

Quarterly Financial Report

1 JANUARY – 30 SEPTEMBER 2023



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AT A GLANCE

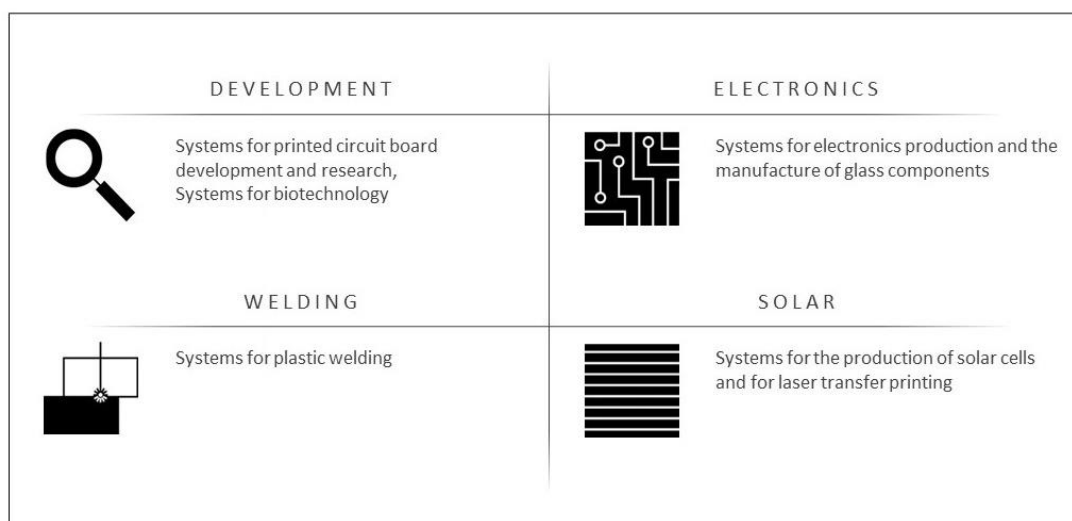
LPKF Laser & Electronics SE

Key Group figures after 9 months 2023

	9 Months 2023	9 Months 2022
Revenue (Mio. EUR)	80.9	86.8
EBIT (Mio. EUR)	-4.3	2.5
EBIT margin (%)	-5.3	2.9
Free Cash Flow (Mio. EUR)	-13.7	-15.7
EPS, diluted (EUR)	-0.21	0.07
Incoming orders (Mio. EUR)	94.0	73.1

	As of 09/30/2023	As of 09/30/2022
Net working capital (Mio. EUR)	33.7	39.9
Equity ratio (%)	62.4	70.8
Orders on hand (Mio. EUR)	76.2	48.8
Employees	754	744

Segments and markets



LETTER FROM THE MANAGEMENT BOARD

Garbsen, October 26th, 2023

Ladies and Gentlemen,

We are pleased to report a strong third quarter at LPKF. Our business development has picked up noticeably in recent months, with incoming orders and order backlog continuing to rise.

In the third quarter, we reached the upper end of our forecast for this period with sales of EUR 33 million and an EBIT of EUR 2.7 million. According to our forecast, sales should have been between EUR 28 and 33 million and EBIT between EUR -1 and 3 million.

After nine months, sales of EUR 80.9 million was still 6.8% below the same period of the previous year (9M 22: EUR 86.8 million), as a particularly high proportion of deliveries in the current year take place in the fourth quarter. Earnings before interest and taxes (EBIT) were EUR - 4.3 million (9M 22: EUR 2.5 million).

The order situation in the Group continued to develop well. At EUR 94.0 million, incoming orders after nine months were 28.6% above the previous year (9M 22: EUR 73.1 million). The order backlog rose from EUR 48.8 million in the previous year to EUR 76.2 million, of which approximately EUR 40 million are due for delivery in the fourth quarter.

Development in core business

The introduction of our innovative Tensor technology in the Electronics segment had already significantly increased demand for depaneling systems in the first half of the year. Now we see the growth also in the increased order intake and sales in this area. The significantly higher performance of our cutting systems has given us a clear competitive advantage, and we expect positive business development here in the future as well.

