenue.

In own work capitalized, EUR 1.1 million was recognized for the development costs of products and software (previous year: EUR 1.3 million). At EUR 1.0 million, other income was higher than in the previous year (EUR 0.7 million). This increase was mainly due to higher grants for development services (EUR +0.1 million) and the reversal of provisions (EUR +0.2 million) compared with the prior-year period.

At 31%, the material cost ratio was slightly below the previous year's figure of 32%.

As of 31 March 2021, 700 people were employed by the LPKF Group, 18 more than on 31 March 2020. The increase in the number of employees is mainly attributable to the sales and development divisions. At EUR 11.5 million, staff costs in the reporting period were up on the previous year (EUR 11.1 million). The rise is due to the increase in the workforce, additions to personnel provisions and a special coronavirus payment of EUR 0.2 million, which was paid to employees in February. The use of short-time work reduced staff costs by EUR 0.3 million in the first three months of 2021.

Depreciation and amortization were on a par with the previous year's figure at EUR 1.9 million in the reporting period. Of this amount, EUR 0.9 million was attributable to depreciation and amortization from own work capitalized (previous year: EUR 0.8 million). At EUR 4.1 million, other operating expenses were down on the previous year's figure of EUR 4.5 million. This decrease was mainly due to a reduction in travel and meals/entertainment expenses (EUR -0.3 million) and lower expenses for sales commissions (EUR -0.2 million). There was an increase over the previous year's figures of EUR 0.1 million each in development costs and in currency losses.

Thanks to the continued positive net liquidity position, no interest expenses were incurred for short-term credit. Consolidated net profit after interest and taxes amounted to EUR -3.0 million (previous year: EUR -1.8 million).

2.1.2 Financial position

The Group's cash and cash equivalents dropped from EUR 20.1 million as of 31 December 2020 to EUR 17.8 million in the reporting period. The net cash reserve of EUR 15.2 million at the end of 2020 fell to EUR 13.4 million.

In the reporting period, the negative consolidated net profit, the increase in inventories, and the reduction of liabilities in the amount of EUR 4.3 million were mainly compensated by incoming payments from receivables and advance payments received for upcoming customer projects in the amount of EUR 6.0 million. At EUR -0.7 million, cash flow from operating activities was in slightly negative territory, but was significantly higher than the figure for the same quarter in the previous year (EUR -8.4 million).

Following negative cash flow from investing activities of EUR -1.4 million, there was free cash flow of EUR -2.1 million. Scheduled repayments of long-term loans and payments for lease liabilities resulted in a cash outflow from financing activities of EUR -0.7 million (previous year: EUR -0.8 million).

The LPKF Group has the necessary funds for investments and further growth, comprising cash and cash equivalents and the available credit facilities. In the first three months of 2021, as in the 2020 financial year, the company did not take any public funds from the German government's economic stimulus packages, and is also not planning to for the remainder of the financial year and beyond.

2.1.3 Net assets

Analysis of net assets and capital structure

Compared with 31 December 2020, non-current assets increased by EUR 1.8 million to EUR 68.0 million. The change is primarily due to an increase in deferred tax assets of EUR 1.5 million.

Trade receivables dropped by EUR 1.5 million to EUR 11.8 million during the reporting period. Inventories increased by EUR 2.3 million to EUR 22.1 million. Cash and cash equivalents decreased by EUR 2.3 million to EUR 17.8 million as of 31 March 2021. Current assets fell by EUR 1.9 million overall to EUR 53.5 million.

Net working capital fell from EUR 20.5 million to EUR 19.5 million in the first three months. This decline was mainly due to the high value of advanced payments received for customer projects (EUR +6.0 million). This was offset by the reduction in liabilities since 31 December 2020 (EUR -4.3 million).

The equity ratio dropped from 76.4% at the end of 2020 to 74.6% as of 31 March 2021.

Non-current liabilities declined by EUR 0.4 million, primarily due to the scheduled repayment of loans. Current liabilities recorded an increase of EUR 2.5 million, which was particularly due to advance payments received for customer projects (EUR +6.0 million) with a simultaneous reduction in trade payables of EUR -4.3 million as of the reporting date. In addition, other liabilities increased by EUR 0.7 million.

