

Invitation to the Annual General Meeting on May 19, 2022

LPKF Laser & Electronics Aktiengesellschaft, Garbsen
ISIN DE0006450000



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**Information for Shareholders of LPKF Laser & Electronics AG
on Data Protection pursuant to Art. 13 and 14 GDPR**

Dear Shareholders,

We invite you to our Annual General Meeting scheduled on

Thursday, May 19, 2022, at 10:00 a.m. (CEST)
(= 8 a.m. UTC (coordinated universal time)).

The Annual General Meeting will be conducted as a virtual Annual General Meeting **without the physical presence** of any shareholders or their proxies and will be broadcast in its entirety with video and audio for shareholders who register for the Annual General Meeting on time and in the proper form and provide evidence of their shareholdings or their proxies via the password-protected Internet service available at the Web address below:

www.lpkf.com/en/investor-relations/annual-general-meeting/

The logon information for the Internet service will be sent to shareholders with their access cards after they have registered on time and in the proper form and submitted evidence of their shareholdings.

The venue for the Annual General Meeting within the meaning of the *Aktiengesetz* (AktG – German Stock Corporation Act) will be the offices of LPKF Laser & Electronics Aktiengesellschaft, Osteriede 7, 30827 Garbsen. Shareholders or their proxies (with the exception of proxies appointed by the Company) are not authorized to attend the Annual General Meeting in person. They are asked to take note of the special instructions on taking part in the virtual Annual General Meeting by watching the video and audio broadcast of the Annual General Meeting, exercising their voting rights (not participating online), and the rights of shareholders in section III, “Further details regarding the convening of the meeting.”

I. Agenda

- 1. Presentation of the adopted annual financial statements as of December 31, 2021, the approved consolidated financial statements as of December 31, 2021, the combined Management report and Group Management report and the Supervisory Board's report for the 2021 financial year, as well as the explanatory report of the Management Board on the disclosures under Sections 289a and 315a Commercial Code (HGB).**

The documents provided for Item 1 of the agenda can be viewed on the Company's website at www.lpkf.com/en/investor-relations/annual-general-meeting/ as of the time the Annual General Meeting is convened as well as during the Annual General Meeting.

The Supervisory Board has approved the annual financial statements prepared by the Management Board and the consolidated financial statements under Sections 171 and 172 of the German Stock Corporation Act (Aktiengesetz). The annual financial statements are thus adopted. In accordance with the statutory provisions, a resolution of the Annual General Meeting on Item 1 of the Agenda is therefore not scheduled.

- 2. Resolution regarding the use of the net profit for the 2021 financial year**

The Management Board and the Supervisory Board propose that the net profit of EUR 19,143,199.69 reported in the annual financial statements of LPKF Laser & Electronics Aktiengesellschaft for the 2021 financial year be carried forward in full to new account.

- 3. Resolution regarding the ratification of the acts of the Management Board for the 2021 financial year**

The Management Board and the Supervisory Board propose that the acts of the members of the Management Board be ratified for the 2021 financial year.

- 4. Resolution regarding the ratification of the acts of the Supervisory Board for the 2021 financial year**

The Management Board and the Supervisory Board propose that the acts of the members of the Supervisory Board be ratified for the 2021 financial year.

- 5. Resolution regarding the approval of the Remuneration Report for the 2021 financial year**

Pursuant to the new Section 162 AktG, which was introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), the Management Board and Supervisory Board must prepare a Remuneration Report annually and submit it to the Annual General Meeting for approval in accordance with Section 120a para. 4 AktG. Pursuant to Section 162 AktG, the Management Board and Supervisory Board of LPKF Laser & Electronics Aktiengesellschaft must prepare a Remuneration Report on the remuneration granted and owed to each member of the Management Board and Supervisory Board in the 2021 financial year. The Remuneration Report was reviewed formally by the auditor of the annual financial statements in accordance with Section 162 para. 3 AktG. The auditor of the annual financial statements also reviewed the content in excess of the legal requirements. The note regarding the audit of the Remuneration Report is attached to the Remuneration Report.

The full Remuneration Report prepared and reviewed under Section 162 AktG for the 2021 financial year has been printed in Section II ("Further information related to the agenda items and reports") under II 1. and can be accessed as of the time the Annual General Meeting is convened and during the Annual General Meeting on the company's website at

www.lpkf.com/en/investor-relations/annual-general-meeting/

The Management Board and Supervisory Board propose the following:

The Remuneration Report prepared and audited under Section 162 AktG for the 2021 financial year is approved.

6. Election of a Supervisory Board member

Pursuant to Sections 96, para. 1, last alternative, 101, para. 1 AktG, the Company's Supervisory Board is comprised solely of members elected by the Annual General Meeting and pursuant to Section 95, sentence 1 AktG and Article 11, para. 1 of the Articles of Incorporation, it is comprised of four members.

The term of office for the vice-chair of the Supervisory Board, Dr. Dirk Rothweiler as member of the Supervisory Board, will end following the Annual General Meeting on May 19, 2022.

Based on the recommendation of the Nomination Committee, the Supervisory Board proposes the election of

Dr. Dirk Rothweiler, residing in Weimar, Germany, independent management consultant,

for a term starting with the end of the Annual General Meeting on May 19, 2022, and ending with the close of the Annual General Meeting responsible for the ratification of the 2025 financial year.

The nominations submitted take account of the targets defined by the Supervisory Board for its composition and aim to further round out the skills profile for the entire Supervisory Board.

The curriculum vitae of the candidate, as well as additional information related to agenda item 6, can be found below in Section II. ("Further information related to the agenda items and reports") under II.2.

7. Election of the auditors of the annual financial statements and the consolidated financial statements for the 2022 financial year

The Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Hanover, Germany, be elected auditor of the annual financial statements and the consolidated financial statements for the 2022 financial year.

8. Resolution on the conversion of legal form of LPKF Laser & Electronics Aktiengesellschaft to a public company under EU law (Societas Europaea – SE)

The Management Board and Supervisory Board propose to adopt the following resolution; however, in accordance with Section 124 para. 3 sentence 1 AktG only the Supervisory Board – based on the recommendation of the Audit Committee – submits the proposal for the election of the auditor of the financial statements and consolidated financial statements from the first financial year of the future LPKF Laser & Electronics SE (Section 12 of the conversion plan) and proposal for the appointment of the members of the first Supervisory Board of the future LPKF Laser & Electronics SE (Section 10 para. 2 of the Articles of Incorporation of LPKF Laser & Electronics SE, which is attached as an integral part of the conversion plan proposed for resolution):

The conversion plan dated March 22, 2022 (register of deeds no. 493/2022 of notary Dr. Ulrich Haupt (with registered office in Hanover) for the conversion of LPKF Laser & Electronics Aktiengesellschaft to a European Company (Societas Europaea – SE) is approved; the Articles of Incorporation of LPKF Laser & Electronics SE attached to the conversion plan are approved.

The conversion plan and the Articles of Incorporation, as well as additional information related to agenda item 6, can be found below in, Section II. ("Further information related to the agenda items and reports") under II.3.

From the time that the Annual General Meeting is convened, the following documents can be accessed on the company's website at www.lpkf.com/en/investor-relations/annual-general-meeting

- a) The certified conversion plan dated March 22, 2022 (register of deeds no. 493/2022 of notary Dr. Ulrich Haupt with registered office in Hanover) for the conversion of LPKF Laser & Electronics Aktiengesellschaft to a European Company (SE) including the Articles of Incorporation of LPKF Laser & Electronics SE attached;
- b) The conversion report of the Management Board of LPKF Laser & Electronics Aktiengesellschaft dated March 31, 2022;
- c) The certification of the independent expert appointed by the court, IVA VALUATION & ADVISORY AG, Bockenheimer Landstraße 107, 60325 Frankfurt am Main, dated March 28, 2022 in accordance with Art. 37 of Council Regulation (EC) No. 2157/2001 on the Statute for a European Company (SE) and
- d) The adopted annual financial statements and management report of LPKF Laser & Electronics Aktiengesellschaft for the 2021, 2020, and 2019 financial years.