The Development segment also slightly increased sales and earnings in the third quarter. We have an attractive product portfolio, see continuously high demand, and will continue on our profitable growth path.

In the Solar segment, the delivery of major orders began in the third quarter as announced. Global efforts to reduce CO2 emissions are leading to high demand worldwide for solar scribes for the years 2024 and 2025. LPKF has taken a leading role in the development and production of processes for new semiconductors such as perovskites; the first systems for this were delivered in the current financial year. We see a very good market environment in the Solar segment and have further diversified our customer structure. We will make every effort to implement the deliveries planned for the fourth quarter before the end of the year.

Sales in the Welding segment remained below our expectations in the third quarter despite a good order backlog. This is due to project delays on the part of various customers. We are pleased that we were able to book the first orders for the series production of battery packs as part of a longer cooperation.

Development of new technologies

Our LIDE systems are in operational use in the first fields of application and are being intensively tested by our partners in the semiconductor and display sectors. The cooperation with our customers in the display area is proceeding constructively and according to plan. In September, a leading global semiconductor manufacturer publicly expressed its support for the future use of glass substrates, thus accelerating corresponding activities throughout the industry. We see LIDE technology as an important building block for the planned use of glass in high-performance chips. Because LIDE is already used in volume production in other application fields, LPKF is well positioned here both technologically and operationally. We are pleased that this is reflected in increasing interest in glass-based solutions for our semiconductor packaging applications.

Our Vitrion Foundry (LIDE) in Garbsen is developing steadily. We are producing an increasing volume of customer samples here in the low million euro range and were able to win the first orders for small series production.

In August, we moved part of our biotechnology division ARRALYZE into the co-working spaces of the BioLabs Group at Tufts University in Boston, USA. We are pleased that the marketing campaign for the official market launch of the CellShepherd in the first half of 2024 has started successfully.

Outlook

We confirm our full-year guidance for 2023 with sales of EUR 125 to 135 million and an EBIT margin of 3 to 7%. Our focus is now on managing the upcoming deliveries well in the fourth quarter.

In the medium term, we want to achieve an attractive single-digit growth rate for our core business, which we are driving forward with ever new innovations through active product portfolio management. The new business initiatives in the semiconductor, display and biotechnology markets are expected to contribute a low three-digit million euro sales in the medium term in addition to the core business. Based on the growth in sales and the resulting economies of scale, we are aiming for an attractive double-digit EBIT margin for the LPKF Group.

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

Best regards,



Dr. Klaus Fiedler
Chief Executive Officer



Christian Witt
Chief Financial Officer

INTERIM MANAGEMENT REPORT AS OF 30 SEPTEMBER 2023

1 BASIC INFORMATION ON THE GROUP

The basic information on the LPKF Group in the combined management and Group management report for 2022 continues to apply unchanged. Changes in the scope of consolidation are presented in the notes to this interim report under "Notes on the preparation of the quarterly financial report".

2 REPORT ON ECONOMIC POSITION

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

Results of operations

In the third quarter, LPKF generated consolidated revenue of EUR 33.0 million, up 5.5 % on the prior-year quarter (EUR 31.3 million). Turnover after nine months totaled EUR 80.9 million, down 6.8 % on the same period last year (EUR 86.8 million). The decline resulted from the Solar (EUR -2.6 million), Electronics (EUR -1.9 million) and Welding (EUR -1.8 million) segments. The Development segment increased its sales by EUR 0.4 million.

The main contributor to the sales growth in the third quarter was the Solar business (+ EUR 3.7 million) in addition to the likewise higher sales of the Development segment (+ EUR 0.8 million). The Welding (- EUR 1.6 million) and Electronics (- EUR 1.2 million) segments reported a decline in sales.

The lower sales in the first nine months resulted in negative EBIT (earnings before interest and taxes) of EUR -4.3 million (previous year: EUR 2.5 million). EBIT in the third quarter amounted to EUR 2.7 million (previous year: EUR 0.8 million).

