

TOMORROW'S TECHNOLOGY TODAY

ANNUAL REPORT 2025

LPKF

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COMPANY

Group Key Figures and Profile of the LPKF Group

GROUP KEY FIGURES

LPKF GROUP

CONSOLIDATED REVENUE AS OF 31 DECEMBER 2025

in EUR million	2021	2022	2023	2024	2025
Revenue	93.6	123.7	124.3	122.9	115.3
Revenue by region					
Germany	11.2	9.9	11.7	13.5	9.9
Rest of Europe	19.9	17.7	16.2	15.8	14.9
North America	17.0	42.3	46.6	52.6	49.0
Asia	43.5	51.2	47.8	38.9	40.0
Other	2.0	2.6	2.0	2.1	1.5
Revenue by segment					
Development	22.1	28.2	29.0	26.2	27.1
Electronics	32.0	31.5	32.7	36.9	35.9
Welding	27.4	25.6	23.1	18.6	24.0
Solar	12.1	38.4	39.5	41.2	28.3

CONSOLIDATED FINANCIAL KEY FIGURES AS OF 31 DECEMBER 2025

in EUR million	2021	2022	2023	2024	2025
EBIT	0.1	6.5	3.7	-2.5	-13.5
EBIT margin (in %)	0.1	5.3	3.0	-2.1	-11.7
Adjusted EBIT	n.a.	n.a.	4.4	0.1	0.8
Adjusted EBIT margin (%)	n.a.	n.a.	3.5	0	0.0
Consolidated net profit after non-controlling interest	-0.1	1.4	1.8	-4.5	-14.3
Diluted EPS (in EUR)	0.00	0.06	0.07	-0.18	-0.59
Dividend per share (in EUR)	0.00	0.00	0.00	0.00	0,00*
ROCE (in %)	0.1	7.1	3.5	-2.5	-16.7
Equity ratio (in %)	69.7	67.9	64.1	69.7	73.2
Investment in property, plant and equipment and intangible assets	8.6	8.2	7.7	7.5	6.6
Free cash flow	-0.7	0.3	-11.1	1.9	9.7
Orders on hand	62.6	63.2	58.9	50.9	27
Incoming orders	117.8	124.3	120.1	114.3	91.6
Employees** (Number)	746	740	761	773	727

* Annual General Meeting recommendation

** not including trainees and marginal employees

PROFILE OF THE LPKF GROUP

Innovative manufacturing technologies for growth markets

The LPKF Group (LPKF) is an international technology company specializing in innovative, laser-based manufacturing solutions for demanding industries. The company is a leader in the development of high-tech solutions that address aspects such as precision, energy efficiency and sustainability in particular.

In the 50 years of the company's history, LPKF has established leading positions in a number of highly specialized market segments. With its patented LIDE (Laser Induced Deep Etching) technology for high-precision glass processing, LPKF is tackling a key need in the semiconductor industry and consistently expanding its strong position with a growing portfolio of solutions.

Advanced packaging with glass

The semiconductor industry is facing a critical challenge: miniaturization is reaching its physical limits, Moore's Law* is losing its validity and traditional approaches are no longer sufficient to meet the ever-increasing demands of next-generation computing and artificial intelligence.

Modern concepts such as 3D packaging and chiplet architectures make optimum use of the available space. Glass as an interposer or carrier material opens up new possibilities: highly complex chips can be made more powerful and can be produced more cost-efficiently – a crucial lever for the high-performance computing of the future.

With LIDE, LPKF has developed a key process that enables defect-free, high-precision processing of glass substrates. The majority of the relevant players in the semiconductor market are already using this technology in development and qualification; the breakthrough to mass production is the next milestone.

The use of glass in semiconductor packaging brings with it new process requirements in a high-volume market. LPKF is using the market and technology insights gained with LIDE to expand its portfolio along the value chain in a targeted manner and to position itself in the medium term with solutions for optical data transmission (co-packaged optics).

Core business

As a high-tech mechanical engineering company, LPKF develops high-precision, scalable manufacturing processes for various applications. These include:

- PCB processing in the electronics market
- the structuring of thin-film solar cells

- laser welding of components for consumer electronics, medical technology and the automotive industry
- Rapid PCB prototyping as an in-house process for the rapid production of PCB prototypes, which is used by industrial customers and research institutes worldwide.

Thanks to the decades of experience it has gained, LPKF has a deep understanding of its customers' requirements. At the same time, the company is driving technological progress with a high level of innovation and regularly sets new standards in its target markets.

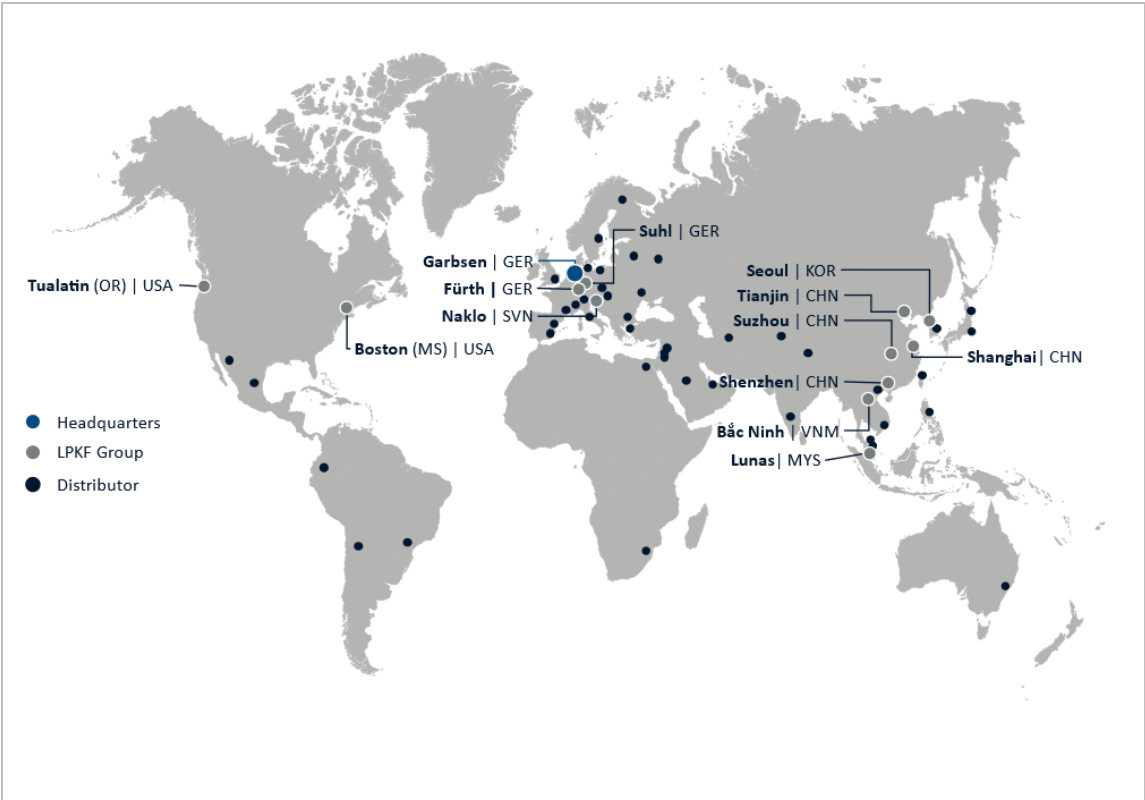
Global network and presence

The LPKF Group is headquartered in Garbsen near Hanover in Germany. The company has 8 subsidiaries in Europe, Asia and North America and a presence in more than 60 countries. Around 700 employees worldwide form the basis for the company's proximity to its customers, its innovative strength and its reliable implementation of complex projects. A global service network ensures that customer systems can be operated with high availability throughout their entire life cycle.





The shares of LPKF Laser & Electronics SE are listed on the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse).

*Moore's Law describes the observation that, over many years, the number of transistors on a microchip – and therefore the computing power – has doubled approximately every two years.

LPKF WORLDWIDE

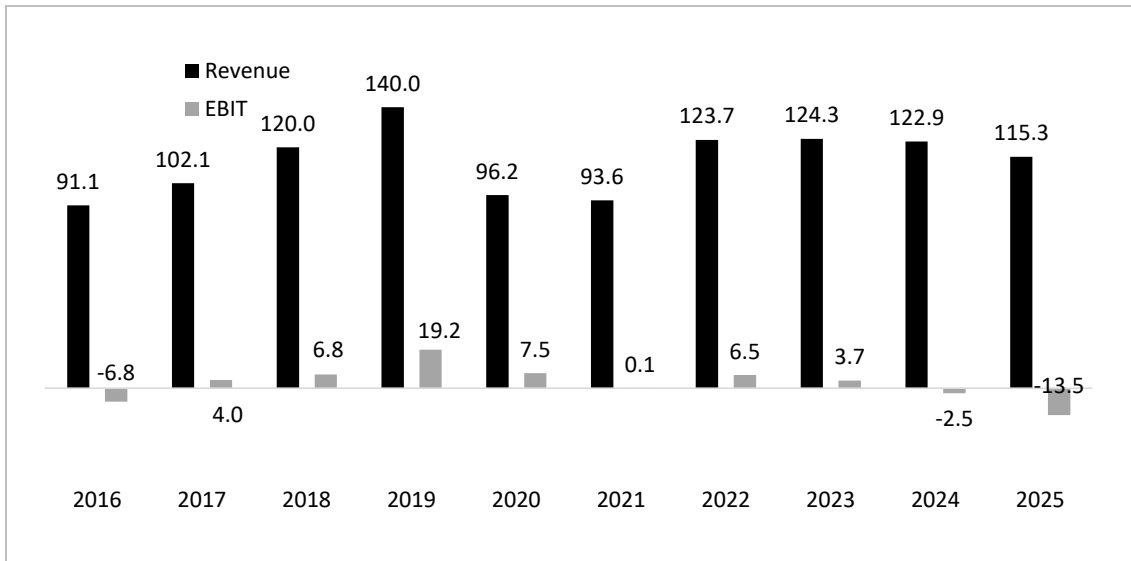


SEGMENTS

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

REVENUE AND EBIT

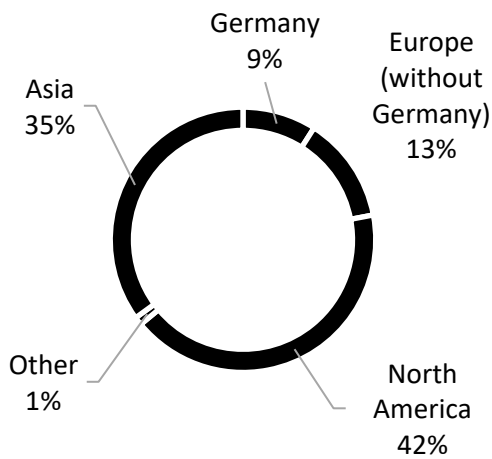
in EUR million



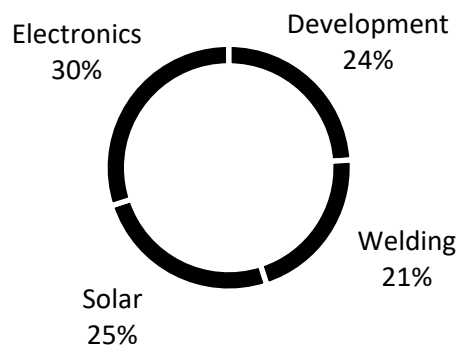
SEGMENT INFORMATION

1 January – 31 December 2025

REVENUE BY REGION



REVENUE BY SEGMENTS



LETTER FROM THE CEO

Garbsen, 25 March 2026

DEAR SHAREHOLDERS,

The past financial year was once again characterized by considerable challenges for LPKF. At the same time, however, we also made important progress in strategic growth areas, thereby laying the foundations for more profitable development in the future. Although we did not achieve our original financial targets, we were able to meet our most recently adjusted forecast. We see this development as a clear mandate to further sharpen our product portfolio and our operational positioning.

LPKF was particularly affected by US tariffs, increasing protectionism, and the resulting global economic uncertainty. Many of our customers have postponed or reassessed their investment decisions, which has had a direct impact on our incoming orders. There was also a fundamental change in technology in the solar sector that is currently slowing down our customers' propensity to invest but will open up new opportunities in the medium term.

This makes it all the more important that we have made substantial progress in other areas. In the Semiconductor segment, we have succeeded in convincing a significant number of leading manufacturers to adopt our advanced glass packaging solutions and in appreciably strengthening our position in this strategically important industry. These successes confirm LPKF's technological relevance and lay an important foundation for future growth.

At the same time, we initiated significant changes at the operational level last year with the North Star project under the leadership of our CFO Peter Mümmeler. The aim is to achieve a sustainable improvement in our profitability by reducing our structural costs. We are streamlining our organization, focusing our resources on the most attractive growth markets, and increasing the efficiency of our processes. These steps are consistent, occasionally painful, but necessary to make LPKF more resilient and competitive.

Business performance in 2025 in figures

In the 2025 financial year, the LPKF Group generated revenue of EUR 115.3 million, down 6.2% on the previous year.

Adjusted EBIT (earnings before interest and taxes) increased from EUR 0.1 million in the previous year to EUR 0.8 million. As in the previous year, the adjusted EBIT margin was 0%.

At EUR 91.6 million, incoming orders in the reporting period were 19.9% below the previous year's level. At EUR 27.0 million, the order backlog at the end of the year was EUR 23.9 million below the previous year's figure. The overall order situation is particularly affected by the lack of major orders in the Solar segment.

Segment performance

ADVANCED PACKAGING

In the semiconductor market, the transformation of the value chain towards glass-based substrates and glass TGVs is being implemented step by step. Driven by the megatrend of “next-generation computing” with exponentially growing data volumes, AI applications, and increasing demands for energy-efficient computing power, leading chip manufacturers and their suppliers are increasingly turning to glass substrates; the entire supply chain is undergoing a profound transformation process.

For many years, we have anticipated that glass, as a superior material, will fundamentally change the architecture of high-performance chips and open up new value creation potential in advanced packaging – and that we will play a key role in this with our LIDE technology. It is now clear that the transformation to glass is no longer just our own expectation, but is being strategically driven by all relevant players in the semiconductor market; new statements in the trade press every week confirm this trend and underline the momentum of this emerging segment.

In this environment, our LIDE technology is a recognized and proven key technology for advanced packaging: The LIDE process is in use by customers and has proven itself as a high-precision, crack-free processing solution for glass, which is reflected in a growing number of installed systems and pilot lines. The signs of a breakthrough for glass in advanced packaging are thus becoming increasingly clear – from the perspective of our shareholders, the question is no longer whether this change will take place, but only when it will occur and how we can leverage our strong positioning with LIDE to participate in this development in the long term.

In this important market, we will no longer limit ourselves to covering just a single process step in the future – our technological expertise extends far beyond that. We are therefore specifically expanding our offering to include complementary process technologies, such as the singulation of glass-based packages and laser-based bonding of multilayer glass stacks. This will strengthen our role as a key partner to our customers and consistently expand our strategic position in the market.

And we are looking even further ahead: LPKF is working on the integration of co-packaged optics (CPO) on glass substrates—a forward-looking application with high relevance for future semiconductor generations. With this technology, optical components are integrated directly into the chip housing, replacing classic electrical data connections with significantly faster and more energy-efficient optical links. Glass substrates play a central role in this: in addition to their superior electrical properties and high stability, they also perform the new optical tasks of wave guidance and beam shaping. LPKF is positioning itself as a strategic partner in this emerging market in the advanced packaging sector with a range of new technologies. We are thus actively working to establish packaging architectures.

The protection of our intellectual property is a top priority for LPKF. In addition to the successful confirmation of our property rights in Europe and Korea, we are currently taking active measures against patent infringements in China and have initiated legal proceedings against a patent infringer there. Our goal is to consistently prevent the unauthorized use of

our technology and to ensure that products manufactured with such imitation technologies do not gain market access outside of China.

In the display area, we are working with a leading global display and semiconductor manufacturer. This is an important proof of concept for us and a first step toward series production of glass displays. At present, it is not possible to make any reliable statements about the timing and dynamics of a possible ramp-up to volume production; we are monitoring the situation at our partner and in the market very carefully.

CORE BUSINESS

The 2025 financial year saw a positive performance in the Development segment overall. Business was particularly dynamic in North America in the first nine months, while incoming orders from Asia remained rather subdued. The government shutdown in the US from the beginning of October to the middle of November 2025 had a noticeable negative impact on business performance in the fourth quarter.

Against the backdrop of an expected increase in government R&D budgets in the defense sector, we are looking ahead with confidence in this environment. Institutes and research facilities worldwide are financed by government funding, among other fundings. Despite individual geopolitical challenges, we expect only a minor impact on investment behavior in the current financial year, although we continue to monitor this very closely, particularly with regard to the US.

In the Electronics segment, we bring together all solutions for the series production of electronic modules, such as the laser cutting of printed circuit boards (PCBs) and the manufacture of high-precision solder paste stencils. The surface mount technology (SMT) market was challenging for both these sectors in 2025. The effects of the US tariff policy were clearly felt – less in the US market for LPKF, but primarily in other regions of the world that were indirectly affected by the tariffs. Important customer projects were canceled or postponed as a result. The increased uncertainty led to a noticeable reluctance to invest, particularly in the second quarter. The service business was also clearly impacted by these effects.

Overall, business with systems for cutting PCBs developed positively in the past financial year. With the CuttingMaster 2000, we have a technologically outstanding laser system whose performance is clearly superior to that of conventional technologies for separating PCBs. Against this backdrop, more and more electronics manufacturers are turning to laser technology, and we see considerable growth potential in this market.

Within the Group, the Welding segment continues to be most affected by the persistently weak performance of the automotive industry. In the 2025 financial year, however, we succeeded in establishing a successful business in this area with welding systems for consumer electronics applications. Incoming orders in the reporting period were significantly higher than in the previous year. We were also able to acquire new customer projects in smart robotics applications, which provide additional impetus for our business.

The positive effects that have been generated by our increased focus on the medical technology and consumer electronics markets confirm our strategic orientation. Meanwhile,

the automotive market will remain an important sales area for plastic welding in the future. We have numerous long-standing customers in this market and will continue to provide them with the best possible service and support. At the same time, there are currently no signs of a fundamental recovery in the automotive industry that could lead to new growth in plastic welding in the short term.

As part of the North Star project, we are implementing structural changes at the Fürth site to ensure our sustainable competitiveness with appropriate profitability. This also includes bundling production activities at the Suhl site as part of a service agreement.

In the Solar segment, revenue in the first half of 2025 continued to develop in line with planning, driven by major orders from the previous financial year. Incoming orders in the new machine business, however, remained noticeably below expectations during this period as a result of the global economic uncertainties, which was partially offset by a strong spare parts and service business.

In China in particular, the market environment is challenging at the moment, as local competition continues to intensify. In response to this, we have developed the Allegro ESSENTIAL, a new basic system with reduced investment costs that is tailored to the specific, often lower requirements of many Chinese customers. However, the key challenge for our solar business is the impending technological change in the field of solar modules. A marked reluctance to invest in high-volume systems can be observed worldwide, as the market expects a transition to perovskite coatings. As long as it is unclear when and to what extent this technology will become established, the framework conditions for investment remain uncertain. At the same time, a breakthrough in perovskite technology would open up significant opportunities for LPKF, as the company has innovative solutions and in-depth expertise to operate successfully in this potential growth segment.

We have brought our own activities in the ARRALYZE area to an orderly end. We remain convinced of the innovative strength and high performance of our solution for single-cell analysis. At the same time, it has become clear that the barriers to market entry in the biotechnology sector – especially for a new provider in this segment – are substantial. Against this backdrop, the Management Board is specifically examining options for the sale of ARRALYZE to an appropriate partner that can optimally integrate the product into its core business and fully exploit the market potential of ARRALYZE.

Strategic orientation

In the 50 years of its existence, LPKF has shown that, thanks to its innovative strength and in-depth technological expertise, the company can displace established process technologies and achieve leading positions in specialized applications. We are now directing our strategic focus toward significantly larger market segments with greater scaling and growth potential.

In the semiconductor market, we will expand our excellent market position, particularly in the advanced packaging segment with glass based on LIDE technology, and tap into further growth through additional process steps along the value chain and prospects in the area of co-packaged optics.

In parallel, we will continue to profitably develop our established business areas (Industrial Solutions) – from PCB processing and the structuring of thin-film solar cells to laser welding and rapid PCB prototyping.

In launching our North Star program in September 2025, we are pursuing a clear goal. We want to achieve a double-digit EBIT margin by 2028 to ensure the sustainable financing of our business model, our innovative strength, and our resilience to economic fluctuations. As part of North Star, we are implementing a comprehensive efficiency and structural program, which includes personnel measures and the reduction of selected cost items. These decisions are drastic, but in our view they are absolutely necessary in order to achieve a sustainable improvement in profitability, rebuild the financial reserves the company needs, and continue to reliably finance strategic investments in research and development. We are firmly convinced that, by consistently implementing the North Star program, we will achieve the necessary turnaround and return LPKF to a profitable, growth-oriented course.

As part of North Star, we have also redrafted and extended the syndicated loan agreement with our financing banks up to 2028, thus ensuring that LPKF's transformation is solidly financed.

The core of our strategy remains the ongoing strengthening of our capacity for innovation and the consistent alignment of the organization with our customers' needs. Our broad positioning in various markets and regions reduces our dependence on individual industry cycles, increases our resilience, and creates the basis for positioning LPKF profitably and securely for the long term.

Outlook

The current economic conditions pose considerable challenges for LPKF. As an export-oriented technology company, we are directly and indirectly affected by the ongoing customs issues and geopolitical tensions through our customers. The experiences of recent years also make it clear that we are in an era of permanent volatility and cannot rely on global crises disappearing in the short term.

In view of the current high level of uncertainty in the economic and geopolitical environment, including the risk of war and fragile supply chains, and assuming a significantly lower sales volume in the solar segment, we expect consolidated sales of EUR 105 to 120 million and an adjusted EBIT margin of between -3.0% and 4.5% for the 2026 financial year.

Potential high-volume orders from the advanced packaging sector are not included in this forecast, as the timing of the market-expected ramp-up is determined not by the LIDE process provided by LPKF, but by the qualification of downstream process steps.

The Management Board is confident about the medium-term development of the LPKF Group. While our segments are currently developing differently, our goal remains clear: we are aiming for a sustainable double-digit EBIT margin in 2028 in the Group.

With LIDE and the expansion of the product portfolio, we see a very good strategic position and great potential for growth in the semiconductor market in particular. Our SMT area and Rapid PCB Prototyping also offer very solid growth prospects.

Despite the current weakness in orders in the solar business, we see the transition to perovskite technology as a promising growth area with considerable opportunities for LPKF. Following the strategic realignment in plastic welding, we also expect long-term profitable growth in this segment.

To position the LPKF Group as resilient and competitive in the long term, it is first necessary to make significant structural adjustments, which means that no significant growth impetus can be expected in the short term in the current phase of economic uncertainty.

Ladies and gentlemen, 2026 marks a special milestone for LPKF: it was 50 years ago this year that a 41-year-old civil engineer and passionate hobbyist in Hanover came up with the idea of the **LeiterPlattenKopierFräse** (PCB copy milling machine), a mechanical device for manufacturing PCB prototypes. In doing so, Jürgen Seebach laid the foundations for the high-tech company we are today. Our journey from this first, improvised solution to becoming a global and, in many areas, leading technology supplier for electronics, semiconductors, solar, and other fields of the future is a source of gratitude and pride for us. Our special respect goes to all the employees, managers, Management Board members, and Supervisory Board members who, since LPKF was founded, have built and shaped the company through their dedication and innovative spirit. In this special year, we want to concentrate all our efforts on making LPKF resilient and profitable for the long term.

On behalf of the Management Board, I would like to thank our employees at all our locations for their commitment in challenging times and you, our shareholders, for your continued support and trust.

With kind regards,



Dr. Klaus Fiedler

Chief Executive Officer

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

The 2025 financial year was once again characterized by a challenging and uncertain market environment for LPKF Laser & Electronics SE (LPKF SE) and the LPKF Group (LPKF). The original financial targets were not achieved. The key factor here was the ongoing geopolitical and trade tensions and the resulting reluctance among customers to invest. This led to delays in incoming orders and project decisions in several segments and had a negative impact on the short-term sales performance. However, the most recently revised forecast was met.

At the same time, there was a noticeable stabilization in operations over the course of the financial year. This development confirms the effectiveness of the measures that have been introduced in recent years to control costs and increase efficiency, even if they were not yet able to offset the external pressures in full in the reporting year.

The Supervisory Board closely monitored the company's performance in the 2025 financial year and continuously supervised and advised the Management Board in its management of the company in accordance with the law, the articles of association and the rules of procedure. The Management Board informed the Supervisory Board and its committees regularly, promptly and comprehensively in written and verbal form about the economic situation, business performance, the financial position, assets and liabilities and results of operations, the risk situation and key strategic and operational issues. Deviations from the approved plans were explained in detail and discussed together.

A particular focus of the Supervisory Board's work in the reporting year was the sustainable improvement of profitability and the structural resilience of the business model. The company-wide North Star cost and transformation program was initiated against this background. The aim of the program is to permanently lower the cost base, minimize organizational complexity and significantly reduce the dependence of earnings on short-term fluctuations in sales. The Supervisory Board rigorously monitored and supervised the design, prioritization and implementation of the measures. The first effects can already be seen; the full contribution to earnings is expected to be realized only in the coming financial years.

At the same time, the company's strategic positioning was systematically developed and refined. This involved a deliberate move away from the previous focus on market leadership in smaller niche markets with a greater dependence on individual customer products towards technologies with broader applicability. The Supervisory Board believes that LPKF's

technological competitiveness remains a key value driver. This is reflected both in the ongoing development of established product lines and in key technologies such as LIDE (Laser Induced Deep Etching), which open up access to attractive volume markets in the semiconductor and display industry and form the basis for scalable, high-margin growth.

The cooperation within the Supervisory Board and between the Supervisory Board and the Management Board was again characterized by intensive, open and constructive exchanges in the reporting year. The Supervisory Board and its committees met regularly – also without the Management Board in attendance. The chair of the Supervisory Board also maintained a continuous dialogue with the Management Board and its chair in particular. Peter Mümmler took up his position as Chief Financial Officer on 1 April 2025 and has since been responsible for the Finance, Controlling, Digital & IT, Purchasing and Legal & Compliance divisions.

The Supervisory Board would like to thank the Management Board and the entire management team for their strong commitment to consistently driving forward the transformation, innovation and strategic development of LPKF in a persistently challenging economic environment. We would also like to thank all of the company's employees for their commitment, solidarity and willingness to embrace change. As always, the interests of the workforce were constructively represented by the works councils, and we expressly recognize here the support they have provided for the company's transformation initiatives.

Special thanks go to my colleagues on the Supervisory Board for their active participation and high level of commitment, especially in the committees. Under the leadership of the respective chairs, the committees carefully analyzed key strategic, financial, operational and organizational issues and provided well-founded recommendations to the Supervisory Board and the Management Board.

Finally, we would like to thank our shareholders for their continued support, patience and trust in LPKF Laser & Electronics SE. Even if no significant market recovery is expected in the short term, the Supervisory Board believes that the company is now structurally better positioned than it was a year ago to realize profitable growth again in the medium term and create sustainable added value.

Key topics addressed by the Supervisory Board

In the 2025 financial year, the Supervisory Board devoted intensive attention to the economic situation, strategic development and operating performance of the LPKF Group at nine ordinary meetings and in additional dialogue formats as required. Seven of these meetings were held in person and two in virtual form via video conference. The Supervisory Board's deliberations were based on regular and timely written reports submitted by the Management Board, which were explained and discussed in detail at the meetings.

Mr. Richard attended three meetings until his departure on 4 June 2025. Mr. Owsianowski attended six meetings following his election to the Supervisory Board by the Annual General

Meeting on 4 June 2025. The other members of the Supervisory Board attended all nine meetings.

All the meetings focused on the current business performance, the situation in the key sales markets and the short, medium and long-term corporate planning. The Supervisory Board was regularly informed about the development of sales, earnings and liquidity, the order situation and any significant deviations from the planning and subjected these to critical scrutiny. Particular attention was paid to ensuring the company's financial stability and strengthening its earning power.

Another focus of the discussions was the company's strategic orientation. The Supervisory Board gave extensive consideration to LPKF's technological positioning, the further development of the product and solution portfolios and the target markets addressed. Both growth opportunities and the associated risks were discussed and included in the strategic decisions.

Against the backdrop of the challenging market environment, the Supervisory Board also examined in detail the plans for cost reduction and structural adjustment of the company presented by the Management Board in the reporting year. The conception, prioritization and implementation of the company-wide North Star program formed a central focus of the discussions. The Supervisory Board regularly reviewed the progress of the measures, their financial impact and the organizational and procedural changes and provided the Management Board with close support in their implementation.

The Supervisory Board also dealt with issues of corporate governance, Management Board remuneration, the efficiency of its own work and the further development of the risk and compliance system. The target achievement of the members of the Management Board was reviewed and evaluated on the basis of clearly defined financial and non-financial criteria.

Committee work of the Supervisory Board

In order to perform its duties efficiently, the Supervisory Board again formed committees in the 2025 financial year to prepare and supplement the work of the full board. The composition of the committees and their responsibilities are presented in the corporate governance statement.

The committees carefully prepared resolutions for the Supervisory Board and passed independent resolutions within the scope of the competences assigned to them. The chairs regularly reported on the contents of the committee meetings at the Supervisory Board meetings. All members of the Supervisory Board received the minutes of the committees' resolutions.

The Audit, Risk and ESG Committee held seven meetings in the reporting year, in which it focused on the monitoring of the accounting, the financial and liquidity development, the effectiveness of the internal control system, the risk management system, the internal

auditing and the compliance structures. Five of these meetings were held in person and two in virtual form via video conference. The committee also devoted detailed attention to the implementation of the North Star program, in particular its financial impact and the sustainable improvement of the cost structure. The Audit, Risk and ESG Committee maintained a regular dialogue with the auditor without the involvement of the Management Board and convinced itself of the auditor's independence. In the reporting year, the Audit, Risk and ESG Committee was always informed immediately by the auditor of all findings and events of significance for its duties that came to its attention during the audit. All the committee members attended all seven meetings.

The Remuneration and Nomination Committee held four meetings in the reporting year to deal in particular with matters relating to the Management Board, including issues involving Management Board remuneration, target agreements and long-term incentive systems as well as the further development of the Supervisory Board's qualification matrix and the organization of the selection process for filling vacancies on the Supervisory Board in 2026. These meetings were held in virtual form via video conference. All the committee members attended all four meetings.

On 22 July 2025, the Supervisory Board decided to dissolve the Strategy Committee and to deal with strategic issues within the full board in future. Up to this point, the Strategy Committee had held three meetings to discuss the further development of the corporate strategy and its operationalization. These meetings were held in person. All the committee members attended all three meetings.

The Supervisory Board is convinced that the committee work in the reporting year made a significant contribution to the quality of the deliberations and decisions of the full board.

Corporate governance and declaration of compliance

The Supervisory Board continued to focus intensively on the implementation of corporate governance standards in 2025. LPKF Laser & Electronics SE's corporate governance is outlined in detail in the Corporate Governance Declaration. The Management Board and Supervisory Board issued the current annual declaration of compliance in accordance with Section 161 AktG on 18 February 2025. This declaration of compliance was updated on 4 June 2025. The new declaration from 10 February 2026 and the previous declarations are publicly available online at www.lpkf.com/en/investor-relations/corporate-governance.

No conflicts of interest arose in the year under review.

The members of the Supervisory Board are independently responsible for completing the training and educational measures necessary for performing their roles. This includes matters such as changes to the legal framework or accounting standards and emerging tools and technologies. Where necessary, internal information events are also offered to provide targeted further training. Ms. Siebert took part in external training courses on new regulatory developments for Supervisory Board activities with a focus on corporate governance,

cybersecurity and artificial intelligence in the boardroom as well as internal compliance and IT security training. Ms. Wittenberg also took part in external training courses on new regulatory developments for Supervisory Board activities with a focus on corporate governance, cybersecurity and artificial intelligence in the boardroom. She also attended training courses on the Financial Reporting Update 2025 and corporate governance topics focusing on innovation, entrepreneurship and technology and took part in internal compliance and IT security training. Dr. Rothweiler, Prof. Overmeyer and Mr. Owsianowski also completed the internal compliance and IT security training.

Sustainability

Sustainability is an important component of the corporate strategy. The Audit, Risk and ESG Committee and the Supervisory Board are constructively supporting these activities and are pleased to see the progress being made in various areas which are presented in the sustainability report. The sustainability report of the LPKF Group for the financial year 2025 was reviewed in advance by the Audit, Risk and ESG Committee and discussed and approved by the Supervisory Board at its meeting on 24 March 2026. You can find the sustainability report for the 2025 financial year at <https://www.lpkf.com/en/company/sustainability>.

Annual and consolidated financial statements

The annual financial statements of LPKF Laser & Electronics SE as at 31 December 2025 prepared by the Management Board, the combined management report for the 2025 financial year and the consolidated financial statements, including the combined Group management report, were audited by the auditor appointed by the Annual General Meeting. The auditor has issued an unqualified audit opinion in each case.

The financial reporting documents, the Management Board's proposal for the appropriation of the net retained profits and the auditor's reports were submitted to the Supervisory Board in a timely manner. They were first discussed in detail by the Audit, Risk and ESG Committee and then examined and discussed in detail by the Supervisory Board at its meeting to review the financial statements, which the auditor's representatives also attended. The auditors reported on the key findings of their audit and were available to answer questions on the net assets, financial position and results of operations of the company and the Group.

Following its own review and on the basis of the Audit Committee's reports, the Supervisory Board raised no objections to the annual financial statements, the consolidated financial statements or the combined management reports for the LPKF Group and the LPKF SE. The Supervisory Board therefore agreed with the results of the audit and adopted the annual financial statements of LPKF Laser & Electronics SE and the consolidated financial statements for the 2025 financial year prepared by the Management Board. The annual financial statements are thus approved in accordance with Section 172 AktG.

The Supervisory Board also examined the Management Board's proposal for the appropriation of the net retained profits and approved it after a detailed discussion. In

particular, the company's liquidity situation, planned investments and anticipated business development were taken into account. In the opinion of the Supervisory Board, the proposal is in the interests of the company and its shareholders.

Garbsen, March 2026

For the Supervisory Board

A handwritten signature in blue ink, appearing to read "Alexa Siebert". The signature is fluid and cursive, with the first name "Alexa" being more prominent than the last name "Siebert".

Alexa Siebert

Chair

CORPORATE GOVERNANCE

LONG-TERM VALUE CREATION AND EFFICIENT COOPERATION

The principles of responsible and good corporate governance guide the actions of the LPKF Group's management and supervisory bodies. The statements apply to LPKF Laser & Electronics SE (hereinafter also referred to as "LPKF SE") and its Group companies, unless otherwise stated below. This section contains the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch – HGB). The corporate governance statement for the company and the Group is an integral part of the combined management and Group management report. The Management Board and the Supervisory Board also report on corporate governance at LPKF SE in this section.

CORPORATE GOVERNANCE STATEMENT

Declaration of compliance in accordance with Section 161 AktG of 10 February 2026:

The Management Board and the Supervisory Board declare that, since its last declaration of compliance dated 18 February 2025 and the updated version dated 4 June 2025, LPKF Laser & Electronics SE (hereinafter "LPKF SE") has complied with all recommendations of the German Corporate Governance Code (hereinafter the "Code") as amended on 28 April 2022 and published by the Federal Ministry of Justice in the official section of the Federal Gazette, with the following exception, and will comply with them in full in the future:

Recommendation on the chairmanship of the Audit Committee (Code section D.3 sentence 5)

The Supervisory Board has formed an Audit, Risk and ESG Committee, which fulfils all but one of the Code's recommendations regarding the Audit Committee. The only deviation is from the recommendation that the chair of the Supervisory Board shall not chair the Audit Committee as well. Alexa Siebert has been chair of the Audit, Risk and ESG Committee since 20 July 2023. In the opinion of the Supervisory Board, she fulfils the requirements regarding the special professional expertise that the chair of the Audit Committee shall have due to her professional background and practical experience. In order to ensure the continuity and efficiency of the monitoring work, the full Supervisory Board considers it appropriate, in deviation from recommendation D.3 sentence 5 of the GCGC, for the chair of the Supervisory Board to continue to chair the Audit, Risk and ESG Committee. The Supervisory Board is confident in its belief that the workload associated with chairing the Audit, Risk and ESG Committee can be handled by the chair of the Supervisory Board. The deviation is therefore in the best interests of the company.