II. Further information related to the agenda items and reports

1. Remuneration Report pursuant to Section 162 AktG including audit opinion (agenda item 5)

The Remuneration Report set forth below is an integral part of the combined management and Group management report of LPKF Laser & Electronics Aktiengesellschaft; the unqualified audit opinion from the independent auditor (audit opinion on the accompanying consolidated financial statements and the accompanying combined management report in accordance with Section 162 para. 3 sentence 4 AktG is attached to it.

REMUNERATION REPORT FOR THE MANAGEMENT BOARD

INTRODUCTION

The following remuneration report explains the remuneration system and individual remuneration for current and former members of the Management Board of LPKF Laser & Electronics AG in the 2021 financial year. The remuneration report is based in particular on the recommendations of the German Corporate Governance Code (GCGC) and the German Stock Corporation Act (Aktiengesetz). In addition, the remuneration report contains information pursuant to Section 162 of the German Stock Corporation Act in the version applicable under the German Act Implementing the Second Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie).

THE REMUNERATION SYSTEM IN THE 2021 FINANCIAL YEAR

Resolution on the approval of the remuneration system for members of the Management Board

The Supervisory Board of LPKF Laser & Electronics AG adopted a resolution in April 2020 on a revised remuneration system for members of the Management Board in accordance with Sections 87 (1) and 87a (1) of the German Stock Corporation Act. The remuneration system was approved in its revised form by the shareholders of LPKF Laser & Electronics AG at the Annual General Meeting on 20 May 2021 with 79.26% of the votes. In view of the shareholders' voting behavior on the current remuneration system, it is currently being reviewed with the involvement of an independent remuneration consultant.

Application of the remuneration system for the Management Board in the 2021 financial year

The revised remuneration system applies to all Management Board employment contracts concluded or extended on or after 7 April 2021 with retroactive effect from the start of the 2021 financial year. That means that it applied only to Management Board member Christian Witt in 2021.

The former CEO, Dr. Goetz M. Bendele, received remuneration in accordance with the old system up until his departure on 30 April 2021.

Britta Schulz was appointed as interim member of the Management Board with effect from 1 May 2021. Her employment contract as an employee of LPKF Laser & Electronics AG was temporarily suspended with respect to her work duties for the period for which she was appointed to the Management Board. Her entitlement to variable, performance-related remuneration is largely based on the provisions of her previous employment contract. The revised remuneration system therefore did not apply to Britta Schulz in principle in the 2021 financial year.

The revised remuneration system at a glance

Remuneration for members of the Management Board of LPKF Laser & Electronics AG is geared towards the long-term and sustainable development of the company. As well as the duties and performance of the individual Management Board member, total remuneration for members of the Management Board takes into account the company's size, complexity and situation. It comprises non-performance-based salary and non-cash benefits, in addition to pension commitments and performance-based (variable) components. The non-performance-based components include a fixed annual salary (basic salary) as well as incidental benefits and benefits in kind.

The performance-based components consist of annual variable remuneration (STI), which relates to the achievement of economic targets within a year, and long-term variable remuneration (LTI), which is invested entirely in shares in LPKF Laser & Electronics AG, which must be held for a minimum period of three years. The financial, economic, social and environmental targets anchored in the performance-based remuneration components are in keeping with the business strategy and the company's sustainable long-term development. Both short-term and long-term variable remuneration includes incentives for members of the Management Board to ensure that the company's development is sustainable.

The Supervisory Board places an emphasis on the long term when looking at the company's development and has therefore given the long-term performance-based remuneration components a high weighting.

The remuneration system is also supplemented by appropriate regulations relating to the start and end of work as a member of the Management Board. Moreover, the employment contracts of all members of the Management Board contain a clause allowing the Supervisory Board to reduce the Management Board's salaries unilaterally within the meaning of Section 87 (1) of the German Stock Corporation Act in accordance with the statutory provision in Section 87 (2) of the German Stock Corporation Act.

The Supervisory Board was advised by an independent remuneration expert when designing the remuneration system. When the new remuneration system was drawn up, the appropriateness of remuneration for Management Board members was also reviewed. As part of this process, remuneration was compared with that of a few selected companies in the laser manufacturing and semiconductor industry, taking into account the parameters of revenue, profit and market capitalization. A vertical comparison in accordance with Section 87a (1) no. 9 of the German Stock Corporation Act was not carried out.

The remuneration system will be reviewed on an ongoing basis. It will be amended if, in connection with forthcoming personnel decisions, and particularly when employment contracts of Management Board members are to be concluded or extended, it becomes apparent that adjustments are necessary in order to attract or retain suitable candidates. In the event of significant changes to the remuneration system, and at least once every four years, the remuneration system will be presented to the Annual General Meeting again for approval.

In accordance with the statutory provisions in Section 87a (2) sentence 2 of the German Stock Corporation Act, the Supervisory Board can temporarily deviate from the remuneration system if this is necessary in the interests of the company's long-term well-being. This may be the case in the event of exceptional and unforeseeable developments, for example.

Deviation from the remuneration system is possible only if a corresponding resolution is adopted by the Supervisory Board and after the need for the deviation has been carefully examined. The components of the remuneration system that it is possible to deviate from under the aforementioned circumstances are the procedure, the remuneration structure, the individual remuneration components and the performance criteria. Furthermore, the Supervisory Board can temporarily grant additional remuneration components in this situation or can replace individual remuneration components with other remuneration components if this is necessary in order to restore Management Board remuneration to an appropriate level in the specific situation.

Remuneration component	Basis for assessment/parameter	Objective
Non-performance-based remuneration		
Fixed remuneration	Fixed remuneration is paid in equal monthly installments at the end of each month.	Reflects the role on the Management Board, experience, area of responsibility and market conditions. Ensures adequate income, to prevent inappropriate risks from being taken.
Incidental benefits	Benefits in kind, company car (alternatively, cash allowance or flat rate for a rental car), insurance premiums	Absorption of costs and compensation for economic disadvantages
Performance-based remuneration		
Short-Term-Incentive (STI)	Performance period: 1 year Target amount: 50% of fixed remuneration Performance criteria: • 75% corporate targets: 25% revenue, 25% EBIT margin, 25% ROCE • 25% personal targets: Supervisory Board sets corporate targets based on the approved budget and personal targets for each financial year.	The corporate targets are in keeping with the parameters used in corporate management. Personal targets may also take into account social and environmental aspects (as ESG criteria). The financial, economic, social and environmental targets are in keeping with the business strategy and promote the company's sustainable long-term development.
Long-Term-Incentive (LTI)	Total period: 4 years (one-year basis for assessment, followed by a three-year lock-up period for the shares) Target amount: 50% of fixed remuneration Limit: 300% of the target amount Performance criteria: as for STI	Promotes long-term growth in the value of the company and links the interests of members of the Management Board with those of shareholders.
Other regulations on remuneration		
Maximum remuneration	Limit on the total remuneration provided for one financial year pursuant to Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act: EUR 1.1 million per person	Prevents inappropriately high payments
Severance payment cap	Maximum severance payments of two years' remuneration; may not exceed remuneration for the contract term	Prevents inappropriately high payments due to premature termination of the Management Board contract

The old remuneration system at a glance

As payments were made under the old remuneration system in the 2021 financial year, we will outline the structure of this system, and in particular the design of the performance-based components, below.

The remuneration structure under the old system also consists of fixed basic remuneration, two short-term variable components (with a clawback) and one long-term variable component, as well as incidental benefits (benefits in kind).

The fixed non-performance-based remuneration comprises both the basic salary, which is paid in equal monthly installments, and benefits. The benefits include a company car for both official and private use and health and care insurance contributions.

The variable remuneration components consist of a long-term remuneration component, the LTI options, and two short-term remuneration components with a clawback, the STI 1 ROCE and the STI 2 cash flow (STI 2).

STI 1 corresponds to the performance indicator ROCE. Payment for STI 1 is made in cash for the relevant financial year after approval of the consolidated financial statements. The amount of STI 1 is graded depending on target achievement; a payment is made only if a minimum ROCE figure of 8% (floor) is achieved. The target figure is ROCE of 18% and the cap is 30%.

STI 2 corresponds to the ratio of free cash flow to average total capital. Payment for this performance indicator is also made in cash following approval of the consolidated financial statements in the following year. The amount of STI 2 is graded; the target figure is 13%, the floor is 8% and the cap is 21%.