At EUR 94.0 million, incoming orders after nine months were up on the previous year's figure of EUR 73.1 million. At EUR 76.2 million, the order backlog as of September 30, 2023 was up on the prior-year figure of EUR 48.8 million.

Own work capitalized includes EUR 3.7 million in development costs for products and software (previous year: EUR 4.3 million). At EUR 2.6 million, other income was down on the prior-year figure (previous year: EUR 2.8 million). The decrease compared to the same period of the previous year resulted mainly from lower other income (EUR - 0.2 million).

At 34%, the material usage ratio was slightly lower than the previous year's figure of 35%, mainly due to the product mix.

As of September 30, 2023, the LPKF Group employed 754 people, 10 more than on September 30, 2022.

The increase in the workforce was mainly attributable to the Production and Sales divisions. At EUR 39.5 million, personnel expenses in the reporting period were up on the previous year (EUR 37.7 million). The increase resulted from the expansion of the workforce, the payment of an inflation compensation premium, and additions to personnel provisions.

At EUR 6.6 million, depreciation and amortization in the reporting period was EUR 0.4 million higher than in the previous year. Of this amount, EUR 3.4 million was attributable to depreciation and amortization of own work capitalized (previous year: EUR 3.2 million). At EUR 18.1 million, other operating expenses were up on the previous year's figure of EUR 17.7 million. The main reasons for the increase were higher expenses for travel and entertainment (+ EUR 0.8 million), costs for rent, leasing and incidental expenses (+ EUR 0.5 million) as well as legal and consulting costs (+ EUR 0.4 million) and expenses for repairs and maintenance (+ EUR 0.2 million). In the opposite direction, expenses for R&D costs and external work decreased by EUR 0.7 million each.

Due to the utilization of overdraft facilities, interest expenses for short-term loans were incurred to a minor extent. After interest and taxes, the consolidated result was EUR -5.1 million (previous year: EUR 1.6 million).

Financial position

The Group's cash and cash equivalents decreased from EUR 12.8 million at December 31, 2022 to EUR 5.0 million in the reporting period.

Cash flow from operating activities was EUR 7.8 million after nine months (previous year: EUR - 9.5 million). The negative cash flow from operating activities in the reporting period resulted mainly from the consolidated net profit and an increase in net working capital. Advance payments received increased by EUR 1.4 million as of the reporting date of September 30, and the Group's receivables increased by EUR 2.2 million. Liabilities increased by EUR 1.9 million. At the same time, inventories increased by 9.1 million in order to secure upcoming deliveries. These movements resulted in a net working capital effect of EUR 7.7 million after nine months.

In the third quarter, the cash outflow from operating activities amounted to EUR 2.7 million. At EUR 2.5 million, capital expenditure was above the level of the prior-year quarter.

After a cash outflow from investing activities in the first nine months of EUR -5.9 million (previous year: EUR -6.2 million), free cash flow amounted to EUR -13.7 million (previous year: EUR -15.7 million). In addition to the regular repayments for lease liabilities, the Group transferred the outstanding loans of EUR 0.5 million to the use of the current account line as of June 30. This technically resulted in a cash inflow from financing activities of EUR 5.7 million (previous year: EUR 4.7 million), the offsetting movement can be seen in cash and cash equivalents.

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

Net assets

Analysis of net assets and capital structure

Compared to December 31, 2022, non-current assets decreased by EUR 0.6 million to EUR 66.4 million. The change resulted mainly from capitalized development costs (+EUR 0.8 million) and deferred tax assets (+EUR 0.1 million). This increase was offset by a decrease in property, plant and equipment (EUR -1.7 million).

Current trade receivables increased by EUR 1.9 million to EUR 29.3 million during the reporting period. Inventories increased by EUR 9.1 million to EUR 36.8 million. This is due to a targeted build-up of inventories in order to secure upcoming deliveries. Cash and cash equivalents decreased by EUR 7.8 million and amounted to EUR 5.0 million as of September 30, 2023. Overall, current assets increased by EUR 5.7 million to EUR 77.0 million.