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

Capital expenditure

The Group engaged in only limited capital expenditure in the first three months of the year. Other than additions to capitalized development costs of EUR 1.1 million, a small amount of EUR 0.3 million was added in property, plant and equipment and other intangible assets.

2.1.4 Segment performance

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

in Mio. EUR	Revenue		EBIT	
	3 Months 2021	3 Months 2020	3 Months 2021	3 Months 2020
Electronics	6.6	6.2	-1.0	0.0
Development	5.3	5.2	0.6	0.0
Welding	3.2	3.9	-1.7	-1.8
Solar	1.2	4.2	-2.0	-0.6
Total	16.3	19.5	-4.1	-2.4

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 2021:

Area	As of	As of
	03/31/2021	03/31/2020
Production	164	162
Sales	136	132
Development	153	148
Service	99	98
Administration	148	149
Total	700	689

The total number of employees as of 31 March 2021 was 681 (previous year: 662) full-time equivalents (FTE).

2.3 Overall assessment of the Group's economic situation

For LPKF, the start of 2021 was characterized by an external factor: COVID-19. The global spread of COVID-19 has led to a severe recession and also affected LPKF's customer industries. LPKF has taken responsible steps to ensure business continuity throughout the pandemic phase and to protect the company's strong financial position as effectively as possible.

The lower revenue in the first quarter was expected. This is mainly attributable to the Solar segment (EUR -3.0 million), which, as expected, did not generate any significant revenue in the first quarter. In the current financial year, significant existing orders from a framework agreement with a customer in the Solar segment will not be delivered until the second half of the year, as agreed.

The order situation shows a positive trend. As of 31 March 2021, orders on hand amounted to EUR 43.5 million, 26% above the previous year's figure of EUR 34.5 million. At EUR 21.5 million, incoming orders were slightly above the previous year's level of EUR 21.2 million.

The Management Board is monitoring the current order situation and the performance of the individual market segments very carefully, especially considering the unclear macroeconomic

outlook, the economic repercussions of the coronavirus outbreak and the opportunities arising from the changing market environment.

On the whole, there is still a strong interest in LPKF's solutions.

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 2021.

4 Opportunities and risks

In the combined management report and Group management report for 2020, the opportunities and risks of the LPKF Group are presented and explained in detail in separate reports. These explanations continue to apply unchanged.

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

5.1.1 Group performance

Looking to the future, LPKF does not expect COVID-19 to have a lasting impact on the global economy. On the whole, the Management Board anticipates moderate overall economic growth in global GDP in the current year. The company is expecting key customer industries to continue to face challenges in connection with COVID-19 and sector-specific structural changes. Nevertheless, LPKF does expect conditions to improve in the current financial year. This applies in particular to business areas that are benefiting from the advancing digitalization of the economy and industry, which is helping customers to make their production operations more resource efficient and energy efficient.

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

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

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

The Management Board anticipates the following developments for the future:

- Megatrends such as miniaturization, digitalization and clean production methods will help to establish the laser as a dominant tool. This trend has the potential to be reinforced further by the COVID-19 pandemic.
- Demand among customers for efficient, laser-based solutions for the production of components and products will remain high. The number of applications will grow. New product developments and sales channels will become established.
- LIDE technology will be used for the first time for volume manufacturing, e.g. in the semiconductor, display and other industries and will be established permanently as a key technology.
- Green energy will continue to gain in importance and increase the demand for efficient solar modules.

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

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

- LPKF will continue to invest in technological development in order to extend its leading position in laser-based micromaterial processing. In doing so, the company will address the specific parameters that drive economic success for its customers, thereby creating a tangible competitive advantage for them.
- LPKF will specifically drive the development of technologies that help customers to conserve resources and make their production operations more energy efficient.
- The establishment of various applications will continue to be expanded.
- The company will ramp up its sales activities and continue to build up market penetration in the individual segments.
- After-sales service will be further expanded as an additional growth platform.

LPKF as a company will retain its agility and flexibility so that it is able to respond quickly to a range of macroeconomic developments. Overall, LPKF expects further profitable growth in the medium term, even in a volatile economic environment. The company is – and will remain – well positioned financially, and has the necessary funds for investments and further growth.