Garbsen, 10 February 2026

For the Supervisory Board



ALEXA SIEBERT

For the Management Board



DR. KLAUS FIEDLER

REMUNERATION REPORT AND REMUNERATION SYSTEMS

The remuneration report for the 2025 financial year, the auditor's report on the audit of the remuneration report and the remuneration system applicable to the members of the Management Board and Supervisory Board are available on the LPKF Laser & Electronics SE website at <https://www.lpkf.com/en/investor-relations/corporate-governance>.

DISCLOSURES ON RELEVANT CORPORATE GOVERNANCE PRACTICES

OPPORTUNITY AND RISK MANAGEMENT

The Management Board of LPKF SE has set up a Group-wide reporting and control system to record, assess, monitor and manage opportunities and risks. The internal control system and the opportunity and risk management system also cover sustainability objectives, including processes and systems for collecting and processing sustainability data, and incorporate a compliance management system. The system is continuously evolving and adapted to changing conditions and is periodically reviewed by the auditor. The Management Board regularly informs the Supervisory Board, and more specifically its Audit, Risk and ESG Committee, about existing risks and their development. Details on opportunity and risk management in the LPKF Group are presented in the opportunity and risk report as part of the Group management report. This contains the report on the entire internal control and risk management system, including a statement on the appropriateness and effectiveness of these systems.

COMPLIANCE – PRINCIPLES OF BUSINESS ACTIVITIES AND PRACTICES

Sustainable economic, environmental and social action that complies with applicable law is an essential element of LPKF SE's corporate culture. This includes trust, respect and integrity in our interactions with each other. It is expressed in exemplary conduct towards employees, business partners, shareholders and the public. LPKF SE defines compliance as adherence to the law, the Articles of Association and internal regulations as well as voluntary commitments. LPKF SE attaches particular importance to raising the awareness of compliance among all employees in the Group. Compliance is anchored in internal processes and a Group-wide compliance structure has been established. Employee training is provided on the Group-wide Compliance Code and on general compliance issues. This serves to prevent compliance violations throughout the Group, minimize risks and identify potential breaches early and efficiently. Clearly defined and transparently communicated reporting channels for internal and external stakeholders help to ensure that potential irregularities can be reported confidentially and, if desired, anonymously. LPKF SE provides internal and external whistleblowers with channels for contacting LPKF SE, which are listed on the website (<https://www.lpkf.com/en/company/compliance-management>). These channels can be used to contact both the Chief Compliance Officer and an independent attorney of trust in complete confidence if required. Other internal points of contact for employees are communicated in the Compliance Code, on the intranet and on noticeboards within the company.

WORKING METHODS AND COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND THEIR COMMITTEES

LPKF SE is a publicly listed European Company (Societas Europaea, SE) and has a dual management system comprising a Management Board and a Supervisory Board.

The Management Board and the Supervisory Board of LPKF SE work closely together in managing and monitoring the company.

MANAGEMENT BOARD

The Management Board of LPKF SE consists of two members, with one acting as Chief Executive Officer (CEO). The company's Management Board consisted of just one person at times during the 2025 financial year. The specific composition of the Management Board in the 2025 financial year and the disclosures pursuant to Section 285 no. 10 HGB can be found in the combined management and Group management report in this Annual Report. As the management body, it is the responsibility of its members to manage the company's business with the aim of creating long-term sustainable value and in the company's best interests. The Management Board systematically identifies and assesses the risks and opportunities associated with social and environmental factors as well as the social and environmental impacts of LPKF SE's activities. In addition to long-term economic objectives, the corporate strategy also gives appropriate consideration to environmental and social objectives. Corporate planning includes relevant financial and sustainability objectives.

The Management Board performs its management duties as a collegial body. Notwithstanding the overall responsibility, the Management Board members are individually responsible, within the framework of the Management Board resolutions, for managing the departments assigned to them. The allocation of responsibilities between the Management Board members is set out in the executive organization chart. Information on the areas of responsibility of the members of the Management Board and also their curricula vitae can be found on the company's website at <https://www.lpkf.com/en/company/management>. The Management Board meets regularly for joint meetings.

The rules of procedure for the Management Board are published on the company's website (<https://www.lpkf.com/en/investor-relations/corporate-governance>).

SUPERVISORY BOARD

The Supervisory Board consists of five members, who are elected individually by the Annual General Meeting. The specific composition of the Supervisory Board in the 2025 financial year and the disclosures pursuant to Section 285 no. 10 HGB can be found in the combined management and Group management report in this Annual Report. The CVs of the Supervisory Board members can be found on the company's website at <https://www.lpkf.com/en/company/management>.

The Supervisory Board advises and monitors the Management Board in the management of the company, including sustainability issues. It is involved in strategy and planning as well as in all issues of fundamental importance to the company. The Articles of Association and the rules of procedure require the Management Board to obtain the approval of the Supervisory Board for major business transactions. The chair of the Supervisory Board coordinates the

work of the Supervisory Board, chairs its meetings and represents the interests of the board externally.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively in writing and at their regular meetings about all issues relevant to the company. These include, in particular, the strategic planning, the business performance, the Group's situation, opportunity and risk management and compliance. The Supervisory Board is informed immediately of any significant incidents; if necessary, an extraordinary meeting is convened. The Supervisory Board has adopted rules of procedure for its work, which are published on the company's website (<https://www.lpkf.com/en/investor-relations/corporate-governance>).

The Supervisory Board regularly reviews the efficiency of its own work and of its committees (efficiency review). The efficiency review is generally conducted annually and is based on a structured and detailed questionnaire that is sent to all members of the Supervisory Board. The efficiency review focuses in particular on the working methods of the Supervisory Board and its committees, their composition and structure, the quality of the advisory and monitoring work, the cooperation within the Supervisory Board and with the Management Board and the provision of information by the Management Board.

The last efficiency review of the Supervisory Board and its committees was conducted in December 2025. The results were discussed by the Supervisory Board. They confirmed the efficiency and effectiveness of the work of the Supervisory Board and its committees, the constructive cooperation in a spirit of trust within the Supervisory Board and with the Management Board as well as the appropriate, timely and comprehensive provision of information. There were no indications of any significant need for improvement.

LPKF SE has taken out third-party liability insurance (D&O insurance) for all members of the Management Board and the Supervisory Board.

The nominations for the election of Supervisory Board members take into account the knowledge, skills and professional experience required to perform the tasks. This also applies to the diversity of the Supervisory Board's composition in accordance with the objectives for its composition explained below. With regard to its nominations for the election of new Supervisory Board members that are presented to the Annual General Meeting, the Supervisory Board must ascertain from the candidates that they are able to devote the expected amount of time.

Detailed CVs of all the Supervisory Board members are published on the company's [website](#).

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has formed an Audit, Risk and ESG Committee and a Remuneration and Nomination Committee.

The Audit, Risk and ESG Committee consists of three Supervisory Board members. These are currently Alexa Siebert (chair), Anka Wittenberg and Paul Owsianowski.

The members of the Audit, Risk and ESG Committee are, as a group, familiar with the sector in which the company operates.

Alexa Siebert is independent and, due to her educational qualifications as a business economist and tax consultant, her professional background as a manager and, in particular, her experience as chair of the audit and risk committee of the listed company SMA Solar Technology AG, a proven financial expert with special knowledge and experience in the areas of financial statement audits, accounting (including special knowledge and experience in the application of accounting principles and internal control and risk management systems) and ESG, where her accounting and financial statement audit knowledge also includes sustainability reporting and its audit and assurance services.

As a chair and non-executive director in various national, international and global roles and by virtue of her degree in economics, Anka Wittenberg, who is also independent, has particular knowledge in the area of the auditing of financial statements. She also has many years of experience in the areas of sustainability, ESG and CSR, both in terms of implementation as well as from a strategic and financial perspective.

Paul Owsianowski is independent and a recognized financial expert thanks to his extensive expertise in finance, accounting and the auditing of financial statements. He brings valuable knowledge from his mandates at listed companies as well as capital market expertise in the areas of law, corporate governance and compliance. Paul Owsianowski has a deep understanding of the markets in which the LPKF Group operates, particularly the semiconductor market. His profile is complemented by his experience in M&A, financing and corporate strategy, including investment decisions and corporate development, which enables him to provide targeted support for strategic and operational requirements.

Meetings of the Audit, Risk and ESG Committee take place at least once every calendar quarter.

The Audit, Risk and ESG Committee is responsible for the audit of the accounting records, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements and compliance. It also prepares the necessary resolutions of the Supervisory Board in this context. The accounting includes in particular the consolidated financial statements and the Group management report (including the sustainability report), the interim financial information and the HGB single-entity financial statements.

In particular, the Audit, Risk and ESG Committee prepares the proposal of the Supervisory Board to the Annual General Meeting for the election of the auditor as well as the resolution of the Supervisory Board on the determination of the key audit areas, the issuing of the audit engagement to the auditor and the fee agreement. In this connection, it also examines the prescribed independence of the auditor. The Audit, Risk and ESG Committee decides on whether to approve the provision of permissible non-audit services by the auditor and regularly assesses the quality of the audit. It also prepares the selection and commissioning of any external audit of any non-financial (Group) statement or separate non-financial (Group) report by the Supervisory Board. The Audit, Risk and ESG Committee discusses with the auditor the opportunity and risk assessment, strategy, planning and results of the audits.

The chair of the Audit, Risk and ESG Committee regularly discusses the progress of the audit with the auditor and reports on this to the committee. The Audit, Risk and ESG Committee consults with the external auditors on a regular basis without the Management Board.

The Audit, Risk and ESG Committee issues recommendations to the Supervisory Board to facilitate and prepare the decision of the Supervisory Board on the adoption of the annual financial statements and the consolidated financial statements.

Furthermore, the Audit, Risk and ESG Committee also examines environmental, social, governance, sustainability, health and safety and social responsibility topics (together the “ESG topics”). It advises the Supervisory Board and the Management Board on ESG topics and supports and monitors the measures taken by the Management Board to implement them. It is responsible in particular for preparing the audit of the sustainability report pursuant to the CSRD.

The Remuneration and Nomination Committee consists of three Supervisory Board members, who are currently Anka Wittenberg (chair, independent), Dr Dirk Rothweiler and Alexa Siebert. Meetings of the Remuneration and Nomination Committee are held at least twice per calendar year. The Remuneration and Nomination Committee is responsible for supporting and preparing decisions of the Supervisory Board on Management Board members; in particular, it makes proposals for the appointment, reappointment and dismissal of Management Board members. In addition, the Remuneration and Nomination Committee prepares the long-term succession planning for the Management Board on behalf of the Supervisory Board, examines the personnel policy and the principles and structures of personnel development and planning at the executive level and consults with the Management Board and the Supervisory Board on these issues.

The Remuneration and Nomination Committee prepares the Supervisory Board's resolution on the remuneration system for the Management Board and regularly reviews this system. In addition, the committee examines and assesses the appropriateness of the total remuneration of the individual members of the Management Board and the establishment and review of the target objectives for variable compensation by the Supervisory Board. In this context, the committee prepares the relevant resolutions of the Supervisory Board as well as the resolution of the Supervisory Board on the annual remuneration report. The Remuneration and Nomination Committee nominates suitable candidates to the Supervisory Board for it to propose to the Annual General Meeting for the election of Supervisory Board members.

The Strategy Committee was dissolved on 22 July 2025. In future, the relevant topics will be discussed and deliberated directly by the Supervisory Board as a whole at its meetings.

SETTING TARGETS FOR THE PROPORTION OF FEMALE MEMBERS ON THE SUPERVISORY BOARD, THE MANAGEMENT BOARD AND THE TWO MANAGEMENT LEVELS BELOW THE MANAGEMENT BOARD

As a listed European Company that is not subject to the German Co-Determination Act (Mitbestimmungsgesetz), LPKF SE is legally obliged to set targets for the proportion of

women on the Supervisory Board, the Management Board and the two management levels below the Management Board.

The Supervisory Board redefined the target for the proportion of women on the Supervisory Board at 40% and the target for the proportion of women on the two-member Management Board at zero (corresponding to a target quota of 0%) on 20 February 2024 and updated it on 18 March 2024. The deadline for achieving both new targets is 19 February 2029.

As at 31 December 2025, the proportion of women on the Supervisory Board was 40% and this target was therefore achieved. The proportion of women on the Management Board was 0% as at the same date and thus met the target.

In setting the target figure of zero for the Management Board in 2024, the Supervisory Board was guided by the following considerations and justified the decision as follows:

“The Supervisory Board respects the objectives pursued with the introduction of a quota for women and attaches great importance to equal treatment and equal opportunities for women and men as well as further diversification. The Management Board currently consists of two members who are both men and whose current service contracts run until 31 December 2028 (Dr Klaus Fiedler) and March 2028 (Peter Mümmler). The Supervisory Board would like to appoint the most suitable candidates in the best interests of the company, taking into account their professional qualifications and personal suitability, irrespective of gender. This, however, would hardly be possible in the case where the Management Board consists of only two members and the target for the proportion of women is more than 0%. The Supervisory Board currently sees no need to expand the Management Board. It will, however, continue to monitor the legal requirements.

When filling the position of the CFO on the Management Board, which continues to have two members, the Supervisory Board decided independently of the question of gender to select the most suitable candidate (Peter Mümmler) in due consideration of his professional qualifications and personal suitability for the purposes of the company and its stakeholders. In the course of the new appointment, the Supervisory Board also reviewed the defined target for the proportion of women on the Management Board and ultimately decided that this should remain unchanged, as the considerations involved when the target was defined in 2024 continue to apply.

Should the Management Board be enlarged in the future, the Supervisory Board will review the targets and intends in such a case to set a new target of at least one woman if the Management Board has more than two members. Furthermore, the Supervisory Board will re-examine the target for the proportion of women on the Management Board if a new appointment to the two-member Management Board is to be made.

For the future proportion of women in the two management levels below the Management Board, the Management Board set targets in 2022 that are to be achieved by 30 June 2027. These targets are 30% at the first management level and 20% at the second management level below the Management Board and are based on the forecast development of the size of the workforce at the management levels up to 30 June 2027. As at 31 December 2025, the

proportion of women was 30% at the first management level and 13.4% at the second management level.

LONG-TERM SUCCESSION PLANNING, DIVERSITY CONCEPT

For the purposes of the continuous succession planning for the Supervisory Board, the Supervisory Board follows what is known as the staggered board concept when appointing its members. The terms of office of the Supervisory Board members do not run in parallel but are staggered for a term of office of usually four years each.

One of the tasks of the Supervisory Board is to work together with the Management Board to ensure the long-term succession planning of the Management Board. In addition to the requirements of the German Stock Corporation Act and the Code, the succession planning takes into account the diversity concept adopted by the Supervisory Board for the composition of the Management Board. Taking the specific qualification requirements and the aforementioned criteria into consideration, the Supervisory Board first develops an ideal candidate profile and then draws up a shortlist of available professionals. Structured interviews are conducted with these candidates. If necessary, the Supervisory Board is supported by external consultants in the development of the requirements profile and the selection of candidates.

With regard to the composition of the Management Board, the Supervisory Board pursues a diversity concept and fully embraces diversity, taking into account the following aspects:

- The members of the Management Board must have the necessary knowledge, skills and professional experience to properly perform their duties.
- The members of the Management Board must be familiar with the relevant industrial environment. At least some members of the Management Board shall additionally have knowledge in the field of laser technology and in the areas of capital markets and financing. At least the member of the Management Board responsible for finance must have expertise in the fields of accounting or auditing and individual members of the Management Board should have experience in managing a medium-sized company.
- Attention should be paid to diversity when looking for qualified individuals for the Management Board. The extent to which different, mutually complementary professional profiles, professional and life experiences and an appropriate representation of both genders benefit the work of the board should also be recognized.
- As a rule, only people who have not yet reached the age of 65 should be members of the Management Board. The age of the Management Board members shall therefore also be taken into account in the appointment.
- With regard to the proportion of women on the Management Board, the Supervisory Board has set the previously described target and deadline for achieving this.

Diversity is intended to benefit the work of the board as a whole. The Supervisory Board decides which personality should fill a specific Management Board position in the best interests of the company and in due consideration of all the circumstances of the individual case.

From 1 April 2025 to 31 December 2025, the Management Board of LPKF SE consisted of two members who were professionally and personally qualified in different areas. In the opinion

of the Supervisory Board, the diversity concept for the Management Board was complied with during the reporting period and is also complied with at present.

LPKF SE has developed a high-potential system for the succession planning for key positions in order to identify and evaluate suitable candidates for management roles worldwide. These candidates are discussed and finally confirmed in cascading integration rounds. Individual personnel development measures are defined and implemented for the relevant incumbents.

OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD, SKILLS PROFILE, DIVERSITY CONCEPT

With the support of the Remuneration and Nomination Committee, the Supervisory Board has set targets for its composition and defined a skills profile that takes diversity aspects into account. The skills profile has been reviewed and refined and is applied to nominations for the election of new Supervisory Board members.

The Supervisory Board as a whole has the knowledge, skills and professional experience necessary to properly fulfil its duties. The members of the Supervisory Board are generally familiar with the sector in which the company operates. In accordance with the legal requirements of Section 100(5) AktG and the recommendations of the German Corporate Governance Code, at least one member of the Supervisory Board has expertise in the field of accounting and at least one other member has expertise in the field of auditing; the expertise in each case also extends to sustainability reporting.

a) Independence and avoidance of potential conflicts of interest

The Supervisory Board shall include an appropriate number of independent members from among the shareholders as referred to in Recommendation C.6 of the German Corporate Governance Code of 28 April 2022 (GCGC 2022). A member of the Supervisory Board shall be considered independent within the meaning of this recommendation if they are independent of the company and its Management Board and independent of any (possible) controlling shareholder. The Supervisory Board has set the following minimum thresholds for an appropriate number of independent members:

More than half of the shareholder representatives shall be independent of the company and the Management Board. According to the definition in recommendation C.7 GCGC 2022, a Supervisory Board member is independent of the company and its Management Board if they have no personal or business relationship with the company or its Management Board that may constitute a substantial and not merely temporary conflict of interest. The Supervisory Board takes into account the indicators listed in recommendation C.7 GCGC 2022 when assessing independence.

At least one shareholder representative shall be independent of any (possible) controlling shareholder. According to recommendation C.9 GCGC 2022, a Supervisory Board member is independent of the controlling shareholder if they or a close family member are or is neither a controlling shareholder nor a member of the controlling shareholder's executive body and does not have a personal or business relationship with the controlling shareholder that may constitute a substantial and not merely temporary conflict of interest.

The Supervisory Board shall not include any member who exercises an executive or advisory function at a significant competitor of the company or the Group or who has a personal relationship with a significant competitor. The same shall apply to executive or advisory functions at major customers or suppliers of the company or the Group as well as to personal relationships with such companies if this may constitute a significant and not merely temporary conflict of interest

The Supervisory Board shall not include more than one former member of the Management Board.

b) Age limit

The age limit for the members of the Supervisory Board has been set in the rules of procedure of the Supervisory Board at a maximum age of 72 years at the time they are elected.

c) Determination of a standard limit for the length of service on the Supervisory Board

In order to ensure a balanced mix of experience and renewal on the Supervisory Board, the Supervisory Board has set a standard limit for the average length of service on the Supervisory Board of ten years from the date a member takes office.

d) Consideration of diversity

Attention should also be paid to diversity when looking for qualified individuals for the Supervisory Board. The extent to which different, mutually complementary professional profiles, professional and life experience as well as an appropriate representation of both genders on the Supervisory Board benefit the work of the Supervisory Board should also be recognized. With regard to the proportion of women on the Supervisory Board, the Supervisory Board has set the previously described target and deadline for achieving this.

e) Further requirements

With regard to the requirements of individual Supervisory Board members, the Supervisory Board has set out the following in its skills profile:

- Supervisory Board members shall have business and operational experience, ideally also in management functions or on supervisory bodies of national or international companies.
- They shall be able to assess the economic viability, appropriateness and legality of the business decisions to be evaluated in the course of the Supervisory Board's work. This includes in particular the ability to assess key accounting documents, the internal control system, the opportunity and risk management system and compliance structures, if necessary with the assistance of the auditor.
- Members should be in a position to identify and assess on a well-informed basis the economic, strategic and technological challenges facing the company and thus make appropriate monitoring and advisory decisions.
- They shall be prepared to commit sufficient time and substantive engagement in order to perform the tasks of their mandate.
- The international activities of LPKF Laser & Electronics SE have been taken into account in the composition of the Supervisory Board to date and will continue to be taken into

account in the Supervisory Board's nominations to the Annual General Meeting. In addition to a very good command of English, international professional experience in management or control functions and an understanding of global economic relationships are particularly important here. Foreign nationality is not a prerequisite for having international experience. The Supervisory Board shall include at least one member with relevant international experience.

- At least one member of the Supervisory Board shall have expertise in the areas of environmental, social and corporate governance (ESG), particularly in respect of key sustainability issues affecting the company.
- The Supervisory Board as a whole shall have technological and market-related expertise in the business segments relevant to the company. This includes in particular knowledge in the field of laser technology, the electronics and semiconductor market and related technologies, such as specialized mechanical engineering. It is sufficient if at least one member has the relevant knowledge and experience.
- In addition, the Supervisory Board shall have knowledge in the areas of corporate governance, technology and business development, digitalization, artificial intelligence and cybersecurity.
- The personal requirements for Supervisory Board members also include independence within the meaning of the German Corporate Governance Code and the absence of overboarding conflicts.

The implementation status regarding the profile of skills and expertise for the entire Supervisory Board and other objectives for the composition of the Supervisory Board is set out in the qualification matrix below. Based on this matrix, the Supervisory Board as a whole meets the targets that have been set and fulfils the diversity concept as well as the skills profile in its current composition. At least one Supervisory Board member has relevant knowledge and/or experience in each of the fields of competence.

In particular, the Supervisory Board considers all of its current members – Alexa Siebert, Anka Wittenberg, Paul Owsianowski, Dr Dirk Michael Rothweiler and Prof. Ludger Overmeyer – to be independent, meaning that the Supervisory Board has the required number of independent members.

QUALIFICATION MATRIX OF THE SUPERVISORY BOARD OF LPKF LASER & ELECTRONICS SE, NOVEMBER 2025

		Siebert	Rothweiler	Overmeyer	Owsianowski	Wittenberg
Governance	Member since:	June 2023	June 2017	June 2019	June 2025	June 2023
	Appointed until:	AGM 2027	AGM 2026	AGM 2028	AGM 2029	AGM 2027
Personal requirements	Independence	x	x	x	x	x
	from the company and the Management Board*	x	x	x	x	x
	from any controlling shareholder**	x	x	x	x	x
	No overboarding***	x	x	x	x	x
	International experience	x	x	x	x	x
Diversity	Year of birth:	1970	1963	1964	1987	1963
	Gender	F	M	M	M	F
	Nationality:	German	German	German	German	German
Professional experience						
	Management experience at international companies	x	x	x		x
	Experience on supervisory boards of listed companies	x	x	x	x	x
	Knowledge of the issues relating to the internal control and risk management system	x	x	x	x	x
	Knowledge of the company's internal structures and operating principles	x	x	x	x	x
	Knowledge of issues relating to business performance, business development and M&A	x	x	x	x	x

		Siebert	Rothweiler	Overmeyer	Owsianowski	Wittenberg
	Knowledge of issues relating to technology development and innovation management	x	x	x	x	x
	Knowledge of issues relating to AI and cybersecurity			x	x	x
	Expertise in the field of human resources		x			x
	Knowledge of the aspects of environmental and social sustainability	x	x		x	x
	Knowledge of issues relating to corporate governance and compliance and company law	x	x	x	x	x
	Expertise in the field of accounting ****	x	x		x	x
	Expertise in the field of auditing ****	x			x	x
Familiarity with the business sector						
	Technical expertise, especially in the areas of					
	- Lasers and optics		x	x		
	- Semiconductors		x	x		
	- Specialized mechanical engineering		x	x		
	Market knowledge, especially in the areas of					
	- Lasers and optics		x	x	x	
	- Semiconductors		x	x		
	- Specialized mechanical engineering	x	x	x		
International corporate experience						
	EMEA	x	x		x	x
	Asia	x	x	x	x	x
	North America	x	x	x	x	x

		Siebert	Roth- weiler	Over- meyer	Owsia- nowski	Witten- berg
Committees						
	Audit, Risk and ESG Committee	x			x	x
	Nomination and Remuneration Committee	x	x			x
*	as referred to in C.7 GCGC					
**	as referred to in C.9 GCGC					
***	as referred to in C.4 and C.5 GCGC					
****	as referred to in Section 100(5) AktG, D.3 GCGC					

SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders of LPKF SE exercise their co-determination and control rights at the Annual General Meeting, which is held at least once a year and which decides on all matters determined by law. Each share entitles the holder to one vote.

Every shareholder who registers in good time is entitled to attend the Annual General Meeting. Shareholders who are unable to attend in person have the option of having their voting rights exercised by a bank, a shareholders' association, the proxies appointed by LPKF SE, who are bound by the instructions they receive, or another proxy of their choice. The Management Board may provide for shareholders to cast their votes in writing or by way of electronic communication (absentee ballot) and, in the case of Annual General Meetings that generally require attendance in person, for shareholders to take part in the Annual General Meeting without being present on site and to exercise all or some of their rights in whole or in part by way of electronic communication. The invitation to the Annual General Meeting and the reports, documents and information required by law for the Annual General Meeting are published in accordance with the provisions of the German Stock Corporation Act and made available on LPKF SE's website in German and English.

TRANSPARENCY

LPKF SE regularly informs capital market participants and the interested public about the Group's economic situation and important developments. The annual report, the half-yearly financial report and the quarterly financial reports are published within the prescribed deadlines. Press releases and, if necessary, ad hoc announcements provide information on current events and new developments. All information is published using appropriate electronic media, such as by e-mail and on the Internet. The website at www.lpkf.com also provides extensive information on the LPKF Group and LPKF shares.

The planned dates of the main recurring events and publications – such as the Annual General Meeting, annual report, quarterly financial reports and earnings calls – are compiled in a financial calendar. The calendar is published at a sufficient time in advance and made available on LPKF SE's website.

SHARE TRADING OF MEMBERS OF THE COMPANY'S EXECUTIVE BODIES

Information on directors' dealings is published by LPKF SE on the Internet (<https://www.lpkf.com/en/investor-relations/publications/mandatory-publications>) and reported to the responsible supervisory authorities.

ACCOUNTING AND AUDITING

LPKF SE prepares its consolidated financial statements and the interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union. The annual financial statements of LPKF SE are prepared in accordance with German commercial law (HGB – Commercial Code). The annual and consolidated financial statements are prepared by the Management Board, reviewed by the Audit, Risk and ESG Committee and the Supervisory Board and audited by externally appointed auditors. The interim reports and the half-year financial report are discussed by the Supervisory Board and its Audit, Risk and ESG Committee as well as with the Management Board before they are published. The consolidated financial statements and the annual financial statements of LPKF SE were audited by the statutory auditor and Group auditor of the company elected by the Annual General Meeting on 4 June 2025 for the 2025 financial year, Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany. Baker Tilly GmbH & Co. KG has audited the annual and consolidated financial statements of LPKF SE since the 2023 financial year. The responsible auditor since the 2023 financial year has been Marco Brokemper. The audits were conducted in accordance with German auditing regulations and the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). They also covered risk management and compliance with the requirements relating to the corporate governance statement pursuant to Section 161 AktG.

It was also contractually agreed with the auditor that they would inform the Supervisory Board immediately of any possible grounds for exclusion or indications of bias as well as of significant findings and incidents during the audit. There was no reason to do so during the audits for the 2025 financial year.

Garbsen, 10 February 2026

For the Supervisory Board



ALEXA SIEBERT

For the Management Board



DR. KLAUS FIEDLER

COMBINED MANAGEMENT REPORT

for the LPKF Group and LPKF Laser & Electronics SE

BASIC INFORMATION ON THE GROUP

GROUP STRUCTURE AND BUSINESS MODEL

The LPKF Group (LPKF) is a global technology company with an export share of around 90% and customers in over 60 countries. The company primarily develops laser-based solutions for dynamic markets such as the electronics industry, the semiconductor industry, medical technology, the solar industry, the automotive supply industry, as well as research institutions and universities.

LPKF was founded in 1976 and has 50 years of experience as a developer and supplier of innovative capital goods for industrial companies and research institutions.

Research and development are of central importance to LPKF. Many innovations and further developments are created in close cooperation with customers. To maintain its innovative strength, the company invests approximately 10% of its annual revenue in its own research and development. Development and production take place in Europe.

The LPKF Group has four segments and has a broad product portfolio. The company is focused on giving its customers competitive advantages through the use of new technologies. In this way, LPKF is driving the transition from traditional to laser-based manufacturing methods in specific markets and enabling the development of innovative end products in several areas.

The LPKF Group is headquartered in Garbsen near Hanover, Germany. The company has a broad global presence with locations in Europe, Asia, and North America and 727 employees worldwide. LPKF shares are listed in the Prime Standard of the Deutsche Börse Group.

LEGAL STRUCTURE OF THE GROUP

As of 31 December 2025, LPKF had eight subsidiaries, which together with the parent company form the scope of consolidation. The subsidiary LPKF Laser & Electronics K.K. was deconsolidated from the Group's scope of consolidation with effect from 30 September 2025, due to the loss of control. Until that date, the company was fully consolidated in the consolidated financial statements.

LPKF Laser & Electronics SE
Garbsen/Germany
 (Production/Sales/Service)





Production subsidiaries	Sales and Service companies
LPKF WeldingQuipment GmbH Fürth/Germany (100 %)	LPKF Distribution Inc. Tualatin (Portland)/USA (100%)
LPKF SolarQuipment GmbH Suhl/Germany (100%)	LPKF Shanghai Co., Ltd. Shanghai, Suzhou, Tianjin, Shenzhen/China (100%)
LPKF Laser & Electronics d.o.o. Naklo/Slovenia (100%)	LPKF (Tianjin) Co. Ltd. Tianjin /China (100%)
	LPKF Laser & Electronics Korea Ltd. Seoul/Korea (100%)
	LPKF Laser & Electronics Vietnam Co., Ltd. Bac Ninh/Vietnam (100%)

Operating segments

The management and control of the LPKF Group is independent of the Group’s legal structure. Top-level Group functions include strategic business development, innovation management and core activities in the areas of controlling, investor relations, HR, accounting, risk management, compliance, marketing, procurement and management systems (quality, occupational safety and environment).

Sales, service, production and development activities are handled by separate segments. In LPKF’s most important markets outside Germany, sales and service functions are also provided through regional sales companies in close collaboration with segment management.

In the 2025 financial year, LPKF operated in the following segments:

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

Development

In the **Development** segment, LPKF supplies practically all the electronic equipment that developers require to rapidly manufacture and assemble printed circuit board prototypes in house and largely without the use of chemicals. In addition to the development departments of industrial companies, the company primarily supplies public organizations such as research institutes, universities and schools.

The company has discontinued its own activities in the ARRALYZE segment and is now focusing on selling this product area to a biotechnology company.

Electronics

LPKF's **Electronics** segment manufactures systems that are primarily used in production in the electronics industry. These include laser systems for cutting print stencils (StencilLasers) and laser systems for cutting and drilling rigid and flexible printed circuit boards. The Electronics segment also includes LIDE technology (Laser Induced Deep Etching) developed by LPKF. The LIDE business encompasses both the development and sale of laser systems for high-precision structuring of glass and the production of glass components using the company's own LIDE systems.

Welding

The **Welding** segment comprises laser systems, thermal process monitoring and software for welding plastics. The business unit develops and sells standardized standalone and integration systems, but also offers tailored solutions for customers. These systems are used in the automotive supply industry, medical technology and in the production of consumer electronics.

Solar

In the **Solar** segment, LPKF develops and produces laser systems (LaserScribers) that are used for structuring thin-film solar cells for various thin-film technologies. The customer base of this segment includes international solar cell manufacturers. This segment also includes laser systems for the digital printing of functional pastes and inks (Laser Transfer Printing, LTP).

LPKF competes with a different set of competitors in each segment and in each product group. These competitors range from multinational corporations to smaller, regional providers who often operate in just one market.

Production and procurement

Production takes place exclusively at the German locations and in Slovenia. Rapid prototyping equipment and other equipment for the Development segment, as well as some of the laser sources used within the Group, are produced by the subsidiary LPKF Laser & Electronics d.o.o. in Naklo (Slovenia). Systems for the Electronics segment are manufactured in Garbsen, Germany. Welding segment production took place in Fürth, Germany. In the North Star project, it was decided to close production in Fürth and to source this service from SolarQuipment GmbH in Suhl. Solar and LTP systems are produced in Suhl, Germany. At LPKF, production generally comprises the assembly of machinery and equipment.

Almost all components and complex assemblies for the machines are purchased externally. Depending on capacity utilization at the production sites, some pre-assembly or assembly

activities may also be carried out at LPKF's production facilities. Procurement for the Group is organized via a central strategic purchasing department, while operational purchasing activities are largely decentralized at the production sites. When purchasing external components, the company looks for several sources - where technically and economically feasible or possible - in order to reduce its dependence on individual suppliers. This serves to ensure the company's own competitiveness and to reduce risk in terms of availability.

Sales

Global cross-segment sales in important regions such as China, North America and South Korea are handled by subsidiaries. Overall, the Group is represented by subsidiaries and more than 50 distributors in over 60 countries, which acquire and serve customers all over the world.

PRODUCTION COMPANIES

Country	City	Function	Focus area
			Electronics segment
			<ul style="list-style-type: none"> • Cutting and drilling systems, LIDE, production services
	Garbsen	Group headquarters, production, procurement, development, sales and services	Development segment
			<ul style="list-style-type: none"> • Prototyping systems
	Fürth	Production, development, sales and services	Welding segment
			<ul style="list-style-type: none"> • Plastic welding systems
			Solar Segment
			<ul style="list-style-type: none"> • Systems for structuring large surfaces • Systems for digital printing of functional pastes
Germany	Suhl	Development, sales, production and services	Development segment
			<ul style="list-style-type: none"> • Prototyping systems
Slovenia	Naklo	Production, development and services	<ul style="list-style-type: none"> • Laser sources (production only)

MANAGEMENT AND CONTROL

Organization of management and control

The Management Board represents the company and is responsible for running it. The members of LPKF Laser & Electronics SE's Management Board are appointed by the Supervisory Board. The Supervisory Board may withdraw appointments for good cause.

The Supervisory Board has determined that certain transactions require its approval.

The Annual General Meeting may make decisions on management issues only if requested to do so by the Management Board. Any amendment to the Articles of Incorporation requires a resolution by the Annual General Meeting to be passed by a majority of the share capital represented at the adoption of the resolution. Article 24 (1) of the company's Articles of

Incorporation stipulates that, in cases where the law requires a resolution to be passed by a majority of the share capital represented, a simple majority of the share capital represented will suffice, unless the law mandates a larger majority.

The following members belonged to the Management Board of LPKF SE in 2025:

- Dr. Klaus Fiedler (CEO), sole member of the Management Board on an interim basis from 1 November 2024 to 1 April 2025
- Peter Mümmler (CFO), from 1 April 2025

The following members belonged to the Supervisory Board in 2025:

- Jean-Michel Richard, Chairman, resigned on 4 June 2025
- Alexa Siebert, Chairwoman since 4 June 2025
- Dr. Dirk Rothweiler, Deputy Chairman
- Prof. Dr.-Ing. Ludger Overmeyer
- Anka Wittenberg
- Paul Owsianowski, member since 4 June 2025

Relevant legal factors

The company and each of its segments are subject to the legal requirements for a domestic listed European stock corporation (Societas Europaea). Beyond this, no special legal provisions apply.

Strategy

Preamble

In the past, the LPKF Group has impressively demonstrated that it can displace established process technologies and achieve leading positions in various niche markets through its innovative strength and expertise. However, due to their limited size, these markets do not offer the opportunities to realize the company's full growth and scaling potential. LPKF is therefore increasingly focusing its strategic efforts in the short and medium term on significantly larger market segments in which the company can gain strategic relevance and lay the foundation for significant profitable growth thanks to its unique selling points and disruptive technologies.