Net working capital increased from EUR 26.0 million at December 31, 2022 to EUR 33.7 million at September 30, 2023. Inventories increased by EUR 9.1 million and receivables by EUR 1.8 million. Liabilities increased by EUR 1.9 million, advance payments received for customer projects by EUR 1.4 million.

The equity ratio of 62.4% as of September 30, 2023 was below the ratio as of year-end 2022 of 68.3%.

Non-current liabilities decreased by EUR 0.5 million, mainly due to scheduled repayments and additional early repayment of loans. Current liabilities increased by EUR 10.5 million to EUR 50.1 million. Current financial liabilities increased by EUR 6.9 million, in particular due to the utilization of overdraft facilities. Advance payments received increased by EUR 1.4 million, while other provisions decreased by EUR 0.4 million compared with December 31, 2022. In addition, trade payables increased by EUR 1.9 million and other liabilities by EUR 0.4 million.

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

Capital expenditure

In the first nine months, the Group invested on a similar scale to the previous year. Investments in property, plant and equipment and intangible assets amounted to EUR 1.7 million, while additions to capitalized development costs totaled EUR 4.6 million.

Segment performance

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

in Mio. EUR	Revenue		EBIT	
	9 Months 2023	9 Months 2022	9 Months 2023	9 Months 2022
Electronics	19.9	21.8	-4.1	-3.2
Development	20.2	19.8	0.9	3.0
Welding	14.5	16.3	-2.2	-0.5
Solar	26.3	28.9	1.1	3.2
Total	80.9	86.8	-4.3	2.5

The operating result (EBIT) of the segments contains the operating activities of the segments and the attributable intragroup allocations.

2.2 EMPLOYEES

The following table shows the development in employee numbers in the first nine months of 2023:

Area	09/30/ 2023	12/31 2022
Production	148	136
Sales	146	138
Development	210	211
Service	99	98
Administration	151	157
Total	754	740

The total number of employees as of Sept. 30, 2023, equals 704 Full Time Equivalentents (FTE), compared to 700 FTE at year-end 2022.

2.3 OVERALL ASSESSMENT OF THE GROUP'S ECONOMIC SITUATION

From LPKF's perspective, the global economic and geopolitical situation remains tense. According to the IMF, Germany is suffering from weak global trade overall. Despite a slightly improved forecast, the global economy is still suffering overall from the increase in key interest rates by central banks to combat inflation. The IMF experts expect overall global inflation to fall from 8.7 per cent in 2022 to 6.9 per cent in 2023 and 5.8 per cent in 2024. For Germany, the IMF expects inflation of 6.3% in the current year and 3.0% in 2024. LPKF expects moderate effects from cost inflation and some continuing material bottlenecks in

2023. However, the company does not expect the inflation effects to accelerate compared to the current situation. The effects can mostly be compensated.

The Management Board 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 as the basis of accounting is appropriate.

3 SUPPLEMENTARY REPORT

No other significant events with a material effect on the net assets, financial position or results of operations of LPKF have occurred since the reporting date on 30 September 2023.

4 OPPORTUNITIES AND RISKS

The opportunities and risks of the LPKF Group are presented and explained in detail in separate reports in the combined management and group management report 2021. These explanations continue to apply unchanged.

From the Company's perspective, there are currently no risks that could jeopardize the continued existence of the Company, and no risks that could jeopardize the continued existence of the Company are currently discernible for the future. Problems with the availability of materials and in logistics can lead to delays in individual projects but are no longer considered to be significant due to a noticeable easing on the procurement markets. LPKF reduces this risk as far as possible by acting with foresight in the procurement market.

The current situation also creates opportunities for LPKF. The trend towards relocating global production capacities out of parts of Asia makes it necessary to build new production capacities and can open up additional opportunities.

5 REPORT ON EXPECTED DEVELOPMENTS

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

Development of the Group

The overall economic conditions remain largely unchanged for the LPKF Group, with the further development of the general demand situation to be continuously monitored. The Company assumes that important customer industries will continue to face challenges and general economic uncertainty.

The LPKF Group's high level of diversification reduces its dependence on individual market segments.