5.1.2 Key financial indicators

Revenue reached EUR 16.3 million in the first three months of 2021, and was thus 16.7% lower than the previous year's figure. This revenue performance led to a negative EBIT (earnings before interest and taxes) of EUR 4.1 million (previous year: EUR -2.4 million).

As of 31 March 2021, orders on hand amounted to EUR 43.5 million, 26% above the previous year's figure of EUR 34.5 million. At EUR 21.5 million, incoming orders were slightly above the previous year's level of EUR 21.2 million.

2021 financial year

Overall, the company expects moderate macroeconomic growth in the current year. Against this background, LPKF anticipates growth of between 15% and 25% to consolidated revenue of EUR 110 million to EUR 120 million in 2021. The EBIT margin is expected to be between 10% and 13%.

In addition, the company sees a realistic chance of receiving and delivering a major order for LIDE (Laser Induced Deep Etching) technology in the current year, which is not included in the above figures.

Subsequent years up to 2024

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

» Consolidated financial statements

Consolidated income statement from 1 January to 31 March 2021

in EUR thousand	01-03 / 2021	01-03 / 2020
Revenue	16,256	19,505
Changes in inventories of finished goods and work in progress	2,375	4,750
Other own work capitalized	1,088	1,279
Other income	988	654
Cost of materials	-7,362	-11,005
Personnel expenses	-11,455	-11,056
Depreciation and amortization	-1,867	-1,863
Impairment expenses (including reversals) on financial assets and contract assets	-20	-114
Other expenses	-4,148	-4,517
Operating result (EBIT)	-4,145	-2,367
Finance income	1	3
Finance costs	-134	-48
Earnings before tax	-4,278	-2,412
Income taxes	1,252	642
Consolidated net profit/loss	-3,026	-1,770
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluations of defined benefit plans	0	5
Tax effects	0	0
Items that will be reclassified to profit or loss:		
Exchange differences on translation	780	270
Other comprehensive income after taxes	780	275
Total comprehensive income	-2,246	-1,495
Earnings per share (basic)	-0.12 EUR	-0.07 EUR
Earnings per share (diluted)	-0.12 EUR	-0.07 EUR

Consolidated statement of financial position as of 31 March 2021

in EUR thousand	03/31/2021	12/31/2020
Assets		
Intangible assets and goodwill	17,550	17,340
Property, plant and equipment	45,758	45,986
Trade receivables	522	262
Other non-financial assets	37	32
Deferred tax assets	4,134	2,627
Non-current assets	68,001	66,247
Inventories	22,134	19,845
Trade receivables	11,228	12,937
Income tax receivables	317	98
Other financial assets	0	33
Other non-financial assets	2,109	2,421
Cash and cash equivalents	17,754	20,074
Current assets	53,542	55,408
Assets	121,543	121,655
in EUR thousand	03/31/2021	12/31/2020
Equity		
Subscribed capital	24,497	24,497
Capital reserve	15,463	15,463
Other reserves	10,946	10,166
Net retained profits	39,760	42,786
Equity	90,666	92,912
Liabilities		
Provisions for pensions and similar obligations	356	358
Other financial liabilities	4,181	4,434
Deferred income	483	492
Contract liabilities	170	215
Other provisions	259	339
Deferred tax liabilities	1,102	1,101
Non-current Liabilities	6,551	6,939
Other provisions	2,475	2,506
Other financial liabilities	2,511	2,508
Trade payables	3,376	7,629
Contract liabilities	10,810	4,733
Other non-financial liabilities	5,154	4,428
Current liabilities	24,326	21,804
Liabilities	30,877	28,743
Equity and liabilities	121,543	121,655