If there is a negative ROCE or cash flow the following year, this loss will subsequently be taken into consideration and STI 1 and STI 2 will be reassessed in light of the negative ROCE and/or cash flow for the following year. Any overpayments will be repaid by the Management Board members. Other than that, extraordinary developments are not generally included in the calculation of STI 1 and STI 2. This earnings-based clawback clause, which makes the final entitlement to STI 1 and STI 2 contingent upon a positive ROCE or cash flow figure in the following year, extends the assessment period for STI 1 and STI 2 to two years. This means that it essentially constitutes multi-year variable remuneration.

A long-term bonus plan has been created as LTI (Options) and is based on a value-oriented performance target. Fictitious shares, known as phantom stocks, are granted to the Management Board members annually in a contractually stipulated amount. The number of phantom stocks corresponds to the individual amount stated, divided by the average closing price of LPKF shares in the first quarter of the year in which the shares are allotted. The plan term is three years per tranche. Once the respective plan term elapses, the beneficiaries are entitled to a disbursement amount, the calculation of which depends on the final number of phantom stocks. The final number of phantom stocks is calculated by multiplying the number of phantom stocks originally allocated by a performance factor that is dependent on the average value added of the LPKF Group during the relevant performance period. The amount to be paid out is in turn calculated by multiplying the final number of phantom stocks by the average share price of LPKF Laser & Electronics AG for the first quarter following the end of the relevant performance period. A payout occurs only if the average share price on the payment date is greater than the average share price on the allotment date. The amount of the payment is limited to four times the allotment value.

REMUNERATION FOR THE MANAGEMENT BOARD IN THE 2021 FINANCIAL YEAR

The components of the remuneration system and their specific application in the 2021 financial year are explained in detail below.

Fixed annual salary

Members of the Management Board of LPKF Laser & Electronics AG receive remuneration in the form of a fixed annual salary (fixed remuneration). Fixed remuneration is paid in equal monthly installments at the end of each month. It is reviewed at regular intervals by the Supervisory Board and adjusted in future contracts if necessary.

As well as his fixed salary as CFO of the company, Mr. Witt received additional remuneration for temporarily acting as interim CEO.

Benefits in kind and other additional remuneration (incidental benefits)

In addition to fixed remuneration, incidental benefits are granted to each member of the Management Board. These benefits include benefits in kind provided by the company, the use of a company car, contributions to health and care insurance and other types of insurance and absorption of other costs as is customary for the market, including the conclusion of a D&O insurance policy by LPKF Laser & Electronics AG with a deductible for the Management Board member in accordance with the German Stock Corporation Act.

LPKF Laser & Electronics AG makes a company car available to members of the Management Board, including for personal use. When choosing a suitable company car and the type of engine, environmental aspects are taken into account alongside the requirements of the business. As an alternative to a company car, Management Board members may also be offered a cash allowance or a flat rate for a rental car. Furthermore, LPKF Laser & Electronics AG bears reasonable costs for expenses incurred by Management Board members in the course of their work.

Performance-based variable remuneration

Performance-based remuneration for the Management Board consists of performance-related remuneration that is paid annually (STI) and performance-related remuneration for which the amount of the payment is initially invested in shares in LPKF Laser & Electronics AG (LTI), which must be held for a period of at least three years. The details of this are as follows:

Short-term variable remuneration (STI)

How it works

The amount of STI depends on the achievement of corporate targets, which are based on the Group's financial results, and on the achievement of personal targets, which can be set each year.

The corporate targets consist of three key economic figures. The extent to which the targets have been met is measured in relation to the annual approved budget. In line with the key financial indicators used in corporate management, the following parameters are specified for the achievement of targets:

- ROCE (return on capital employed) refers to the ratio of the consolidated operating EBIT to capital employed
- Revenue in accordance with the company's audited, consolidated annual financial statements
- Consolidated operating EBIT as a percentage of consolidated revenue in accordance with the company's audited, consolidated annual financial statements (EBIT margin)

The personal targets for the respective Management Board member are agreed each year. If an agreement has not been reached on personal targets by 31 March of a given year, the Supervisory Board shall set personal targets as it sees fit. Up to four personal targets may be set, which, among other factors, may also take into account social and environmental aspects (as ESG criteria).

Both personal and corporate targets may be achieved within a range agreed each year between the Supervisory Board and the Management Board, which has a floor and a cap. With regard to the achievement of targets, the following percentages of the agreed target bonus will be paid:

- Below the floor 0%
- Floor 25%
- Target 100%
- Cap 200%
- Above the cap 200% (maximum amount)

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

To calculate overall target achievement, the average of the respective target achievement for personal and corporate targets is determined in each case. The average figures calculated in this way are then multiplied by a weighting factor and added together to determine overall target achievement. The weighting factor for personal targets is 0.25 and the weighting factor for corporate targets is 0.75. The Supervisory Board can adjust the weighting factors in light of specific influences on the business performance if this is in the company's interests. The weighting factor for corporate targets should not fall below 0.50.

If a member of the Management Board joins or leaves the company during the year, a proportionate share of their entitlement to STI will be deducted.

Target achievement (0% - 200% in each case)	Weighting			
ROCE	x	25%	Overall target achievement 0% - 200% in each case + x = payment amount (in cash)	STI
Revenue	x	25%		
EBIT margin	x	25%		
Personal targets	x	25%		
			Target amount 50% of fixed salary	

Targets and extent to which targets were achieved for the 2021 financial year

The Supervisory Board set three equally weighted corporate and personal targets for Christian Witt and Britta Schulz for the 2021 financial year. The personal targets set for Britta Schulz as an interim member of the Management Board are based on the provisions of her employment contract that was temporarily suspended and therefore primarily comprise financial targets of the DevelopmentEquipment business unit. The target amount also comes to less than 50% of fixed remuneration.

With regard to the performance criteria that apply to the 2021 financial year, the Supervisory Board stipulated the following target figures and thresholds:

<u>Performance criterion</u>	<u>Threshold for 25% target achievement</u>	<u>Target for 100% target achievement</u>	<u>Threshold for 200% target achievement</u>
Revenue (in EUR thousand)	114,801	135,060	141,813
EBIT margin (in %)	10.7	15.3	16.8
ROCE (in %)	8	18	25

Personal targets for Christian Witt:

- Achievement of defined milestones in the market launch of LIDE technology
- Achievement of defined milestones in the ESG project
- Digitalization of the processing of incoming invoices at the German sites

Personal targets for Britta Schulz:

- Achievement of defined milestones in the ESG project
- EBIT of the DevelopmentEquipment business unit
- Capital employed of the DevelopmentEquipment business unit

Dr. Goetz M. Bendele received short-term variable remuneration in accordance with the old system for the financial year. Achievement of targets is measured based on the development of the key figures of return on capital employed (ROCE) and free cash flow in relation to average total capital. The targets and thresholds set out below apply to STI 1 and STI 2:

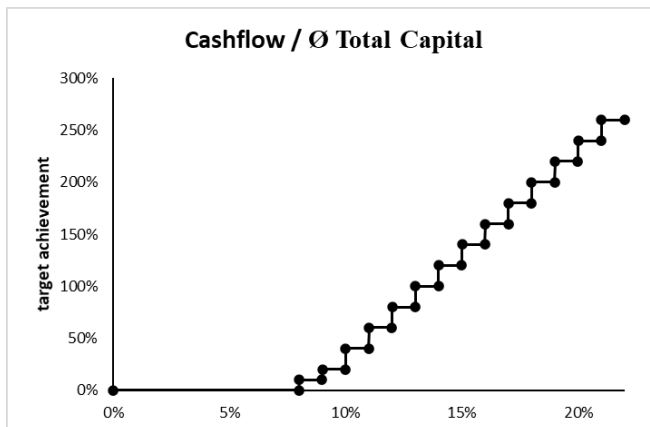
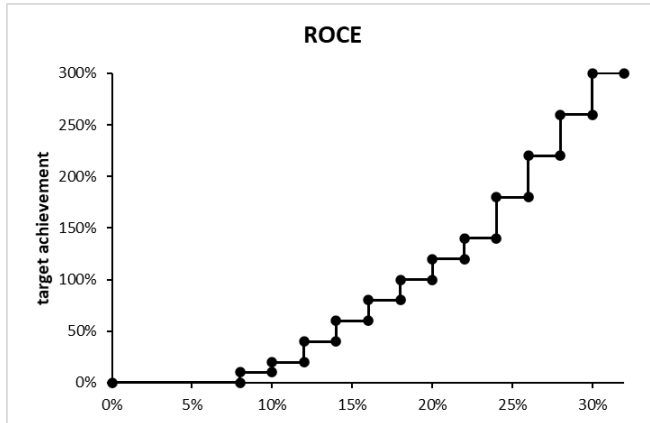
<u>Performance criterion</u>	<u>Threshold for 10% target achievement</u>	<u>Target for 100% target achievement</u>	<u>Threshold for cap</u>
ROCE (in %)	8	18	30
Cash flow / Ø Total capital (in %)	8	13	21

The amounts calculated based on the respective overall target achievement for short-term variable remuneration will be paid to current and former members of the Management Board in April 2022. They will therefore count towards the remuneration granted and owed in the 2022 financial year within the meaning of Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act.