Advanced Packaging

The company aims to expand its market position and achieve significant growth in the semiconductor market, particularly in the field of advanced packaging with glass. Advanced packaging refers to modern technologies in the semiconductor sector that optimize the connection and arrangement of chips to enable higher performance, compact designs, and energy efficiency. LPKF has made a decisive contribution to this growing market segment by developing a key process step with its LIDE (Laser Induced Deep Etching) technology. This key technology enables high-precision processing of glass substrates, which are increasingly required for advanced packaging in the semiconductor industry. The technological shift to

glass also enables LPKF to anchor itself deeper in the value chain with additional process steps and to expand its portfolio towards co-packaged optics in the future.

Core business

At the same time, LPKF remains focused on the profitable further development of its established business areas. These include, among others:

- PCB processing in the electronics market
- the structuring of thin-film solar cells
- laser welding of components for consumer electronics, medical technology, and the automotive industry
- Rapid PCB Prototyping as an in-house process for the rapid production of PCB prototypes, which is used worldwide by industrial customers and research institutions.

The LPKF Group's strategy is based on a deep understanding of customer needs and a consistent focus on disruptive technologies and innovative manufacturing solutions. With a dedicated team, global presence, and intensive research and development, LPKF is making a strong contribution to shaping a sustainable future. The sustainability strategy complements the overarching corporate goal of generating long-term value for all stakeholders.

Strategic framework

Megatrends

LPKF's sustainable growth is closely linked to the following global megatrends:

- **Miniaturization:** As more and more electronic components have to be integrated in the smallest of spaces, precision tools are indispensable for structuring and separating PCBs and for welding housings.
- **Next Generation Computing:** The current phase of digitalization is characterized by the increasing networking of data, exponential growth in data volumes, and rising demands on data processing due to technologies such as artificial intelligence and machine learning. The need for high and energy-efficient computing power is leading to the use of new materials such as glass in the semiconductor industry. This enables further improvements in system performance and efficiency without relying solely on the miniaturization of transistors in accordance with Moore's Law. In the future, the integration of optical components directly into the chip housing will partially replace traditional electrical data connections with more energy-efficient and faster optical links. Glass substrates are essential here, as they provide the necessary electrical performance, thermal efficiency, and stability.
- **Carbon Neutrality:** Renewable energies are the key factor on the road to carbon neutrality. The growing importance of solar energy in power generation requires precise and efficient manufacturing equipment. Electromobility is driving demand for battery module manufacturing tools. Overall, the importance of energy efficiency in manufacturing processes and end products is increasing.
- **Connectivity:** Increasing connectivity based on digital infrastructures is fundamentally changing the way we live and work. A key aspect of this megatrend is human-centered networking, in which technologies are increasingly aligned with

people's needs and expectations. Mobile data exchange, improved sensor technology and continuous innovations in mobile devices demand new manufacturing solutions and increase the need for rapid prototyping, among other things. Industrial automation and smart robotics are simultaneously driving the intelligent networking of machines and production processes and creating additional fields of application for flexible, precise manufacturing technologies.

Independence from individual markets thanks to broad positioning
LPKF addresses various markets and thus reduces its dependence on the cycles in individual sectors. Economic fluctuations can thus be better balanced out. LPKF also strives for broad market integration in all product groups in order to minimize cluster risks from individual customers. LPKF is also active worldwide and has subsidiaries and representatives in many different countries and continents. A global presence makes it possible to secure market shares in various regions and to hold its own against local and international competitors. The company's presence in different regions also means that it is better protected against regional fluctuations in demand.

Success factors

LPKF's success is based on a deep understanding of customer needs, developed over many years of experience, as well as in-house process know-how. Expertise in the fields of engineering, software and physics and group-wide machine software platforms also contribute significantly to the company's success. Added to this are its high capacity for innovation and its understanding of the laser microprocessing of different materials.

Another key success factor is the focus on the following core competencies and their interaction:

Core competencies

1. Optics & laser technology
2. Laser material processing
3. Microsystems technology
4. Control technology & software

Mission statement

All activities of the LPKF Group are geared toward the success of its customers. All major activities and decisions are aimed at improving the competitiveness of the Group's customer base through technological advancement and efficiency gains. Strengthening LPKF in the long term serves the interests of all customers, business partners, employees and shareholders. For this reason, strong emphasis is placed on strengthening the Group's innovation resources and ensuring profitability.

LPKF is a technology group. By focusing on its core competencies, the company aims to shape technological progress and achieve top market positions through a sound understanding of customer needs. A sense of professional partnership and fair treatment characterizes relationships with customers, suppliers and representatives as well as the working

relationships among employees within the LPKF Group. As an international group, LPKF strives for understanding of other cultures and philosophies.

Product quality is one of the keys to customer satisfaction. LPKF encourages employee training as a way of sustaining the high quality of its products and ensures that its employees recognize their direct and indirect responsibility for customer satisfaction.

LPKF makes an active contribution to reducing waste by using largely laser-based production methods. LPKF aims to design its products and internal processes to be as environmentally friendly as possible. Health and well-being are the foundations for a successful business. LPKF places significant emphasis on promoting the health of its employees and on occupational safety at the company. Its ambition to be a technology leader means that LPKF always strives to optimize its products and product development processes. It goes without saying that this requires a corporate culture that is open and encourages learning and constructive criticism. LPKF's responsibility extends to its customers, employees, business partners, shareholders and society. The company's sense of corporate responsibility also includes the fact that LPKF employees are required to obey applicable laws whenever and wherever appropriate, respect ethical principles and pursue sustainability. The LPKF Compliance Code supports the company's employees in this endeavor.

Corporate objective

LPKF's goal is to ensure long-term corporate success through sustainable, profitable growth and to position itself as a leading provider of laser-based manufacturing solutions in attractive future markets. This is based on a long-term strategic orientation combined with close management of operational business so that countermeasures can be taken quickly in the event of deviations.

Central to this success is the continuous strengthening of innovative capabilities in order to develop and protect new, differentiating solutions and commercialize them in scalable business models. LPKF is therefore increasingly focusing its strategic efforts in the short and medium term on larger market segments in which the company can achieve strategic relevance with its unique selling points and disruptive technologies and create the basis for significant profitable growth. The organization is consistently geared towards customer requirements, supported by operational strength, high implementation speed, and focused research and development activities.

Strategic alignment of the operating business

Strategic alignment of the company

The megatrends of Miniaturization, Next Generation Computing, Carbon Neutrality and Connectivity are each leading to strong demand for precise, high-performance and clean manufacturing methods. This makes LPKF's technical solutions key elements for many growth markets. LPKF is a strategic partner for international customers and works with them to set the technical standards of the future. With its broad product and service portfolio, LPKF helps to increase efficiency and thus conserve resources.

LPKF operates as a global solutions provider. This position gives it many advantages over competitors who are often only active in one market or operate as regional providers. LPKF

is therefore less dependent on cyclical fluctuations in the individual sectors. The prerequisite for this is the summary of all business processes with synergy potential.

Central Group functions of the LPKF Group are provided and used jointly for all segments, for example in procurement, innovation management or in administrative areas such as human resources or accounting. In the key regional markets, LPKF organizes service and sales through its own subsidiaries in all segments. The shared use of infrastructure also facilitates market entry and helps to optimize the cost base by exploiting synergies.

Strategic alignment of the segments

In the Electronics segment, LPKF has gained a broad global customer base with its LIDE technology in the field of advanced packaging, which is currently preparing for the production of glass-based processor modules. The knowledge gained in this process was used to create a product roadmap in order to maintain a leading market position in the upcoming high-volume production. At the same time, a strong patent portfolio has been built up to protect LPKF's unique selling points against potential competitors.

LPKF's strategic goal is to open up additional growth opportunities in the advanced packaging sector through a broader portfolio and to become a strategically relevant partner in the semiconductor market. To this end, two further process steps in the field of glass processing were identified on the basis of specific market requirements and transferred to the industrialization phase. In the medium term, LPKF expects glass to be used in advanced packaging for optical data transmission as part of co-packaged optics. Corresponding developments have been initiated and market research has begun.

In the display sector, LPKF is working with a leading global display and semiconductor manufacturer. The customer develops glass displays for series production.

In the business area SMT (Surface Mount Technology) in the Electronics segment LPKF addresses markets related to the production and processing of electronic assemblies. It offers its customers laser-based systems for cutting, structuring and drilling various materials at high precision and speed. Since PCBs are still mostly separated using mechanical solutions, there is significant growth potential here due to the increasing use of laser-based systems.

The Development segment offers its customers the entire value chain for the manufacture of printed circuit board prototypes. Its activities are centered around mechanical and increasingly laser-based systems that undergo continuous development. In the Development segment, LPKF addresses a global market with many individual customers from the industrial sector and universities. The Development segment can draw on a global network of distributors, who in many cases are long-time partners of the company and able to secure outstanding options for market entry. Despite already having a high market share, the Management Board is seeing solid growth rates in this segment due to new products and applications. Further momentum is expected in the growing defense sector.

In the ARRALYZE product area (Development segment), the company has discontinued its own activities. LPKF remains convinced of the innovative strength and performance of its single-cell analysis solution, but has determined that the barriers to entry into the biotechnology market—especially for a provider such as LPKF, which is unknown in this

segment—are significantly higher than originally assumed. Against this backdrop, the Management Board is currently reviewing options for selling ARRALYZE to an appropriate partner that can meaningfully complement the product in its core business and leverage ARRALYZE's market potential in the best possible way.

In the Welding segment, LPKF develops, manufactures, and markets laser systems for welding plastics. Laser welding offers the possibility of replacing traditional joining methods in various industries. Due to the current weakness in the automotive industry, the business unit has realigned itself and now primarily targets the medical technology sector and manufacturers of consumer electronics. The automotive supply industry will remain an important customer. The introduction of ATA (absorbing-to-absorbing) technology opens up significantly greater market potential in all application areas. LPKF stands out in the Welding segment thanks to its broad product range, high product quality, extensive process expertise, and global service.

The Solar segment comprises activities related to high-precision laser processing of large surfaces. Here, LPKF develops, produces, and markets systems for structuring thin-film solar modules. The precision and speed of LPKF's solar systems in processing modules distinguish LPKF as a specialist in the solar market. LPKF has continuously expanded its customer base for solar systems and has also established itself well in the market for new thin-film technologies. The expected breakthrough of perovskite technology opens up new opportunities for LPKF.

With LTP (Laser Transfer Printing) technology, LPKF is addressing the market for digitally controlled printing on large-format glass. Among other things, LTP is set to replace the prevailing screen printing process in some areas.

LPKF's growth strategy includes the continuous further development and optimization of the product portfolio. The Company is guided by impulses from customers and markets, but also pursues its own ideas for innovations that promise relevant benefits for customers. Existing products are reviewed at least once a year to determine whether it makes economic sense to continue them.

Service is a core component of the corporate strategy and of the offering to customers, and is provided and reported within the individual segments. LPKF offers its customers a broad range of services through a global service network.

Corporate management

LPKF Group key figures

LPKF manages its business performance using key figures and ratios at various reporting levels. The following section outlines the most important key figures that LPKF uses:

- Revenue
- EBIT (earnings before interest and taxes) and EBIT margin
- Adjusted EBIT
- Net working capital and net working capital ratio
- Free cash flow (FCF)

- ROCE (return on capital employed)

EBIT: The Group's goal of sustainable profitable growth can be reviewed by analyzing revenue in conjunction with EBIT. The EBIT margin is given as a ratio for the Group's goal and is calculated using the following formula: $\text{EBIT margin} = \text{EBIT}/\text{revenue} \times 100$.

Adjusted EBIT: Adjusted EBIT is calculated from EBIT by excluding restructuring and severance costs, effects from changes in the scope of consolidation, and adjustments to the long-term incentive (LTI) resulting from fluctuations in the performance factor or share price.

Net working capital: It is calculated from inventories plus trade receivables less trade payables and contract liabilities. It reflects the net capital tied up in the reported items.

Net working capital ratio: This key figure gives net working capital as a proportion of revenue, as in a changing business scenario the net capital tied up generally changes as well.

Free cash flow: FCF is an indicator of a company's self-financing capability and its ability to pay a dividend from the cash flow for the period. Free cash flow is the sum of cash flow from operating activities and cash flow from investing activities.

ROCE (return on capital employed): $\text{EBIT}/(\text{intangible assets} + \text{property, plant and equipment} + \text{net working capital})$.

For LPKF SE, the key financial performance indicators are sales and earnings before interest and taxes.

In addition, the company is managed using precise liquidity planning in order to identify financial risks at an early stage. Particular focus is placed on the expected external financing requirements.

Further information on non-financial targets and key figures (e.g. the error rate) can be found in the separate non-financial consolidated report.

The following table shows the changes in the Group's key financial figures over the past five years and the original target figures:

		2025 target	2025	2024	2023	2022	2021
Revenue	in EUR million	115 - 125	115.3	122.9	124.3	123.7	93.6
EBIT	in EUR million		-13.5	-2.5	3.7	6.5	0.1
adj. EBIT	in EUR million	0 - 6,25	0.8	0.1	4.4	n.a.	n.a.
EBIT margin	in %		-11.7	-2.1	3.0	5.3	0.1
adj. EBIT margin	in %	0 - 5	0.0	0.0	3.5	n.a.	n.a.
		Same as EBIT and capital employed					
ROCE	in %		-16.7	-2.5	3.5	7.1	0.1
Net working capital	in EUR million	< 37.2	24.4	37.2	40.0	26.0	19.3
Net working capital ratio	in %	< 30.3	21.2	30.3	32.2	21.0	20.6
Free cash flow	in EUR million	> 1.9	9.7	1.9	-11.1	0.3	-0.7

The key figures for the years up to 2022 were audited by KPMG AG, while the key figures from 2023 onwards were audited by Baker Tilly GmbH & Co. KG.

Target/actual comparison of planning and implementation

On 27 March 2025, the company issued its first quantitative forecast for the full year 2025. According to this forecast, consolidated revenue should be between EUR 125 million and EUR 140 million, and the adjusted EBIT margin between 6% and 9%, this corresponds to adjusted EBIT of EUR 8 – 12 million.

On 15 September 2025, LPKF lowered its full-year forecast to revenue of between EUR 115 million and EUR 125 million and an adjusted EBIT margin of between 0% and 5%.

With revenues of EUR 115.3 million and a slightly positive adjusted EBIT (EUR 0.8 million), the Group is at the lower end of its most recent forecast. ROCE follows the earnings trend at -16.7%.

Net working capital decreased from EUR 37.2 million to EUR 24.4 million over the course of the year. This is mainly due to the significant reduction in inventories and outstanding receivables. At 21.2% (previous year: 30.3%) of revenue, the net working capital ratio is within the specified target range.

Free cash flow developed positively and, at EUR 9.7 million, is above the previous year's figure (EUR 1.9 million), mainly driven by the greatly improved receivables management in 2025. Special emphasis was placed on the collection of overdue receivables.

NON-FINANCIAL STATEMENT

The LPKF Group's separate non-financial consolidated report will be published on the company's website under Company /Sustainability (<https://www.lpkf.com/en/company/sustainability>) on 26 March 2026.

RESEARCH AND DEVELOPMENT

Focus of R&D activities

Pioneering spirit is in the genes of LPKF Laser & Electronics SE. With creativity, perseverance, and a passion for innovation, the company has repeatedly opened up new markets. This will also be the case in the future. LPKF wants to set new technology standards together with its customers.

As a consequence research and development (R&D) is particularly important for LPKF as a technology group. Innovations decisively influence future product performance and hence the business success of the LPKF Group.

The primary strategic aim of R&D activities is the position as an innovation leader within the relevant sectors. New products should have unique selling points that are protected by patents. The benchmark for development activities is always to strengthen the earning power of the customers.

In the financial year 2025, several existing products were upgraded to a new technological level, completely new products were completed, and technological developments were initiated that are expected to lead to new competitive products in the short to medium term. This is explained in more detail below for the individual areas.

Pre-competitive collaborations with research institutions and industry partners in joint projects continue to support the LPKF Group's technological lead.

R&D expenses, R&D investments, and R&D key figures

Continuous investment in near-to-market developments is crucial to a technology-driven Group such as LPKF.

In 2025, expenses in this area amounted to EUR 20.5 million (previous year: EUR 17.4 million), which corresponds to 17.7% (previous year: 14.2%) of revenue. This includes development services for customers.

Of the total expenses for development, LPKF capitalized EUR 5.7 million (previous year: EUR 4.5 million) as intangible assets in the reporting year, corresponding to a capitalization rate of 22% (previous year: 21%). Amortization of capitalized development costs amounted to EUR 9.2 million in 2025 (previous year: EUR 3.4 million).

The following multi-period overview of R&D shows the development of essential key figures over time:

in EUR million	2025	2024	2023	2022	2021
R&D expenses *	20.5	17.4	16.7	16.5	13.3
As % of revenue	17.7	14.2	13.4	13.4	14.2
R&D employees	201	212	215	211	207

* Current R&D expenses include amortization of capitalized development expenses of EUR 9.2 million (previous year: EUR 3.4 million) as well as development services for customers

The key figures for the years up to 2022 were audited by KPMG AG, while the key figures from 2023 onwards were audited by Baker Tilly GmbH & Co. KG.

R&D results

In the growth area of advanced packaging, R&D activities focused both on expanding the LIDE product family in the electronics segment and on broadening the portfolio by developing additional process steps.

Last year, the LIDE product division developed numerous new features, performance enhancements, and expanded automation functions, bundling them in a new type of system designed specifically for high-volume production of precision-structured glass. In addition, laser-assisted processes for singulation and bonding of glass-based substrates were developed. The requirements of a broad customer base from the semiconductor industry were taken into account in the development process. The market launch of these technologies is planned for the first half of 2026.

LPKF has been working for several years on the integration of co-packaged optics (CPO) on glass substrates, a key technology for future generations of semiconductors. This involves integrating optical components directly into the chip housing and replacing traditional electrical data connections with faster and more energy-efficient optical links. In addition to their superior electrical properties, glass substrates perform key optical functions such as waveguiding and beam shaping. LPKF is positioning itself as a strategic partner in this emerging advanced packaging market with new technologies and is actively shaping future packaging architectures.

In the area of highly specialized glass products under the Vitrion brand, the assembly and connection technology of Tensor® optics was further developed and transferred to production. Furthermore, Tensor variants for new laser processes and system types were developed. In publicly funded projects, initial sample assemblies for high-frequency antenna arrays and low-temperature chips for quantum sensor technology were realized. The development activities were rounded off by the successful integration of further developed metallization processes in customer projects.

In the Development segment, work continued on the system software in 2025, new features were implemented, and Windows 11 compatibility was expanded.

The technology development projects to increase the accuracy of the ProtoLaser systems and for the additive production of conductor tracks by laser transfer were successfully completed. Building on this, projects for the 5th generation of ProtoLaser products were advanced. In addition, LPKF's own laser sources used in the ProtoLaser U5 and R5 systems were revised.

A new product variant for the additive manufacturing of PCB prototypes is currently in the design phase, as are Protolaser systems for particularly high resolutions for high-end applications.

In the Electronics SMT (Surface Mount Technology) segment, a number of improvements to the CuttingMaster product family (CM) were developed, including the switch to PLC (programmable logic controller) and the integration of Tensor technology for UV laser radiation. To increase the performance of the CM3000 systems, a powerful fiber laser source

was integrated and improvements in performance were made to further expand the advantages over milling systems.

For the LoadingMaster 2000 automation platform, performance was nearly doubled with a new triple gripper. The solution has already been integrated into mass production at customer sites.

For the latest product in the StencilLaser family, the MicroCut-X, improvements in stability, cutting quality, and performance have been developed and evaluated by customers.

The Solar division has developed two new product lines, "Allegro High Production" and "Allegro Essential." "Allegro High Production" is a high-throughput system for gigawatt factories, while "Essential" serves smaller production runs with a cost-efficient variant. One focus of development activities was the structuring of thin perovskite layers, which are central to new generations of thin-film solar cells. The successful development of a scanner-based development system for small formats laid the foundation for new applications and markets.

In the LTP (Laser Transfer Printing) product area, work was carried out on technologies for transferring IR-transparent inks. These include, for example, white or colored inks with a very low absorber content, which are in high demand in many target markets.

In the Welding segment, the first customer system for welding two absorbing components was delivered and the development of a standardized series system was completed. In addition, a system specially tailored to the consumer electronics market segment, including a novel tool concept, was implemented. The concept of a new modular control technology architecture was developed and transferred to the first welding systems.

REPORT ON ECONOMIC POSITION

COURSE OF BUSINESS

Macroeconomic environment

Despite ongoing trade conflicts, geopolitical tensions, and significantly increased economic uncertainty, the global economy remained robust overall in 2025. According to estimates by the International Monetary Fund (IMF), global gross domestic product grew by around 3.3% in real terms. At the same time, global industrial production rose by around 2.9% in price-adjusted terms. Global inflation continued to decline, averaging around 4.1% for the year, which opened up scope for monetary policy easing.

At the same time, the investment climate remained subdued in many industrialized countries. The LPKF Annual Report 2024 already pointed out that the global economy was expected to experience a phase of low momentum and increasing economic uncertainty in 2025, for example due to the import tariffs announced by the USA. On the other hand, further interest rate cuts and falling inflation rates were expected to have a positive effect, providing corresponding impetus for investment and consumption.

Developments varied from region to region. Only moderate GDP growth was expected for the advanced economies, while emerging markets made a stronger contribution to global growth. Overall, the EU economies performed weaker than the US, and Germany continued to show only slight growth momentum after several years of recession or stagnation.

Industry-specific conditions

In addition to the overall economic conditions, the Group's business performance is also influenced by developments in individual industries. These include the electrical industry with a focus on consumer electronics, the semiconductor industry, the automotive industry, the solar industry, and the plastics processing industry.

The environment for mechanical and plant engineering was characterized by weak industrial activity. Investments often focused on replacement needs and rationalization, for example to increase efficiency, digitalization, and decarbonization. Rising defense spending also provided impetus. Overall, this led to predominantly subdued demand, with a slight improvement in the outlook at the end of 2025.

In 2025, the electronics industry, especially the smartphone market, was rather subdued: Market researchers such as IDC lowered their forecast for global smartphone sales growth to only around 0.6% and cited increasing tariff and trade risks as well as the resulting macroeconomic uncertainty, which slowed investment and consumer demand, as the main reasons.

The semiconductor market grew by 21% overall in 2025. According to the latest analysis by Gartner, global semiconductor sales amounted to USD 793 billion last year. This represents growth of 21% compared to 2024. In fiscal year 2025, above-average growth in the advanced packaging segment continued: Based on current market studies, the global advanced packaging market was estimated at around USD 39.6 billion in 2024 and is expected to grow

to around USD 55 billion by 2030 (annual growth rate of approximately 5.7%). The development in 2025 was driven in particular by the growing demand for powerful and energy-efficient solutions for AI data centers, high-performance computing, 5G infrastructure, and heterogeneous integration (e.g., 2.5D/3D packaging, chiplet architectures), making advanced packaging one of the key growth drivers in the semiconductor backend.

The automotive industry experienced a year of profound change in 2025, marked by a sharp acceleration in electromobility, but also by considerable economic challenges and intense competition, particularly from China. Although global sales recovered from the crises of previous years, European manufacturers in particular struggled with a “crisis” and low profits. In summary, 2025 was a year of transition in which electrification progressed but was accompanied by a restructuring of supply chains, intense competition from Chinese manufacturers, and the need to reduce costs.

Due to a technological shift currently taking place in the field of solar modules, the solar market worldwide is experiencing a marked reluctance to invest in high-volume plants, as the market expects a transition to perovskite coatings. As long as it remains unclear when and to what extent this technology will prevail, the framework conditions for investment remain uncertain. At the same time, a breakthrough in perovskite technology would mean significant opportunities for further growth.

According to IEA research cooperation, 2025 marks a record year for renewable energies, driven primarily by photovoltaics as the central engine of the global energy transition. More than 750 GW of new PV capacity was installed worldwide, with solar energy accounting for around 80% of the increase in renewable capacity, with China and India in particular driving this development.

In 2025, the German plastics industry continued to be under considerable pressure from high costs, weak domestic demand, and increasing international competition. A further slight decline in product sales of around 0.5% was expected for 2025; from the industry association's point of view, competitive energy prices, the expansion of renewable energies, and investment incentives are key prerequisites for a recovery.

Effects on the LPKF Group and LPKF SE

Overall, the Management Board considers the business performance in 2025 to have been unsatisfactory. LPKF did not meet expectations for revenue and earnings growth, partly due to economic challenges. These included ongoing trade conflicts, in particular the US administration's tariff policy and the US government shutdown, geopolitical tensions, and significantly increased economic uncertainty, especially in China in the second half of the year. In Germany and Europe, project delays also led to deviations from planned revenues. The very dynamic development of the semiconductor market, and in particular the advanced packaging segment, had a positive effect on LPKF's positioning in this new market segment, in which the company is already strongly positioned today, even though the actual ramp-up phase of the business is still ahead. The technology change in the solar segment had a negative impact on business development. In September 2025, LPKF therefore lowered its

full-year forecast to revenues of between EUR 115 and 125 million and an adjusted EBIT margin of between 0 and 5%. This forecast was achieved at the lower end.

At the same time, higher prices and labor costs weighed on profitability. Thanks to successfully implemented price increases, active cost management, and continuous process optimization, the negative impact on earnings was partially offset.

In September 2025, LPKF launched North Star, a multi-year transformation program aimed at sustainably improving profitability and strengthening financial stability. The program is an essential part of the independent business review required by the financing banks and forms the basis for the extension of the syndicated loan agreement, which secures the company's financing until 2028. North Star primarily comprises measures to achieve sustainable cost reductions and efficiency gains, including structural adjustments such as personnel measures and production closures. The aim is to significantly improve earnings, maintain competitiveness, ensure compliance with the agreed financial targets, and create the conditions for further growth and the financing of research and development.

Overall, the Management Board continues to view the company as financially sound. LPKF has sufficient cash reserves to meet all financial obligations for the implementation of all planned strategic business activities and the transformation (North Star), consisting of liquid funds and available credit lines.

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

Result of operations

Development of revenue

In the 2025 financial year, the LPKF Group generated revenue of EUR 115.3 million, down 6.2% on the previous year (EUR 122.9 million).

In 2025, the **Solar segment** delivered the remaining laser systems for the structuring of solar modules as part of a major order. Supplemented by spare parts deliveries and services, revenue of EUR 28.3 million was achieved, EUR 12.9 million less than in the previous year. The main factors here were the loss of a planned major project in China and significant investment reluctance on the part of customers due to the impending technological shift toward perovskites.

Revenue generated in the **Electronics segment** amounted to EUR 35.9 million, representing a decrease of EUR 1.0 million compared to the previous year (EUR 36.9 million).

The **Welding segment** closed the year with a revenue increase to EUR 24.0 million compared to the previous year's figure (EUR 18.6 million). This was primarily due to the implementation of a major project in Asia.

The Development segment recorded a revenue increase of EUR 0.9 million to EUR 27.1 million.

The regional breakdown of sales is shown below:

in %	2025	2024
North America	42.5	42.8
Asia	34.7	31.7
Europe excl. Germany	12.9	12.9
Germany	8.6	11.0
Other	1.3	1.6
Total	100.0	100.0

The Group's export ratio rose slightly compared to the previous year (89.0%) and now stands at 91.4%. As in the previous year, the regional breakdown is of limited informative value, as some of the machines are installed at production sites—often located in other regions—for globally active customers. This year, the share of revenue from Asia increased further, nearly offsetting the decline in revenue in Germany.

Segment performance

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

in EUR million	External revenue		EBIT	
	2025	2024	2025	2024
Electronics	35.9	36.9	-2.6	-0.9
Development	27.1	26.2	1.3	0.1
Welding	24.0	18.6	0.5	-4.8
Solar	28.3	41.2	1.6	5.7
Total	115.3	122.9	0.8	0.1

Development of orders

At EUR 91.6 million, order intake in the reporting period was 19.9% below the prior-year level. At EUR 27.0 million, the order backlog at year-end was EUR 23.9 million below the prior-year figure.

Development of main income statement items

Own work capitalized includes EUR 5.7 million in development services for products and software. Other income amounted to EUR 5.7 million, up from the previous year (EUR 4.6 million). This figure consists primarily of grants for research and development activities amounting to EUR 2.4 million (previous year: EUR 2.3 million) as well as income from exchange rate differences amounting to EUR 1.6 million (previous year: EUR 0.6 million).

The cost of materials ratio—calculated as the ratio of cost of materials and changes in inventory to revenue—stands at 35.7%, up from the prior year's figure of 34.9%.

At EUR 57.4 million, personnel expenses remained at the prior-year level (EUR 57.0 million). Of this amount, EUR 4.2 million was attributable to additions to provisions for severance payments and leave of absence. The personnel expense ratio, defined as the ratio of

personnel expenses to revenue, rose from 46.4% in the prior year to 49.8% in the current year.

Depreciation and amortization rose to EUR 14.2 million in 2025 (previous year: EUR 8.4 million). Of this amount, EUR 6.3 million was attributable to non-recurring write-downs of capitalized development costs in the ARRALYZE and LTP product areas, due to a strategic decision.

Other expenses amounted to EUR 27.7 million, up 0.7% from the prior year. These expenses consist primarily of travel expenses (EUR 3.6 million, prior year: EUR 3.9 million), operating supplies and repairs/maintenance (EUR 3.0 million, previous year: EUR 3.0 million), legal and consulting fees (EUR 2.9 million, previous year: EUR 2.7 million), and expenses for building operations and maintenance (EUR 1.9 million, previous year: EUR 2.1 million). Significant increases resulted from exchange rate losses. By contrast, expenses for travel costs and research and development costs decreased.

EBIT (earnings before interest and taxes) fell from EUR -2.5 million in the previous year to EUR -13.5 million. The EBIT margin stood at -11.7%, compared with a margin of -2.1% in 2024.

In particular, lower sales revenue (-EUR 7.5 million), higher depreciation and amortization (+EUR 5.7 million), and increased inventory changes (+EUR 2.8 million) weighed on earnings.

Across the individual segments, the earnings performance varies significantly due to differences in customer structure and markets.

The Development and Welding segments were able to more than offset the cost increases through revenue growth (Development + 0.9 million EUR; Welding +5.4 million EUR) and improve EBIT compared to the previous year. In the Solar segment, the negative cost effect was further exacerbated by a decline in revenue (-12.9 million EUR).

Only the Electronics segment reported a negative adjusted EBIT (EUR -2.6 million).

Multi-period overview of results of operations

		2025	2024	2023	2022	2021
Revenue	in EUR million	115.3	122.9	124.3	123.7	93.6
EBIT	in EUR million	-13.5	-2.5	3.7	6.5	0.1
Adjusted EBIT	in EUR million	0.8	0.1	4.4	n.a.	n.a.
Material cost ratio	in %	35.7	34.9	33.9	35.0	31.6
Staff cost ratio	in %	49.8	46.4	42.1	40.0	47.4
Tax ratio	in %	2.2	-10.8	43.1	77.4	32.9
	in EUR					
EBIT/employee	thousand	-18.6	-3.2	4.9	8.8	0.1

The key figures for the years up to 2022 were audited by KPMG AG, while the key figures from 2023 onwards were audited by Baker Tilly GmbH & Co. KG.

Financial position

Principles and goals of financial management

LPKF SE has access to external financing sources such as the issuance of shares and the raising of short- and long-term debt. In terms of internal financing, the Group primarily generates financial resources through the use of its own surpluses and the non-distribution of depreciation. The European companies optimize their liquidity through a cash pool, while the non-European companies are integrated via operational liquidity management.

LPKF is primarily financed through its own operating cash flow and via a syndicated loan of EUR 32.5 million maturing in 2028. The syndicated loan agreement is divided into a cash facility of EUR 25.0 million and a guarantee facility of EUR 7.5 million. The new syndicated loan is secured exclusively by land charges and guarantees from the major subsidiaries. Key financial covenants of the loan agreement include the debt-to-equity ratio, minimum liquidity, the equity ratio, and EBITDA. Financing is provided centrally for the entire LPKF Group.

The syndicated loan agreement was renegotiated with the existing banking syndicate based on the transformation; the EUR 32.5 million facility remains in place with a term until 31 December 2028.

Within the LPKF Group, hedging of currency and, where applicable, other risks is carried out by the parent company LPKF SE. Derivatives are used exclusively for hedging transactions; this was applied in 2025.

Statement of cash flows

The following statement of cash flows shows the origin and use of financial resources:

in EUR million	2025	2024
Cash flow from operating activities	16.3	9.4
Cash flow from investing activities	-6.6	-7.5
Cash flow from financing activities	-2.0	-14.0
Change in cash and cash equivalents	7.7	-12.1
Change in cash and cash equivalents due to changes in foreign exchange rates	0.4	0.2
Cash and cash equivalents on 1 Jan.	-1.2	10.7
Cash and cash equivalents on 31 Dec.	7.0	-1.2
Composition of cash and cash equivalents:		
Cash on hand, bank balances	10.0	5.0
Overdrafts	-3.0	-6.2
Cash and cash equivalents on 31 Dec.	7.0	-1.2

The Group's cash and cash equivalents increased from EUR -1.2 million at the end of the previous year to EUR 7.0 million. This is primarily attributable to an increase in positive cash flow from operating activities as well as to the increase in cash flow from financing activities.

Cash flow from operating activities, at EUR 16.3 million, is above the prior-year level of EUR 9.4 million. Through proactive management of receivables, cash flow from operating activities increased significantly compared to the previous year despite lower sales. This is also reflected in the accounts receivable turnover period, which decreased to 69 days (previous year: 82 days). A decline in inventory also led to an increase in operating cash flow.

Cash flow from financing activities primarily reflects the repayment and reduced utilization of short-term credit lines.

The financing requirements of the operating business are covered by working capital credit lines.

Multi-period overview of the financial position

The LPKF Group has agreed on credit lines with core banks (under the syndicated loan agreement). As of the reporting date, short-term loans totaling EUR 3.0 million (previous year: EUR 6.2 million) had been drawn down from this line.

Based on the Group's net cash position and available credit lines, the Executive Board considers the LPKF Group's earnings, assets, and financial position to be solid. The Group is able to implement all planned transformation measures and R&D investments as scheduled.

in EUR million	2025	2024	2023	2022	2021
Free cash flow	9.7	1.9	-11.1	0.3	-0.7
Net cash position =					
Net credit (+) / net debt (-) to banks	7	5.2	-0.7	11.7	12.1

The key figures for the years up to 2022 were audited by KPMG AG, while the key figures from 2023 onwards were audited by Baker Tilly GmbH & Co. KG.

Net assets

Analysis of net assets and capital structure

The company's net assets and capital structure developed as follows year-on-year:

	12/31/2025		12/31/2024	
	in EUR million	in %	in EUR million	in %
Non-current assets	59.9	56.2	65.7	49.9
Current assets	46.7	43.8	65.9	50.1
Assets	106.6	100.0	131.6	100.0
Equity	78.1	73.3	91.8	69.8
Non-current liabilities	4.1	3.8	4.5	3.4
Current liabilities	24.4	22.9	35.3	26.8
Equity and liabilities	106.6	100.0	131.6	100.0

Compared to 31 December 2024, non-current assets totaled EUR 59.9 million, a decrease of EUR 5.8 million compared to the previous year. In addition to the decrease in capitalized development costs (EUR -3.5 million), other intangible assets, property, plant, and equipment, and rights of use also decreased by a total of EUR 3.5 million. Deferred tax assets increased by EUR 0.5 million.

The decrease in current assets from EUR 65.9 million in the prior year to EUR 46.7 million as of 31 December 2025 is primarily attributable to a decrease in trade receivables of EUR -16.6 million as well as a decrease in inventories of EUR -7.3 million, resulting from measures taken in the area of working capital management. In addition, cash and cash equivalents increased by EUR 5.0 million to EUR 10.0 million.

Non-current liabilities decreased by EUR 0.4 million. Current liabilities decreased by EUR 10.9 million to EUR 24.4 million. This is primarily attributable to the repayment of short-term credit lines (EUR -5.8 million) and a decrease in trade payables (EUR -2.8 million). Contract liabilities decreased by EUR -8.5 million.