Consolidated statement of changes in equity as of 31 March 2021

in EUR thousand	Subscribed capital	Capital reserve	Other reserves				Net retained profits	Total equity
			Other retained earnings	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve		
As of 01/01/2021	24,497	15,463	10,529	-361	490	-492	42,786	92,912
Consolidated net profit/loss							-3,026	-3,026
Other comprehensive income after taxes						780		780
Total comprehensive income	0	0	0	0	0	780	-3,026	-2,246
As of 03/31/2021	24,497	15,463	10,529	-361	490	288	39,760	90,666

in EUR thousand	Subscribed capital	Capital reserve	Other reserves				Net retained profits	Total equity
			Other retained earnings	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve		
As of 01/01/2020	24,497	15,463	10,529	-335	490	300	39,893	90,837
Consolidated net profit/loss							-1,770	-1,770
Other comprehensive income after taxes				5		270		275
Total comprehensive income	0	0	0	5	0	270	-1,770	-1,495
As of 03/31/2020	24,497	15,463	10,529	-330	490	570	38,123	89,342

Consolidated statement of cash flows as of 1 January to 31 March 2021

in EUR thousand	01-03 / 2021	01-03 / 2020
Consolidated net profit/loss	-3,026	-1,770
Adjustments:		
Tax expenses	-1,252	-642
Financial expenses	134	48
Financial income	-1	-3
Depreciation/amortization of non-current assets	1,867	1,863
Gains/losses on the disposal of property, plant and equipment	0	-1
Impairment losses/reversals	231	-460
Other non-cash expenses and income	124	106
Changes:		
Inventories	-2,510	-6,493
Trade receivables	1,440	-1,250
Other assets	341	-323
Provisions	-113	1,645
Trade payables	-4,253	108
Other liabilities	6,749	-33
Other:		
Interest received	1	3
Income taxes refund (paid)	-473	-1,235
Cash flow from operating activities	-741	-8,437
Investments in intangible assets	-1,133	-1,227
Investments in property, plant and equipment	-247	-632
Revenue from the disposal of assets	0	1
Cash flow from investing activities	-1,380	-1,858
Interest paid	-37	-39
Payments of lease liabilities	-183	-186
Payments for repaying loans	-454	-530
Cash flow from financing activities	-674	-755
Change in cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	-2,795	-11,050
Cash and cash equivalents as of 1 January	20,074	31,343
Effects of exchange rate changes on cash and cash equivalents	475	18
Cash and cash equivalents as of 31 March	17,754	20,311

Notes on the preparation of the quarterly financial report

This financial report as of 31 March 2021 complies in full with the rules set out in IAS 34. The interpretations of the International Financial Interpretations Committee (IFRIC) are observed. The figures of the previous period were calculated according to the same principles, provided that new standards did not require any changes. The same applies to the accounting and valuation methods and the calculation methods used in the interim financial statements. Standards to be applied in the current financial year have already been applied. Estimates of amounts reported in prior interim periods of the current financial year, in the last annual financial statements or in previous financial years have not been changed in this financial report. There have been no significant changes to the contingent liabilities and contingent assets since the last reporting date. This financial report has not been audited. Likewise, it has not been subject to a review. Information relating to events of particular importance after the end of the reporting period is included in the supplementary report of the interim management report.

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

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

Basis of consolidation

The scope of consolidation shown on page 86 of the Annual Report for 2020 remains unchanged.

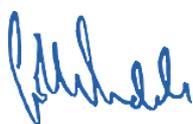
Transactions with related parties

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

Garbsen, 29th April 2021

LPKF Laser & Electronics Aktiengesellschaft

The Management Board



Goetz M. Bendele



Christian Witt

» Financial calendar

29 April 2021	Publication of the three-months report
20 May 2021	Annual General Meeting 2021
29 July 2021	Publication of the six-months report
28 October 2021	Publication of the nine-months report

» Publishing information

Published by

LPKF Laser & Electronics AG
Osteriede 7
30827 Garbsen
Germany
Tel.: +49 5131 7095-0
Fax: +49 5131 7095-90
E-Mail: info@lpkf.com

Investor Relations contact

LPKF Laser & Electronics AG
Bettina Schäfer
Osteriede 7
30827 Garbsen
Germany
Tel.: +49 5131 7095-1382
Fax: +49 5131 7095-9111
E-Mail: investorrelations@lpkf.com

Internet

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

LPKF Laser & Electronics AG

Osteriede 7
30827 Garbsen
Germany

Tel: +49 5131 7095-0
Fax: +49 5131 7095-90

www.lpkf.com