Payments from the short-term incentive (STI) for the 2020 financial year

The remuneration granted and owed in the 2021 financial year in accordance with Section 162 (1) of the German Stock Corporation Act, on the other hand, includes the STI for the 2020 financial year, which was paid out in April 2021. The STI for the 2020 financial year is based on the remuneration system that was in place at that time. Achievement of targets is measured based on the development of the key figures of return on capital employed (ROCE) and free cash flow in relation to average total capital.

The target achievement curves set out below apply to STI for the 2020 financial year:



LPKF's business performance was severely impacted by the coronavirus pandemic in the 2020 financial year, meaning that only the threshold for the key figure of ROCE was achieved. After the end of the financial year, the Supervisory Board determined that the achievement of targets for the 2020 STI was as follows:

Performance criterion	Threshold for 10% target achievement (in %)	Target for 100% target achievement (in %)	Target amount for 100% target achievement (in EUR thousand)	Threshold for cap (in %)	Result for 2020 (in %)	Target achievement (in %)
ROCE	8	18	50	30	9	10
Cashflow / Ø Total capital	8	13	50	21	-4.4	0

The resulting STI payment for the 2020 financial year thus comes to EUR 5 thousand for each of the members of the Management Board who were in office at that time, Dr. Goetz M. Bendele and Christian Witt.

Britta Schulz was not yet a member of the Management Board of LPKF Laser & Electronics AG in the 2020 financial year and did not therefore receive any payment from the STI for the 2020 financial year.

Long-term variable remuneration (LTI)

How it works

A long-term incentive plan has been established as a second performance-based remuneration component, which, with a total period of four years, is intended to provide long-term motivation. The shares granted under the LTI allow Management Board members to participate in the relative and absolute performance of the share price, bringing management's goals and the interests of shareholders more closely into line with each other. This gives the Management Board an incentive to increase the company's value sustainably and over the long term.

The LTI is issued in annual tranches and is linked to overall target achievement for the STI for the financial year concerned and to the performance of the share price for the following three years.

The target amount for the LTI should in principle be a fixed portion of the basic salary (50%). The target amount for the respective year of allocation is multiplied by a performance factor corresponding to the overall target achievement for the STI in the year of allocation (performance amount). The LTI is then measured based on the performance of shares in LPKF Laser & Electronics AG. To do this, the average share price of LPKF Laser & Electronics AG in the first quarter of the year in which the targets were achieved is calculated (opening share price). The average share price of LPKF Laser & Electronics AG in the first quarter of the year after the year in which the targets were achieved is also calculated (closing share price). The payment amount is calculated based on these figures in accordance with the following formula:

$$\text{Payment amount} = \text{performance amount} \times \text{closing share price} / \text{opening share price}$$

This is paid to the Management Board member immediately after achievement of targets has been determined. However, the net amount received must be invested in shares in LPKF Laser & Electronics AG immediately afterwards. These shares must be held for at least three years after purchase. Only after that can the Management Board members do as they wish with the shares. In a few exceptional cases, entitlement to remuneration that has already been granted will be forfeited in the event of extraordinary termination. This ensures that remuneration is appropriately aligned with long-term growth in the value of the company. The payment amount is also subject to a share price exercise threshold. If the average share price of LPKF Laser & Electronics AG in the fourth quarter of the year in which the targets are achieved and the first quarter of the year after the year in which the targets are achieved (threshold share price) drops below 90% of the opening share price, no LTI will be paid. Consequently, the Management Board does not have to purchase any shares in LPKF Laser & Electronics AG in such a year. The payment amount of the LTI at the end of the first year is limited to a maximum of three times the target amount. If a member of the Management Board leaves the company during the year, a proportionate share of their entitlement to LTI will be deducted.

$$\begin{array}{r}
 \text{LTI target amount} \\
 50\% \text{ of fixed salary}
 \end{array}
 \times
 \begin{array}{r}
 \text{Performance factor} \\
 \text{Overall target achievement for STI}
 \end{array}
 \times
 \begin{array}{r}
 \text{Closing share price} \\
 \text{Q1 in t2} \\
 / \\
 \text{Opening share price} \\
 \text{Q1 in t1}
 \end{array}
 = \text{Payment amount} - \text{Purchase of LPKF shares}$$

max. 300% of target amount
 Holding period: 3 years

$$\begin{array}{r}
 \text{If} \\
 \text{Threshold share price} \\
 \text{Q4 in t1 and Q1 in t2} \\
 / \\
 \text{Opening share price} \\
 \text{Q1 in t1} \\
 \geq 0.9
 \end{array}$$

Allocations from the long-term incentive (LTI) in the 2021 financial year

The table below shows the LTI allocation to Christian Witt in the 2021 financial year in accordance with the new remuneration system. The performance factor used to determine the payment amount corresponds to overall target achievement for the STI for the 2021 financial year. With regard to performance criteria, targets and thresholds and the extent to which targets have been achieved, see also the detailed description under point “Short-term variable remuneration (STI)”.

	LTI target amount	Opening share price
Christian Witt	121,666	EUR 27.35

The payment amount for long-term variable remuneration calculated from the respective overall target achievement and the applicable share prices, which must be invested in shares in LPKF Laser & Electronics AG, will be paid to Christian Witt in April 2022. This amount will therefore count towards the remuneration granted and owed in the 2022 financial year within the meaning of Section 162 (1) of the German Stock Corporation Act.

As an interim member of the Management Board, Britta Schulz received an allocation from the LTI plan for executives at the first level below the Management Board in the 2021 financial year. This LTI plan is equivalent to the phantom performance share plan based on the old remuneration system for Management Board members. The performance criteria are the average value added during the three-year performance period and the performance of the LPKF share. The term of the tranche began on 1 January 2021 and covers a total of three financial years (2021 to 2023). With this LTI plan, the beneficiaries receive a contingent commitment for a defined number of phantom stocks, depending on the target, at plan inception. The number of shares evolves over the term in line with the average value added. The profit is calculated from the number of phantom stocks obtained multiplied by the share price, and is paid out in cash at the end of the term.

The former CEO, Dr. Goetz M. Bendele, did not receive any further allocation from the LTI plan under the old remuneration system in the financial year. All entitlements under outstanding and current tranches of the LTI lapsed upon his departure on 30 April 2021.