Net working capital decreased from EUR 37.2 million to EUR 24.4 million compared to the previous year. The significantly reduced level of accounts receivable (EUR -16.6 million) and the substantially reduced inventory (EUR -7.3 million) were offset by only a slight decrease in contract liabilities and trade payables. The net working capital ratio fell accordingly from 30.3% to 21.2%.

The equity ratio rose from 69.7% in 2024 to 73.2% as of 31 December 2025.

Multi-period overview of net assets

in EUR million		2025	2024	2023	2022	2021
ROCE	in %	-16.7	-2.5	7.1	0.1	9.0
Net working capital	in EUR million	24.4	37.2	40.0	26.0	19.3
Net working capital ratio	in %	21.2	30.3	32.2	21.0	20.6
Days sales outstanding	days	69	82	79	67	57

The key figures for the years up to 2022 were audited by KPMG AG, while the key figures from 2023 onwards were audited by Baker Tilly GmbH & Co. KG.

The accounts receivable turnover is calculated based on the average accounts receivable balance over the last four quarterly reporting dates divided by annual revenue.

Capital expenditure

The Group continued to make targeted investments in future growth during the 2025 financial year. In addition to investments in LIDE production at the Garbsen site and in IT/software, an additional EUR 5.7 million (previous year: EUR 4.5 million) was capitalized for development services. Furthermore, replacement investments were made in property, plant, and equipment. In total, investments in intangible assets and property, plant, and equipment amounted to EUR 6.7 million (previous year: EUR 7.5 million). There are no investment commitments.

in EUR million	2025			2024		
	Development costs	Other assets	Total	Development costs	other assets	Total
Electronics	2.5	0.5	3.0	1.8	1.3	3.1
Development	1.7	0.3	2.0	1.5	0.6	2.1
Welding	1.0	0.0	1.0	0.4	0.1	0.5
Solar	0.5	0.2	0.7	0.8	1.0	1.8
Total	5.7	1.0	6.7	4.5	3.0	7.5

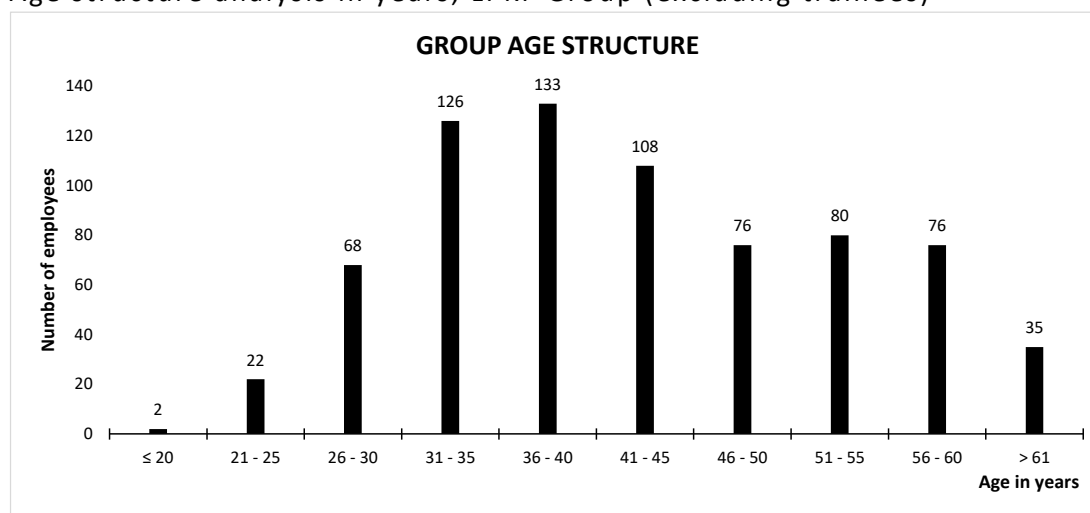
Employees

For a technology group like LPKF, highly qualified and motivated employees are key to success. That is why LPKF aims to attract motivated and well-trained employees and retain them within the Group over the long term. As part of the human resources development efforts, LPKF continued its activities to ensure that the company is well prepared for the demands of the future. Since the 2022 financial year, a Group-wide high-potential employee program has been implemented to identify and develop talent for leadership and key positions. To attract qualified young talent, LPKF trains electronics technicians for devices and systems, electronics technicians for automation technology, IT specialists for system integration, IT specialists for application development, industrial clerks, mechatronics technicians, and technical product designers. As of the balance sheet date, the Group employed 22 trainees (2024: 24).

Sick-leave rates and turnover rates are important indicators of employee motivation and their commitment to the company. The sick-leave rate in the LPKF Group fell from 4.9% to 4.7% compared to the previous year. The turnover rate in the Group was 10.4% (previous year: 9.5%).

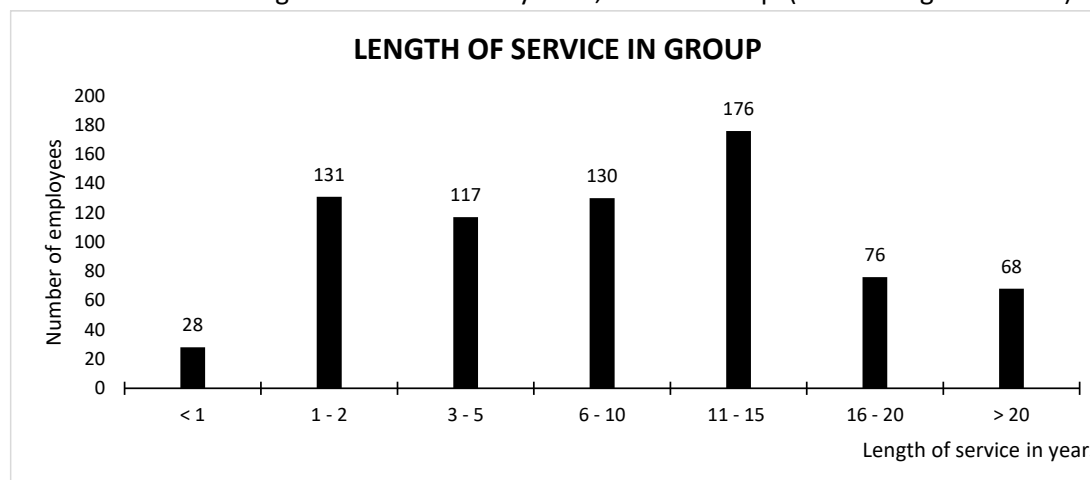
The average age of the workforce in the LPKF Group was 44 years (previous year: 41.9).

Age structure analysis in years, LPKF Group (excluding trainees)



Based on the current age structure and a balanced mix of years of service, LPKF is well positioned to face the challenges posed by demographic trends.

Distribution of length of service in years, LPKF Group (excluding trainees)



An analysis of the length of service of LPKF Group employees shows an average of 9.6 years (previous year: 9.0 years). LPKF has a healthy mix of experienced and new employees.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF LPKF SE (SINGLE ENTITY)

The annual financial statements of LPKF SE are prepared in accordance with the provisions of the German Commercial Code (HGB) and published in the company register. The management of the individual company is subject to the same principles as the Group and is based on IFRS. However, the disclosures on the results of operations, financial position and net assets are based on the HGB figures stated in the financial statements. Due to its high share of value creation in the Group, LPKF therefore refers to the statements made in the "Corporate management" section and in the forecast report, which also apply to the parent company.

Results of operations of LPKF SE

The forecast for LPKF SE for the 2025 financial year assumed that revenue and EBIT would increase slightly to moderately. This forecast was met.

LPKF SE generated revenue of EUR 54.0 million in the financial year 2025 (previous year: EUR 50.3 million). The Electronics segment generated revenue of EUR 28.5 million in 2025 (previous year: EUR 29.2 million), while the Development segment generated EUR 21.3 million (previous year: EUR 20.2 million). In addition, LPKF SE generated other revenue of EUR 4.2 million (previous year: EUR 0.9 million). The foreign share of revenue was 86% (previous year: 85%).

Other operating income, at EUR 4.3 million, was on par with the prior year's level of EUR 3.5 million and, in addition to income from affiliated companies, primarily includes proceeds from funding for research and development projects amounting to EUR 1.8 million (prior year: EUR 1.8 million).

The cost of materials ratio rose from 41.1% in the prior year to 42.4%.

Personnel expenses remained stable in the current financial year at EUR 25.8 million (previous year: EUR 25.9 million). The number of employees decreased slightly. While the average number of employees was 320 in 2024, LPKF SE had an average of 300 employees in 2025. The personnel expense ratio fell from 51.5% in the previous year to 47.8%. Personnel expenses for 2025 include one-time items, primarily from restructuring measures and changes in the value of the LTI (2023 tranche) amounting to EUR 0.4 million.

Depreciation and amortization of fixed assets decreased slightly compared to the previous year and amounted to EUR 2.6 million (previous year: EUR 2.6 million). Other operating expenses rose to EUR 18.0 million after EUR 18.7 million in the previous year. The decline is primarily attributable to exchange rate expenses, sales commissions to affiliated companies, and lower R&D costs.

LPKF SE generated a negative EBIT of EUR -9.3 million in 2025 (previous year: EUR -13.1 million). The financial result includes distributions from LPKF Laser & Electronics d.o.o. and LPKF (Tianjin) Co. Ltd. Through profit and loss transfer agreements with LPKF SolarQuipment GmbH and LPKF WeldingQuipment GmbH, LPKF SE assumed a total negative earnings contribution of EUR -3.2 million (previous year: EUR 5.1 million). Of this amount, a positive earnings contribution of EUR 6.0 million (previous year: EUR 8.9 million) is attributable to SolarQuipment, and a negative earnings contribution of EUR 9.2 million (previous year: EUR -3.8 million) is attributable to WeldingQuipment.

After taxes, this resulted in a net loss of EUR -10.0 million (previous year: net loss of EUR -4.8 million).

The net loss for the year is primarily attributable to unrealized revenue in the Electronics and Development segments, as well as realized foreign exchange losses. This is due to U.S. trade policy, which had a global impact and consequently led to uncertainty and investment reluctance in the Asian and European markets as well. The U.S. market was further exacerbated by the government shutdown.

LPKF SE income statement

in EUR million	2025	2024
Revenue	54.0	50.3
Changes in inventory	2.8	1.6
Other operating income	4.3	3.5
Cost of materials	-24.1	-21.3
Personnel expenses	-25.7	-25.9
Depreciation, amortization and write-downs	-2.6	-2.6
Other operating expenses	-18.0	-18.7
Operating result	-9.3	-13.1
Financial result	-0.6	8.4
Income taxes	0.0	-0.1
Earnings after taxes	-9.9	-4.8
Other taxes	-0.1	0.0
Net profit/ loss	-10.0	-4.8
Accumulated losses brought forward from the previous year	17.6	22.4
Net retained profits	7.6	17.6

Net assets and financial position of LPKF SE

As of 31 December 2025, LPKF SE's total assets amounted to EUR 79.4 million, down EUR 14.2 million from the previous year (EUR 93.6 million). During the financial year, EUR 0.6 million (previous year: EUR 1.6 million) was invested in intangible assets and property, plant, and equipment, primarily in the IT/software and the technical facilities at the Garbsen site.

Inventories increased by EUR 1.2 million to EUR 11.8 million. Receivables from affiliated companies amounted to EUR 22.8 million as of the reporting date (previous year: EUR 36.6 million). They consist primarily of financial receivables, which are mainly attributable to profit transfers and loans extended to subsidiaries. Trade receivables rose from EUR 3.6 million to EUR 4.3 million compared to the prior-year reporting date. Cash and cash equivalents increased by EUR 0.8 million to EUR 2.7 million.

Equity amounted to EUR 60.0 million as of 31 December 2025, which was EUR 9.7 million below the prior-year level. The equity ratio rose to 75.6% (prior year: 74.5%). Under the syndicated loan agreement concluded in financial year 2023, the company drew down a smaller amount of short-term funds as of 31 December 2025, compared to the previous year. Accordingly, liabilities to banks amounted to EUR 3.0 million as of the balance sheet date (previous year: EUR 6.2 million). Other liabilities primarily consist of liabilities to affiliated companies resulting from both supply and service relationships as well as short-term financing relationships. After EUR 19.3 million in the prior year, the total amount of liabilities was EUR 14.9 million.

The company's net assets and capital structure developed as follows year-on-year:

	12/31/2025		12/31/2024	
	in EUR million	in %	in EUR million	in %
Long-term assets	34.8	43.8	37.5	40.1
Short-term assets	44.6	56.2	56.1	59.9
Assets	79.4	100.0	93.6	100.0
Equity	60.0	75.6	69.7	74.5
Current liabilities	19.4	24.4	23.9	25.5
Equity and liabilities	79.4	100.0	93.6	100.0

Based on the net cash position and available credit lines, the Management Board assesses the LPKF Group's earnings, assets, and financial position as solid. LPKF is able to carry out all planned transformation and restructuring investments as scheduled.

Investments by LPKF SE

In the financial year 2025, in addition to investments in IT/software, replacement investments in property, plant, and equipment were primarily made. Total investments in fixed assets amounted to EUR 0.6 million. Research and development expenses at LPKF SE amounted to EUR 9.0 million in 2025 (previous year: EUR 10.1 million).

Employees

As of the reporting date, LPKF SE employed 310 people, which is 7 fewer than in the previous year.

Dividend

LPKF SE's dividend policy generally provides for the distribution of 30–50% of free cash flow as dividends, although the current business situation, economic developments, and potential investments, acquisitions, or disposals of assets may lead to deviations from this principle.

In the financial year 2025, LPKF SE generated a positive free cash flow of EUR 9.7 million and a negative EBIT of EUR -9.3 million. For this reason, the Management Board will propose to the Annual General Meeting on 4 June 2026, that no dividend be distributed for the financial year 2025. The funds from free cash flow are to be invested in measures that promote the company's future growth. For 2024, the company had also not paid a dividend.

The syndicated loan agreement concluded in 2026 stipulates that no dividends will be distributed until 31 December 2028, unless there is a statutory obligation to do so. In the event of exceptionally positive business performance and correspondingly high free cash flow, the company aims to negotiate an adjustment to this provision with the financing banks in the interest of the shareholders.

Risk Report

LPKF SE's business performance is essentially subject to the same risks as those of the LPKF Group. These risks are explained in the opportunities and risks section of the consolidated management report.

Dividend

LPKF SE's dividend policy is to distribute 30 - 50% of the free cash flow as a dividend, although the current situation of the company, economic developments and possible investments, acquisitions or the sale of assets may lead to deviations from this principle.

In the financial year 2025, LPKF SE generated positive free cash flow of EUR 9.8 million and a negative EBIT of EUR -9.3 million. For this reason, the Management Board will propose to the Annual General Meeting on 4 June 2026, that no dividend be paid for the financial year 2025. The funds from free cash flow are to be invested in measures that promote the future growth of the company. The company also did not pay a dividend for 2024.

The syndicated loan agreement concluded in 2026 stipulates that no dividends will be distributed until 31 December 2028, unless there is a statutory distribution obligation. In the event of exceptionally positive business development and correspondingly high free cash flow, the company aims to negotiate an adjustment to this provision with the financing banks in the interests of shareholders.

Risk Report

The development of LPKF SE's business is essentially subject to the same risks as the LPKF Group. These risks are explained in the risk report of the combined management report.

OVERALL ASSESSMENT OF THE GROUP'S ECONOMIC SITUATION

The 2025 financial year was characterized by a challenging and uncertain market environment for LPKF. The main reasons for this were the ongoing geopolitical and trade tensions and the resulting reluctance on the part of customers to invest, as already explained in the section on the overview of business performance. In several segments, this led to delays in order intake and project decisions and weighed on short-term revenue development. In September 2025, the company launched the North Star program with the aim of achieving a double-digit EBIT margin by 2028, thereby ensuring the sustainable financing of its business model, its innovative strength, and its resilience to economic fluctuations. The program comprises a comprehensive efficiency and structural package with personnel measures and the reduction of selected cost items. The company believes these steps are necessary to improve profitability in the long term, rebuild financial reserves, and continue to enable strategic investments in research and development. The company is confident that the consistent implementation of the North Star program will bring about the necessary turnaround and put it back on a profitable, growth-oriented course.

LPKF counters potential liquidity risks with forward-looking, currency-differentiated liquidity and working capital planning. In addition to the significant influences on cash flows, this also takes into account risks that could have an impact on the future liquidity situation. The LPKF Group has only low levels of debt. In addition to its own liquid funds, LPKF also had a credit line of up to EUR 12.5 million in cash available for working capital as part of a syndicated loan as of 31 December 2025. In addition to the cash, the syndicated loan also includes an additional guarantee facility of EUR 7.5 million. The syndicated loan was renegotiated as part of the transformation and comprises a working capital facility of EUR 25.0 million and a guarantee facility of EUR 7.5 million. It continues to be provided by five global financing partners with a term until 31 December 2028.

The Management Board assesses the earnings, assets, and financial position as solid and orderly, given the ongoing program to improve profitability and the extension of the syndicated loan agreement. It continues to assume that the Group has sufficient resources to continue its business activities for at least another twelve months and that the going concern assumption is appropriate as the basis for accounting.

REPORT ON EXPECTED DEVELOPMENTS

MANAGEMENT'S ASSESSMENT OF THE GROUP'S EXPECTED DEVELOPMENT

Economic environment

International institutions anticipate a modest but sustained recovery of the global economy in 2026. Only moderate growth is expected for advanced economies, while momentum will be concentrated primarily in selected emerging and developing countries.

In global mechanical engineering, the VDMA Economics and Statistics Department forecasts real growth in global machine sales of around 2% for 2026. The picture varies from country to country: consistently positive growth is expected for the major Asian production locations, with India leading the way (+5%), followed by China (+4%). After a slight decline in the previous year, South Korea is forecast to grow by 2%, while Japan is expected to see modest growth of around 1%. Sales growth in the US is expected to be similar. Overall stagnation is expected for the EU engineering sector, although developments in the individual member states are likely to vary greatly.

Against this backdrop, the economic outlook for the German mechanical and plant engineering sector remains cautious. The VDMA economic survey for the fourth quarter of 2025 shows that sentiment improved slightly at the end of the year: While the current business situation continues to be classified as subdued, just under 30% of companies expect an improvement in the first half of 2026, with less than 10% anticipating a deterioration. Nevertheless, mechanical and plant engineering is considered a late cyclical sector and is likely to benefit only to a limited extent from the general economic recovery in 2026.

Structurally, however, the sector remains supported by several long-term trends. According to the VDMA's assessment, investment motives are increasingly focused on efficiency gains, digitalization, automation, and decarbonization, for example through the use of energy-efficient plants, digitally networked production systems, and climate-friendly technologies. In addition, increased defense spending in various countries may trigger selective demand impulses.

For the years after 2026, the outlook for mechanical and plant engineering depends largely on the extent to which these structural drivers can compensate for the continuing weak underlying momentum in many industrial sectors. From today's perspective, a cautiously positive but disruption-prone development can be expected, which will be strongly influenced by the further development of geopolitical risks, trade policy, and the design of transformation policy (decarbonization, digitalization) in the most important industrial regions. More concrete quantitative forecasts for the period after 2026 are not available in the documents consulted and therefore cannot be reliably reproduced. (Source: VDMA)

Based on current forecasts by World Semiconductor Trade Statistics (WSTS), the global semiconductor market will reach a volume of around USD 975 billion in 2026, thereby exceeding the USD 1 trillion threshold in the future, driven primarily by applications in data centers/AI, automotive, and industry. At the same time, advanced packaging continues to gain in importance: Intel expects glass substrates to play a key role in advanced packaging

from the second half of this decade onwards, enabling the next generation of high-performance data center and AI chips with significantly higher integration densities and improved thermal and mechanical properties. Glass-based substrates and semiconductor glass as a whole are described as one of the most important material innovations in packaging for the coming decade, with significantly above-average growth rates compared to traditional organic substrates, driven by increasing performance requirements and miniaturization.

Market studies expect co-packaged optics to develop into a key technology in AI and hyperscale data centers by the end of the decade, with the global CPO market growing from well below USD 0.2 billion in 2026 to over USD 0.7 billion in 2031 (e.g., CIR 2026; Mordor Intelligence 2026).

Group performance

Geopolitical tensions remain at a very high level and have been further exacerbated by the recent military conflict in the Middle East. The specific impact of this conflict cannot be reliably assessed at this stage. However, there is a risk that the conflict could have a negative impact on global supply chains and lead to increased volatility in energy markets and significantly higher energy prices. As a result, the costs of energy-intensive materials and plastics could also rise significantly. In addition, the conflict may have a negative impact on the availability of transport capacity and the level of transport costs. The company has already taken proactive measures to minimize these potential effects, for example by reserving transport capacity at an early stage. Furthermore, a possible spread of tensions to other regions of the world could place additional strain on the overall economic environment and thus also on the Group's business.

Despite the uncertain economic outlook, LPKF sees growth opportunities for the Group in the medium term.

The strategic focus of LPKF Laser & Electronics SE is on developing innovative technologies that are less dependent on economic cycles and have the potential to bring about lasting change in products, components, and manufacturing in the electronics, semiconductor, and other industries.

The Management Board believes that the strategic measures implemented in 2024 and the North Star program launched in September 2025 to sustainably improve profitability will put the company in a financially stable position and restore its long-term profitability despite the current economic situation. LPKF is in a position to expand its business activities through market-ready new developments, an even stronger focus on customer needs, and operational improvements. Investments in the development of new technologies and applications will be carried out in full despite the difficult economic conditions in the meantime. The significant increase in 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 sales exceeding 10%.

The Management Board continues to see great potential for sustainably increasing the company's revenue and earnings. This potential stems from the technologies mastered by

LPKF, its ability to integrate them into high-performance solutions, and the exceptional expertise of its employees. The company thus offers its customers decisive added value.

The Management Board anticipates the following developments for the future:

- Megatrends such as miniaturization, next generation computing, carbon neutrality, and connectivity will result in high-precision manufacturing and analysis methods becoming more prevalent.
- Customer demand for efficient solutions to manufacture high-precision components and products remains high. The number of applications continues to increase. New product developments and distribution channels are proving their worth.
- LIDE technology is being used for volume production, e.g. in the display area and in the semiconductor industry, and has good chances of establishing itself as a key technology in this area.
- Green energy will continue to gain importance, especially against the backdrop of the current energy crisis, and increase demand for efficient solar modules.

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 being strengthened systematically.
- LPKF will specifically drive forward technologies that help customers save resources and produce more energy-efficiently.
- The LIDE technology and related applications in the field of advanced packaging will be further expanded and its establishment in various fields of application will be pushed forward.
- The company will strengthen its sales activities and further expand 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 become scalable and aligned for future growth.
- The Management Board will also pursue possible growth through M&A activities, but only where the resulting increase in value is clearly visible.

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 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.

DEVELOPMENT OF KEY FIGURES AND OUTLOOK

Financial year 2025

Consolidated revenue for the 2025 financial year reached EUR 115.3 million, down 6.2% from the previous year. EBIT was EUR -13.5 million, significantly lower than the previous year's figure of EUR -2.5 million. The EBIT margin fell from 2.1% to -11.7%. EBIT in 2025 was impacted by special items totaling approximately EUR 14.3 million (previous year: EUR 2.6 million). These include, in particular, extraordinary write-downs on capitalized development costs amounting to EUR 6.3 million, severance payments and other personnel expenses related to the restructuring measures amounting to EUR 4.4 million, expenses related to the North Star program amounting to EUR 1.3 million, consulting expenses amounting to EUR 1.1 million, effects from the deconsolidation of LPKF Japan K.K. amounting to EUR 0.9 million, and other expenses amounting to EUR 0.3 million. EBIT adjusted for these special items amounts to EUR 0.8 million (previous year: EUR 0.1 million), corresponding to an adjusted EBIT margin of 0.0% (previous year: 0.0%).

ROCE reached -16.7% (previous year: 2.5%), which was significantly below the target value.

Capital employed in working capital fell to EUR 24.4 million in 2025 (previous year: EUR 37.2 million). This was mainly achieved through lower customer receivables and lower inventories. The net working capital ratio fell from 30.3% in the previous year to 21.2%.

At EUR 91.6 million, order intake in the reporting period was 19.9% below the previous year's level of EUR 114.3 million. At EUR 27.0 million, the order backlog at the end of the year was EUR 23.9 million below the previous year's figure.

Guidance for the financial year 2026

In view of the current high level of uncertainty in the economic and geopolitical environment, including the risk of war and fragile supply chains, and assuming significantly lower sales volumes in the Solar segment, LPKF expects consolidated revenues of EUR 105 to 120 million and an adjusted EBIT margin of between -3.0% and 4.5% for the 2026 financial year, this corresponds to an adjusted EBIT between EUR -3,15 to 5,4 million.

Potential high-volume orders from the advanced packaging sector are not included in this forecast, as the timing of the market-expected ramp-up is determined not by the LIDE process provided by LPKF, but by the qualification of downstream process steps.

Adjusted EBIT is calculated from EBIT after deducting restructuring and severance costs, effects from changes in the scope of consolidation, and adjustments to the Long Term Incentive (LTI) resulting from fluctuations in the performance factor or the share price. For the 2026 financial year, LPKF expects exceptionally high restructuring costs of around 3–4% of revenue as part of the North Star transformation program.

The Management Board expects a slight to moderate increase in net working capital and the net working capital ratio for the Group. ROCE will essentially follow the earnings trend. Free cash flow will be significantly impacted by the restructuring measures and will therefore decline considerably.

For LPKF Laser & Electronics SE, revenue and earnings before interest and taxes are expected to decline slightly to moderately.

Ambition for the years ahead

The Management Board is confident about the medium-term development of the LPKF Group. While the segments are currently developing at different rates, the goal remains clear: the Management Board is aiming for a sustainable double-digit EBIT margin for the Group until 2028.

The company sees LIDE and the expansion of its product portfolio as particularly good strategic positioning and offering great growth potential in the semiconductor market. The SMT division and Rapid PCB Prototyping also offer very solid growth prospects.

Despite the current weakness in orders in the Solar business, LPKF expects the transformation to perovskite technology to be a promising growth area with significant opportunities for LPKF. Following the strategic realignment in plastic welding, the Management Board also expects long-term profitable growth in this segment.

OPPORTUNITY AND RISK REPORT

DESCRIPTION OF THE INTERNAL CONTROL SYSTEM

Overview

The internal control system (ICS for short) comprises the principles, procedures and measures introduced by LPKF management that focus on the organizational implementation of management decisions and legal requirements with the aim of safeguarding the company's assets and boosting its operating efficiency.

In the course of the development and refinement of the ICS, the company's functional areas are subject to ongoing analyses, for example in audits, workshops and internal audits, which include an assessment of the probability of losses occurring in these areas and the extent of potential losses.

The Management Board organizes the structure of the individual units and constantly adjusts workflows based on the findings gathered from the ICS. Essential principles that apply include the separation of functions, the four eyes principle and restricted access to IT systems. Examples of these can be seen in regulations governing signatures, process workflows, approval requirements for significant transactions and IT access permissions.

The results of audits conducted by Internal Audit are presented to the Supervisory Board and processed in a timely manner. Follow-up audits ensure that the agreed implementation of the findings is monitored and documented regularly. Implementation is the responsibility of the Management Board. The risk profiles of the Group and LPKF Laser & Electronics SE are identical.

Opportunity and risk management system¹

Opportunity and risk management is pursued actively at LPKF. The aim is to ensure the sustainable success of the company and increase the enterprise value by systematically recognizing, assessing and managing uncertainties. Different reporting tools are used for this purpose.

LPKF understands risk management to involve formulating and implementing measures that are suitable for identifying and hedging existing risks, reducing the probability that they will occur, mitigating them or consciously accepting them to a reasonable extent. Risks in this sense are negative deviations from corporate planning that are of a material nature. Opportunities in this sense are positive deviations from corporate planning. The repeated application of the opportunity and risk management system ensures the forward-looking and

¹ The disclosures in this paragraph (overall assessment of the effectiveness of the opportunity and risk management system and the internal control system) are made in accordance with the requirements of the German Corporate Governance Code. They are to be classified as "unrelated to the management report", as they go beyond the statutory requirements and are therefore not part of the substantive audit by the auditor.

recurring identification and control of opportunities and risks that also affect the non-financial area.

The key features of the compliance management system are published at www.lpkf.com/en/company/compliance-management. Information on the integration of ESG objectives and risks in the ICS and the risk management system can be found in the non-financial report.

The early warning system in particular is a fundamental element in the planning and implementation of LPKF's business strategy. Strategic planning and the associated reporting system are particularly important.

The Management Board of LPKF Laser & Electronics SE is responsible for risk policy and the internal control and risk management system. The second and third-level local management staff perform these control functions in each of the Group's organizational units. In this way, new opportunities and risks can be identified in a timely and effective manner by the respective responsible persons directly at the point of origin and reported to the risk manager. A central database is used for reporting.

The risk situation is reported to the Management Board and the Supervisory Board on a quarterly basis. In addition to the regular reporting on identified risks, ad hoc reports must be prepared as needed on all risks that occur unexpectedly. The risk manager reports directly to the Management Board. The risk management system is subject to regular audits by Internal Audit.

Based on this, the Management Board has no indication that the internal control system or the risk management system, each in their entirety, were not adequate or effective as of 31 December 2025.

As in previous years, existing and potential opportunities and risks were reassessed in the 2025 financial year and the efficiency of the reporting system with regard to managing risks was reviewed. A reporting system supported by a database has been installed.

An external independent consulting firm performs internal auditing tasks throughout the LPKF Group. The audits are based on a multi-year audit plan agreed with the Supervisory Board and the Audit, Risk and ESG Committee.

Description of the internal control and risk management system relating to the accounting process

The objective of the internal control system relating to the accounting process is to ensure that the accounting and financial reporting is appropriate and effective. It is designed on the basis of the internationally recognized framework for internal control systems of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Internal Control – Integrated Framework), is continuously developed and refined and is an integral part of the accounting and financial reporting processes in the organizational units and companies.

The control system includes principles, procedures and preventive and detective controls. The effectiveness of the internal control system relating to the accounting process is systematically assessed. It begins with a risk analysis and a definition of control with the aim

of identifying significant control weaknesses for the accounting and financial reporting processes in the key companies, organizational units and Group functions. The necessary controls are defined in accordance with central guidelines and documented at the organizational unit level. In order to assess the effectiveness of the controls, tests are carried out regularly on the basis of random samples. These form the basis for a self-assessment of whether the controls are appropriately designed and effective. The results of this self-assessment are documented and reported by a central unit and any control weaknesses identified are addressed. Non-accounting-related controls are also documented at a central level. The organizational units in question regularly confirm the effectiveness of the internal control system relating to the accounting process.

The Management Board, the Audit, Risk and ESG Committee and the Supervisory Board are regularly informed about potential material control weaknesses and the effectiveness of the controls in place.

Internal Audit checks at (irregular) intervals whether the legal framework and internal guidelines for the Group's control and risk management system are being complied with. If necessary, measures are initiated in cooperation with the management in question.

The auditor examines the early warning system integrated into the risk management system for its fundamental suitability for identifying risks that could jeopardize the company as a going concern at an early stage; in addition, the auditor reports to the Audit, Risk and ESG Committee and the Supervisory Board on any significant weaknesses identified in the accounting-related internal control and early risk warning system as part of the audit of the financial statements.

SPECIFIC RISKS

The risk management process currently involves dealing in detail with the specific risks listed in the table below that could have a significant impact on the LPKF Group's business as well as its assets, liabilities, financial position and results of operations.

The following risks in particular are given high priority and are shown in the table based on risk mitigation measures (net presentation)*:

Specific risk (all segments)	Qualitative probability of occurrence		Possible financial effects	
	Category	in %	Category	Loss amount
Personnel risks relating to key functions	LESS LIKELY	up to 25%	MODERATE	up to EUR 5 million
Supply shortage	LESS LIKELY	up to 25%	MODERATE	up to EUR 5 million
IT related risks	UNLIKELY (LESS LIKELY)	up to 5% (up to 25%)	MODERATE	up to EUR 5 million
Political and regulatory risks	LESS LIKELY	up to 25%	MODERATE	up to EUR 5 million
Recession	Reviewed and assessed regularly outside the control system schematic			

* Previous year's figures are shown in brackets if they have changed. The loss amount corresponds to the expected value, i.e. the maximum net loss amount multiplied by the probability of occurrence.

The potential impact of risks on all business areas is constantly monitored. In particular, the risk of a recession could lead not only to delivery problems, but also to a sales risk if customers become more cautious for financial reasons. The Management Board therefore regularly discusses order and sales risks individually with all business unit managers and derives appropriate measures.

The company currently does not see, either from a Group perspective or from the perspective of LPKF SE, any risks that jeopardise its continued existence as a going concern, and no such risks for the future can be identified at present.

Like all other risks, general business risks are monitored regularly and reassessed as necessary. In order to provide an overview of the possible general business risks, they are explained below in addition to the high-priority risks.

Other risks that are currently unknown or that are (still) considered negligible at the moment could also have a negative impact on the business situation.

Personnel risks

Cause

The demand for qualified specialists both in the technical and non-technical fields remains high in the mechanical engineering and manufacturing industries. Companies in the high-tech segment in particular are facing increased competition for talented specialists. The ongoing shortage of skilled labor, which is becoming more acute in many regions, is making it increasingly difficult to fill vacant positions in a timely manner. Nevertheless, LPKF's strong employer brand, high level of technological expertise and innovative strength continue to make it an attractive employer, especially for engineers and specialists in software development. Due to the high level of qualifications in the company, however, there is a risk that key personnel with critical expertise will be lost as a result of headhunting or that vacancies will remain unfilled over the long term.

Measures

To ensure it is able to retain its employees, LPKF believes in offering an attractive and modern working environment and a wide range of development and career opportunities. The focus is on individually designed work arrangements, performance-related remuneration and a

working atmosphere characterized by respect and appreciation. LPKF has also established a systematic process for identifying, analyzing and securing key positions in order to be able to react quickly to potential departures.

Managers play a decisive role in ensuring employee satisfaction and loyalty. For this reason, leadership culture issues are regularly addressed at internal events, while leadership principles are revised as necessary. The aim is to continuously develop leadership skills and strengthen cooperation within the Group over the long term. To this end, future and existing managers are systematically supported through special junior management programs and continuous management training.

LPKF is also very active in the area of HR marketing. The focus is on increasing its presence at relevant job and career fairs as well as on social media in order to specifically address new target groups and position the company as a modern and attractive employer in the high-tech mid-sized sector.

Effects on the economic situation

The intense competition for qualified specialists – especially on the German labor market, but also internationally – remains a key challenge for LPKF. Thanks to an attractive working environment, strong cooperation projects with universities and a high profile in the laser and high-tech industry, most vacancies continue to be filled successfully, although this can take an increasingly long time depending on the requirements profile.

The risk of losing employees with key qualifications as a result of headhunting and of not being able to fill vacancies promptly continues to exist across all segments but is currently considered less likely. The financial impact of this risk can be classified as moderate (see table of specific risks).

Supply shortages

Cause

The ongoing effects of the COVID-19 pandemic, the war in Ukraine and the escalation of violence in the Middle East are leading to increased risks in supply chains. There is a risk of delivery delays and even cancellations. Further risks arise from geopolitical conditions around the world, in particular from tariff policies and the associated export and import restrictions. Geopolitical and structural developments in Germany also increase the risk of an economic slowdown and lead to sales risks and a tougher competitive environment.

There is consequently an increased risk of insolvency along supply chains, particularly for suppliers to the automotive industry (tier 2/3), which are also weighed down by declining sales and technological changes in the metal production sector. These risks could lead to delays in the production of machinery and therefore the fulfilment of customer orders.

Measures

LPKF generally endeavors to source most components from several suppliers (dual/multiple sourcing). Where this cannot be realized economically due to low volumes or increased technical complexity, the risk is reduced through close communication and coordination of planning and by securing delivery quantities from the supplier. In tandem with this, the company is constantly working to further develop its supplier base. By communicating

regularly with suppliers and monitoring the markets, it is ensured that information about potential supply shortages is received at an early stage. At the same time, a concept for alternative components is being developed in close cooperation with Research and Development in order to be able to fall back on technically tested and qualified alternative components in the event of supply shortages. Where necessary and sensible, components with long transportation times can be switched from sea freight, which is used as standard, to rail or air in order to save time.