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

The strategic focus of LPKF Laser & Electronics SE is on the development of innovative technologies that have the potential to bring about lasting changes to products, components and production in the electronics, semiconductor, and other industries.

In the opinion of the Management Board the company is financially stable and sustainably profitable thanks to the strategic and operational measures successfully implemented in recent years, so that sufficient resources are available for investments in the future. LPKF is in a position to expand its business activities by focusing even more strongly on the needs of its customers and making operational improvements. Investments in the development of new technologies and applications were carried out in full despite the difficult economic conditions in the meantime. For example, an order in the promising semiconductor sector was won in January 2023. The increased diversification of the LPKF Group in recent years has significantly reduced its dependence on individual market segments and customers. Only one major customer accounted for more than 10% of sales.

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

The Management Board anticipates the following developments in the future:

- Megatrends such as miniaturization, connectivity, carbon neutrality and demographic change production methods will lead to high-precision manufacturing and analysis methods becoming more accepted.
- Demand among customers for efficient solutions for the manufacture of high-precision components and products will remain high. The number of applications will grow. New product developments and sales channels will prove their worth.
- LIDE technology and related core competencies will be used for series production, e.g. in the semiconductor industry, and will be well on the way to establishing themselves as a key technology in the display and other industries as well.
- Green Energy will continue to gain importance, especially against the background of the current energy crisis, and will increase the demand for efficient solar modules.
- With ARRALYZE, LPKF will gain access to the growth market of biotechnology, which is developing very dynamically due to the aging population and the trend towards individual therapies.

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

- LPKF continues to invest in technology development to expand its leading position in laser micromaterial processing. In doing so, the company focuses on the specific parameters

that are decisive for the economic success of its customers, giving them a concrete competitive advantage. LPKF also develops disruptive applications for new growth markets along its core competencies.

- The scalability of solutions for customers is strengthened in a targeted manner, and non-scalable solutions are not pursued in the long term.
- LPKF will specifically drive forward technologies that help customers save resources and produce more energy-efficiently.
- The LIDE technology and related applications in the Advanced Packaging segment will be further expanded and the establishment in various application fields will be driven forward.
- The company will strengthen its sales activities and further expand and transform its market penetration in the individual segments.
- After-sales service will be further expanded as an additional growth platform.
- The organization, processes and systems will be designed to be scalable and geared to future growth.
- The Management Board will also pursue possible growth through M&A activities, but only where the resulting increase in value is clearly discernible.

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

Key figures**Fiscal year 2023**

For the full year 2023, the Management Board expects sales of EUR 125 to 135 million and an EBIT margin of 3 to 7%.

Outlook for subsequent years

In the medium term, LPKF aims to achieve an attractive single-digit growth rate for its core business, as already communicated. In addition to the core business, the new business initiatives in the semiconductor, display and biotechnology markets are expected to contribute in total a low three-digit million Euro turnover in the medium term. Based on the growth in turnover and the resulting economies of scale, the Management Board aims to achieve an attractive double-digit EBIT margin for the LPKF Group in the coming years.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FROM 1 JANUARY TO 30 SEPTEMBER 2023

in EUR thousand	01-09 / 2023	01-09 / 2022
Revenue	80,886	86,798
Changes in inventories of finished goods and work in progress	4,566	-748
Other own work capitalized	3,807	4,921
Other income	2,609	2,819
Cost of materials	-31,807	-29,538
Staff costs	-39,456	-37,682
Depreciation and amortization	-6,648	-6,288
Impairment expenses (including reversals) on financial assets and contract assets	-210	-49
Other expenses	-18,070	-17,708
Operating Result (EBIT)	-4,323	2,525
Finance income	12	23
Finance costs	-297	-241
Earnings before tax	-4,608	2,307
Income taxes	-462	-679
Consolidated net profit/loss	-5,070	1,628
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluations of defined benefit plans	0	0
Tax effects	0	0
Items that will be reclassified to profit or loss		
Currency translation differences	23	1,388
Other comprehensive income after taxes	23	1,388
Total comprehensive income	-5,047	3,016
in EUR thousand		
Earning per share (basic)	-0.21	0.07
Earning per share (diluted)	-0.21	0.07