	Allotment value (EUR)	Ø Share price Q1 2021 (€)	Number of provisional shares	Maximum possible number of shares
Britta Schulz	15,000	27.35	548	1,096

Remuneration granted and owed from the long-term incentive (LTI) in the 2021 financial year

The 2018 tranche of the LTI, which is based on the remuneration system that was in place at that time, became due for payment in the 2021 financial year. The performance criteria here were the average value added during the three-year performance period and the performance of the LPKF share. The term of the tranche began on 1 January 2018 and covered a total of three financial years (2018 to 2020). The table below shows details of how the total payment amount is calculated:

Performance criteria	Value added Performance of the LPKF share
Performance period for value added	2018 - 2020
Relevant share price	Ø Share price Q1 2018 compared with Ø share price Q1 2021
Possible target achievement	0% to 400%
Number of phantom stocks provisionally granted	Target amount: EUR 71,666.67 Ø Share price Q1 2018: EUR 9.01 → 7,955 provisional phantom stocks
Target achievement for value added	The average value added actually achieved was EUR 5,004 thousand below the target value added. This corresponds to target achievement of 40%.
Phantom stocks ultimately granted	40% * 7,955 phantom stocks = 3,182 phantom stocks
Payment	3,182 phantom stocks Ø Share price Q1 2021: EUR 27.35 → EUR 87,028

Based on the performance factor achieved and the share price performance, the following amounts were paid to the current and former members of the Management Board listed below in April 2021:

	Allotment value (EUR)	Ø Share price Q1 2018 (EUR)	Number of provisional shares	Target achievement	Final number of shares	Ø Share price Q1 2021 (EUR)	Payment amount (EUR)
Christian Witt	21,666.67	9.01	2,405	40%	962	27.35	26,311
Götz M. Bendele	50,000.00	9.01	5,550	40%	2,220	27.35	60,717

Britta Schulz received a payment from the 2017 tranche of the LTI plan for executives at the first level below the Management Board in the 2021 financial year. This is also a phantom performance share plan with the performance criteria of average EBIT margin during the four-year performance period and performance of the LPKF share. The term of the tranche began on 21 July 2017 and covered a total of four financial years (2017 to 2020). The table below shows details of how the payment amount is calculated:

Performance criteria	EBIT margin Performance of the LPKF share
Performance period for EBIT margin	2017 - 2020
Relevant share price	Ø Share price for the 30 trading days prior to 21 July 2017 compared with Ø share price for the 30 trading days prior to 21 July 2021
Possible target achievement	0% to 300%
Number of phantom stocks provisionally granted	Target amount: EUR 5,000 Ø Share price for the 30 trading days prior to 21 July 2017: EUR 9.58 → 522 provisional phantom stocks
Target achievement for EBIT margin	The average EBIT margin actually achieved was 7.8%, compared with a target EBIT margin of 11%. This corresponds to target achievement of 60%.
Phantom stocks ultimately granted	60% * 522 phantom stocks = 313.2 phantom stocks
Payment	313.2 phantom stocks Ø Share price for the 30 trading days prior to 21 July 2021: EUR 23.77 → 7.445 €

Based on the performance factor achieved and the share price performance, the following amount was paid to Britta Schulz in December 2021:

	Allotment value (EUR)	Ø Share price 2017 (EUR)	Number of provisional shares	Target achievement	Final number of shares	Ø Share price 2021 (EUR)	Payment amount (EUR)
Britta Schulz	5,000	9.58	522	60%	313.2	23.77	7,445

Upper limits on remuneration (“cap”) and maximum remuneration

Remuneration for members of the Management Board is limited in two respects. Firstly, upper limits are specified for each of the performance-based components, which, in the current remuneration system, are 200% of the target amount for the STI and 300% of the target amount for the LTI. For the performance-based remuneration promised on the basis of the old remuneration system, the maximum payment is 300% of the target amount for the STI ROCE, 260% of the target amount for the STI cash flow and 400% of the target amount for the LTI. The table on target remuneration under point “Individual Remuneration for the Management Board” shows the maximum remuneration that can be achieved by individuals. The upper limits for remuneration granted and owed in the 2021 financial year were complied with in all cases, as shown above.

At the same time, the Supervisory Board has stipulated an absolute maximum limit on total annual remuneration in the current remuneration system in accordance with Section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act. This is EUR 1,100,000 gross for the individual Management Board member. Based on the remuneration system, the level of remuneration for Management Board members may also vary in future, bearing in mind the absolute maximum limit. The specific maximum remuneration depends in particular on the basic monthly salary negotiated with the Management Board member.

In derogation from the provisions outlined above, the Management Board contract of Christian Witt, which comes under the new remuneration system, does not specify an absolute maximum limit on total annual remuneration. As can be seen from the table for the compensation granted and owed, the maximum compensation of EUR 1,100,000 provided for in the new compensation

system was nevertheless complied with for all members of the Management Board for the financial year 2021. Furthermore, a comparison with the table for target compensation for 2021 also shows that the maximum compensation will not be exceeded if the maximum values are reached.

Benefits upon departure

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

In detail, the following benefits apply in the event of departure for Management Board members who come under the remuneration system agreed in the 2021 financial year. The Management Board contracts of Dr. Goetz M. Bendele and Britta Schulz, which do not fall within the scope of the new remuneration system, do not contain any provisions on severance payment or a change of control in particular.

a) Severance payment

In the event that the company gives ordinary notice of termination of the employment contract and the Management Board member is not responsible for the reason for termination, the Management Board member shall receive compensation of one year's fixed compensation plus an STI bonus based on target achievement of 100% (in total two years' fixed compensation gross), but no more than the remuneration due for the remaining term of the contract after the end of the notice period.

This severance payment will count towards compensation provided in connection with the post-contractual non-competition clause.

The components of the STI and LTI that relate to the period until the contract actually ends will be paid in accordance with the due dates or holding periods stipulated in the STI and LTI plan.

b) Change of control

In the event of a change of control, Management Board members have a one-time special right to terminate their employment contract with a notice period of 6 months, to end at the end of a month, and to step down from their post on the termination date. If the contract is terminated in this way, the Management Board member is entitled to the severance payment described under a).

c) Release from duties

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

d) Post-contractual non-competition clause – compensation

All members of the Management Board must observe a post-contractual non-competition clause lasting for a minimum of six months (Christian Witt) and a maximum of 12 months (Goetz M. Bendele) after the end of their employment contract. LPKF Laser & Electronics AG has an obligation to pay Management Board members monthly compensation of 50% (gross) of the average fixed monthly remuneration they received in the last 12 months prior to their departure

for the duration of the post-contractual non-competition clause. Other payments made by LPKF Laser & Electronics AG to Management Board members, such as temporary allowances and severance payments, shall count towards this compensation.

The compensation system provides that the income that Management Board members earn or refrain from earning during the period of the post-contractual non-competition clause from self-employed, employed or other work shall count towards this compensation insofar as the compensation, taking into account this income, exceeds the amount of the contractual payments most recently received. Income shall also include any unemployment benefit received by Management Board members. Members of the Management Board have a duty to provide the company with information about the level of their income and to furnish proof of this on request. No corresponding contractual provision was made in the Management Board contracts of Christian Witt and Goetz M. Bendele.

LPKF Laser & Electronics AG can waive compliance with the non-competition clause, observing a time limit of one year.

A post-contractual non-competition clause was waived in Britta Schulz's interim employment contract. However, she is also subject to a post-contractual non-competition clause in her function as an employee of LPKF Laser & Electronics AG.

e) Provisions on pensions and early retirement

The company does not offer any pension or early retirement schemes for members of the Management Board.

There were no pension commitments for members of the Management Board who were in office in the 2021 financial year.

f) Continued payment of remuneration in the event of death

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

Penalty/clawback

The old remuneration system includes an option to reclaim variable remuneration under the STI if the underlying performance criteria are negative in the following year. In accordance with this option, variable remuneration under the STI for the financial year concerned is recalculated, taking into account any negative ROCE or cash flow in the following year. If too much variable remuneration has been paid, this must be refunded.

Even taking into account the negative cash flow for the 2021 financial year, however, there was no reason to reduce or reclaim variable remuneration components in the 2021 financial year.

Payments from third parties

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

Remuneration for work on supervisory boards or similar bodies

The tasks of Management Board members also include the fulfillment of executive duties at affiliated companies within the meaning of Section 15 et seq. of the German Stock Corporation Act. The performance of such activities is fully covered by the remuneration provided.

INDIVIDUAL REMUNERATION FOR THE MANAGEMENT BOARD

Target remuneration for members of the Management Board in office in the 2021 financial year

The respective target remuneration for members of the Management Board in office in the 2021 financial year is shown below. This comprises the target remuneration promised for the financial year, which will be granted in the event of 100% target achievement, along with information about the minimum and maximum remuneration that can be achieved by individuals.