Strategic material group management was introduced in the purchasing organization at the turn of the year in order to be able to assess the above risks even better in the future and initiate forward-looking countermeasures. In addition to increasing competitiveness in the area of material costs, improved, systematic risk management will also be one of the central tasks here.

Effects on the economic situation

In principle, the procurement situation has a significant impact on the revenue and profits that the Group can realize. Given the extensive measures taken, however, the probability of occurrence of this risk is currently assessed as less likely and the financial impact as moderate (see table of specific risks).

IT risks

Cause

As an international European stock corporation, the Group is constantly exposed to cyber risks such as industrial espionage, sabotage and system disruptions due to its innovation-driven business models, extensive information assets and complex IT systems. With the entry into force of the German NIS 2 Implementation Act in 2025, significantly increased requirements now apply to IT and information security, particularly with regard to governance, reporting obligations following security incidents and the management of supply chain risks.

Measures

Implementing the NIS 2 requirements requires additional investments in organization, processes, documentation and technical security measures. These outlays will increase the Group's resilience to cyber threats and limit potential economic damage. To minimize risk, the Group operates a highly available, redundant IT infrastructure involving a high proportion of cloud solutions. Key security measures include restrictive access control, distributed and regularly checked backups of critical data and the use of a wide range of IT security technologies.

The existing 24/7 Security Operations Centre (SOC) is being enhanced and supplemented with automated and AI-supported analysis processes. Training and awareness measures as well as regular internal and external security audits support the continuous improvement of the company's level of security.

Effects on the economic situation

LPKF has cyber risk insurance that can cushion some of the financial burden in the event of an incident. Despite the ongoing development of IT security, there is still a small residual risk that cannot be completely ruled out.

The probability of occurrence of IT risks is currently considered unlikely due to the large number of security measures, while the financial impact is assessed as moderate (see table of individual risks).

Political and regulatory risks

Cause

LPKF is facing an increasingly protectionist global trading environment. This may result in further import tariffs, stricter export controls for certain high-tech products and the elimination of existing trade privileges, which would affect not only global supply chains, but also the competitive conditions in LPKF's key sales markets.

Measures

One possible measure to counteract the potential consequences of protectionism is the option of local production sites. This is being evaluated in particular with regard to China. The need to adapt LPKF's product portfolio to changes in regulatory or competitive requirements is also regularly reviewed.

Effects on the economic situation

Political and regulatory risks can have an impact that will reduce the international competitiveness of LPKF's products and thus give rise to sales risks. The probability of occurrence is currently considered less likely, however, and the financial impact is assessed as moderate (see table of individual risks).

General business risks

Cause

With its international positioning, LPKF operates in an increasingly fast-changing environment. The situation for customers is characterized by considerable cost and competitive pressures and tight investment budgets. The target markets are subject to cyclical and project-driven developments, which are particularly pronounced in the electronics, automotive and solar industries.

Economic fluctuations have a significant impact on investments in production technology. Customers' willingness to take risks to expand their capacity or introduce new technologies is limited, particularly outside Asia. New investments are often only made when the future capacity utilization of these systems appears to be secured by specific customer orders.

LPKF is also exposed to risks due to a rapidly changing technological environment. The availability of high-quality components enables new suppliers to bring low-cost competitive products and possibly alternative processes to the market.

The systematic development of new technologies and business areas is always associated with the risk that the planned business model will not develop in line with the forecast. There is also a risk that new technologies will be accepted by the market only after a considerable delay or even not be accepted at all.

Product liability risks in connection with patents and warranty of title arise to different degrees in all segments. There is also the risk that recall costs may be incurred.

Measures

To continue expanding the various business areas, it is important to have a robust innovation and product management system with state-of-the-art technology that maintains a close proximity to customers and the market. Overall, at least 10% of revenue will continue to be invested in research and development in the future.

To compensate for fluctuations in the utilization of capacities, LPKF focuses on flexible structures in production and on collaboration between its production sites. In addition, peak capacity utilization levels are covered by drawing on external production service providers and employing temporary workers. When capacity utilization is lower, the depth of production can be increased.

Existing product liability risks are covered by insurance policies where possible. The same applies to potential product recalls.

Furthermore, credit risk management is closely monitored to assess potential payment default risks at customers. LPKF is protected against significant payment defaults by extensive trade credit insurance. A combination of credit checks and the agreement of certain payment terms as well as advance payments made by customers prior to delivery have established further security measures, particularly where commercial credit insurance does not apply.

Effects on the economic situation

Thanks to the existing and planned measures, the occurrence of the risks described above is considered to be low.

Other risks

In addition to the risks of particular significance outlined above, the Group is exposed to a number of other risks, including:

Exchange rate fluctuations

Cause

LPKF is exposed to currency risks due to its strong focus on exports and its international customer base. The exchange rates of foreign currencies are sometimes subject to major fluctuations in relation to the euro. For LPKF, exchange rate movements against the US dollar (USD) and the Chinese renminbi (CNY) are of particular significance. This risk also includes obligations arising from hedging relationships entered into due to delays in the underlying transaction (e.g. delayed receipt of a foreign currency payment). The LPKF Group generally tries to conclude contracts in euros. However, some transactions with international customers are also invoiced in foreign currencies. If invoices are issued in euros, exchange rate fluctuations can have an indirect impact on LPKF's competitiveness because most of its competitors are not based in the eurozone and LPKF incurs significant costs in euros.

Measures

Currency risks in the operating and financial areas are continuously identified, monitored and reported. To hedge against exchange rate risks in foreign currency transactions, LPKF creates "natural hedges" by sourcing in these currencies where possible. In addition, LPKF enters into hedging transactions in the form of forward exchange transactions for any remaining significant foreign currency exposure. This part of risk management is performed centrally at

LPKF SE in Garbsen, Germany and is also performed for the subsidiaries as required. The majority of the foreign currency cash flow is either used to procure materials in the same currency or hedged by entering into forward exchange transactions.

Effects on the economic situation

Fluctuations in exchange rates can have a moderate positive or negative impact on earnings and competitiveness. Countermeasures are constantly reviewed and introduced where possible.

Hedging Policy and Risk Management

The LPKF Group uses derivative financial instruments as needed to hedge future transactions and cash flows. For this purpose, derivatives such as forward contracts with short-term maturities are primarily used as hedging instruments. However, no derivatives were used in the 2025 reporting year.

Principles of Risk Management

LPKF Laser & Electronics SE is particularly exposed to risks arising from fluctuations in exchange rates and interest rates with regard to its assets, liabilities, and planned transactions. The objective of financial risk management is to limit these risks. Depending on the type of risk, derivative financial instruments are primarily used for this purpose. These instruments are used exclusively for hedging purposes, i.e., they are not used for trading or speculative purposes.

The Management Board bears primary responsibility for risk management, setting the general principles for risk management and defining the procedures. Implementation is carried out by the functional departments and subsidiaries in compliance with the approved business principles and is coordinated by the Group's risk manager. The Audit Committee of the Company's Supervisory Board monitors compliance with the guidelines and processes issued by the Management Board as well as the effectiveness of the risk management system.

The significant risks associated with financial instruments and the corresponding risk management system for the LPKF Group are explained below:

Currency risk

The LPKF Group's currency risks arise primarily from receivables, liabilities, cash and cash equivalents, and future transactions in foreign currencies. Assets denominated in a currency with a declining exchange rate lose value. At the same time, liabilities denominated in a currency with a rising exchange rate become more expensive. From the Group's perspective, only the net balance of foreign currency revenues and expenses is subject to risk.

In principle, risks are hedged only if they affect the Group's cash flows. Foreign currency risks that do not affect the Group's cash flows, however, remain unhedged. These include risks arising from the translation of assets and liabilities from the financial statements of foreign subsidiaries into the Group's reporting currency, the euro. In the operating segment, invoicing is predominantly in euros. Sales in North America are settled in U.S. dollars. In individual cases, cash flows also arise in other foreign currencies. To the extent possible, the

Group purchases in U.S. dollars, thereby practicing the so-called natural hedge approach. On balance, however, there is a net inflow of U.S. dollars. For hedging purposes, forward exchange contracts are used when a need arises to cover contracted net foreign currency inflows for up to twelve months.

To disclose market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on profit or loss and equity. For LPKF, currency risks arising from movements in the U.S. dollar exchange rate are the primary focus. The periodic effects are determined by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date. It is assumed that the portfolio as of the balance sheet date is representative of the full year. Exchange rate differences arising from the translation of financial statements of foreign subsidiaries into the Group's reporting currency, the euro, are not taken into account.

The currency sensitivity analysis is based on the following assumptions:

In accordance with IFRS 7, the analysis shows only the effects of exchange rate changes on financial instruments held by the Group as of the balance sheet date.

Based on a net foreign currency exposure of EUR 406 thousand, a 10% appreciation of the euro against the U.S. dollar would have reduced earnings before income taxes by EUR 82 thousand; a 10% depreciation of the euro would have resulted in a positive impact on earnings (before income taxes) of EUR 74 thousand.

Interest Rate Risk

Cash flow risk arises from variable interest rates on cash and cash equivalents. A 50-basis-point increase in interest rates would result in a gain of EUR 39 thousand based on a risk position of EUR 6,046 thousand; a 25-basis-point decrease in interest rates would result in a loss of EUR 20 thousand. The low interest rate sensitivities relative to cash holdings are attributable to cash holdings that mostly bear low interest. The Group also has interest-bearing liabilities, particularly overdraft facilities, which resulted in a net interest expense of EUR -1.15 million in the fiscal year. Due to their short-term and variable interest rates, these are not considered separately in the sensitivity analysis.

Liquidity Risk

Liquidity risk describes the risk of being unable to meet existing or future payment obligations due to insufficient availability of cash and cash equivalents. The Group's objective in managing liquidity is to ensure that—to the extent possible—sufficient liquid funds are available under both normal and strained conditions to meet payment obligations as they fall due without incurring unacceptable losses or damaging the Group's reputation.

LPKF addresses liquidity risks through forward-looking, currency-specific liquidity and working capital planning.

Financing

Cause

The LPKF Group is exposed to liquidity risk due to its business model and the current earnings situation. LPKF pre-finances a significant part of its research, development and market

development as well as the manufacture of its own products. The company's liquidity situation varies depending on the level of working capital. In addition to running costs and the ongoing transformation, cash outflows are largely determined by the order situation in conjunction with the procurement of materials. Cash inflows depend on customer orders, advance payments received from customers and the term of receivables. Delays in cash inflows are mainly due to delayed acceptance of products or complaints. LPKF has entered into a syndicated loan agreement for EUR 32.5 million to offset this liquidity risk. The syndicated loan gives LPKF access to EUR 25.0 million in liquidity and a further EUR 7.5 million in guarantee facilities. The earnings situation prompted LPKF to launch its North Star profitability improvement program in September 2025. It includes a transformation and staff reductions. In order to secure the liquidity for this transformation, LPKF has renegotiated and signed the syndicated loan agreement with the existing syndicate with a contractual term up to 31 December 2028. Various financial covenants will have to be fulfilled in order to maintain permanent access to the liquidity provided by the loan agreement during the contractual term. A breach of the financial covenants may lead to the termination of the loan agreement under certain circumstances.

Measures

Regular liquidity planning prevents liquidity shortages by identifying potential deficits at an early stage. This is done using a 13-week plan that rotates every two weeks, in which all cash-in and cash-out positions are planned in detail on a weekly basis. It also shows how much "headroom" is still available in terms of utilizing the agreed credit lines with the banks. This provides a very transparent weekly overview of cash reserves.

Receivables and liabilities are regularly checked to ensure they can be paid. In the area of receivables management, recurring dunning runs are implemented and consultations with the relevant sales units on overdue trade receivables are held. In addition, a weekly cash status is prepared for the entire LPKF Group worldwide and reported to the CFO.

Liquidity requirements not covered by incoming payments are temporarily offset using the working capital loan in the syndicated loan agreement.

The scheduled implementation of the transformation as part of the North Star profit improvement program (see Report On Economic Position, Overall Assessment Of The Group's Economic Situation) will reduce fixed costs and secure profitability in the long term.

The key financial figures agreed with the syndicated lenders are reviewed at regular intervals to ensure compliance. This involves an interdepartmental exchange in the course of intra-year forecasts and the annual planning. A regular dialogue is maintained with the syndicated lenders on the business performance and company forecasts. If it becomes apparent that compliance with agreed key figures cannot be guaranteed on individual reporting dates, adjustments to the covenants are negotiated with the syndicated lenders at an early stage.

The access to the capital markets resulting from the company's listed shares also opens up the possibility of raising authorized capital in the form of new shares or by issuing a convertible bond. A potential alternative would be the utilization of land and real estate.

Effects on the economic situation

Solvency is a key factor for the LPKF Group. Care is taken to ensure that financial obligations are met at all times. Failure to meet payment obligations could theoretically result in a deterioration in the company's credit rating, shorter payment terms, rising financing costs and even the termination of contractual relationships. The liquidity situation is therefore reviewed every two weeks and monitored on an ongoing basis. The measures described above ensure the company's solvency.

OPPORTUNITIES

The risks described above are offset by a large number of opportunities that may have a positive impact on the company's earnings if they are realized.

As a technology company, LPKF does business in a dynamic market environment. New opportunities constantly arise from a changing technology landscape and new market requirements. Systematically identifying and leveraging these opportunities is a major factor for the sustainable growth of the LPKF Group. Opportunity management involves closely monitoring new markets, trends and applications, evaluating market analyses and regularly reviewing the product portfolio. Opportunity management is closely linked to risk management and follows the same system.

The opportunities listed below focus on future trends or events that could result in a positive divergence for LPKF from the outlook presented in the report on expected developments. The opportunity profiles for the Group and for LPKF Laser & Electronics SE are identical.

Opportunities from operating activities

The systematic search for new technologies and applications is being driven by the business units and specialist product and innovation managers (Group Development). The product managers and international subsidiaries are responsible for identifying opportunities in the product areas and markets, with the results regularly reported to the company's management. Opportunities also open up as a result of improved market penetration, the ongoing dialogue with existing customers and the evaluation of new possibilities for cooperation, the service and further operating improvements. These opportunities are systematically collected, analyzed and addressed using a customer relationship management tool. In addition to its established markets, LPKF also focuses on adjacent growth areas and attractive new markets if they offer promising growth and income opportunities. Moreover, LPKF is aiming to open up new markets and further expand its presence in existing markets by developing new products. Continuous market and technology monitoring is conducted with the aim of identifying market opportunities at an early stage. This monitoring forms the basis for technology studies that offer a number of opportunities, including registering industrial property rights on novel solutions. The following market trends could have a positive impact on the further course of business:

- **Miniaturization:** As more and more electronic components have to be integrated in the smallest of spaces, precision tools are indispensable for structuring and separating printed circuit boards and for welding housings.
- **Next-generation computing:** The current phase of digitalization is characterized by the increasing networking of data, the exponential growth in data volumes and increasing demands placed on data processing by technologies such as artificial intelligence and machine learning. The need for high and energy-efficient computing power is leading to the use of new materials, such as glass, in the semiconductor industry. This is making it possible to further improve the performance and efficiency of systems without relying solely on the reduction in the size of transistors in accordance with Moore's Law. In the future, the integration of optical components directly into the chip housing will partially replace traditional electrical data connections with more energy-efficient and faster optical links. Glass substrates are essential here, as they provide the necessary electrical power, thermal efficiency, and stability.
- **Carbon neutrality:** Renewable energies are the key factor on the road to carbon neutrality. The growing importance of solar energy in power generation requires precise and efficient manufacturing equipment. Electromobility is driving demand for battery module manufacturing tools. Overall, the importance of energy efficiency in manufacturing processes and end products is increasing.
- **Connectivity:** Increasing connectivity based on digital infrastructures is fundamentally changing the way we live and work. The focus is on human-centered networking, in which technologies are more closely aligned with people's needs. Mobile data exchange, improved sensor technology, and continuous innovation in mobile devices require new manufacturing solutions and increase the need for rapid prototyping. At the same time, industrial automation and smart robotics are driving the intelligent networking of machines and production processes and creating additional fields of application for flexible, precise manufacturing technologies.

Opportunities from cost and process improvements

Potential for improvements in costs and use of the company's capital is continuously monitored and actively pursued. This includes improving working capital and cash flows over the long term. Potential structural improvements in the company's costs and use of capital are also being identified and systematically realized in the course of the North Star project. At the same time, the company is aiming to achieve a higher degree of operational efficiency, which will both increase scalability and reduce costs in the long term.

The consistent alignment of the corporate structure to the corporate strategy has created one of the key conditions for exploiting opportunities for further growth. The Group's organization and internal processes will also continue to be reviewed in the future, made leaner and faster and remain focused on proximity to market and profitable growth. Going forward, LPKF intends to make more intensive use of economies of scale and, at the same time, to streamline and enhance the productivity of the administration functions. The digitalization and AI support of business processes and workflows will contribute to this.

Opportunities from general political and regulatory conditions

The general political and regulatory conditions have an influence on the results of the business operations. For example, politically driven requirements in the solar sector or free trade agreements could have a positive impact. As a result of geopolitical developments, supply chains are being relocated with the aim of becoming less dependent on sensitive markets. This offers further opportunities for LPKF as a European company.

MANAGEMENT'S ASSESSMENT OF THE GROUP'S OPPORTUNITY AND RISK SITUATION

The global political situation remains volatile at the start of 2026, while it is expected that economic developments will be moderate. The financial situation is stable thanks to LPKF's good market position and the measures introduced to reduce fixed costs, and this will allow the company to continue to implement the investments it has planned. The various individual risks have only a limited impact on the Group's overall risk situation.

The review of LPKF's overall risk situation has led to the conclusion that there are currently no concrete risks to the Group's continued existence as a going concern.

SUPPLEMENTARY REPORT

DISCLOSURES ON PARTICULARLY SIGNIFICANT EVENTS

After the balance sheet date, the company's Supervisory Board decided to sell the land and building at the Fürth site in Germany. The decision was made before the annual financial statements were prepared.

As of the balance sheet date, there was no obligation to sell; the requirements for classification as held for sale in accordance with IFRS 5 were not met. Accordingly, no adjustments were made to the balance sheet amounts in the annual financial statements. The land and building continue to be accounted for in accordance with IAS 16.

On 26 February 2026, a new syndicated loan agreement with a term until 31 December 2028 was also concluded (see Management Report).

Otherwise, no events of particular significance to the net assets, financial position, and results of operations of the separate financial statements occurred after the end of the 2025 financial year.

CORPORATE GOVERNANCE DECLARATION

The corporate governance declaration pursuant to Sections 289f and 315d of the German Commercial Code is part of the combined management report. The declaration is available for the public on LPKF SE's website and included in the corporate governance report.

TAKEOVER-RELATED DISCLOSURES

The takeover-related disclosures required under Section 289a and Section 315a of the German Commercial Code are shown below. The subsequent explanation of these disclosures also meets the requirements of an explanatory report as defined in Section 176 (1) sentence 1 of the German Stock Corporation Act.

COMPOSITION OF SUBSCRIBED CAPITAL

On 31 December 2025, the subscribed capital of LPKF SE amounted to EUR 24,496,546.00. The share capital consists of 24,496,546 no-par value bearer shares (no-par value shares). No preference shares have been issued. One no-par value share grants a notional share of EUR 1.00 in the share capital and (with the exception of treasury shares) one vote at the Annual General Meeting. The rights and obligations attached to the no-par value shares are governed by the relevant provisions of the German Stock Corporation Act (AktG), in particular Sections 12, 53a et seq., 118 et seq. and 186 AktG in conjunction with Art. 9 (1) (c) (jj) and Art. 5 of the SE Regulation. The exercise of voting rights or the transfer of shares is subject exclusively to the statutory restrictions.

DIRECT AND INDIRECT SHAREHOLDINGS EXCEEDING 10% OF THE VOTING RIGHTS

To the best of LPKF's knowledge, the following direct or indirect shareholdings exceeding 10% of the voting rights existed as of the balance sheet date.

According to the voting rights notifications published in accordance with Sections 33, 34, and 43 of the German Securities Trading Act (WpHG) on 15 September 2025, the notifying parties Florian Schuhbauer, Klaus Röhrig, and Charles N. Mills—each directly and indirectly through their subsidiaries—together hold more than 10% of the voting rights in LPKF Laser & Electronics SE. This also includes AOC Alpha GmbH, which is managed as part of the joint investment structure of the notifying parties.

LEGAL REQUIREMENTS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION REGARDING THE APPOINTMENT AND DISMISSAL OF MANAGEMENT BOARD MEMBERS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The provisions governing the appointment and dismissal of Management Board members and amendments to the Articles of Association are based on the relevant provisions of the SE Regulation, the SE Implementation Act, the German Stock Corporation Act (AktG) and the Articles of Association. In addition to Art. 39 (2), 46 of the SE Regulation and Sections 84, 85 of the German Stock Corporation Act (AktG), Section 6 of the Articles of Association regulates the composition of the Management Board as follows: The Management Board consists of one or more persons. The Supervisory Board determines the number of members of the Management Board. The appointment and dismissal of members of the Management Board is carried out by the Supervisory Board (Section 84 AktG, Article 39 (2) subparagraph 1 SE Regulation). If the Management Board consists of several persons, the Supervisory Board may appoint a chairperson. The Supervisory Board is entitled to appoint deputy members of the Management Board. These have the same rights as the regular members of the Management Board with regard to representing the company externally. The members of

the Management Board are appointed for a maximum term of five years. Reappointments, each for a maximum of five years, are permissible.

Unless mandatory statutory provisions dictate otherwise, amendments to the Articles of Association require a two-thirds majority of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast (Art. 59 (1), (2) SE Regulation in conjunction with § 51 SE Implementation Act, § 24 (1) of the Articles of Association). In cases where the law additionally requires a majority of the share capital represented at the time of the resolution, a simple majority of the share capital represented at the time of the resolution is sufficient, unless a larger majority is mandatory by law (Section 24 (1) of the Articles of Association).

Pursuant to Section 11 (2) of the Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that only affect the wording.

POWERS OF THE MANAGEMENT BOARD TO ISSUE AND REPURCHASE SHARES

By resolution of the Annual General Meeting on 4 June 2025, the Management Board is authorized, with the prior approval of the Supervisory Board, to acquire treasury shares up to a total of 10% of the Company's share capital existing at the time of the resolution or, if this value is lower, at the time of exercising the authorization, until 30 June 2030. The acquired shares, together with other treasury shares held by the company or attributable to it in accordance with Sections 71d and 71e of the German Stock Corporation Act (AktG), may not at any time exceed 10% of the share capital. The authorization may not be used for the purpose of trading in treasury shares. The authorization may be exercised in whole or in part, once or several times, in pursuit of one or more purposes by the company or by companies dependent on it or majority-owned by the company, or by third parties acting on their behalf or on behalf of the company. The Management Board is authorized, with the prior approval of the Supervisory Board, to exclude shareholders' rights to tender their shares upon acquisition or their subscription rights upon the use of treasury shares in certain cases.

By resolution of the Annual General Meeting on 5 June 2024, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital by up to a total of EUR 4,899,309.00 by 4 June 2029, by issuing up to a total of 4,899 309 new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions (authorized capital 2024). Shareholders are generally to be granted subscription rights. However, the Management Board has been authorized to exclude shareholders' subscription rights in certain cases and within certain capital limits. No use was made of this authorization in the past fiscal year.

In connection with the authorization resolved by the Annual General Meeting on 5 June 2024, to issue option and/or convertible bonds with a total nominal value of up to EUR 200,000,000.00 until 4 June 2029, with the option of excluding subscription rights in certain cases and within certain capital limits, the company's share capital may be increased by up to EUR 4,899,309.00 by issuing up to a total of 4,899,309 new no-par value bearer shares against cash and/or non-cash contributions (Authorized Capital 2024). Shareholders shall generally be granted subscription rights. However, the Management Board has been authorized to exclude shareholders' subscription rights in certain cases and within certain

capital limits. No use was made of this authorization in the past financial year. In connection with the authorization resolved by the Annual General Meeting on 5 June 2024, to issue option and/or convertible bonds with a total nominal value of up to EUR 200,000,000.00 until 4 June 2029, with the option of excluding subscription rights in certain cases and within certain capital limits, the company's share capital is conditionally increased by up to EUR 4,899,309.00 through the issuance of up to 4,899,309 new no-par bearer shares (Conditional Capital 2024/I). The conditional capital increase will only be carried out to the extent that holders or creditors of option and/or convertible bonds exercise their option or conversion rights or fulfill their conversion obligations, or the company exercises its option to grant no-par value shares of the company instead of paying the amount due. The Management Board did not make use of this authorization in the past financial year.

Contingent capital 2024/II: By resolution of the Annual General Meeting on 5 June 2024, the Supervisory Board is authorized to conditionally increase the company's share capital by up to EUR 950,000.00 by issuing up to 950,000 new no-par value bearer shares of the company (Conditional Capital 2024/II). Conditional Capital 2024/II serves exclusively to service subscription rights issued by the company to members of the company's Management Board until 4 June 2029, on the basis of the authorization. The conditional capital increase will only be carried out to the extent that subscription rights are issued and the holders exercise their subscription rights to shares in the company and the company does not service the subscription rights in accordance with the terms of the plan by delivering its own shares or by cash settlement. The Management Board did not make use of this authorization in the past financial year.

Conditional Capital 2024/III: By resolution of the Annual General Meeting on 5 June 2024, the Management Board is authorized, with the approval of the Supervisory Board, to conditionally increase the company's share capital by up to EUR 1,490,000.00 by issuing up to 1,490,000 new no-par value bearer shares of the company (Conditional Capital 2024/III). Conditional Capital 2024/III serves exclusively to service subscription rights issued by the company until 4 June 2029, to members of the management of affiliated companies of the company and to selected employees of the company and affiliated companies in Germany and abroad on the basis of the authorization. The conditional capital increase will only be carried out to the extent that subscription rights are issued and the holders exercise their subscription rights to shares in the company and the company does not service the subscription rights in accordance with the terms of the plan by delivering its own shares or by cash settlement. The Management Board did not make use of this authorization in the past financial year. Further details can be found in the respective authorization resolution.

CONDITIONS FOR A CHANGE OF CONTROL

Some of the financing agreements and other contractual obligations of the LPKF Group contain change-of-control clauses. These contractual clauses regulate the rights of the contracting parties in the event of a change of control in the ownership structure of the LPKF Group. In the event of a significant change in the ownership structure, the contracting party often has a special right of termination.

The service contracts of the current members of the Management Board each contain a change-of-control clause. In the event of a change of control, the member of the Management Board has a one-time special right of termination to terminate the employment contract with six months' notice to the end of the month and to resign from office on the date of termination.

In the event of such termination, the executive board member receives a severance payment of up to two years' fixed remuneration (gross), but no more than the remuneration for the remaining term of the contract after the expiry of the notice period. This severance payment is offset against the compensation in connection with the post-contractual non-competition clause.

The remaining disclosures required under Sections 289a and 315a of the German Commercial Code (HGB) relate to circumstances that do not apply to LPKF SE.

Garbsen, 25 March 2026

LPKF Laser & Electronics SE

The Management Board



Dr. Klaus Fiedler

Chief Executive Officer



Peter Mümmler

Chief Financial Officer

CONSOLIDATED AND ANNUAL FINANCIAL STATEMENTS

For the LPKF Group and LPKF Laser & Electronics SE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 31 DECEMBER 2025

in EUR thousand	Note	2025	2024
Revenue	1	115,329	122,890
Changes in inventory		-3,457	-704
Other own work capitalized	2	5,752	5,709
Other income	3	5,692	4,555
Cost of materials	4	-37,660	-42,198
Staff costs	5	-57,401	-57,046
Depreciation, amortization and write-downs	6	-14,161	-8,372
Impairment expenses (including reversals) on financial assets and contract assets	32	34	90
Other expenses	7	-27,650	-27,467
Operating Result (EBIT)	8	-13,522	-2,543
Finance income	9	5	3
Finance costs	9	-1,150	-1,529
Earnings before tax		-14,667	-4,069
Income taxes	10	317	-440
Period result		-14,350	-4,509
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluations of defined benefit plans	22	10	299
Items that will be reclassified to profit or loss			
Currency translation differences		-836	569
Other comprehensive income after taxes		-826	868
Total comprehensive income		-15,176	-3,641
Earnings per share (diluted)	28	-0.59	-0.18

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2025

in EUR thousand	Note	12/31/ 2025	12/31/ 2024
ASSETS			
Intangible assets and goodwill	11	18,969	22,856
Property, plant and equipment	12	37,462	40,290
Right-of-Use Assets	13	2,219	1,858
Other financial assets	16	152	143
Other non-financial assets	17	262	211
Deferred tax assets	19	857	383
Non-current assets		59,921	65,741
Inventories	14	19,641	26,892
Trade receivables	15	13,491	30,108
Income tax receivables		438	839
Other non-financial assets	17	3,113	2,959
Cash and cash equivalents	18	10,038	5,053
Current assets		46,721	65,851
Total		106,642	131,592

in EUR thousand	Note	12/31/ 2025	12/31/ 2024
EQUITY			
Subscribed capital		24,497	24,497
Capital reserve		15,463	15,463
Other reserves		12,894	13,289
Net retained profits		25,244	38,512
Equity	20	78,098	91,761
LIABILITIES			
Provisions for pensions and similar obligations	22	492	486
Other financial liabilities	25	1,415	905
Deferred income	21	291	352
Contract liabilities	1	426	239
Other provisions	23	302	593
Deferred tax liabilities	19	1,125	1,876
Non-current liabilities		4,051	4,451
Other provisions	23	7,122	3,193
Other financial liabilities	25	3,891	7,125
Deferred income	21	36	319
Trade payables		4,606	7,362
Contract liabilities	1	3,717	12,187
Other liabilities	26	5,121	5,193
Current liabilities		24,493	35,379
Liabilities		28,544	39,830
Total		106,642	131,591

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM 1 JANUARY TO 31 DECEMBER 2025

in EUR thousand	Note	2025	2024
Cash flow from operating activities			
Period result		-14,350	-4,509
Adjustments:			
Tax expenses		-317	440
Financial expenses		1,150	1,529
Financial income		-5	-3
Depreciation/amortization of non-current assets		14,161	8,372
Gains/losses on the disposal of property, plant and equipment		-9	-14
Impairment losses/reversals	14, 15	1,035	720
Other non-cash expenses and income		1,255	596
Changes:			
Inventories (before depreciation)		5,893	3,802
Trade receivables		15,757	6,497
Other assets		-298	514
Provisions		3,697	660
Trade payables		-2,717	-2,434
Other liabilities		-8,390	-6,051
Other:			
Income from interest		5	3
Income taxes paid		-519	-694
Cash flow from operating activities		16,348	9,428
Cash flow from investing activities			
Investments in intangible assets		-5,957	-4,762
Investments in property, plant and equipment		-780	-2,786
Revenue from the disposal of assets		127	64
Cash flow from investing activities		-6,610	-7,484

in EUR thousand	Note	2025	2024
Cash flow from financing activities			
Interest paid		-1,042	-1,043
Payments of lease liabilities		-914	-979
Payments for repaying loans		0	-12,000
Cash flow from financing activities		-1,956	-14,022
Change in cash and cash equivalents			
Increase (+) / decrease (-) in cash and cash equivalents		7,782	-12,078
Cash and cash equivalents as of 1 January		-1,165	10,678
Effects of exchange rate changes on cash and cash equivalents		421	235
Cash and cash equivalents as of 31 December	18, 27	7,038	-1,165

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY TO 31 DECEMBER 2025

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
As of 01/01/2025	24,497	15,463	10,529
Earnings after tax			
Other comprehensive income after taxes			134
Total comprehensive income	0	0	134
Changes in the consolidation scope			
Share-based payment			
Use of authorized capital			
As of 12/31/2025	24,497	15,463	10,663

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
As of 01/01/2024	24,497	15,463	10,529
Earnings after tax			
Other comprehensive income after taxes			
Total comprehensive income	0	0	0
Changes in the consolidation scope			
Share-based payment			
As of 12/31/2024	24,497	15,463	10,529

Other
reserves

	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve	Net retained profits	Total equity
	-247	737	2,270	38,512	91,761
				-14,350	-14,350
	10	298	-837		-395
	10	298	-837	-14,350	-14,745
				1,082	1,082
		0			0
				0	0
	-237	1,035	1,433	25,244	78,098

Other
reserves

	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve	Net retained profits	Total equity
	-546	490	1,701	42,982	95,116
				-4,509	-4,509
	299		569		868
	299	0	569	-4,509	-3,641
				39	39
		247		0	247
	-247	737	2,270	38,512	91,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2025 CONSOLIDATED FINANCIAL STATEMENTS

A. BASIC INFORMATION

LPKF Laser & Electronics SE and its subsidiaries (together the LPKF Group) develop and produce equipment and systems for electronics development and production. New laser-based technologies are aimed in particular at customers in the automotive, electronics and solar industries. The Group also offers solutions for the analysis of biological materials in the nanoliter range and manufactures glass components for customers from various industries at the LPKF Glass Foundry. LPKF Laser & Electronics SE is entered in the commercial register at Hanover Local Court (Reg. No. 110740 B).

The company is a stock corporation under European law, founded and domiciled in Germany. The address of the registered office is:

Osteriede 7

30827 Garbsen

Germany

These consolidated financial statements were approved for publication by the Management Board on 23 March 2026.

B. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of LPKF Laser & Electronics SE, Garbsen, were prepared using uniform accounting policies. They take into account all International Financial Reporting Standards (IFRSs) and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable on the reporting date and in the form applicable in the EU.

The consolidated financial statements were prepared on the basis of historical cost, limited by the measurement at fair value through profit or loss of financial assets and financial liabilities, including derivative financial instruments, and using the effective interest method.

The Management Board is maintaining its realistic expectation that the Group has sufficient resources to continue its operating activities for at least another twelve months and that the going concern assumption remains appropriate as a basis of accounting.

For the financial year ending 31 December 2025, the Group reported a net loss for the period of EUR -14,350 thousand. The Group had net working capital of EUR 24,383 thousand as at 31 December 2025. This is calculated from inventories and trade receivables less trade payables and contract liabilities. Net working capital reflects the net capital tied up in the reported items. As at the reporting date of 31 December 2025, the Group had cash and cash equivalents of EUR 10,038 thousand. In addition, as at 31 December 2025, there are commitments for credit lines with the LPKF Group's core banks totaling EUR 32.5 million, which can be utilized in the event of additional liquidity requirements. EUR 7.5 million of this

amount is attributable to a guarantee line at and EUR 25.0 million to a credit line for working capital financing.

The appropriateness of using the going concern assumption as the basis for financial reporting depends on the Group's ability to meet its payment obligations at all times. To this end, the continuous availability of debt capital must be ensured. As of the date of approval of the financial statements, the Group has a sufficient credit line provided by three major international banks as part of a syndicated loan (with extension options) running through December 2028.

In response to a severe adverse scenario, the Executive Board may also take the following measures to reduce costs, optimize the Group's cash flows, and preserve liquidity:

- Non-essential investments are reduced and discretionary expenditure is postponed or canceled,
- the non-essential recruitment of employees is suspended and
- Marketing expenditure is reduced.

Due to these factors, the Management Board expects the Group to have adequate resources to meet its financial obligations at all times.

The preparation of consolidated financial statements in accordance with IFRS requires estimates. Furthermore, the application of company-wide accounting policies requires management to make judgments. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note E "Significant accounting estimates and assumptions".

The financial year corresponds to the calendar year. The consolidated financial statements have been prepared in euros. Unless otherwise stated, amounts are presented in thousands of euros (EUR thousand). Unless otherwise stated, all financial information presented in euros has been rounded to the nearest thousand.

The following amendments to issued standards, revised or newly issued standards already adopted as at the reporting date were applied in the 2025 financial year. They have no material impact on the consolidated financial statements.

<u>First-time application</u>	<u>New or amended standards and interpretations</u>
1 January 2025	„Lack of Exchangeability (Amendments to IAS 21)

The following amendments to issued standards, revised or newly issued standards that had already been adopted as at the reporting date were not yet applied in the 2025 financial year. The Group does not plan to apply them early. The effects of the following new or amended standards and interpretations on the LPKF Group are currently being examined.