FROM 1 JULY TO 30 SEPTEMBER 2023

in EUR thousand	07-09 / 2023	07-09 / 2022
Revenue	32,974	31,254
Changes in inventories of finished goods and work in progress	1,641	-419
Other own work capitalized	1,222	1,814
Other income	836	1,259
Cost of materials	-13,567	-11,874
Staff costs	-12,306	-12,452
Depreciation and amortization	-2,160	-2,246
Impairment expenses (including reversals) on financial assets and contract assets	-132	-20
Other expenses	-5,835	-6,489
Operating Result (EBIT)	2,673	827
Finance income	0	5
Finance costs	-144	-93
Earnings before tax	2,529	739
Income taxes	-196	-219
Consolidated net profit/loss	2,333	520
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluations of defined benefit plans	0	0
Tax effects	0	0
Items that will be reclassified to profit or loss		
Currency translation differences	164	483
Other comprehensive income after taxes	164	483
Total comprehensive income	2,497	1,003
in EUR thousand		
Earning per share (basic)	0.10	0.02
Earning per share (diluted)	0.10	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 SEPTEMBER 2023

in EUR thousand	09/30/ 2023	12/31/ 2022
ASSETS		
Intangible assets and goodwill	21,734	20,731
Property, plant and equipment	43,351	45,088
Trade receivables	0	27
Other non-financial assets	294	292
Deferred tax assets	1,047	916
Non-current assets	66,426	67,054
Inventories	36,776	27,677
Trade receivables	29,306	27,423
Income tax receivables	1,303	674
Other non-financial assets	4,550	2,767
Cash and cash equivalents	5,034	12,785
Current assets	76,969	71,326
Total assets	143,395	138,380

in EUR thousand	09/30/ 2023	12/31/ 2022
EQUITY		
Subscribed capital	24,497	24,497
Capital reserve	15,463	15,463
Other reserves	12,696	12,673
Net retained profits	36,811	41,882
Equity	89,467	94,515
LIABILITIES		
Provisions for pensions and similar obligations	274	279
Other financial liabilities	377	1,216
Deferred income	430	383
Contract liabilities	226	227
Other provisions	150	30
Deferred tax liabilities	2,354	2,153
Non-current liabilities	3,811	4,288
Other provisions	3,402	3,476
Other financial liabilities	8,600	1,704
Deferred income	88	88
Trade payables	9,401	7,505
Contract liabilities	22,738	21,347
Other non-financial liabilities	5,888	5,457
Current liabilities	50,117	39,577
Liabilities	53,928	43,865
Total equity and liabilities	143,395	138,380

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS OF 30 SEPTEMBER 2023

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
As of 01/01/2023	24,497	15,463	10,529
Consolidated net profit/loss			
Other comprehensive income after taxes			
Total comprehensive income	0	0	0
Transactions with shareholders			
As of 09/30/2023	24,497	15,463	10,529

in EUR thousand	Subscribed capital	Capital reserve	Other retained earnings
As of 01/01/2022	24,497	15,463	10,529
Consolidated net profit/loss			
Other comprehensive income after taxes			
Total comprehensive income	0	0	0
Transactions with shareholders			
As of 09/30/2022	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
	-208	490	1,863	41,882	94,516
				-5,071	-5,071
	0		22		22
	0	0	22	-5,071	-5,049
	-208	490	1,885	36,811	89,467

Other
reserves

	Revaluations of defined benefit plans	Share-based payment reserve	Foreign currency translation reserve	Net retained profits	Total equity
	-276	490	1,278	40,222	92,203
				1,628	1,628
	0		1,388		1,388
	0	0	1,388	1,628	3,016
	-276	490	2,666	41,850	95,219