	Dr. Götz M. Bendele CEO 1 May 2018 to 30 April 2021					Christian Witt Regular member of the Management Board 1 September 2018 - 30 April 2021 CEO 1 May 2021 to 31 December 2021					Britta Schulz Interim member of the Management Board 1 May 2021 to 31 December 2021					Total
in EUR thousand	2020	2021	in %	Min	Max	2020	2021	in %	Min	Max	2020	2021	in %	Min	Max	2021
Fixed remuneration ¹⁾	240	80	57	80	80	200	331	55	331	331	-	188	77	188	188	599
Incidental benefits ²⁾	8	3	2	3	3	15	25	4	25	25	-	7	3	7	7	35
Total	248	83	59	83	83	215	356	59	356	356	-	195	80	195	195	634
One-year variable remuneration																
STI	100	33	23	0	93	100	122	20	0	243	-	40	16	0	80	195
Multi-year variable remuneration																
LTI 2021	-	25	18	0	100	-	122	20	0	365	-	10	4	0	40	157
LTI 2020	75	-	-	-	-	65	-	-	-	-	-	-	-	-	-	-
Total	175	58	41	0	193	165	244	41*	0	608	-	50	20	0	120	352
Total remuneration	423	141	100	83	276	380	600	100	356	964	-	245	100	195	315	986

¹⁾ Christian Witt was granted additional fixed remuneration for acting as interim CEO.

²⁾ Compensation pursuant to Section 162 (1) AktG does not include employer contributions to social security. In this respect, the figures for fringe benefits differ from the figures in the GCGC inflow table from the previous year.

*Rounding difference

The individual target remuneration corresponds to the relevant remuneration system presented.

Remuneration granted and owed to current and former members of the Management Board in accordance with Section 162 of the German Stock Corporation Act

The table below shows the fixed and variable remuneration components granted and owed to current and former Management Board members in the 2021 financial year, including the respective relative share in accordance with Section 162 of the German Stock Corporation Act. Remuneration “granted” and “owed” in accordance with Section 162 (1) sentence 1 of the German Stock Corporation Act is stated in the tables below in the financial year in which it accrued (“granted”) or became due but has not yet been fulfilled (“owed”). This includes the fixed remuneration paid in the financial year, incidental benefits accrued in the financial year, the STI for 2020 paid in the financial year and the tranches of the LTI paid in the financial year. This information essentially corresponds to the information that was previously to be reported as benefits received within the meaning of the definition provided in the German Corporate Governance Code in the version dated 7 February 2017.

The relative shares stated here relate to the remuneration components granted and owed in the respective financial year in accordance with Section 162 (1) sentence 1 of the German Stock Corporation Act. That means that they include all benefits actually received in the financial year concerned, irrespective of which financial year the members of the Management Board received them for. The relative shares stated here are therefore not comparable to the relative shares in the description of the remuneration system in accordance with Section 87a (1) no. 3 of the German Stock Corporation Act. The shares stated in the remuneration system relate to the respective targets.

	Dr. Götz M. Bendele CEO 1 May 2018 to 30 April 2021				Christian Witt Regular member of the Management Board 1 September 2018 - 30 April 2021 CEO 1 May 2021 to 31 December 2021				Britta Schulz Interim member of the Management Board 1 May 2021 to 31 December 2021			
	2020		2021		2020		2021		2020		2021	
	in EUR thousa nd	in %	in EUR thousa nd	in %	in EUR thousa nd	in %	in EUR thousa nd	in %	in EUR thousa nd	in %	in EUR thousa nd	in %
Fixed remuneration	240	49	80	54	200	44	331	86	-	-	188	91
Incidental benefits ¹⁾	8	2	3	2	15	3	25	6	-	-	7	3
Other ²⁾	0	0	0	0	0	0	0	0	-	-	5	2
Total	248	51	83	56	215	47	356	92	-	-	200	96
One-year variable remuneration												
STI 2019	240	49	-	-	240	53	-	-	-	-	-	-
STI 2020	-	-	5	3	-	-	5	1	-	-	-	-
Multi-year variable remuneration												
LTI 2018-2020	-	-	61	41	-	-	26	7	-	-	-	-
LTI 2017-2020	-	-	-	-	-	-	-	-	-	-	7	4
Total	240	49	66	44	240	53	31	8	-	-	7	4
Total remuneration	488	100	149	100	455	100	387	100	-	-	207	100

¹⁾ Compensation pursuant to Section 162 (1) AktG does not include employer contributions to social security. In this respect, the figures for fringe benefits differ from the figures in the GCGC inflow table from the previous year.

²⁾ Britta Schulz received a bonus payment for her work anniversary, based on her employment contract as an employee.

Former members of the Management Board	Bernd Hildebrandt CEO until 17 May 2001 Chairman of the Supervisory Board until 31 May 2012			
	2020		2021	
	in EUR thousand	in %	in EUR thousand	in %
Fixed remuneration	-	-	-	-
Incidental benefits	-	-	-	-
Total	-	-	-	-
One-year variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Total	-	-	-	-
Receipt of pensions	17	100	17	100
Total remuneration	17	100	17	100

REMUNERATION REPORT FOR THE SUPERVISORY BOARD

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

The remuneration system for the Supervisory Board is regulated in Article 20 of the Articles of Incorporation. This states that, as well as having all expenses and any VAT payable on remuneration and expenses reimbursed, members of the Supervisory Board shall each receive fixed annual remuneration. There is no provision for variable remuneration or financial or non-financial performance criteria. This takes account of the Supervisory Board's independent control and advisory function, which is geared not towards short-term business success but towards the long-term development of the company. The respective level of fixed remuneration takes into account the specific role and responsibility of members of the Supervisory Board. The greater amount of time required by the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board and the chairs of committees is adequately reflected in higher remuneration. A distinction is made here between the Audit Committee and other committees.

Remuneration and the remuneration system for the Supervisory Board are reviewed regularly by management. In particular, the demands on the time of Supervisory Board members and Supervisory Board remuneration granted by other similar companies are decisive here. Owing to the specific nature of Supervisory Board remuneration and the fact that it is granted for Supervisory Board work, which is fundamentally different from the activities of employees of the company and the Group, a vertical comparison with employee remuneration is not possible.

Design and application of the remuneration system in the 2021 financial year

Each member of the Supervisory Board continues to receive fixed basic remuneration of EUR 32,000 for each full financial year of membership of the Supervisory Board. The Chairman of the Supervisory Board continues to receive double (EUR 64,000) and the Deputy Chairman continues to receive one-and-a-half times the amount (EUR 48,000) of the fixed basic remuneration. The chair of the Audit Committee receives additional remuneration of EUR 5,000, while the chair of the Nomination Committee and the chair of the Remuneration and ESG Committee each receive additional remuneration of EUR 3,500.

Members of the Supervisory Board who do not belong to the board for a full financial year or who have been Chair or Deputy Chair of the Supervisory Board or the chair of a committee receive remuneration on a pro rata basis.

In addition, members of the Supervisory Board shall have all expenses and any VAT payable on their remuneration and expenses reimbursed.

Liability insurance can be taken out to protect Supervisory Board members from risks arising in connection with the performance of their duties as members of the Supervisory Board (directors' and officers' liability insurance - D&O insurance) with a total premium of up to EUR 30,000.

The remuneration system for the Supervisory Board was applied in full as regulated in Article 20 of the Articles of Incorporation in the 2021 financial year.

Individual remuneration for the Supervisory Board

The fixed and variable remuneration components granted and owed to current and former Supervisory Board members in the 2021 financial year, including the respective relative share in accordance with Section 162 of the German Stock Corporation Act, are shown below. The introduction of the revised remuneration system was accompanied by a change in the deadlines for payment. While Supervisory Board remuneration for the 2020 financial year was paid as a

total amount after the end of the financial year in spring 2021, remuneration will in future be paid in accordance with Article 20 (3) of the Articles of Incorporation in two equal installments, one six months after the start of the financial year and one after the end of the financial year. The remuneration paid in spring 2021 for the full 2020 financial year and the remuneration paid in fall 2021 for the first half of 2021 is therefore reported as remuneration granted and owed for the 2021 financial year. To provide a better overview, the table shows the period for which the remuneration components have been granted.