First-time application	New or amended standards and interpretations
1 January 2026	Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7) Contracts for electricity supply dependent on natural conditions (amendments to IFRS 9 and IFRS 7) Minor amendments to a number of IFRSs (IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7)
1 January 2027	Presentation and disclosures in financial statements (IFRS 18) Subsidiaries without public accountability: disclosures (IFRS 19) Translation to a hyperinflationary currency (IAS 21)

BASIS OF CONSOLIDATION

As of 31 December 2025, LPKF Laser & Electronics SE had eight (previous year: nine) subsidiaries, which together with the parent company form the basis of consolidation. In addition to the parent company LPKF Laser & Electronics SE, Garbsen, the following subsidiaries are included in the consolidated financial statements:

Name	Registered office	Equity interest (previous year) in %
Full consolidation		100.0
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.	Tianjin/China	(100.0)
LPKF Shanghai Co., Ltd.	Shanghai/China	(100.0)
LPKF Laser & Electronics Korea Ltd.	Seoul, Korea	(100.0)
LPKF Laser & Electronics Vietnam Co., Ltd.	Bac Ninh/Vietnam	(100.0)

After the transfer of the sales and service operations in Japan to a long-standing distribution partner on 1 January 2025, LPKF Laser & Electronics K.K. was finally wound up in the third quarter of 2025.

Beyond this, the legal structure of the LPKF Group did not change in the financial year.

A profit and loss transfer agreement has been in place between LPKF Laser & Electronics SE and LPKF SolarQuipment GmbH since the 2015 calendar year. LPKF WeldingQuipment GmbH

has had a profit and loss transfer agreement with LPKF Laser & Electronics SE since the 2016 calendar year. Both agreements were concluded for a minimum term of five years and are extended indefinitely without termination of the agreement. No notice of termination has been given.

EXEMPTION PURSUANT TO SECTION 264 (3) HGB

LPKF WeldingEquipment GmbH and LPKF SolarEquipment GmbH have fulfilled the conditions of Section 264 (3) HGB by being included in the consolidated financial statements and make use of the exemption provision in the form of preparation and disclosure exemptions.

C. CONSOLIDATION PRINCIPLES

The consolidated financial statements are based on the annual financial statements of the companies included in the consolidated financial statements, prepared as of 31 December 2025, in accordance with uniform accounting and valuation rules.

Subsidiaries are all companies controlled by LPKF Laser & Electronics SE. LPKF Laser & Electronics SE controls an associate if it has the power to govern the company, there is exposure to risks or rights to variable returns arising from its involvement with the investee, and LPKF Laser & Electronics SE has the ability to use its control over the investee in such a way as to affect the amount of the investee's variable returns. The consolidation of an associate begins on the date on which LPKF Laser & Electronics SE obtains control over the entity. It ends when LPKF Laser & Electronics SE loses control over the associate.

Acquired subsidiaries are accounted for using the purchase method. The cost of the acquisition corresponds to the fair value of the assets transferred, the equity instruments issued, and the liabilities incurred or assumed at the acquisition date.

Assets, liabilities, and contingent liabilities identifiable in the context of a business combination are revalued upon initial consolidation, regardless of the extent of non-controlling interests. The excess of the acquisition cost over the Group's share of the net assets measured at fair value is generally recognized as goodwill. If the acquisition cost is less than the net assets of the acquired subsidiary measured at fair value, the difference is recognized directly in the income statement.

Intra-Group transactions, balances, and unrealized gains and losses from transactions between Group companies are eliminated. Deferred taxes are recognized for consolidation adjustments affecting profit or loss in accordance with IAS 12.

The accounting policies of subsidiaries were adjusted, where necessary, to align with the Group's uniform accounting policies to ensure consistent reporting.

If the Group loses either control or significant influence over an entity, the remaining interest is remeasured at fair value and the resulting difference is recognized as a gain or loss. This is the fair value determined upon the initial recognition of an associate, joint venture, or financial asset. In addition, all amounts recognized in other comprehensive income relating to that entity are accounted for as would be required if the parent company had directly disposed of the related assets and liabilities. This means that a gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

D. CURRENCY CONVERSION

Financial statements are prepared in the functional currency of the respective entity, which is defined as the currency of the economic environment in which the entity primarily operates. In the case of the subsidiaries of LPKF Laser & Electronics SE, the functional currency corresponds to the local currency of the respective country of domicile.

If the financial statements of subsidiaries are prepared in a functional currency other than the euro, assets and liabilities are translated at the mid-market rate on the balance sheet date, and equity is translated at the historical exchange rate. Expenses and revenues are translated at the annual average exchange rate. Translation differences are recognized in equity, with no effect on profit or loss, as a currency translation reserve until the disposal of the subsidiary.

Foreign currency effects from the translation of transactions are recognized in other operating expenses (exchange losses) or in other operating income (gains from exchange rate differences).

The exchange rates of the material currencies that were applied in the preparation of these consolidated financial statements are listed below:

1 euro = currency x	Closing rate		Average rate	
	12/31/2025	12/31/2024	2025	2024
US Dollar	1.175 USD	1.0389 USD	1.12934 USD	1.0821 USD
Chinese Renminbi				
Yuan	8.2262 CNY	7.5833 CNY	8.11494 CNY	7.7863 CNY
Vietnam Dong	31,001 VND	26,661 VND	28,327 VND	27,050 VND
Japanese Yen*	-	163.06 JPY	-	163.82 JPY
South Korean Won	1,696.94 KRW	1,532.15 KRW	1,605.29 KRW	1,475.26 KRW

*Due to the deconsolidation of LPKF Laser & Electronics K.K. as of 30 September 2025, the JPY exchange rate will no longer be applied as of 31 December 2025.

E. MATERIAL ACCOUNTING AND MEASUREMENT ESTIMATES AND ASSUMPTIONS

All estimates and assessments are updated on an ongoing basis and are based on historical experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

The Group makes estimates and assumptions regarding the future. By their nature, the resulting estimates will often not correspond to subsequent actual circumstances. The estimates and assumptions that entail a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

Significant assumptions and estimates relate to the determination of useful lives and recoverable amounts of intangible assets and property, plant, and equipment. Development costs refer to development projects for systems and associated software. Development costs

are capitalized provided the requirements of IAS 38 are met. Research costs are recognized as expenses. The assessment of the capitalization criteria under IAS 38 for projects under development is complex and relies on a number of judgmental assumptions. These include, in particular, projected cash flows, technical feasibility, the discount rates used, and the allocation of costs to the appropriate projects. Further details on useful lives are provided in Note 11 "Intangible Assets and Goodwill" and Note 12 "Property, Plant, and Equipment" of Chapter H "Consolidated Balance Sheet."

(B) PROVISIONS

When accounting for provisions, assumptions must be made regarding the probability of occurrence, timing, and amount of the risk. Actuarial calculations are used to determine the obligation arising from defined-benefit pension commitments and employee benefits upon termination of employment, as well as the obligation arising from long-term bonus programs. The amount of pension obligations depends significantly on the underlying life expectancy assumptions and the choice of discount rate, which is recalculated annually. The discount rate used is the interest rate on industrial bonds with the highest credit rating that are denominated in the currency in which the benefits are paid and whose maturities correspond to those of the pension obligations. Key factors influencing the calculation of provisions for anniversary bonuses and benefits upon termination of employment are employee turnover and salary trends. Detailed information is provided in the notes on the pension provisions recognized in the balance sheet under Note 22.

(C) INCOME TAXES AND DEFERRED TAXES

The Group is obligated to pay income taxes in various countries. Therefore, significant assumptions are necessary to determine the global income tax provision.

There are many business transactions and calculations for which the final tax liability cannot be definitively determined during the ordinary course of business. The Group measures the amount of provisions for expected tax payments based on the best possible estimate of whether and to what extent additional income taxes may become due. If the final taxation of these transactions differs from the initial assumption, this will affect current and deferred taxes in the period in which the taxation is finally determined.

Deferred tax assets are recognized to the extent that it is probable that future tax benefits will be realized. Unless there is a history of losses, the assessment of realizability is based on the current five-year plan, the expected business performance, and the taxable temporary differences. The actual taxable income situation in future periods and thus the actual usability of the tax benefits may differ from the estimate made at the time of capitalizing the deferred taxes.

(D) FAIR VALUE OF DERIVATIVE AND OTHER FINANCIAL INSTRUMENTS

The fair value of financial instruments not traded on an active market is determined by applying appropriate valuation techniques selected from a variety of methods. The assumptions used in this process are based on market conditions prevailing as of the balance sheet date.

(E) ESTIMATES IN THE DETERMINATION OF IMPAIRMENT LOSSES ON RECEIVABLES AND INVENTORIES

The determination of impairment losses on receivables and inventories is based on estimates regarding the amount of the impairment loss or the amount and probability of future payment defaults. In addition to historical data, current information on markets, industries, individual customers, and current market developments is used to determine impairment losses.

(F) ASSUMPTIONS REGARDING REVENUE RECOGNITION

In the sale of equipment and systems, the performance obligation is generally satisfied upon delivery at the time of transfer of control to the customer. In the Company's assessment, this generally corresponds to the transfer of risk in accordance with Incoterms.

The LPKF Group recognizes revenue from development services using the percentage-of-completion method. If development services are provided on a fixed-price project basis, the amount of revenue recognized is determined based on the estimated progress of the projects. Performance estimates are made based on an estimated number of hours, estimated costs for materials, and estimated costs for external services, and are updated on an ongoing basis. Estimating the number of hours requires assumptions regarding the services still to be provided to the customer, the timing of these services, and other contractual aspects agreed upon with the customer.

(G) EQUITY-BASED PAYMENTS

To determine the liability arising from long-term bonus programs settled in cash or equity instruments, an option pricing model is used due to the impact of the LPKF share price on the value. In addition to the development of the value contribution, selected ESG criteria as well as the relative TSR (Total Shareholder Return) relative to a defined peer group during the performance period also have a significant impact on value. With the exception of the TSR, the components can be derived from Group planning. For the TSR, external data providers are utilized. Detailed information can be found in the notes on equity-based compensation in Note 24.

F. SEGMENT REPORTING

In accordance with the rules of IFRS 8 (Operating Segments), individual financial statement data is broken down by operating segment and region, with the breakdown based on internal reporting to the chief operating decision-maker. The chief operating decision maker is responsible for decisions regarding the allocation of resources to the business segments and for reviewing their profitability. The Management Board of LPKF Laser & Electronics SE has been identified as the chief operating decision maker. The purpose of segmentation is to provide transparency regarding the profitability and prospects of the Group's individual activities.

The following areas form the basis for the primary format of segment reporting:

Development

In the Development segment, LPKF supplies virtually everything that developers of electronic devices need to manufacture and assemble PCB prototypes quickly, in-house and, largely without the use of chemicals. Under the name ARRALYZE, LPKF develops systems and solutions for biomedical research.

Electronics

Within the Electronics segment, LPKF manufactures systems that are primarily used in the electronics industry. Furthermore, the Electronics segment includes the LIDE (Laser Induced Deep Etching) technology developed by LPKF.

LPKF's Active Mold Packaging (AMP) technology enables the placement of electrical circuits directly on the surface and inside of epoxy mold compounds (EMC).

Welding

The Welding segment encompasses laser systems, thermal process monitoring, and software for welding plastics. The business unit develops and markets standardized standalone and integrated systems, but also offers customized solutions for customers. These systems are primarily used in the automotive supply industry, medical technology, and the manufacture of consumer electronics.

Solar

In the Solar segment, LPKF develops and manufactures laser systems for patterning thin-film solar cells (LaserScriber) for various thin-film technologies. This segment also includes laser systems for the digital printing of functional pastes and inks (Laser Transfer Printing, LTP).

Internal revenue between segments in accordance with IFRS 8.23 (b) is minimal and is reported in the following table as "Revenue (before consolidation)."

The segment data was determined as follows:

- Segment earnings (adjusted EBIT) are calculated by including any goodwill impairment charges but excluding financial results and taxes. EBIT is adjusted for restructuring and severance costs as well as changes in the Long-Term Incentive (LTI) resulting from fluctuations in the performance factor or the share price.
- Capital expenditures and depreciation and amortization, including impairment losses, relate to property, plant, and equipment and intangible assets, including goodwill.

Unless otherwise stated, the figures reported are on a consolidated basis.

in EUR million	Revenue (before consolidation)		External revenue		Adjusted EBIT	
	2025	2024	2025	2024	2025	2024
Electronics	35.9	36.9	35.9	36.9	-2.6	-0.9
Development	29.3	29.0	27.1	26.2	1.3	0.1
Welding	24.0	18.6	24.0	18.6	0.5	-4.8
Solar	28.3	41.2	28.3	41.2	1.6	5.7
Total	117.5	125.7	115.3	122.9	0.8	0.1

in EUR million	Investments		Depreciation and amortization (non-current assets)*		Write-downs (inventories)	
	2025	2024	2025	2024	2025	2024
Electronics	3.0	3.1	-2.9	-3.2	-0.3	-0.3
Development	2.0	2.1	-0.7	-0.8	-0.1	-0.1
Welding	1.0	0.5	-1.0	-1.1	0.0	-0.3
Solar	0.7	1.8	-0.6	-0.8	-0.6	0.0
Total	6.7	7.5	-5.2	-5.9	-1.0	-0.7

*only direct allocated amortization

EUR 9.0 million (previous year: EUR 2.5 million) relates to depreciation and amortization that is not directly allocated to the segments. These are allocated to the segments. Total depreciation and amortization of the Group's fixed assets amounted to EUR 14.2 million (previous year: EUR 8.4 million).

Assets, liabilities and cash flows are not allocated to segments.

Depreciation of inventories is reported under cost of materials.

GEOGRAPHICAL INFORMATION

Reporting reflects information on a geographical basis. Revenue is based on the geographical locations of customers.

	External revenue			
	2025		2024	
	in EUR million	in %	in EUR million	in %
Germany	9.9	8.6	13.5	11.0
Rest of Europe	14.9	12.9	15.8	12.9
North America	49.0	42.5	52.6	42.8
China	12.4	10.8	20.0	16.3
Rest of Asia	27.6	23.9	18.9	15.4
Other	1.5	1.3	2.1	1.6
Total	115.3	100.0	122.9	100.0

The following table provides information on the geographical locations of non-current assets in accordance with IFRS 8.33 (b).

	2025	2024
Germany	52.7	58.9
Rest of Europe	3.4	3.6
USA	1.6	1.9
China	0.5	0.5
Rest of Asia	0.0	0.1
Total	58.2	65.0

G. CONSOLIDATED INCOME STATEMENT

1. REVENUE

Revenue breakdown

The LPKF Group's core business consists of the sale of equipment and systems used by customers in production and development, as well as service components. Revenue from the sale of equipment, systems, production services (foundry), and service components—primarily spare parts—is recognized as point-in-time revenue upon transfer of control.

Revenue recognized over time arises from service contracts, which primarily comprise maintenance contracts and warranty extensions. There is also growing demand for the development of customer-specific solutions and systems. Depending on the contract terms and materiality, these orders may result in revenue recognized over time or revenue recognized at a specific point in time.

in EUR million	External revenue (total)		Timing of Revenue Recognition			
			Point in Time (Plant, Systems, Service Components)		Over Time (Service Contracts, Warranty Extensions, Development Projects)	
	2025	2024	2025	2024	2025	2024
Electronics	35.9	36.9	30.9	31.3	5.0	5.6
Development	27.1	26.2	25.8	24.9	1.3	1.3
Welding	24.0	18.6	24.0	18.3	0.0	0.3
Solar	28.3	41.2	27.6	41.1	0.7	0.1
Total	115.3	122.9	108.3	115.6	7.0	7.3

Contract balances

The following table provides information on contract assets and contract liabilities from contracts with customers.

in EUR million	12/31/2025	12/31/2024
Contract assets	0.0	0.0
Contract liabilities	4.1	12.4
Breakdown by maturity:		
Current	3.7	12.2
Non-current	0.4	0.2
Breakdown by type:		
Period-related revenues	4.1	3.7
Time-related services	0.0	8.7

Contract assets arise from the right to consideration for services rendered but not yet invoiced.

Contract liabilities arise from advance payments received in both period-based and point-in-time revenue recognition. Upon delivery of the contractual service, the contract liabilities are recognized as revenue.

The amount of EUR 12.2 million included in contract liabilities as of 31 December 2024, was recognized as revenue in financial year 2025 (previous year: EUR 17.6 million). In the 2025 reporting period, as in the prior year, no significant revenue was recognized from performance obligations that were fulfilled or partially fulfilled in prior periods.

In the financial year 2025, there were no significant or material changes in the balances of contract assets and contract liabilities other than those listed in the table. The decrease in contract liabilities of EUR 8.3 million compared to the prior year is primarily due to lower advance payments received for the sale of equipment and systems as of the reporting date.

Performance obligations

Service obligations within the LPKF Group arise from the sale of equipment and systems, as well as from service contracts with customers. In older contracts and individual cases where promised services or warranty extensions were sold to customers as part of a complete package with a system, the transaction prices and the amounts attributable to performance obligations are determined based on internal calculations.

In the sale of equipment and systems, the performance obligation is generally satisfied upon delivery at the time of transfer of control to the customer. In the Company's assessment, this generally corresponds to the transfer of risk in accordance with Incoterms. Any subsequent, immaterial costs, such as installation, are deferred.

Service contracts with customers primarily consist of maintenance contracts and warranty extensions. To determine the percentage of completion for maintenance contracts, LPKF applies the output-based method, which is based on the hours worked by employees. Warranty extensions are recognized as revenue on a time-based basis.

For development projects, revenue is recognized based on the progress of the services rendered. Progress is assessed using an estimated number of hours and estimated costs for third-party services, and is updated on an ongoing basis. Estimating the number of hours requires assumptions regarding the services still to be provided to the customer, the timing of these services, and other contractual aspects agreed upon with the customer.

LPKF makes use of the simplification provisions of IFRS 15.121 when the expected initial term of the contract is one year or less. This is the case for sales of equipment as well as for service contracts with a term of one year or less. The transaction prices of the performance obligations that have not been fulfilled (or have been partially fulfilled) with a term of more than one year amount to EUR 426 thousand (previous year: EUR 239 thousand) and correspond to the contractual liabilities with the same term. Revenue from these will be recognized starting in 2026.

The payment received generally corresponds to the invoice price and does not include any significant financing components. The payment term is generally between 30 and 45 days.

2. OTHER OWN WORK CAPITALIZED

In-house work amounting to 5,752 thousand (previous year: 5,709 thousand) was capitalized within the Group. This includes both in-house work for technical equipment and machinery used in production operations at Group companies, as well as capitalizations during 2025 of development projects for prototypes intended to serve the Group's operations on a permanent basis. Research costs, on the other hand, are recognized as expenses immediately upon incurrence. Costs incurred in connection with development projects (related to the design and testing of new or improved products) are capitalized as intangible assets if the criteria of IAS 38 are met. Other development costs that do not meet these criteria are recognized as expenses in the period in which they are incurred. Development costs that were recognized as expenses in prior periods are not capitalized as assets in subsequent reporting periods. Capitalized development costs are reported as intangible assets, which are amortized on a straight-line basis over a three-year useful life—typically until the product is revised—starting from the date they become available for use. A distinction is made for new technologies, which are generally amortized over five years. These amortization charges are reported in amortization of intangible assets and depreciation of property, plant, and equipment.

3. OTHER INCOME

in EUR thousand	2025	2024
Research and development grants	2,400	2,253
Income from currency translation differences	1,632	603
Income from the reversal of provisions	295	207
Income from insurance payments	72	139
Other	1,293	1,353
Total	5,692	4,555

Research and development grants amounting to EUR 2,400 thousand (prior year: EUR 2,253 thousand) are recognized in accordance with IAS 20 and exclusively concern government grants – in some cases with the involvement of private project companies. Grants are granted for costs actually incurred in connection with a specific purpose during the financial year (expenditure grant) and are shown as income in the period the corresponding expenses that the grant shall compensate are allocated to. Payments are generally made in line with project progress. Grants received for capitalized development costs and other non-current assets are recognized as deferred income items in short-term and long-term liabilities and are reversed on a straight-line basis in accordance with the useful life of the associated capitalized development costs and other assets. The same applies to government grants for building costs in Suhl totaling originally EUR 943 thousand. The periodic reversal of these government grants for building costs is reported in the item “Reversal of deferred item income from grants” in the amount of EUR 30 thousand (previous year: EUR 28 thousand). There are no unfulfilled conditions and other contingencies related to government assistance recognized in the financial statements.

4. COST OF MATERIALS

in EUR thousand	2025	2024
Cost of (system) parts and purchased goods	-35,676	-40,005
Cost of purchased services	-1,033	-1,449
Write-downs on inventories	-951	-744
Total	-37,660	-42,198

Write-downs on inventories relate to write-downs to the lower net realizable value and scrapping.

5. STAFF COSTS AND EMPLOYEES

in EUR thousand	2025	2024
Wages and salaries		
Expenses for wages	-46,944	-46,153
Other	-1,156	-1,475
	-48,100	-47,628
Social security costs and pension costs		
Employer's contribution to social security	-8,721	-8,557
Other	-580	-861
	-9,301	-9,418
Total	-57,401	-57,046

Personnel expenses include one-time effects from restructuring measures amounting to EUR 4.4 million (previous year: EUR 1.7 million).

Pension obligations resulted in current pension payments of EUR 29 thousand (previous year: EUR 17 thousand) in the financial year 2025 (also see note 22).

The workforce is distributed as follows:

	As of reporting date		Annual average	
	12/31/2025	12/31/2024	2025	2024
Development	201	212	203	213
Production	131	148	138	150
Service	97	110	99	108
Sales	142	147	143	146
Administration	156	156	156	152
Total	727	773	739	769

6. DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

The depreciation and amortization for various groups of non-current assets is shown under the reconciliations of the carrying amounts at the beginning and end of the period under notes 11 and 12.

7. OTHER EXPENSES

in EUR thousand	2025	2024
Travel, hospitality	-3,645	-3,908
Repair, maintenance, operating supplies	-2,954	-2,969
Rent, ancillary rental costs, leases, land and building costs	-1,940	-2,124
Legal and consulting expenses	-2,854	-2,680
External work, temporary work costs	-2,398	-2,553
Exchange rate losses	-2,216	-1,352
Consumables, development and purchased development services	-1,725	-2,132
Advertising and sales expenses	-1,692	-1,966
Insurance, contributions, duties	-1,006	-1,574
Vehicle costs	-919	-959
Sales commissions	-970	-957
Trade fair costs	-835	-747
Voluntary benefits, training and further education	-759	-982
Financial statement preparation, publication and auditing costs	-594	-361
Supervisory Board remuneration incl. reimbursement of expenses	-351	-379
Telecommunications costs	-275	-372
Other	-2,517	-1,452
Total	-27,650	-27,467

Expenses for R&D/effect on income statement

in EUR thousand	2025	2024
Materials and other costs	-2,385	-3,736
Other costs (including staff costs and D&A)	-18,069	-13,685
Total expenses for R&D	-20,454	-17,421

8. OPERATING RESULT (EBIT)

The operating result or EBIT (Earnings Before Interest and Taxes) is the profit or loss from operating activities from the continuing revenue-generating main activities of the LPKF Group plus other income and expenses from operating activities. The operating result does not include the financial result and income taxes.

Adjusted EBIT is EBIT adjusted for restructuring and severance costs, the loss from the deconsolidation of the Japanese subsidiary, and changes in the Long-Term Incentive (LTI) resulting from fluctuations in the performance factor or the share price. Adjusted EBIT is reported to enable a comparison of operating profitability across periods by eliminating special items.

The following table shows the reconciliation of EBIT in accordance with IFRS to adjusted EBIT:

in EUR million	2025	2024
EBIT	-13.5	-2.5
+ Restructuring, consulting and severance costs	7.3	2.5
+ LTI (fluctuations in performance factor or the share price)	-0.2	0.1
+ Effects from deconsolidations	0.9	0
+ Extraordinary impairment on own work capitalized	6.3	0
Adjusted EBIT	0.8	0.1

9. FINANCIAL RESULT

in EUR thousand	2025	2024
Finance income		
Other interest and similar income	5	3
Finance costs		
Interest and similar expenses	-1,150	-1529
	-1,145	-1526

Other interest and similar income mainly arose from overnight/term deposits in the amount of EUR 5 thousand (previous year: EUR 3 thousand). Interest expenses of EUR 1,037 thousand (previous year: EUR 1,462 thousand) were incurred due to the utilization of working capital credit lines. In addition, interest expenses of EUR 113 thousand (previous year: EUR 67 thousand) were incurred from leases. Borrowing costs are recognized directly as an expense in the period in which they are incurred for reasons of materiality. Interest income and interest expense are not included in segment results and are therefore not allocated to the reportable segments. Financing is managed centrally at the Group level.

10. INCOME TAXES

Current tax is the expected tax payable on the taxable income or tax loss for the year, based on tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The amount of the expected tax liability or tax receivable is subject to the best possible estimate, taking into account tax uncertainties, if any.

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes and the amounts used for tax purposes. A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available.

Income tax liabilities are offset against income tax assets in the same tax jurisdiction to the extent that they relate to the same taxable entity and there is a legally enforceable right to offset the recognized amounts.

Income taxes are calculated on the basis of applicable laws and regulations.

Current and deferred taxes are recognized in the income statement unless they relate directly to items recognized in equity or in other comprehensive income. In this case, the taxes are recognized directly in equity or in other comprehensive income.

in EUR thousand	2025	2024
Corporate income tax and solidarity surcharge	-885	-796
Trade tax	-34	-14
	-919	-810
of which related to prior period	63	-121
Deferred taxes	1,237	370
	318	-440

As in the previous year, other comprehensive income does not include any tax effect from the remeasurement of defined benefit pension plans.

The German companies of the LPKF Group are subject to trade tax of between 14.8% and 15.7% depending on the applicable trade tax multiplier. The corporate income tax rate is unchanged from the previous year at 15.0% plus a solidarity surcharge of 5.5% on corporate income tax. Starting in 2028, the corporate income tax rate will be gradually reduced by 1% each year until it reaches 10%. No reduction in trade tax is planned. The resulting effect on deferred tax liabilities amounts to EUR 57 thousand. Due to the loss history and the resulting addition of deferred tax assets limited to the amount of deferred tax liabilities, the amount is reported on a net basis under "Non-recognition of tax losses and temporary differences for the current year." The calculation of foreign income taxes is based on the laws and regulations applicable in the individual countries. The income tax rates applied for foreign subsidiaries range from 9.9% to 31.5% for deferred taxes (previous year: 9.9% to 34.6%) and from 9.9% to 31.5% for current taxes (previous year: 9.9% to 34.6%).

In preparing the consolidated financial statements, the individual income tax rate of the countries concerned was applied to the measurement of deferred tax assets and liabilities.

Reconciliation of anticipated to current tax expense:

in EUR thousand	2025	2024
Consolidated profit/loss before income taxes	-14,667	-4,069
Anticipated tax expenses 31.5% (previous year: 31.5%)	4,620	1,282
Effect of different tax rates	159	88
Effects of legal tax rate changes	-14	4
Effect from unrecognized and impaired deferred tax assets	280	
Effect from the non-recognition of current losses	-4,363	-1,793
Tax-free income	488	279
Tax effect of non-deductible operating expenses	-946	-219
Trade tax additions and deductions	33	32
Prior-period tax effects	63	-121
Other differences	-2	8
Effective tax expenses -2.2 % (previous year: -10.8 %)	318	-440

The tax rate applied for the reconciliation presented above corresponds to the corporate tax rate of 31.5 % (previous year: 31.5 %) payable by the company in Germany on taxable profits in accordance with German tax law.

Due to the continuing loss situation of the German companies, deferred taxes were not fully recognized on the loss carryforwards and temporary differences that can be carried forward in full.

The effect of this is reflected in the non-recognition of tax losses and temporary differences for the current year in the amount of EUR 4,366 thousand (previous year: EUR 1,801 thousand) and the opposite effect resulting from the utilization of previously unrecognized tax losses and temporary differences in the amount of EUR -3 thousand (previous year: EUR -8 thousand).

H. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

11. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amount at the beginning and end of the period:

in EUR thousand	Goodwill	Development costs	Other intangible assets	Total
Acquisition and production costs				
As of 01/01/2024	74	66,611	13,049	79,734
Additions	0	4,491	271	4,762
Disposals	0	0	-27	-27
Reclassification	0	0	0	0
Currency differences	0	0	1	1
As of 12/31/2024	74	71,102	13,294	84,470
Additions	0	5,677	280	5,957
Disposals	0	0	0	0
Exclusion from the scope of consolidation	0	0	-7	-7
Reclassification	0	0	0	0
Currency differences	0	0	-3	-3
As of 12/31/2025	74	76,779	13,564	90,417
Accumulated depreciation				
As of 01/01/2024	0	-46,230	-11,461	-57,691
Additions	0	-3,367	-581	-3,948
Disposals	0	0	27	27
Reclassification	0	0	0	0
Currency differences	0	0	-1	-1
As of 12/31/2024	0	-49,597	-12,016	-61,613
Additions	-74	-9,191	-580	-9,845
Disposals	0	0	0	0
Exclusion from the scope of consolidation	0	0	7	7
Reclassification	0	0	0	0
Currency differences	0	0	3	3
As of 12/31/2025	-74	-58,788	-12,586	-71,448
Carrying amount as of 12/31/2024	74	21,505	1,278	22,857
Carrying amount as of 12/31/2025	0	17,991	978	18,969

Goodwill

Goodwill arising on the acquisition of companies (goodwill arising on consolidation) is not amortized. The carrying amount of goodwill is compared with the recoverable amount at each reporting date. The goodwill is depreciated if its carrying amount exceeds its

recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. It is assigned to a cash-generating unit for an impairment test. For this purpose, a five-year detailed planning period and an appropriate capitalization rate are assumed, based on the Welding segment. Based on this, impairment losses of EUR 74 thousand were recognized in 2025, resulting from the impairment of the Welding segment. The recognized impairment expense is included in the income statement under the item "Impairment of property, plant, and equipment and intangible assets."

Development costs

Own capitalized development costs are also amortized over their useful life on a straight-line basis. For materiality reasons, borrowing costs are not capitalized, but are expensed in the period in which they are incurred. The item is broken down by segment as follows:

in EUR thousand	2025	2024
Electronics	6,714	6,197
Development	2,946	5,557
Welding	1,880	1,409
Solar	6,451	8,342
Total	17,991	21,505

Both the residual carrying amounts and the useful lives of the intangible assets are tested for impairment, at a minimum, as of the end of every financial year. Intangible assets are amortized in accordance with IAS 36 if the recoverable amount of the respective assets has dropped below its carrying amount. Capitalized development costs not yet available for use are tested for impairment annually.

For development services for which an impairment loss was recognized in the past, a review is carried out at each balance sheet date to determine whether a write-up is required. Impairment losses of EUR 6,269 thousand were recognized in the reporting year, while no write-ups were recognized. The impairment losses amounted to EUR 3,913 thousand in the segment Development due to the decision to close the ARRALYZE business unit and cease further activities in the biotech market, and to EUR 2,356 thousand due to a strategic realignment of the LTP project in the segment Solar as part of the North Star Program.

A useful life of 3 years is assumed for development services. A useful life of 5 years is assumed for the development of new core technologies.

Other intangible assets

The other intangible assets consist mainly of software and to a lower extent of patents and other rights.

As an intangible asset, purchased software is recognized at cost less straight-line amortization. For software, a useful life of three years was assumed as planned.

Purchased software is valued as an intangible asset at acquisition cost less scheduled straight-line amortization. A useful life of between 3 and 5 years is assumed for software.

For other intangible assets amortized in the past, a review is performed at each reporting date to determine whether a write-up is required. No impairment losses or write-ups were necessary in the reporting year.

12. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amount at the beginning and end of the period:

in EUR thousand	Land and buildings	Technical equipment	Other equipment, operating and office equipment	PPE in construction	Total
Acquisition and production costs					
As of 01/01/2024	52,334	16,329	18,552	661	87,876
Additions	0	1,554	466	766	2,786
Disposals	0	-306	-85	0	-391
Reclassification	74	-43	1,395	-1,426	0
Currency differences	160	58	-4	-1	213
As of 12/31/2024	52,568	17,592	20,324	0	90,484
Additions	2	568	178	33	781
Disposals	0	-411	-6	-1	-418
Exclusion from the scope of consolidation	0	0	-69	0	-69
Reclassification	31	1	0	-32	0
Currency differences	-309	-122	-14	0	-445
As of 12/31/2025	52,292	17,628	20,413	0	90,333
Accumulated depreciation					
As of 01/01/2024	-19,094	-12,675	-15,184	0	-46,953
Additions	-1,392	-1,065	-1,015	0	-3,472
Disposals	0	256	71	0	327
Reclassification	0	0	0	0	0
Currency differences	-48	-53	5	0	-96
As of 12/31/2024	-20,534	-13,537	-16,123	0	-50,194
Additions	-1,321	-1,159	-890	0	-3,370
Disposals	0	402	0	0	402
Exclusion from the scope of consolidation	0	0	68	0	68
Reclassification	0	0	0	0	0
Currency differences	99	115	9	0	223
As of 12/31/2025	-21,756	-14,179	-16,936	0	-52,871
Carrying amount as of 12/31/2024	32,034	4,055	4,201	0	40,290
Carrying amount as of 12/31/2025	30,536	3,449	3,477	0	37,462

Property, plant and equipment are measured at cost less accumulated straight-line depreciation. For materiality reasons, borrowing costs are not capitalized, but are expensed

in the period in which they are incurred. Land is not depreciated. Property, plant and equipment is tested for impairment if certain events or changes in circumstances indicate it.

Property, plant and equipment is depreciated in accordance with IAS 36 if the recoverable amount of the respective asset has dropped below its carrying amount. The recoverable amount is the higher of its value in use and fair value less costs to sell. Corresponding write-ups are made if the reasons for an earlier depreciation no longer apply.

Production costs include direct material costs, indirect material costs, direct manufacturing costs, and indirect manufacturing costs.

They are deemed to have the following useful lives:

	years
Buildings	25 or 33
External facilities	10
Plant and machinery	3-10
Other equipment, operating and office equipment	3-10
Right-of-use assets	2-5

EUR 3,000 thousand of the credit lines used are secured by land and buildings with a carrying amount of EUR 26,900 thousand as at 31 December 2025 and guarantees from the main subsidiaries.

13. LEASES

LPKF Laser & Electronics SE acts exclusively as a lessee. To illustrate the resulting effects on the financial position, cash flows, and results of operations, further disclosures are provided. These are presented in the following tables.

in EUR thousand	Property	Equipment & Vehicles	Total Right-of-Use Asset
Cost of the right-of-use asset			
As of 01/01/2024	1,943	2,087	4,030
Additions	103	1,190	1,293
Disposals	-13	-620	-633
Reclassification	0	0	0
Currency differences	29	1	30
As of 12/31/2024	2,062	2,658	4,720
Additions	420	1,129	1,549
Disposals	-645	0	-645
Reclassification	0	0	0
Currency differences	-112	-4	-116
As of 12/31/2025	1,725	3,783	5,508
Accumulated depreciation			
As of 01/01/2024	-765	-1,149	-1,914
Additions	-431	-1,131	-1,562
Disposals	13	620	633
Reclassification	0	0	0
Currency differences	-17	-2	-19
As of 12/31/2024	-1,200	-1,662	-2,862
Additions	-347	-599	-946
Disposals	448	0	448
Reclassification	0	0	0
Currency differences	69	2	71
As of 12/31/2025	-1,030	-2,259	-3,289
Carrying amount as of 12/31/2024	862	996	1,858
Carrying amount as of 12/31/2025	695	1,524	2,219

in EUR thousand	2025	2024
Expenses for short-term leases	0	0
Expenses for leasing low-value assets	-133	-134
Interest expense on lease liabilities	-113	-67
Total cash outflow for leases	-914	-979

LPKF leases immobile leased assets such as office space, warehouses and mobile leased assets such as motor vehicles. The contract term for movable assets is usually three to four years. Some real estate leases contain extension options. Where possible, the Group aims to include extension options when concluding new leases in order to ensure operational flexibility. The extension options can only be exercised by the Group and not by the lessor. The Group assesses on the provision date whether the exercise of extension options is

sufficiently certain. The Group reassesses whether the exercise of an extension option is reasonably certain if a significant event or a significant change in circumstances occurs that is within its control.