CONSOLIDATED STATEMENT OF CASH FLOWS

FROM 1 JANUARY TO 30 SEPTEMBER 2023

in EUR thousand	01-09 / 2023	01-09 / 2022
Cash flow from operating activities		
Consolidated net profit/loss	-5,070	1,628
Adjustments:		
Tax expenses	462	679
Financial expenses	297	241
Financial income	-12	-23
Depreciation/amortization of non-current assets	6,648	6,288
Gains/losses on the disposal of property, plant and equipment	1	0
Impairment losses/reversals	918	821
Other non-cash expenses and income	1	-113
Changes:		
Inventories	-9,971	-5,431
Trade receivables	-2,189	-6,217
Other assets	-1,822	-1,226
Provisions	67	1,586
Trade payables	1,901	-2,335
Other liabilities	1,980	-5,492
Other:		
Interest received	12	23
Income taxes refund (paid)	-1,042	42
Cash flow from operating activities	-7,819	-9,529
Cash flow from investing activities		
Investments in intangible assets	-4,603	-4,811
Investments in property, plant and equipment	-1,721	-1,433
Revenue from the disposal of assets	418	72
Cash flow from investing activities	-5,906	-6,172

in EUR thousand	01-09 / 2023	01-09 / 2022
Cash flow from financing activities		
Dividends paid	0	0
Interest paid	-297	-242
Payments of lease liabilities	-608	-583
Proceeds from (financial) borrowings	9,801	12,216
Payments for repaying loans	-3,150	-6,724
Cash flow from financing activities	5,746	4,667
Change in cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	-7,979	-11,034
Cash and cash equivalents as of 1 January	12,785	15,167
Effects of exchange rate changes on cash and cash equivalents	228	639
Cash and cash equivalents as of end of reporting period	5,034	4,772

NOTES ON THE PREPARATION OF THE QUARTERLY FINANCIAL REPORT

This financial report as of September 30, 2023 fully complies with the provisions of IAS 34. The interpretations of the International Financial Interpretations Committee (IFRIC) have been observed. The figures for the previous period have been calculated according to the same principles, unless new standards require a change. The same applies to the accounting policies and calculation methods used in the interim financial statements.

New standards to be applied in the current fiscal year have already been applied. Estimates of amounts presented in previous interim reporting periods of the current fiscal year, the last annual financial statements or in previous fiscal years have not been changed in this financial report. There have been no significant changes in contingent liabilities and contingent assets since the last balance sheet date. This financial report has not been audited or reviewed. Information on events of particular importance after the balance sheet date is provided in the supplementary report of the interim management report.

Basis of consolidation

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

Name	Registered office	Equity interest in %
Full consolidation		
LPKF SolarQuipment GmbH	Suhl, Germany	100.0
LPKF WeldingQuipment GmbH	Fürth, Germany	100.0
LPKF Laser & Electronics d.o.o.	Naklo, Slovenia	100.0
LPKF Distribution Inc.	Tualatin (Portland), US	100.0
LPKF (Tianjin) Co. Ltd.	Shanghai, China	100.0
LPKF Laser & Electronics Trading (Shanghai) Co. Ltd.	Shanghai, China	100.0
LPKF Shanghai Co., Ltd.	Shanghai, China	100.0
LPKF Laser & Electronics K.K.	Tokyo, Japan	100.0
LPKF Laser & Electronics Korea Ltd.	Seoul, Korea	100.0
LPKF Laser & Electronics Vietnam Co., Ltd.	Bac Ninh, Vietnam	100.0

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

Transactions with related parties

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

Garbsen, 26th October 2023

LPKF Laser & Electronics SE

The Management Board



Dr. Klaus Fiedler

Chief Executive Officer



Christian Witt

Chief Financial Officer

FINANCIAL CALENDAR

21 March 2024	Publication of the Annual Report
25 April 2024	Publication of the three-months report
05 June 2024	Annual General Meeting
25 July 2024	Publication of the six-months report
24 October 2024	Publication of the nine-months report

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

Disclaimer

This financial report contains forward-looking statements that are based on the Management Board's current estimates and forecasts and on information currently available. These forward-looking statements are not to be understood as guarantees of forecast future performance and results. Instead, future performance and results depend on a large number of risks and uncertainties and are based on assumptions that might not prove accurate. We disclaim any obligation to update these forward-looking statements. For mathematical reasons, rounding differences may occur in percentage figures and numbers in the tables, illustrations and texts of this report.

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

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