	Fixed remuneration ¹⁾			Remuneration for work on committees ²⁾		Total remuneration		
	for 2020		for 1st half of 2021	total				
	in EUR thousand	in EUR thousand	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
Current members of the Supervisory Board								
Jean-Michel Richard (since 24 November 2020)	6.0	32.0	38.0	100	0	0	38.0	100
Dr. Dirk Michael Rothweiler	48.0	24.0	72.0	100	0	0	72.0	100
Prof. Ludger Overmeyer	32.0	16.0	48.0	100	0	0	48.0	100
Julia Kranenberg (since 14 June 2021)	0.0	2.7	2.7	100	0	0	2.7	100
Former members of the Supervisory Board								
Dr. Markus Peters (until 14 November 2020)	55.8	0.0	55.8	100	0	0	55.8	100
Total	141.8	74.7	216.5		0		216.5	

¹⁾ The change in payment deadlines means that fixed remuneration includes remuneration received in the 2021 financial year for 2020 and for the first half of 2021.

²⁾ Committees were established for the first time in October 2021. Pro rata remuneration for work on committees will be paid with remuneration for the second half of 2021 after the end of the financial year. This amount will therefore count towards the remuneration granted and owed in the 2022 financial year within the meaning of Section 162 (1) of the German Stock Corporation Act.

COMPARATIVE PRESENTATION OF THE DEVELOPMENT OF REMUNERATION AND INCOME

The table below shows a comparison of the percentage changes in remuneration for the Management Board and Supervisory Board with development of the income of LPKF Laser & Electronics AG and with average remuneration for employees on a full-time equivalents basis, compared with the previous year. The percentage changes shown in the table for the Management Board and Supervisory Board are based on the remuneration granted and owed within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act (see “Individual remuneration of the Management Board”).

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

On the basis of Section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act (EAG) and the interpretation variants of the Institute of Public Auditors in Germany (IDW), a vertical comparison will gradually be established for all three benchmarks in the first few years.

Annual change	2021 vers. 2020
Management Board remuneration	
Management Board members in office as of 31 December 2021	
Christian Witt	14.8%
Britta Schulz	-
Management Board members who left in the 2021 financial year	
Dr. Goetz M. Bendele	-69.6%
Supervisory Board remuneration	
Supervisory Board members in office as of 31 December 2021	
Jean-Michel Richard	-
Dr. Dirk Michael Rothweiler	75.6%
Prof. Ludger Overmeyer	166.7%
Julia Kranenberg	-
Former members of the Supervisory Board	
Dr. Markus Peters	-12.9%
Development of income	
LPKF Laser & Electronics AG ¹⁾	-63.5%
Average remuneration for employees on a full-time equivalents basis	
Employees in Germany	-2.1%

¹⁾ Result for the year within the meaning of Section 275 (2) no. 17 of the German Commercial Code

INDEPENDENT AUDITOR'S REPORT

TO LPKF LASER & ELECTRONICS AKTIENGESELLSCHAFT, GARBSEN

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of LPKF Laser & Electronics Aktiengesellschaft, Garbsen and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2021 to 31 December, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report (hereinafter referred to as the "combined management report") of LPKF Laser & Electronics Aktiengesellschaft including the remuneration report for the financial year from 1 January 2021 to 31 December 2021.

In accordance with German legal requirements we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021 and of its financial performance for the financial year from 1 January 2021 to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our

opinion on the group management report does not cover the content of those components of the group management report specified in the “Other Information” section of the auditor’s report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2021 to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Capitalization of development costs

Please refer to section G.2 and H.11 in the notes to the consolidated financial statements for information on capitalized development costs.

The risk for the financial statements

Capitalized development costs amounted to EUR 18.3 million as of 31 December 2021, representing 13.9% of total assets.

The development costs relate to development projects for equipment and related software. Development costs are capitalized if the requirements of IAS 38 are met. Research costs are recognized as expenses.

The examination of the capitalization requirements under IAS 38 for projects under development is complex and based on a number of discretionary assumptions. These include, in particular, the forecast cash flows and technical feasibility. Against this background, there is a risk for the financial statements that an intangible asset has been recognized although the requirements have not been met.

Our audit approach

We have gained an understanding of the company’s process of capitalizing development costs through explanations provided by accounting staff and an appreciation of the Group’s accounting guidelines. We have examined the control implemented in this process with regard to the fulfillment of the capitalization requirements for design, application and effectiveness.

As part of our audit, on a spot check basis we evaluated the documentation on which the capitalized development costs. For the projects in the sample, we examined the recognition criteria in accordance with IAS 38 and, in particular, discussed the expected cash flows with those responsible for planning and traced the steps taken to determine technical feasibility.

Our conclusions

The capitalization of development costs is in accordance with the provisions of IAS 38 and the assumptions and parameters used by the company are appropriate

Accrual of sales

For information on sales, please refer to section G.1 of the Notes.

The risk for the financial statements

The Group’s revenues in the 2021 financial year amount to EUR 93.6 million. Revenues are mainly generated from the sale of machines.

LPKF AG recognizes revenue when it fulfills a performance obligation by transferring a promised asset to a customer. An asset is deemed to have been transferred when the customer obtains control over the asset. In accordance with the transfer of control, revenue is recognized either on a time proportion basis or on a time proportion basis at the amount to which LPKF AG expects to be entitled.

The Group's main markets are in Europe, the USA and Asia. For the global delivery of products, the Group enters into various agreements with customers that include not only the sale of equipment but also service components such as maintenance and warranty extensions.

Due to the use of different contractual arrangements in the various markets and the discretionary nature of the indicators used to determine and assess the timing of the transfer of control, there is a risk to the financial statements that revenue will be recognized prematurely as of the reporting date.

Our audit approach

To audit the accrual basis of revenue recognition, we assessed the design and establishment of internal control related to the proper accrual basis. We also assessed the presentation of revenue recognition in the Group-wide accounting policy for compliance with IFRS 15.

For the new contracts concluded in the fiscal year, we assessed the interpretation and weighting of the indicators used by the legal representatives to assess the timing of the transfer of control. For this purpose, we assessed the appropriate implementation of the accounting guideline on the basis of representatively selected samples of contracts from a population defined according to risk-oriented criteria from December 2021.

In addition, for trade receivables not yet settled at the balance sheet date, balance confirmations were obtained, selected on the basis of a mathematical-statistical procedure. For missed balance confirmation responses, alternative audit procedures were performed by reconciling revenue to underlying purchase orders, contracts, invoices, proof of delivery, and acceptance records, among others.

Our conclusions

LPKF AG's approach to the accrual of revenue is appropriate.

OTHER INFORMATION

Management respectively Supervisory Board are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group expected to be made available to us after the date of this auditor's report and referred to in the combined management report; and
- the group corporate governance statement, where reference is made in the group management report,

The other Information includes also the remaining parts of the annual report. The other Information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The Board of Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Board of Management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of the combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions 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 of the combined management report.

The Board of Management and the Supervisory Board of LPKF Laser & Electronics Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The Board of Management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may 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 the 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 respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „lpkf-2021-12-31-de.zip“ (SHA256-Hashwert: 7b9036746043aee299a74351a 00e24756407651494ce66b8daf7fcd1734e5d9e) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2021 to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.

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- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the Annual General Meeting on 20 May 2021. We were engaged by the Supervisory Board on 16 December 2021. We have been the group auditor of the LPKF Laser & Electronics Aktiengesellschaft without interruption since the financial year 2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and group management report converted to the ESEF format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Björn Kniese.