LPKF makes use of an IFRS 16 rule with regard to the non-recognition of right-of-use assets and lease liabilities under low-value leases (i.e. the value of the underlying asset is EUR 5,000 or less when new) and short-term leases (shorter than twelve months and the lease does not include a purchase option). The lease payments associated with these leases are recognized as an expense on a straight-line basis over the term of the lease.

14. INVENTORIES

in EUR thousand	2025	2024
Raw, auxiliary and operating materials	8,861	12,178
Unfinished products and services	4,720	8,419
Finished products and goods	5,877	6,106
Advance payments	183	189
Total	19,641	26,892

Inventories are recognized at the lower of cost and net realizable value at the reporting date.

The costs of conversion of inventories include costs directly related to the units of production (such as production costs and directly attributable material costs). They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. For materiality reasons, borrowing costs are not capitalized, but are expensed in the period in which they are incurred. In principle, inventory items are valued using the average cost method. Value adjustments to the lower net realizable value and write-offs totaling EUR 951 thousand (previous year: EUR 744 thousand) have been made to inventory.

15. TRADE RECEIVABLES

in EUR thousand	2025	2024
Nominal amount of receivables	13,859	30,395
Loss allowances for non-credit-impaired receivables	-99	-133
Loss allowances for credit-impaired receivables	-270	-154
Receivables after loss allowances, discounts and currency losses	13,491	30,108
of which receivables with a remaining term of more than one year	0	0
of which receivables with a remaining term of less than one year	13,491	30,108

Items recognized in foreign currencies are measured at the spot foreign exchange rate as of the reporting date.

As in the previous year, there was no income from the receipt of derecognized receivables in the 2025 financial year. Allowances for receivables increased by EUR 82 thousand during the

financial year. For further information on the default risks of trade receivables, please refer to the risk management disclosures in Note 32.

16. OTHER FINANCIAL ASSETS

Other financial assets amounting to EUR 152 thousand (previous year: EUR 143 thousand) include the asset values of pension reinsurance policies that are not pledged.

These are measured at fair value through profit or loss.

17. OTHER NON-FINANCIAL ASSETS

in EUR thousand	2025	2024
Prepaid expenses and deferred charges	807	1,046
Current tax assets	895	636
Other	1,411	1,276
Current other non-financial assets	3,113	2,958

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash accounts and short-term deposits with banks. They have a remaining term of up to three months upon addition and are measured at amortized cost. The estimated value adjustment on cash and cash equivalents was calculated on the basis of expected losses within the respective maturities. Due to the short-term availability of demand deposits and the first-class credit rating of the banks, it is assumed that cash and cash equivalents have a low default risk. Cash and cash equivalents in foreign currencies are translated at the respective closing rate.

in EUR thousand	2025	2024
Cash and cash equivalents on the statement of financial position	10,038	5,053
Overdraft facilities used for cash management	-3,000	-6,218
Cash and cash equivalents shown in the statement of cash flows	7,038	-1,165

19. DEFERRED TAXES

Deferred taxes are calculated using the liability method in accordance with IAS 12, under which deferred taxes are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxes are not recognized for:

- temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit.

- temporary differences associated with investments in subsidiaries, associates and jointly controlled entities, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences on initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses and temporary differences, with the exception of tax loss carryforwards, if it is probable that future taxable profit will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced, if appropriate, to the extent that it is no longer probable that the related tax benefit will be realized. Temporary differences relating to a right-of-use asset and a lease liability for a specific lease are considered together for the purpose of recognizing deferred tax.

As deferred tax assets, deferred taxes were mainly recognized on temporary differences relating to inventories and loss carryforwards. Deferred tax liabilities were mainly recognized on capitalized development costs. Deferred taxes are composed as follows:

DEFERRED TAX ASSETS

in EUR thousand	2025	2024
Tax loss carryforwards	4,641	4,653
Intangible assets	14	28
Trade receivables	68	86
Provisions	72	48
Inventory	452	458
Other liabilities	79	59
Other	35	17
Offsetting with deferred tax liabilities	-4,504	-4,966
Total	857	383

DEFERRED TAX LIABILITIES

in EUR thousand	2025	2024
Capitalized development costs	5,596	6,691
Other	33	151
Offsetting with deferred tax assets	-4,504	-4,966
Total	1,125	1,876

As in the previous year, no tax adjustments on the remeasurement of defined benefit plans were recognized in OCI.

In connection with lease agreements, the Group recognizes deferred tax liabilities of EUR 607 thousand (previous year: EUR 502 thousand) for right-of-use assets and deferred tax assets

of EUR 631 thousand (previous year: EUR 519 thousand) for lease liabilities, which are reported on a net basis.

Due to the loss history for the German companies, deferred tax assets are only recognized in the amount of the deferred tax liabilities, taking into account minimum taxation and maturities.

Deferred tax assets and deferred tax liabilities are offset by maturity under certain conditions, provided that the offsetting requirements of IAS 12 are met.

The effect from the non-recognition of tax losses and temporary differences in the current year amounts to EUR -4,363 thousand (previous year: EUR -1,793 thousand).

The amount of value-adjusted and unused tax losses and temporary differences for which no deferred tax assets were recognized in the balance sheet is EUR 50,153 thousand (previous year: EUR 32,684 thousand), of which EUR 24,346 thousand relates to corporation tax, EUR 21,493 thousand to trade tax and EUR 4,314 thousand to temporary differences.

Of these tax loss carryforwards, EUR 929 thousand (previous year: EUR 1,033 thousand) will expire within the next 5 years and EUR 434 thousand (previous year: EUR 535 thousand) within the next 6 to 10 years.

No deferred tax liabilities were recognized for temporary differences of EUR 566 thousand (previous year: EUR 656 thousand) in connection with shares in subsidiaries and branches, as the Group is able to control the timing of the reversal of the temporary differences and it is not probable that these temporary differences will reverse in the foreseeable future.

20. EQUITY

Subscribed capital

The company's subscribed capital is EUR 24,496,546 and is divided into 24,496,546 no-par value ordinary bearer shares (no-par shares), each with a pro-rata interest of EUR 1.00.

Capital reserve

The capital reserves comprise only a capital reserve pursuant to Section 272 (2) no. 1 of the German Commercial Code.

Other reserves

Other reserves include other retained profits, remeasurements of defined benefit plans, a reserve for share-based payment, and the currency translation reserve. Details on share-based payments are presented in Note 24 "Share-based payments".

Authorized capital / Contingent capital

By resolution of the Annual General Meeting on 5 June 2024, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital by up to a total of EUR 4,899,309.00 by issuing up to EUR 4,899,309 new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions until 4 June 2029 (Authorized Capital 2024). In principle, shareholders are to be granted subscription rights.

However, the Executive Board was authorized to exclude shareholders' subscription rights in certain cases and within certain capital limits. No use was made of this authorization in the past financial year.

In connection with the authorization resolved by the Annual General Meeting on 5 June 2024 to issue bonds with warrants and/or convertible bonds with a total nominal value of up to EUR 200,000,000.00 by 4 June 2029 with the option to exclude subscription rights in certain cases and within certain capital limits, the company's share capital is conditionally increased by up to EUR 4,899,309.00 by issuing up to EUR 4,899,309 new no-par value bearer shares (Conditional Capital 2024/I). The conditional capital increase will only be implemented to the extent that holders or creditors of bonds with warrants and/or convertible bonds exercise their option or conversion rights or fulfill their conversion obligation or the company exercises an option to grant no-par value shares in the company instead of paying the cash amount due. The Management Board did not make use of this authorization in the past financial year.

Conditional Capital 2024/II: By resolution of the Annual General Meeting on 5 June 2024, the Supervisory Board is authorized to conditionally increase the company's share capital by up to EUR 950,000.00 by issuing up to EUR 950,000 new no-par value bearer shares in the company (Conditional Capital 2024/II). Conditional Capital 2024/II serves exclusively to service subscription rights issued by the company to members of the company's Management Board on the basis of the authorization until 4 June 2029. The conditional capital increase will only be implemented to the extent that subscription rights are issued and the holders exercise their subscription rights to shares in the company and the company does not service the subscription rights in accordance with the terms of the plan by delivering treasury shares or through a cash settlement. The Management Board did not make use of this authorization in the past financial year.

Conditional Capital 2024/III: By resolution of the Annual General Meeting on 5 June 2024, the Management Board is authorized, with the approval of the Supervisory Board, to conditionally increase the company's share capital by up to EUR 1,490,000.00 by issuing up to 1,490,000 new no-par value bearer shares in the company (Conditional Capital 2024/III). Conditional Capital 2024/III serves exclusively to service subscription rights issued by the company to members of the management of affiliated companies of the company and to selected employees of the company and affiliated companies in Germany and abroad on the basis of the authorization until 4 June 2029. The conditional capital increase will only be implemented to the extent that subscription rights are issued and the holders exercise their subscription rights to shares in the company and the company does not service the subscription rights in accordance with the terms of the plan by delivering treasury shares or through a cash settlement. The Management Board did not make use of this authorization in the past financial year. Further details can be found in the respective authorization resolution.

Own shares

The Management Board is authorized by resolution of the Annual General Meeting on 4 June 2020, subject to the Supervisory Board's prior approval, to buy back own shares until 3 June

2025 corresponding in total to up to 10% of the company's share capital either on the date the resolution was adopted or on the date the authorization is exercised, whichever is higher. This authorization expired in 2025; therefore, by resolution of the Annual General Meeting on 4 June 2025, the Management Board was authorized, subject to the prior approval of the Supervisory Board, to acquire own shares up to a total of 10% of the company's share capital existing at the time of the resolution or—if this figure is lower—at the time the authorization is exercised, until 3 June 2030. Together with other own shares held by the company or attributable to it in accordance with Sections 71d and 71e of the German Stock Corporation Act (AktG), the shares acquired may at no time account for more than 10% of the share capital. The authorization may not be used for the purpose of trading in own shares. The authorization may be exercised in whole or in part, on one or more occasions, in pursuit of one or more purposes by the company or companies dependent upon it or majority-owned by it, or by third parties acting on their behalf or on behalf of the company. The Management Board is authorized, with prior approval of the Supervisory Board, to exclude shareholders' tender rights when acquiring or their subscription rights when using treasury shares in certain cases.

Employee share program

No employee program was implemented in 2025. The employee share program implemented in the previous year is described below:

In the period from 19 November 2024 up to and including 25 November 2024, LPKF Laser & Electronics SE repurchased a total of 21,402 no-par value treasury shares with a notional interest in the share capital of EUR 1.00 per share on the capital market as part of an employee share program and passed them on to participating employees through an intermediary. The volume-weighted average repurchase price amounted to EUR 8.5504 per share. The total value amounted to EUR 182,995.24.

The shares are subject to a two-year lock-up period.

LPKF Laser & Electronics SE created an incentive to participate in the employee share program by subsidizing the purchase of shares per employee up to a maximum amount of EUR 720.00 by 50%. The resulting expense of EUR 92 thousand was recognized as personnel expenses.

21. DEFERRED INCOME

Deferred income was recognized for grants for capitalized development costs and other non-current assets. The components are released on an accrual basis in accordance with the useful lives of the assets. The same applies to government grants for building costs at the Suhl site in Germany.

22. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Post-employment pension benefits

Germany has a statutory defined contribution national pension scheme for employees that pay pensions contingent on income and contributions made. The company has no benefit

obligations other than the payment of its contributions to the statutory pension insurance entity. Some of the Group's employees have also taken out policies with a private insurer as part of the company pension plan and based on a shop agreement. In this case, too, the company has no other benefit obligations above and beyond the cost of contributions that are reported in current staff costs.

The provisions reported as pension benefits in the statement of financial position comprise only defined benefit obligations to former Management Board members of the parent company for which fixed pension benefits have been stipulated. The plan is financed through payments to a fund and to insurance companies. The promised benefits comprise payments for retirement pensions, disability pensions and widow's and orphan's pensions. Once the age threshold has been attained by reaching the end of the 65th year of life, or if eligibility to receive a disability pension is established prior to reaching the end of the 65th year of life, a commitment is made to pay the beneficiary a monthly pension payment for life. The widow's pension paid to a surviving wife amount to 60% or 70% of the relevant retirement pension entitlement. The average weighted term of the defined benefit plans is 10.7 years.

There is longevity and interest rate risk regarding the pension provision. Reinsurance policies were obtained for hedging purposes and pledged partially to the beneficiaries. The fair value amounts are reported in the offsetting and reconciliation of the excess of plan assets over post-employment benefit liability.

The carrying amount in the statement of financial position of the net liabilities (assets) for defined benefit plans in accordance with IAS 19 corresponds to the present value of the defined benefit obligation (DBO) on the reporting date less the fair value of the plan assets. The DBO is calculated annually by an independent actuary using the projected unit credit method. The DBO's present value is determined by discounting the expected future cash outflows at the interest rate of high-quality corporate bonds. The resulting revaluations (actuarial gains and losses) in connection with the remeasurement of net liabilities and net assets are recognized directly in other comprehensive income (OCI) due to IAS 19.

The following amounts were reported in the statement of financial position for defined benefit plans:

in EUR thousand	2025	2024
Present value of the defined benefit obligation at beginning of period	555	575
Current service cost	0	0
Interest expense	18	18
Pension payments	-29	-17
Actuarial gains (-) and losses (+)	-36	-21
Present value of the defined benefit obligation at the end of period	508	555
Plan assets		
Reinsurance cover	-397	-396
Securities	-369	-358
shown in the statement of financial position (net liability (+)/Excess (net asset (-))	-258	-199

Development of net liabilities/assets:

in EUR thousand	2025	2024
Net Liabilities (-) / Net assets (+) at beginning of period	199	-39
Total amount in the income statement	1	14
Total revaluations recognized in OCI	26	204
Benefit payments	29	17
Employer contributions	3	3
Net Liabilities (-) / Net assets (+) at end of period	258	199

All defined benefit plans are covered; there are no unfunded plans. The fair value of the cover assets developed as follows:

in EUR thousand	2025	2024
At beginning of period	754	535
Total effect on earnings in the income statement	19	32
Cost of/income on plan assets without interest income	19	302
Payments from plan assets	-29	-118
Funded by the employee	3	3
At end of period	766	754

The cover assets are made up as follows:

	2025	
in EUR thousand	Absolute	Percentage
Equity instruments	0	0%
Debt securities	369	48%
Other	397	52%
Total	766	100%

	2024	
in EUR thousand	Absolute	Percentage
Equity instruments	0	0%
Debt securities	358	47%
Other	396	53%
Total	754	100%

The debt securities include mixed fund shares that are primarily invested in fixed-income securities. Insurance plans are reported under Other. As in the previous year, the cover assets do not contain any financial instruments.

The following amounts were recognized in the income statement:

in EUR thousand	2025	2024
Interest income from plan assets	19	32
Interest in expenses on the obligation	-18	-18
Total effect on earnings in the income statement	1	14

The provisions for pensions were determined based on the following assumptions:

in %	2025	2024
Discount rate as of 12/31	4.06	3.41
Future salary increases	0.00	0.00
Future pension increases	1.75	1.75
Expected return on plan assets	4.06	3.41
Employee turnover	0.00	0.00

The determination of the expected return on the plan assets was based on the estimated return on the assets, taking into account the changes in the yields of non-current fixed-income instruments.

The undiscounted pension payments based on the average life expectancy of 17.5 years result in the following maturity analysis:

12/31/2025		Between	Between	
in EUR thousand	Up to 1 year	1 and 5 years	5 and 10 years	Total
Pension benefits	29	72	102	202

Regarding possible changes in the significant actuarial assumptions made, the following sensitivities were determined:

Baseline values	
Discount rate	4.06%
Pension trend	1.75%
Defined Benefit Obligation (in EUR thousand)	508

Sensitivities	Revalued DBO	Percentage change in the DBO
Discount rate plus 0.5%	484	-4.72%
Discount rate minus 0.5%	535	5.31%
Pension trend plus 0.25%	521	2.56%
Pension trend minus 0.25%	496	-2.36%

Anniversary payments and benefits similar to pensions

One Group company is obligated to pay its employees a benefit equal to three months of an employee's salary based on the most recently paid salary when employment is terminated due to the employee reaching the maximum age threshold. In addition, the company is required to pay a benefit calculated based on the attainment of a certain number of years of service with the company. The company, which is included in the consolidated financial statements, meets these obligations itself as soon as they become due. These obligations are measured annually by an independent actuary. No plan assets are maintained for this purpose. The amount of the obligation is therefore reported in the statement of financial position under provisions for employee benefits.

Payments totaling EUR 111 thousand are expected in the next five years.

The amounts recognized in the statement of financial position are comprised as follows:

in EUR thousand	2025	2024
Present value of the defined benefit obligation at the beginning of period	350	307
Current service cost	18	25
Interest expense	12	12
Benefit payments	-4	-8
Employees left	-30	-14
Benefit changes	0	0
Actuarial gains (-) and losses (+)	18	28
Present value of the defined benefit obligation at end of period	364	350

The following amounts were recognized in the income statement:

in EUR thousand	2025	2024
Current service cost	18	25
Interest in expense on the obligation	12	12
Total amount in the income statement	30	37

Regarding possible changes in the significant actuarial assumptions made, the following sensitivities were determined:

Baseline values	
Discount rate	3.72%
Salary trend	2.90%
Defined Benefit Obligation (in EUR thousand)	363

Sensitivities	Revalued DBO	Percentage change in the DBO
Discount rate plus 0.5%	346	-4.95%
Discount rate minus 0.5%	382	4.95%
Salary trend plus 0.5%	382	4.95%
Salary trend minus 0.5%	346	-4.95%

23. OTHER PROVISIONS

Provisions are recognized for legal or constructive obligations resulting from past events if it is probable that settling the obligation will lead to an outflow of Group resources and that a reliable estimate of the amount of the obligation can be made. Other provisions are recognized at their estimated settlement value in accordance with IAS 37.

in EUR thousand	Guarantees and warranties	Bonuses	LTI	Other	Total
As of 01/01/2025	781	1,043	593	1,370	3,787
Utilization	-737	-976	0	-1,156	-2,869
Reversals	0	-48	-10	0	-58
Additions	652	960	1	5,286	6,899
Currency differences	-3	-40	-2	-8	-53
As of 12/31/2025	693	938	302	5,492	7,425
Long-term	0	0	302	0	302
Short-term	693	938	0	5,492	7,123

Guarantees and warranties

The provisions for guarantees and warranties cover potential statutory or financial obligations under guarantee and goodwill cases.

Variable remuneration - Short Term Incentive

A provision was created for variable remuneration components that will be paid out after the end of the current financial year. This includes short-term bonus components for the Management Board and senior management as well as other variable remuneration for employees and functions. Detailed information on Management Board remuneration can be found in the remuneration report.

Share-based payments - long-term incentive

The share-based payment relevant to the consolidated financial statements is explained in detail in Note 24.

Other

Other provisions include a provision for measures under the North Star program in the amount of EUR 4.5 million, of which EUR 3.7 million is for severance payments and EUR 0.8 million is for consulting fees and other external services. Additionally, provisions for the commissioning of customer systems already delivered, as well as inventor compensation, are included in other provisions.

24. SHARE-BASED PAYMENTS

GROUP PERFORMANCE STOCK OPTION PLAN

In 2023, the Group introduced a Performance Stock Option Plan (PSOP) for members of the Management Board, managers and selected employee groups.

The beneficiaries receive an entitlement to a long-term bonus in the form of performance stock options (PSOs) granted free of charge. The number is calculated by dividing the individual allocation amount (target amount) by the fair market value of a PSO on the date of allocation (allocation date). The number of PSOs granted can decrease to zero or increase to a maximum of 150% after the end of the three-year performance period and depends on the achievement of the relative TSR, ROCE and ESG performance targets. The individual performance and waiting periods begin on 1 January of each year. In addition, the plan

conditions contain other common provisions, some of which are adapted to the respective target group, such as share purchase and holding obligations and bad leaver clauses.

Subject to any insider trading rules and any black-out periods, vested PSOs may only be exercised after the vesting period has expired. The vesting period is four years, starting from the grant date. The PSOs can only be exercised within four years of the end of the respective vesting period. The profit per share is limited to EUR 20.00 at the time of exercise.

The plan stipulates that LPKF Laser & Electronics SE will fulfill its obligation to transfer shares with new shares by utilizing the contingent capital. However, the company has the right to replace the issue of new shares by transferring repurchased treasury shares or by making a cash payment. The plan conditions therefore provide for a settlement option for the company. For the tranche issued in 2023, there is a legal and de facto obligation for cash settlement, as the Annual General Meeting did not approve the authorization to issue share options and the creation of conditional capital and the corresponding amendment to the Articles of Association until 2024. Details on the conditional capital are presented in Note 20 "Equity". For the tranches from 2024 onwards, settlement in equity instruments is generally planned.

MOVEMENT IN SHARE OPTIONS IN THE REPORTING PERIOD

The following table shows the development of outstanding share options in the reporting period, broken down by cash settlement and settlement in equity.

Movement of options	Settlement in cash		Settlement in equity instruments	
	Number of options	Ø Exercise price	Number of options	Ø Exercise price
Balance at the beginning of the period	468,299	6.93 €	408,428	8.08 €
Granted	0	0.00 €	367,807	8.58 €
Forfeited	0	6.93 €	0	0.00 €
Expired	0	0.00 €	0	0.00 €
Exercised	0	0.00 €	0	0.00 €
Balance at the end of the period	468,299	6.93 €	776,235	8.33 €
Thereof exercisable	0	0.00 €	0	0.00 €

ACCOUNTING TREATMENT IN ACCORDANCE WITH IFRS 2

The accounting of share-based payment transactions is regulated in IFRS 2 "Share-based payment".

In the case of **cash settlement**, the expected expense from the long-term bonus program is estimated using an option pricing model in the amount of the fair value on each reporting date. The expected total expense from the program is distributed pro rata temporis over the period until the first possible exercise date. This accounting method is applied for the 2023 tranche.

The following parameters were used in the option price model (Monte Carlo simulation) to determine the fair value of the 2023 tranche as at 31 December 2025:

	Tranche 2023
Annualized Volatility	52.56 %
Expected maturity	6 years
Risk-free Rate	2.13 % p. a.
Dividend Yield	1.10 %
Closing Price as of Simulation Date	EUR 8.93
Allotment value	EUR 562 thousand
Initial price of LPKF shares	EUR 10.47
Number of PSO at the allotment date	475,303

In the case of **settlement with equity instruments**, the fair value of the instruments granted is determined at the grant date and recognized as an expense over the vesting period. This accounting is applied for the 2024 tranche.

The following parameters were included in the option price model (Monte Carlo simulation) to determine the fair value of the 2024 tranche at the time of issue:

	Tranche 2024
Annualized Volatility	53.63 %
Expected maturity	6 years
Risk-free Rate	2.25 % p. a.
Dividend Yield	1.17 %
Closing Price as of Simulation Date	EUR 8.17
Allotment value	EUR 622 thousand
Initial price of LPKF shares	EUR 9.55
Number of PSO at the allotment date	413,376

Total expense for share-based payments recognized in the 2025 financial year:

in EUR thousand	2025	2024
Total expense for share-based payments	92	614
of which settled in cash	-120	367
of which settled in equity instruments	212	247

Factors such as assumptions regarding turnover and overall target achievement are taken into account when determining the volume framework in both cases and are recognized in profit or loss.

The total carrying amount for the 2023 tranche (cash settlement) at the end of the reporting period is EUR 473 thousand (previous year: EUR 593 thousand) and is reported in provisions. This includes amounts for active and former members of the Management Board totaling EUR 392 thousand (previous year: EUR 441 thousand).

For the 2024 tranche EUR 350 thousand (previous year: EUR 247 thousand) was transferred to the equity reserve for equity-based compensation, of which EUR 279 thousand (previous year: EUR 226 thousand) was allocated to the eligible active and former members of the company's Management Board.

For the 2025 tranche, EUR 109 thousand was transferred to the equity reserve for share-based payments, of which EUR 62 thousand was allocated to eligible active and former members of the company's Management Board.

25. OTHER FINANCIAL LIABILITIES

Financial liabilities are initially recognized at fair value, net of transaction costs. In subsequent periods, they are measured at amortized cost or using the effective interest method. Any difference between the payment amount (net of transaction costs) and the repayment amount is recognized in the income statement over the term of the liability using the effective interest method.

2025				
in EUR thousand	Total	of which current	of which non- current	Secured amounts
Liabilities to banks	3,000	3,000	0	3,000
Liabilities from leases	2,306	891	1,415	
Other financial liabilities	5,306	3,891	1,415	

2024				
in EUR thousand	Total	of which current	of which non- current	Secured amounts
Liabilities to banks	6,110	6,110	0	6,110
Liabilities from leases	1,920	1,015	905	
Other financial liabilities	8,030	7,125	905	

As of the reporting date of 31 December 2025, there are no loans outstanding. The current account liabilities to banks included in financial liabilities are denominated entirely in euros.

In the fourth quarter of 2023, a syndicated loan was concluded, replacing the previous financing agreements. The syndicated loan agreement has a term of 3 years—with the option of two one-year extensions.

The syndicated loan was used in 2025 to finance working capital requirements and to provide guarantees (primarily advance payment guarantees for customers). The agreed interest margin over EURIBOR varies in accordance with the company's earnings performance. The Group's EBITDA, debt-to-equity ratio, and equity ratio were agreed upon as covenants with the syndicate.

The lines of credit under the syndicated loan are secured by land and buildings as well as guarantees from the major subsidiaries.

26. OTHER LIABILITIES

Other liabilities in the amount of EUR 5,121 thousand (previous year: EUR 5,193 thousand) primarily include accrued liabilities that are economically attributable to the financial year and for which the underlying services have already been rendered, but for which no invoice has yet been issued as of the balance sheet date. These amount to EUR 1,253 thousand (previous year: EUR 1,100 thousand). Also included are current-term employee benefits from wages, salaries, and social security contributions amounting to EUR 955 thousand (previous year: EUR 1,332 thousand) as well as from compensated absences such as vacation and overtime reduction amounting to EUR 1,684 thousand (previous year: EUR 1,998 thousand). In addition, liabilities to the Supervisory Board in the amount of EUR 230 thousand (previous year: EUR 240 thousand) are reported under this item.

I. OTHER DISCLOSURES

27. STATEMENT OF CASH FLOWS

Cash flow from operating activities is derived from the consolidated financial statements using the indirect method; pursuant to IAS 7, it presents the changes in cash flows broken down by inflows and outflows for operating activities. Cash flows from investing and financing activities, on the other hand, are calculated using the direct method. In total, this results in the change in cash and cash equivalents. This comprises cash and demand deposits. Cash equivalents are short-term, highly liquid financial investments that can be converted into specific cash amounts at any time and are only subject to insignificant value fluctuation risks. Short-term current account liabilities, which are an integral part of cash management, are also included in cash and cash equivalents.

RECONCILIATION FOR LIABILITIES FROM FINANCING ACTIVITIES AS PER IAS 7

2025 in EUR thousand	01/01/2025	Cash changes	Non-cash changes			12/31/2025
			Acquisi- tions	Currency- exchange- related changes	Fair value changes	
Non-current loans	0	0	0	0	0	0
Current loans	6,110	-3,110	0	0	0	3,000
of which overdraft facilities	6,110	-3,110	0	0	0	3,000
Lease liabilities	1,920	-914	1,300	0	0	2,306
Total	8,030	-4,024	1,300	0	0	5,306

2024 in EUR thousand	01/01/2024	Cash changes	Non-cash changes			12/31/2024
			Acquisi- tions	Currency- exchange- related changes	Fair value changes	
Non-current loans	0	0	0	0	0	0
Current loans	11,407	-5,297	0	0	0	6,110
of which overdraft facilities	0	6,110	0	0	0	6,110
Lease liabilities	2,200	-979	685	14	0	1,920
Total	13,607	-6,276	685	14	0	8,030

28. EARNINGS PER SHARE

In accordance with IAS 33, basic earnings per share are calculated by dividing the consolidated net profit for the year attributable to the shareholders of LPKF Laser & Electronics SE by the weighted average number of shares outstanding during the financial year.

As the result for the period is negative, the inclusion of potential ordinary shares from the share option program (see note 24) would lead to an arithmetical improvement in earnings per share. However, in accordance with IAS 33.41, potential ordinary shares are only taken into account if they dilute earnings per share. As this is not the case, the anti-dilution protection in accordance with IAS 33.43 applies. The diluted earnings per share must be adjusted to the amount of the basic earnings per share.

in EUR thousand	2025	2024
Number of shares, undiluted	24,496,546	24,496,546
Number of shares, diluted	24,496,546	24,496,546
Consolidated net profit/loss (in EUR thousand)	-14,350	-4,509
Basic earnings per share (in EUR)	-0.59	-0.18
Diluted earnings per share (in EUR)	-0.59	-0.18

29. DIVIDEND PER SHARE

In financial year 2025, LPKF generated only a small positive free cash flow and a negative EBIT. For this reason, the Management Board will propose to the Annual General Meeting on 4 June 2026, that no dividend be paid for financial year 2025. The funds from free cash flow are to be invested in measures that promote the company's future growth. The company also did not pay a dividend for 2024.

30. TRANSACTIONS WITH RELATED PARTIES

As at the reporting date, LPKF Laser & Electronics SE had liabilities to members of the Supervisory Board amounting to EUR 230 thousand (previous year: EUR 240 thousand).

There are no other receivables and liabilities or remuneration paid or benefits granted to related parties or to companies in the LPKF Group. The executive bodies of LPKF Laser & Electronics SE are discussed in notes 35 and 36.

31. GERMAN CORPORATE GOVERNANCE CODE

The declaration of compliance by the Supervisory Board and the Management Board required under Section 161 of the German Stock Corporation Act on the application of the recommendations of the Government Commission of the German Corporate Governance Code, as well as the disclosures of any non-compliance with the recommendations, were made permanently available to the public on the company's website (<https://www.lpkf.com/de/investor-relations/corporate-governance>).

32. FINANCIAL INSTRUMENTS

Classification of financial assets and liabilities

The financial instruments reported in LPKF's consolidated balance sheet include trade receivables, cash and cash equivalents, trade payables, bank borrowings, and other assets and liabilities arising from contractual agreements.

Financial assets are recognized at fair value on the settlement date, taking into account any transaction costs where applicable. Trade receivables, however, are initially recognized at the transaction price. The subsequent measurement of financial assets varies depending on their classification.

When classifying financial assets, IFRS 9 distinguishes between debt and equity instruments. There are no equity instruments in the consolidated financial statements of LPKF Laser & Electronics SE.

To classify debt instruments, the first step is to analyze how the company manages the respective financial instruments in its portfolio to generate cash flows (business model test). To this end, the cash flows to be generated are examined to determine whether they arise primarily from **HOLDING** or **SELLING** the financial asset, or from a **COMBINATION OF BOTH**. In a second step, the contractual cash flows must be examined to determine whether the financial asset corresponds to the essence of a typical loan agreement. This is the case if the contractual cash flows from a financial asset consist exclusively of the principal repayment amount ("**PRINCIPAL**") and interest on the outstanding principal amount ("**INTEREST**") at specified dates.

Based on the analysis of the business model and the cash flow criterion, the financial assets held in the portfolio are predominantly classified at "amortized cost." Derivatives, on the other hand, do not meet the cash flow criterion and are therefore classified as "fair value through profit or loss." Income and expenses related to these financial assets are recognized in profit or loss.

Financial liabilities are initially measured at fair value plus any transaction costs. Subsequent measurement is at amortized cost using the effective interest method. Transaction costs are taken into account when determining the effective interest rate. Income and expenses related to these financial liabilities are recognized in profit or loss.

2025 in EUR thousand	Measure- ment category as per IFRS 9	Carrying amount as of 12/31/ 2025	IFRS 9 carrying amount				Fair Value as of 12/31/ 2025	FVH*
			Amortized cost	Fair Value through other compre- hensive income	Fair value through profit or loss	Fair Value as of 12/31/ 2025		
Assets								
Other financial liabilities	AC	10,038	10,038	-	-	10,038	-	
Trade receivables	AC	13,491	13,491	-	-	13,491	-	
Derivatives - without hedge accounting	FVtPL	152	-	-	152	152	3	
Total		23,681	23,529	-	152	23,681	-	
EQUITY AND LIABILITIES								
Trade payables	FLAC	4,606	4,606	-	-	4,606	-	
Liabilities to banks	FLAC	3,000	3,000	-	-	3,000	-	
Other interest- free liabilities	FLAC	0	0	-	-	0	-	
Lease liabilities	n.a.	2,306	-	-	-	-	-	
Total		9,912	7,606	-	-	7,606	-	

* FVH: Fair Value Hierarchy level

Aggregated by measurement category as of IFRS 9	in EUR thousand	Carrying amount
Amortized cost	(AC)	23,529
Fair value through profit or loss	(FVtPL)	152
Financial liabilities at amortized cost not to be classified	(FLAC)	7,606
	(n.a.)	2,306

2024 in EUR thousand	Measure- ment category as per IFRS 9	Carrying amount as of 12/31/ 2024	IFRS 9 carrying amount				Fair Value as of 12/31/ 2024	FVH*
			Amortized cost	Fair Value through other compre- hensive income	Fair value through profit or loss	Fair Value as of 12/31/ 2024		
Assets								
Other financial liabilities	AC	5,053	5,053	-	-	5,053	-	
Trade receivables	AC	30,108	30,108	-	-	30,108	-	
Derivatives - without hedge accounting	FVtPL	143	-	-	143	143	3	
Total		35,304	35,161	-	143	35,304	-	
EQUITY AND LIABILITIES								
Trade payables	FLAC	7,362	7,362	-	-	7,362	-	
Liabilities to banks	FLAC	6,110	6,110	-	-	6,110	-	
Other interest- free liabilities	FLAC	909	909	-	-	909	-	
Lease liabilities	n.a.	1,920	-	-	-	-	-	
Total		16,301	14,381	-	-	14,381	-	

* FVH: Fair Value Hierarchy level

Aggregated by measurement category as of IFRS 9	in EUR thousand	Carrying amount
Amortized cost	(AC)	35,161
Fair value through profit or loss	(FVtPL)	143
Financial liabilities at amortized cost	(FLAC)	14,381
Not to be classified	(n.a.)	1,920

Determination of the fair value – fair value hierarchy

To determine the fair value of an asset or liability, the LPKF Group uses market observable data wherever possible. Based on the input factors used in the valuation, fair values are classified into different levels of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Valuation inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as a price) or indirectly (i.e., as a derivative of prices).
- Level 3: Valuation inputs for assets or liabilities that are not based on observable market data.

The LPKF Group records reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred. In 2025, as in the previous year, no transfers were made between different levels of the fair value hierarchy. The fair value of cash and cash equivalents, current receivables, trade payables, and current financial assets and liabilities approximates their carrying amount due to their short remaining terms. The fair value of derivatives is determined externally by credit institutions using a mid-market valuation. The fair value of reinsurance contracts is determined externally by insurance institutions, taking into account a smoothed increase in value as well as the market values of the securities held within the underlying fund as of the reporting date.

The net gains/losses from financial instruments are as follows:

in EUR thousand		2025	2024
Amortized cost	(AC)	-803	-821
Fair value through profit or loss	(FVtPL)	0	0
Financial Liabilities at amortized cost	(FLAC)	-1,150	-1,529
		-1,953	-2,350

The net gains and losses from financial instruments measured at amortized cost include changes in loss allowances, gains and losses on disposal, payments received, reversals of write-downs on receivables as well as currency translation.

Hedging policy and risk management

The LPKF Group uses derivative financial instruments as needed to hedge future transactions and cash flows. Derivatives such as forward contracts with short-term maturities are primarily used as hedging instruments. However, no derivatives were used in the 2025 reporting year.

Risk management principles

LPKF Laser & Electronics SE is subject to risks arising from fluctuations in exchange rates and interest rates, particularly with regard to its assets, liabilities, and planned transactions. The objective of financial risk management is to limit these risks. Depending on the type of risk, derivative financial instruments are primarily used for this purpose. These instruments are

used exclusively for hedging purposes, i.e., they are not used for trading or speculative purposes.

The Management Board is primarily responsible for risk management, setting the general principles for risk management and defining the procedures. Implementation is carried out by the functional departments and subsidiaries in compliance with the approved business principles and is coordinated by the Group's risk manager. The Audit Committee of the Company's Supervisory Board monitors compliance with the guidelines and processes issued by the Management Board as well as the effectiveness of the risk management system.

The material risks from financial instruments and the attendant risk management system of the LPKF Group are disclosed below:

Currency risk

The LPKF Group's currency risks arise primarily from receivables, liabilities, cash and cash equivalents, and future transactions denominated in foreign currencies. Assets denominated in a currency with a declining exchange rate lose value. At the same time, liabilities denominated in a currency with a rising exchange rate become more expensive. From the Group's perspective, only the net balance of foreign currency revenues and expenses is subject to risk.

As a general rule, risks are hedged only if they affect the Group's cash flows. Foreign currency risks that do not affect the Group's cash flows, however, remain unhedged. These include risks arising from the translation of assets and liabilities from the financial statements of foreign subsidiaries into the Group's reporting currency, the euro. In the operating segment, invoicing is predominantly in euros. Sales in North America are settled in U.S. dollars. In individual cases, cash flows also arise in other foreign currencies. To the extent possible, the Group purchases in U.S. dollars, thereby practicing the so-called natural hedge approach. On balance, however, there is a net inflow of U.S. dollars. For hedging purposes, forward exchange contracts are used when a need arises to cover contracted net foreign currency inflows for up to twelve months.

To present market risks, IFRS 7 requires sensitivity analyses that show the effects of hypothetical changes in relevant risk variables on earnings and equity. For LPKF, currency risks arising from fluctuations in the U.S. dollar exchange rate are the primary focus. The periodic effects are determined by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the reporting date. It is assumed that the portfolio as of the reporting date is representative of the full year. Exchange rate differences arising from the translation of financial statements of foreign subsidiaries into the Group currency, the euro, are not taken into account.

The currency sensitivity analysis is based on the following assumptions:

In accordance with IFRS 7, the analysis shows only the effects of exchange rate changes on financial instruments held by the Group as of the balance sheet date.

Based on a net foreign currency exposure of EUR 406 thousand, a 10% appreciation of the euro against the U.S. dollar would have reduced earnings before income taxes by EUR 82

thousand; a 10% depreciation of the euro would have resulted in a positive effect on earnings (before income taxes) of EUR 74 thousand.

Interest rate risk

There is a cash flow risk associated with the cash and cash equivalents due to variable interest rates. Based on a risk position of EUR 6,046 thousand, a 50-basis-point increase in interest rates would result in a gain of EUR 30 thousand; a 25-basis-point decrease in interest rates would result in a loss of EUR 15 thousand. The low interest rate sensitivities relative to cash and cash equivalents are primarily attributable to cash and cash equivalents that generally bear low interest. The Group also has interest-bearing liabilities, particularly overdraft facilities, which resulted in net interest income of EUR -1.15 million. The sensitivity analysis was performed by the interest rate by changing +/- 25 or +/- 50 basis points, while all other assumptions remained unchanged. Both were interest income from cash and cash equivalents and the Group's interest-bearing liabilities, in particular the overdraft facility in the amount of EUR 3 million, taken into account.

The analysis assumes constant holdings and isolated interest rate changes; potential changes in the financing structure or interactions with other market parameters are not taken into account, meaning the results are merely indicative.

Liquidity risk

Liquidity risk describes the risk of being unable to meet existing or future payment obligations due to a lack of available cash. The Group's objective in managing liquidity is to ensure that as far as possible sufficient liquid funds are available under both normal and stressed conditions to meet payment obligations as they fall due without incurring unacceptable losses or damaging the Group's reputation.

LPKF addresses liquidity risks through forward-looking, currency-specific liquidity and working capital planning.

Liquidity planning

Currency-specific liquidity planning enables the Group to take early action regarding the required liquidity resources. In addition to the key factors affecting cash flows, this planning also takes into account contingencies that could influence the future liquidity situation. Due to the LPKF Group's moderate level of debt, liquidity reserves of EUR 25 million are available under a syndicated loan. In addition, there are guarantee facilities totaling EUR 7.5 million with internationally reputable insurance companies.

The European subsidiaries of the LPKF Group pool their liquidity surpluses in euros and U.S. dollars, in part via a cash pool. All other companies manage their day-to-day cash flow operations on a decentralized basis. Expanding cash pooling to additional international companies is under ongoing review. In the event of significant financing needs, the Group assesses whether local financing or financing through LPKF Laser & Electronics SE is appropriate.

Working capital

Net working capital decreased from EUR 37.2 million to EUR 24.4 million compared to the previous year. The significantly reduced level of accounts receivable (EUR -16.6 million) and

the markedly reduced inventory (EUR -7.3 million) are offset by only slightly lower figures for advance payments received and trade payables.

Working capital and the working capital ratio are below the prior-year levels, as planned.

Management within the LPKF Group is centralized.

FINANCIAL LIABILITIES MATURITY BREAKDOWN

The contractual remaining maturities of the financial liabilities at the reporting date, including estimated interest payments, are presented below. These are undiscounted gross amounts including contractual interest payments, but without presentation of the effect of offsetting.

2025					
in EUR thousand	Carrying amount as of 12/31	Total amount	Up to 1 year	Between 1 and 5 years	More than 5 years
Trade payables	4,606	4,606	4,606	0	0
Bank overdrafts	3,000	3,000	3,000		
Lease liabilities	2,306	2,306	891	1,415	0

2024					
in EUR thousand	Carrying amount as of 12/31	Total amount	Up to 1 year	Between 1 and 5 years	More than 5 years
Trade payables	7,362	7,362	7,362	0	0
Revolving Credit Facility	6,110	6,110	6,110	0	0
Lease liabilities	1,920	2,016	1,040	976	0

Credit risk

The LPKF Group is exposed to default risk arising from its operating activities and certain financing activities. In its operating activities, accounts receivable are monitored on an ongoing basis at the decentralized level, i.e., by the business divisions and subsidiaries. Credit risks are accounted for through appropriate allowances. There are no specific credit risks by customer group or geographic region. Receivables are partially secured by credit default insurance or bank guarantees (LC).

The maximum default risk of financial assets generally corresponds to their carrying amount. For trade receivables amounting to EUR 128 thousand, there are also payment commitments from banks (so-called letters of credit). Consequently, the credit risk of the guarantor remains here. In addition, trade receivables amounting to EUR 9,469 are covered by credit default insurance. Of the trade receivables, 55% are secured and 45% are unsecured.

Impairment model for financial assets

Impairment is based on the expected loss model. The amount of the impairment is measured as the difference between the carrying amount of a financial asset and the present value of the estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognized directly in profit or loss under respective impairment loss items. The expected credit losses are adjusted as of the end of each reporting period to reflect changes in the credit risk since initial recognition of the respective instrument.

Trade receivables are managed on a rolling basis. With a few exceptions, trade receivables from third parties are covered by trade credit insurance.

General approach:

The general approach to the impairment model as per IFRS 9 contains three stages:

Stage 1 (low default risk)

At the date of addition, all financial instruments are categorized as stage 1. An exception to this is financial instruments that are already impaired at the date of addition. These financial instruments do not exist at LPKF. The loss allowance is based on the value of the expected credit losses over the next 12 months. The expected credit risk is based on historic and current information as well as future-oriented estimates.

Stage 2 (significant default risk)

If a stage 1 financial instrument is subject to a significant increase in its credit risk, then it is reclassified as stage 2. As long as there is no rebuttable presumption, contractually agreed payments that are more than 30 days past due constitute a significant increase in credit risk. The loss allowance is based on the value of the expected losses over the remaining maturity. The expected credit risk is based on historic default rates and is adjusted by individual expectations.

Stage 3 (credit impairment)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset occur. Indicators of this might be significant financial difficulties on the part of the debtor or an enhanced probability that the debtor will become bankrupt. If there are no other indications in the relevant case, the LPKF Group assumes that a financial asset is credit-impaired when it is more than 90 days past due.

Depreciation, amortization and write-downs

The LPKF Group assumes that a financial asset has defaulted if the receivable is unrecoverable, e.g. if the given debtor is bankrupt. The gross carrying amount of a defaulted financial asset is subsequently written down when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Within the LPKF Group, the general approach to the impairment model as per IFRS 9 is used for cash and cash equivalents. The losses that may be incurred as a result are immaterial to the LPKF Group.

Simplified approach:

In accordance with IFRS 9, the LPKF Group exercises the option to apply a simplified approach to current trade receivables. Accordingly, the receivables are to be assigned to stage 2 on initial recognition and an assessment of a significant increase in credit risk is not required.

The LPKF Group uses an impairment matrix to determine the expected losses for current trade receivables. The default rates used in this matrix are based on historic default rates and are adjusted by future-oriented estimates. Forward-looking information includes, but is not limited to, information from trade credit insurers and available press information about customers as well as information about the future prospects of the industries in which the Group's debtors operate obtained from various sources. The historic default rates are updated and the future-oriented estimates are reanalyzed on each reporting date.

The time bands used in the impairment matrix to determine the expected losses are as follows:

Days past due	Gross value of receivables in EUR thousand					
	12/31/ 2025	Failure rate	Credit- impair- ed	12/31/ 2024	Failure rate	Credit- impair- ed
Current	9,437	0.1%	No	28,382	0.1%	No
1-30 days past due	2,624	1.0%	No	493	1.2%	No
31-60 days past due	651	2.4%	No	591	3.3%	No
61-90 days past due	97	4.5%	No	291	6.5%	No
More than 90 days past due	578	8.2%	Yes	638	13.5%	Yes
Total	13,387			30,395		

The changes in loss allowances on trade receivables were as follows in the reporting year:

Loss allowances recognized on trade receivables and loans in EUR thousand	2025	2024
As of 01/01	-287	-310
- Stage 1 loss allowances	0	0
+Stage 1 reversal of impairment losses	9	47
- Stage 2 loss allowances	0	-19
+Stage 2 reversal of impairment losses	18	0
- Stage 3 loss allowances	-109	-5
- Depreciation, amortization and write-downs	0	0
As of 12/31	-369	-287

Capital management disclosures

The Group's objectives with regard to capital management are to ensure the continuity of the business and to capitalize on growth opportunities in order to continue providing returns to shareholders and the benefits to which other stakeholders are entitled. Another objective is to maintain an optimal capital structure in order to reduce the cost of capital. To maintain

or adjust the capital structure, the Group, as necessary, adjusts dividend payments to shareholders, makes capital repayments to shareholders, issues new shares, or disposes of assets to repay liabilities.

Equity available in EUR thousand	12/31/2025	12/31/2024
Equity	78,098	91,761
Debt securities	28,544	39,830

31. OTHER FINANCIAL OBLIGATIONS

There are framework agreements for orders aimed at securing fixed prices for a larger quantity to be purchased after the balance sheet date, amounting to EUR 864 thousand (previous year: EUR 72 thousand). For annually recurring maintenance contracts, primarily for software applications, contracts totaling EUR 2,786 thousand (previous year: EUR 2,571 thousand) extend beyond the balance sheet date. There are no other significant financial obligations.

34. DISCLOSURES PURSUANT TO SECTION 315E OF THE GERMAN COMMERCIAL CODE

The requirements of Section 315e of the German Commercial Code (HGB) for the preparation of consolidated financial statements according to IFRS, as applicable in the EU, have been fulfilled. In addition to IFRS disclosure obligations, LPKF also publishes details and explanations required under the German Commercial Code.

35. DISCLOSURES ON MANAGEMENT BOARD REMUNERATION

Dr. Klaus Fiedler (CEO)	Strategy, Sales & Marketing, Human Resources, Production, Research & Development, Innovation
Peter Mümmeler (CFO) from 01 April 2025	Finance & Controlling, Investor Relations, Compliance & Legal, Organization & IT, Purchasing, ESG

The Management Board's remuneration is performance-based and consists of a fixed component and variable performance-related salary components. Details of the remuneration system and individualized information are presented in the Remuneration Report.

In financial year 2025, the members of the Management Board received total remuneration for their services pursuant to Section 162 of the German Stock Corporation Act (AktG) in the amount of EUR 664 thousand (previous year: EUR 797 thousand). Of this amount, EUR 616 thousand (previous year: EUR 682 thousand) was attributable to fixed salary components, including fringe benefits, which were paid in full in the 2025 reporting year. A total of EUR 48 thousand (previous year: EUR 115 thousand) was attributable to the variable remuneration components granted and owed to the members of the Management Board in financial year 2025.

During the financial year, EUR 392 thousand (previous year: EUR 441 thousand) was set aside for equity-based remuneration within the meaning of IAS 24.17 (e) for active members of the Management Board and those who left at year-end, and EUR 279 thousand was transferred to the equity-based remuneration reserve in equity. The fair value of the equity-based remuneration at the grant date totaled EUR 1.110 thousand (previous year: EUR 765 thousand).

Commitments to Members of the Management Board upon Termination of Employment

Post-employment non-competition clauses for a period of six months have been agreed with the members of the Management Board in the event of termination of employment, regardless of whether the termination is regular or early.

The Supervisory Board may waive the post-employment non-competition clause by means of a written declaration to the Management Board, with the effect that the Company is released from the obligation to pay remuneration upon the expiration of a three-month period.

If a member of the Management Board's term of office ends prematurely due to their death during the term of their employment contract, the fixed monthly remuneration shall continue to be paid to the heirs for a period of three months. The Company has no defined-benefit pension commitments for current members of the Management Board during the reporting period.

Total remuneration for former members of the Management Board

Pension commitments (retirement, disability, and survivor's pensions) totaling EUR 631 thousand (previous year: EUR 661 thousand) exist for former members of the Management Board and their surviving dependents, for which provisions in the corresponding amount have been established. In 2025, EUR 29 thousand (previous year: EUR 29 thousand) was paid out in retirement benefits to former members of the Management Board.

Interest income from plan assets in the amount of EUR 19 thousand (previous year: EUR 32 thousand) is lower than the interest expense on the obligation in the amount of EUR 18 thousand (previous year: EUR 18 thousand), resulting in a negative effect on the income statement in the amount of EUR 1 thousand.

36. DISCLOSURES ON SUPERVISORY BOARD REMUNERATION

Jean-Michel Richard	
(Chairman until 4 June 2025)	<p>Founder and independent senior advisor at Fisadis Consulting Ltd, London, UK (not listed on the stock exchange)</p>
	<p>Membership of comparable domestic and foreign supervisory bodies of commercial enterprises:</p>
	<p>- Chairman of the Audit Committee at Halcyon TopCo Ltd, Burton Upon Trent UK (not listed on the stock exchange)</p>
	<p>Member of Supervisory Board committees:</p>
	<p>- Audit, Risk and ESG Committee</p>
	<p>- Remuneration & Nomination Committee</p>
Dr. Dirk Rothweiler	
(Vice-Chairman)	<p>Self-employed entrepreneur, Weimar</p>
	<p>Member of Supervisory Board committees:</p>
	<p>- Remuneration & Nomination Committee</p>
Alexa Siebert	
(Chairwoman since 4 June 2025)	<p>CEO of Sýn Consulting und Beteiligungsgesellschaft UG, Witzenhausen</p>
	<p>Membership in comparable German and foreign supervisory bodies of business enterprises:</p>
	<p>- SMA Solar Technology AG, Niestetal (listed company)</p>
	<p>- K-UTEC AG Salt Technologies, Sondershausen (not listed on the stock exchange)</p>
	<p>- Ameropa AG, Binningen, Switzerland (not listed on the stock exchange)</p>
	<p>Member of Supervisory Board committees:</p>
	<p>- Audit, Risk, and ESG Committee (Chair)</p>
	<p>- Remuneration & Nomination Committee</p>
Prof. Dr.-Ing. Ludger Overmeyer	
(Member of the Supervisory Board)	<p>University professor and Head of the Institute of Transport and Automation Technology at Leibniz University Hanover, Germany</p>
	<p>Member of other statutory supervisory boards:</p>
	<p>Member of the Supervisory Board of Viscom AG, Hanover, Germany (listed company)</p>
Anka Wittenberg	
(Member of the Supervisory Board)	<p>Graduate economist</p>
	<p>Member of Supervisory Board committees:</p>
	<p>- Remuneration & Nomination Committee (Chairwoman)</p>
	<p>- Audit, Risk and ESG Committee</p>
Paul Owsianowski	
(New member of the Supervisory Board since 4 June 2025)	<p>Investment Manager and Partner at Active Ownership Group</p>
	<p>Membership of other statutory supervisory boards:</p>
	<p>- FamiCord AG (formerly VITA 34 AG), Leipzig, Germany (listed company)</p>
	<p>Member of Supervisory Board committees:</p>
	<p>- Audit, Risk and ESG Committee</p>

In addition to reimbursement of all expenses and any value-added tax payable on compensation and expenses, the members of the Supervisory Board each receive a fixed annual compensation, which is determined by resolution of the Annual General Meeting. Since 18 May 2023, each member of the Supervisory Board has received a fixed base remuneration of EUR 35,000 for each full financial year of service on the Supervisory Board. The Chairman of the Supervisory Board receives double the fixed base remuneration, and the Deputy Chairman receives one and a half times the amount. Members of the Audit Committee receive additional compensation of EUR 7,500, and members of other committees each receive additional compensation of EUR 5,000. The chairs of the respective committees receive double the additional remuneration. In addition, members of the Supervisory Board receive EUR 1,000 for each Supervisory Board meeting and EUR 500 for each committee meeting they attend—whether in person, by telephone, or virtually. For multiple meetings held on the same day, the attendance fee is paid only once.

Members of the Supervisory Board who have not served on the Supervisory Board for a full financial year or who have not held the position of Chair or Vice Chair of the Supervisory Board or the Chair of a committee receive pro-rata compensation. The compensation is to be paid in two equal installments: six months after the start of the financial year and at the end of the financial year.

The remuneration of active members of the Supervisory Board consists exclusively of short-term benefits within the meaning of IAS 24.17 (a). Further details regarding the remuneration of the Supervisory Board, in particular individualized disclosures, can be found in the Remuneration Report, which is part of the Group Management Report.

37. AUDITOR FEES INVOICED DURING THE FINANCIAL YEAR

Under German commercial law (Section 314 (1) no. 9 HGB), the Company is required to disclose the audit fees of the Group auditor charged as expenses during the financial year. In 2025, the services included, in addition to the audits of the consolidated and annual financial statements, including the ESEF audit, a substantive review of the compensation report. Other assurance services relate to agreed-upon procedures regarding selected financial metrics of LPKF Laser & Electronics SE.

in EUR thousand	2025	2024
Audits of financial statements	259	290
of which prior-period	6	52
Other assurance services	4	4
Other services	0	87
Total	263	381

38. EVENTS AFTER THE REPORTING PERIOD

After the balance sheet date, the company's Supervisory Board resolved to sell the land and building at the Fürth location in Germany. The resolution was passed prior to the preparation of the annual financial statements.

On 26 February 2026, a new syndicated loan agreement with a term ending on 31 December 2028, was also concluded (see Management Report).

Otherwise, no events occurred after the end of the 2025 fiscal year that are of particular significance to the financial position, results of operations, and cash flows presented in the individual financial statements.

Garbsen, 25 March 2026

LPKF Laser & Electronics Societas Europaea

The Management Board



Dr. Klaus Fiedler

Chairman of the Management Board



Peter Mümmler

Chief Financial Officer

RESPONSIBILITY STATEMENT

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

Garbsen, 25 March 2026

LPKF Laser & Electronics Societas Europaea

The Management Board



Dr. Klaus Fiedler



Peter Mümmler

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To LPKF Laser & Electronics SE

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of LPKF Laser & Electronics SE, Garbsen, and its subsidiaries (the Group)—comprising the consolidated balance sheet as of 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from 1 January 2025, to 31 December 2025, as well as the notes to the consolidated financial statements, including significant information on accounting policies—. In addition, we have audited the management report of the Company and the Group (hereinafter “combined management report”) of LPKF Laser & Electronics SE for the financial year from 1 January 2025, to 31 December 2025. We have not audited the content of the non-financial statement referred to in the “Group Fundamentals” section of the combined management report or the components of the combined management report listed in the “Other Information” section of our auditor’s report, in accordance with German legal requirements.

In our opinion, based on the findings of our audit:

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter “IFRS Accounting Standards”), as adopted by the EU, and with the additional German statutory requirements applicable pursuant to Section 315e (1) 1 HGB, and, in compliance with these regulations, present a true and fair view of the Group’s net assets and financial position as of 31 December 2025, as well as its results of operations for the financial year from 1 January 2025, to 31 December 2025, and
- the accompanying summary management report as a whole presents a true and fair view of the Group’s position. In all material respects, this summary management report is consistent with the consolidated financial statements, complies with German statutory requirements, and accurately presents the opportunities and risks of future development. Our audit opinion on the condensed management report does not extend to the content of the aforementioned non-financial statement and the components of the condensed management report referred to in the “Other Information” section.

Pursuant to Section 322 (3), first sentence, of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the consolidated financial statements and the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter “EU Audit Regulation”), in compliance with the German standards on the due performance of audits established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in more detail in the section “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements and the Combined Management Report” of our auditor’s report. We are independent of the Group companies in accordance with European Union law as well as German commercial and professional regulations, and we have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we have not provided any prohibited non-audit services as defined in Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the combined management report.

Matter of Particular Importance in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of the greatest significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were considered in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not issue a separate audit opinion on these matters.

Accrual-based recognition of revenue from the sale of goods

Facts and Issues

The Group’s revenue amounted to EUR 115.3 million in the financial year 2025. Revenue is generated primarily from the sale of machinery.

The Group recognizes revenue from the sale of products on an event-based basis when the customer obtains control of the product and the Group has fulfilled its performance obligation.

The Group’s primary markets are in Europe, the U.S., and Asia. For the global delivery of products, the Group enters into various delivery and service agreements with customers.

Due to the use of various contractual delivery and service agreements in different markets worldwide, there is a risk for the consolidated financial statements that revenue is recognized prematurely as of the reporting date (), even though control over a delivered product has not yet passed to the customer and the respective Group company has not yet fulfilled its performance obligation.

Audit Approach and Findings

To audit the proper recognition of revenue, we assessed the design and implementation of internal controls relating to the correct accrual of revenue for all significant sub-areas, and for selected sub-areas, we also assessed their operation.

Based on the results of the examination of the design, implementation, and functioning of internal controls regarding the proper recognition of revenue from goods deliveries, we performed substantive audit procedures by comparing invoices with the corresponding purchase orders, contracts, external delivery notes, or acceptance reports, and, where applicable, other supporting documents. This was based on sales transactions selected according to risk-oriented criteria (sales volume and proximity to the balance sheet date), with a focus on December. In addition, balance confirmations were obtained for trade receivables not yet settled as of the balance sheet date, which were selected using a mathematical-statistical method. For cases where no response was received to the balance confirmation request, alternative audit procedures were performed by reconciling the corresponding sales revenue with the underlying orders, contracts, invoices, delivery notes, and acceptance reports.

Based on the audit procedures we performed and the findings obtained, the Company's approach to recognizing revenue on an accrual basis is appropriate and not objectionable.

Reference to further information

For information on revenue, please refer to Section G.1 "Revenue" of the Notes to the Consolidated Financial Statements.

OTHER INFORMATION

The Management Board and the Supervisory Board are responsible for the other information. The other information comprises the following components of the consolidated management report that have not been audited for content:

- the separate non-financial Group report within the meaning of Section 289b(3) of the German Commercial Code (HGB), which is expected to be made available to us after the date of the auditor's report and to which reference is made in the combined management report,
- the consolidated corporate governance statement of the Company and the Group, to which reference is made in the consolidated management report, and
- the information contained in the combined management report that is not part of the management report and/or is marked as unaudited.
- The other information also includes the annual report, which is expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements, the information in the summary management report that has been reviewed for content, or our accompanying auditor's report.

Our audit opinions on the consolidated financial statements and the combined management report do not extend to the other information, and accordingly, we do not express an audit opinion or any other form of audit conclusion in respect thereof.

In connection with our audit, we are responsible for reading the other information described above and assessing whether the other information

- contain material inconsistencies with the consolidated financial statements, the reviewed disclosures in the summary management report, or the information we obtained during the audit, or
- otherwise appear to be materially misstated.

RESPONSIBILITY OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The Management Board is responsible for the preparation of the consolidated financial statements, which comply in all material respects with the IFRS accounting standards as adopted by the EU, and the supplementary German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB) in all material respects, and for ensuring that the consolidated financial statements, in compliance with these provisions, present a true and fair view of the Group's net assets, financial position, and results of operations. Furthermore, the Management Board is responsible for the internal controls it has determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements due to fraudulent acts (i.e., accounting manipulation and financial losses) or errors.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. Furthermore, it is responsible for disclosing matters related to the Group's ability to continue as a going concern, where applicable. In addition, it is responsible for preparing the financial statements on a going-concern basis, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

In addition, the Management Board is responsible for preparing the consolidated management report, which as a whole provides a true and fair view of the Group's financial position and results of operations, is consistent with the consolidated financial statements in all material respects, complies with German legal requirements, and accurately presents the opportunities and risks of future development. Furthermore, the Management Board is responsible for the arrangements and measures (systems) it has deemed necessary to enable the preparation of a combined management report in accordance with the applicable German legal requirements and to provide sufficient and appropriate evidence for the statements in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

THE AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements due to fraud or error, and whether the combined management report as a whole provides a fair presentation of the Group's financial position and results of operations, and is consistent in all material respects with the consolidated financial statements and with the findings of our audit, complies with German legal requirements, and accurately presents the opportunities and risks of future development, as well as to issue an audit report containing our audit opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation, in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraud or error and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users made on the basis of these consolidated financial statements and the combined management report.

During the audit, we exercise professional judgment and maintain a critical attitude. In addition:

- we identify and assess the risks of material misstatements in the consolidated financial statements and the combined management report arising from fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- we obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the combined management report in order to plan audit procedures that are appropriate in the circumstances, but not with the objective of expressing an audit opinion on the effectiveness of the Group's internal controls or of these arrangements and measures.
- We evaluate the appropriateness of the accounting policies applied by the legal representatives, as well as the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- we draw conclusions regarding the appropriateness of the going concern accounting principle applied by the legal representatives and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and in the combined

management report or, if such disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group being unable to continue as a going concern.

- we assess the presentation, structure, and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in accordance with IFRS as adopted by the EU, and the additional German legal requirements applicable pursuant to Section 315e (1) of the German Commercial Code (HGB), the consolidated financial statements present a true and fair view of the Group's financial position, results of operations, and cash flows.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business segments within the Group, as a basis for forming our audit opinions on the consolidated financial statements and the combined management report. We are responsible for directing, supervising, and reviewing the audit work performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- We assess the consistency of the combined management report with the consolidated financial statements, its compliance with applicable laws, and the picture it conveys of the Group's financial position.
- We perform audit procedures regarding the forward-looking statements presented by the legal representatives in the combined management report. Based on sufficient and appropriate audit evidence, we verify, in particular, the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not issue a separate audit opinion on the forward-looking statements or the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those responsible for oversight, among other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide a statement to those responsible for oversight that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that could reasonably be expected to affect our independence, and, where applicable, the actions taken or safeguards implemented to address independence threats.

We identify, from the matters discussed with those responsible for oversight, those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditor's report, unless laws or other regulations preclude public disclosure of the matter.

OTHER STATUTORY AND REGULATORY REQUIREMENTS

Statement on the audit of the electronic representations of the consolidated financial statements and the combined management report prepared for disclosure purposes pursuant to Section 317(3a) of the German Commercial Code (HGB)

Audit Opinion

In accordance with Section 317(3a) of the German Commercial Code (HGB), we have conducted an audit to obtain reasonable assurance as to whether the representations of the consolidated financial statements and the combined management report contained in the provided file "lpkflaserelectronicsse-2025-12-31-de.zip" and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) HGB regarding the electronic

reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this review extends only to the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore neither to the information contained in these representations nor to other information contained in the aforementioned file.

In our opinion, the representations of the consolidated financial statements and the combined management report contained in the file provided above and prepared for disclosure purposes comply in all material respects with the requirements of Section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying condensed

management report for the financial year from 1 January to 31 December 2025, we do not express any audit opinion on the information contained in these representations or on the other information contained in the aforementioned file.

Basis for the Audit Opinion

We conducted our audit of the representations of the consolidated financial statements and the combined management report contained in the file provided above in accordance with Section 317(3a) of the German Commercial Code (HGB), in compliance with IDW Auditing Standard: Audit of Electronic Representations of Financial Statements and Management Reports Prepared for Disclosure Purposes Pursuant to Section 317 (3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)). Our responsibilities in this regard are described in further detail in the section "Responsibilities of the Group Financial Statements Auditor for the Audit of the ESEF Documents." Our audit firm has applied the requirements of the IDW Quality Management Standard: Requirements for the Quality Assurance System of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Audit Firm (IDW QS 1) (IDW QMS 1).

RESPONSIBILITY OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The Company's Management Board is responsible for the preparation of the ESEF documents, including the electronic versions of the consolidated financial statements and the combined management report, in accordance with Section 328 (1), Sentence 4, No. 1 of the German Commercial Code (HGB), and for the labeling of the consolidated financial statements in accordance with Section 328 (1), Sentence 4, No. 2 of the German Commercial Code (HGB).

Furthermore, the Company's Management Board is responsible for the internal controls it deems necessary to enable the preparation of the ESEF documents, which must be free from material—intentional or unintentional—violations of the requirements of Section 328 (1) of the German Commercial Code (HGB) regarding the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

RESPONSIBILITY OF THE GROUP AUDITOR FOR THE AUDIT OF THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material—intentional or unintentional—non-compliance with the requirements of Section 328(1) of the German Commercial Code (HGB). During the audit, we exercise due professional judgment and maintain a critical mindset. Furthermore

- we identify and assess the risks of material—intentional or unintentional—non-compliance with the requirements of Section 328(1) of the German Commercial Code (HGB), plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion.
- we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.
- we assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815, as in effect on the balance sheet date, regarding the technical specifications for this file.
- we assess whether the ESEF documents enable an XHTML reproduction of the audited consolidated financial statements and the audited consolidated management report that is identical in content.
- We assess whether the tagging of the ESEF documents using Inline XBRL (iXBRL) technology, in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as in force on the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML representation.

OTHER DISCLOSURES PURSUANT TO ARTICLE 10 OF THE EU-APRVO

We were elected as the Group auditor by the Annual General Meeting on 5 June 2024. We were appointed by the Supervisory Board on 8 October 2024. We have served as the auditor of LPKF Laser & Electronics SE without interruption since the 2023 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (Audit Report).

OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited summary management report, as well as the audited ESEF documents. The consolidated financial statements and summary management report converted into the ESEF format—including the versions to be filed with the commercial register—are merely electronic representations of the audited consolidated financial statements and the audited summary management report and do not replace them. In particular, the ESEF statement and our audit opinion contained therein are only applicable in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR IN CHARGE

The auditor responsible for the audit is Marco Brokemper.

Dortmund, 25 March 2026

Baker Tilly GmbH & Co. KG

Auditing Firm

Marco Brokemper

Certified Public Accountant

Dr. Dominic Sommerhoff

Certified Public Accountant

EXTRACT FROM INDIVIDUAL FINANCIAL STATEMENTS – INCOME STATEMENT

from 1 January to 31 December 2025

in EUR thousand	2025	2024
1. Revenue	54,035	50,275
2. Change in inventories of finished and unfinished products	2,833	1,617
3. Other operating income	4,306	3,540
	61,174	55,432
6. Cost of materials Costs for raw, auxiliary and operating materials and purchased goods	-24,109	-21,342
6. Staff costs		
a) wages and salaries	-21,700	-22,001
b) social security costs and pension costs (of which pension costs: EUR 96 thousand; previous year: EUR 106 thousand)	-4,115	-3,886
7. Depreciation and amortization of non current assets and property, plant and equipment	-2,581	-2,625
8. Other operating expenses	-17,973	-18,700
	-70,478	-68,554
9. Income from investments (of which from affiliated companies: EUR 2,532 thousand; previous year: EUR 66 thousand)	1,923	2,532
10. Other interest and similar income (of which from affiliated companies: EUR 1.744 thousand; previous year: EUR 1.284 thousand)	2,691	1,745
11. Income from profit transfers	5,947	8,869
12. Costs of loss absorption	-9,167	-3,765
14. Interest and similar expenses (of which from affiliated companies: EUR 76 thousand; previous year: EUR 49 thousand)	-2,007	-961
15. Taxes on income and earnings	-7	-49
16. Earnings after tax	-9,924	-4,751
17. Other taxes	-79	-61
18. Net profit	-10,003	-4,812
19. Accumulated profits/losses brought forward from the previous year	17,560	22,371
20. Retained profit	7,557	17,559

EXTRACT FROM INDIVIDUAL FINANCIAL STATEMENTS – BALANCE SHEET

as of 31 December 2025

ASSETS (in EUR thousand)	12/31/2025	12/31/2024
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Software	952	1,217
2. Rights of use	0	4
3. Advance payments	0	0
	952	1,221
II. Property, plant and equipment		
1. Land, similar rights and buildings	13,735	14,439
2. Technical equipment	1,872	2,248
3. Other equipment, operating and office equipment	3,061	3,659
4. Advance payments made on assets under construction	0	0
	18,668	20,346
III. Financial Assets		
Shares in affiliated companies	15,156	15,907
	34,776	37,474
B. CURRENT ASSETS		
I. Inventories		
1. Raw, auxiliary and operating materials	4,062	5,455
2. Unfinished products	5,120	2,986
3. Finished products and goods	2,591	2,090
4. Advance payments	19	18
	11,792	10,549
II. Receivables and other assets		
1. Trade receivables (of which with remaining maturities of more than one year: EUR 0 thousand; previous year: EUR 0 thousand)	4,318	3,552
2. Receivables from affiliated companies (of which with remaining maturities of more than one year: EUR 13.647 thousand, previous year: EUR 13.647 thousand)	22,811	36,562
3. Other assets	2,183	2,445
	29,312	42,559
III. Cash on hand, bank balances and checks	2,685	1,902
	43,789	55,010
C. Deferred Income	695	955
E. Capitalized differences from assets offsetting	154	144
	79,414	93,583

EQUITY AND LIABILITIES (in EUR thousand)	12/31/2025	12/31/2024
A. EQUITY		
I. Subscribed Capital	24,497	24,497
(Contingent capital: EUR 7.339 thousand; previous year: EUR 7.339 thousand)		
II. Capital reserves	16,704	16,407
III. Retained earnings		
1. Statutory reserve	41	41
2. Other retained earnings	11,200	11,200
	11,241	11,241
IV. Retained profit	7,557	17,559
	59,998	69,704
B. PROVISIONS		
1. Tax provisions	172	194
2. Other provisions	3,564	3,786
	3,736	3,980
C. LIABILITIES		
1. Liabilities to banks	3,000	6,218
2. Advances received	4,770	6,474
3. Trade payables	1,963	3,162
4. Liabilities to affiliated companies	3,968	2,162
5. Other liabilities	1,237	1,265
(of which taxes: EUR (422 thousand; previous year: EUR 488 thousand)		
(of which in conjunction with social security: EUR 23 thousand; previous year: EUR 20 thousand)		
	14,938	19,281
D. Accruals and deferred income	742	618
	79,414	93,583

FINANCIAL CALENDAR

26 March 2026	Publication of the Annual Report 2025
30 April 2026	Publication of the three-months report 2026
04 June 2026	Annual General Meeting in Hanover
23 July 2026	Publication of the six-months report 2026
29 October 2026	Publication of the nine-months report 2026

More dates and publications can be found on the LPKF website at

www.lpkf.com/en/investor-relations/financial-calendar

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Text

LPKF Laser & Electronics SE

Cover Layout

LPKF Laser & Electronics SE
Cover: Jenko Sternberg Design
Foto: Nils Anspach, LPKF

Cover

The image shows a multilayer glass substrate with integrated optical waveguides, a cavity for mounting a photonic integrated circuit, and embedded TGVs at the bottom for electrical signal routing – a key structure for achieving the data rates and energy efficiencies required for future AI and high-performance chipsets using co-packaged optics.

Internet

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

Disclaimer

This Annual 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 Annual Financial Report is published in German and English. In case of any discrepancies, the German version shall prevail.