Hanover, 18 March 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft

gez. Kniese

gez. Meyer

Wirtschaftsprüfer

Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)

2. Curriculum vitae of the candidate for election to the Supervisory Board, including the information pursuant to Section 125, para. 1, sentence 5 AktG and para. C.13 of the German Corporate Governance Code (agenda item 6)

Name:	Dr. Dirk Rothweiler
Profession:	Independent Management Consultant
Residence:	Weimar
Year of birth:	1963
Citizenship:	German
Since June 14, 2017	Member of the Supervisory Board of LPKF Laser & Electronics AG
Since June 6, 2019	Deputy Chairman of the Supervisory Board of LPKF Laser & Electronics AG
Since October 27, 2021	Chairman of the Nomination Committee of LPKF Laser & Electronics AG

Professional Career

Since 2021	Independent Management Consultant, Weimar
2017 – 2020	Chief Executive Officer of First Sensor AG, Berlin
2008 – 2016	Executive Vice President Optical Systems, JENOPTIK AG, Jena
2005 – 2007	Vice President Sales & Service, TCZ LLC, San Diego, USA
2000 – 2005	Managing Director Asia Pacific, SUESS MICROTEC Co Ltd., Bangkok, Thailand
1999 – 2000	Director Sales & Marketing, SUESS MICROTEC AG, Munich
1995 – 1998	Project Manager in the Semiconductor Technology Division, CARL ZEISS AG, Oberkochen
1991 – 1994	Project Manager, Fraunhofer Institute for Laser Technology and Institute for Laser Technology at the Technical University Aachen

Education

1995	Ph. D. degree at Technical University Aachen (Faculty of Mechanical Engineering)
1984 – 1990	Studies in Physics at the Technical University Aachen with Diploma Degree (MS)

Relevant knowledge, abilities, and experience:

Dr. Rothweiler has extensive management experience from various technology companies listed on the stock exchange. He has vast capital market and industry experience. This includes, but is not limited to, special knowledge in the semi-conductor technology, healthcare, life sciences, automotive, industrial, and aerospace engineering sectors. He has lived and worked for more than 10 years in Asia Pacific and North America, which gives him a high level of international experience. Dr. Rothweiler is experienced in the management of complex strategic and operating processes as well as corporate development and transformation, and has substantial innovation experience and technology expertise in the areas of photonic and optoelectronic systems and procedures, laser materials processing, semi-conductor and electronics manufacturing, as well as sensors and machine vision. Thanks to his professional background and practical experience, he is also an expert in the area of accounting as defined by Section 100 para. 5 AktG.

Memberships in other statutory supervisory boards

None

Memberships in comparable domestic and foreign governing bodies of commercial companies

None

Material activities in addition to the above mandates and the Supervisory Board mandate

None

Information pursuant to recommendation C.13 of the German Corporate Governance Code (GCGC)

The Supervisory Board views Dr. Dirk Rothweiler as independent pursuant to recommendation C.6, para. 2 GCGC.

In the assessment of the Supervisory Board, there are no personal or business relationships between Dr. Dirk Rothweiler and the Company, the governing bodies of the Company, and any shareholders with a material interest in the Company that should be disclosed pursuant to C.13 GCGC.

3. Information on agenda item 8 (Resolution on the conversion of legal form of LPKF Laser & Electronics Aktiengesellschaft to a public company under EU law (Societas Europaea – SE))

3.1 Conversion plan including articles of incorporation for LPKF Laser & Electronics SE

The conversion plan and Articles of Incorporation of LPKF Laser & Electronics SE are worded as follows:

Transformation Plan of LPKF Laser & Electronics Aktiengesellschaft pertaining to transformation with a change in legal form into a European Company (Societas Europaea, SE) with the name LPKF Laser & Electronics SE

Preamble

- (1) LPKF Laser & Electronics Aktiengesellschaft ("LPKF AG" or "the Company") is a stock corporation under Germany law with its registered office in Garbsen, Germany, and entered in the Commercial Register of the Local Court of Hanover as HRB 110740. Its business address is Osteriede 7, 30827 Garbsen, Germany. The company's shares are listed for trading on the Regulated Market of the Frankfurt Securities Exchange (Prime Standard).
- (2) The purpose of the Company is to develop, manufacture, and market laser systems, machinery, electronic components, and devices, including their associated software, and to manufacture and market components manufactured using laser systems. The Company is authorized to carry out all measures and transactions that are suitable for promoting the Company's purpose. This includes establishing branch offices, acquiring and establishing other companies, and investing in other companies in Germany and abroad. The Company is also authorized to entrust its operations fully or partially to such companies.
- (3) As of today, the registered share capital of the Company totals EUR 24,496,546.00 and is divided into 24,496,546 no-par-value shares (no nominal amount). The notional value of each share in proportion to the Company's share capital is EUR 1.00. The shares have been issued as no-par-value bearer shares in accordance with Article 4, Section 3, of the Articles of Incorporation of LPKF AG.

- (4) Pursuant to Art. 2, Section 4, in conjunction with Art. 37 of Council Regulation (EC) No. 2157/2001 of 8 October 2001, on the Statute for a European Company (SE) ("SE Regulation") LPKF AG is to be transformed into a European Company (Societas Europaea, SE). Furthermore, this transformation shall be carried out while applying, in particular, the Gesetz zur Ausführung der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft (SE) vom 22. Dezember 2004 (SEAG – German Act Governing Implementation of Council Regulation (EC) No. 2157/2001 of 8 October 2001, on the Statute for a European company of 22 December 2004) as well as the Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft of 22 December 2004 (SEBG – German Act Governing the Involvement of Employees in a European Company of 22 December 2004).
- (5) The change in legal form into a European Company reflects the Company's current strategy of positioning itself internationally. The SE is a legal form recognized internationally, especially in Europe. As a supranational legal form, it stands for a modern, internationally oriented company, thus promoting an international corporate culture. This step can help strengthen the identification of employees – particularly foreign employees – with the LPKF Group. The SE also serves as an attractive legal form to contract partners around the world and for recruiting highly skilled workers. Finally, it allows us to maintain our proven corporate governance structure using a two-tier system of management.
- (6) The Management Board of LPKF AG therefore submits the following transformation plan:

Section 1

Plan for Transforming LPKF Laser & Electronics Aktiengesellschaft into LPKF Laser & Electronics SE

- (1) Pursuant to Art. 2, Section 4, of the SE Regulation in conjunction with Art. 37 of the SE Regulation, LPKF AG will be transformed into a European Company (Societas Europaea, SE).
- (2) LPKF AG is a stock corporation established under German law with its registered office and headquarters in Garbsen, Germany. For at least two years, it has had a subsidiary subject to the laws of a different Member State of the European Union (EU), namely LPKF Laser & Electronics d.o.o. with its registered office in Polica, Slovenia, and its business address at Polica 33, 4202 Naklo, Slovenia, company number 5711096000. Since 2014, LPKF has directly held 100% of the shares in LPKF Laser & Electronics d.o.o., thereby exercising control over LPKF Laser & Electronics d.o.o. The conditions for transformation with a change in legal form under Art. 2, Section 4, of the SE Regulation are therefore met.
- (3) As a result of the transformation with a change in legal form, the Company shall neither be dissolved, nor shall a new legal entity be founded. Instead, LPKF Laser & Electronics Aktiengesellschaft and LPKF Laser & Electronics SE ("LPKF SE") are identical legal entities. The participation of shareholders in the Company shall continue unchanged by preserving the identity of the legal entity once the transformation with a change in legal form takes effect. The transformation shall have no effect on the Company's stock market listing or the trading of its shares or on the existing inclusion of shares in stock market indices.
- (4) LPKF SE shall – like LPKF AG – have a two-tier system of governance consisting of a Management Board (management organ as defined by Art. 38b), option 1, and Art. 39, Section 1, of the SE Regulation) and a Supervisory Board (supervisory organ as defined by Art. 38b), option 1, and Art. 40, Section 1, of the SE Regulation).

Section 2

Effective Date of Transformation

The transformation shall take effect upon entry in the Company's entry in the Commercial Register of the Local Court of Hanover ("Transformation Date").

Section 3

Company Name, Registered Office, and Articles of Incorporation

- (1) The name of the company shall be LPKF Laser & Electronics SE.
- (2) The registered office of LPKF SE is in Garbsen, Germany, where its headquarters are also located.
- (3) LPKF SE shall adopt the Articles of Incorporation, attached as Appendix 1, which are part of the transformation plan.

Section 4

Share Capital, Authorized Capital, Contingent Capital, Amendments to Articles of Incorporation, and No Cash Settlement

- (1) The total share capital of LPKF AG in the amount existing on the Transformation Date (currently EUR 24,496,546.00) and in the no-par-value bearer shares into which it is divided on that date (currently 24,496,546) shall be the share capital of LPKF SE. The notional value of each share in proportion to the share capital (currently EUR 1.00 per share) shall remain exactly as high as it is immediately prior to the Transformation Date.
- (2) The individuals and companies that are shareholders of LPKF AG on the Transformation Date shall become shareholders of LPKF SE. They shall hold the same percentage and number of shares in LPKF SE in proportion to its share capital as they did in the share capital of LPKF AG immediately before the Transformation Date. The rights of third parties to shares of LPKF AG or to subscription of shares shall continue with respect to shares of LPKF SE.
- (3) On the Transformation Date, the Articles of Incorporation of LPKF SE shall specify the following equivalencies:
 - a. The total share capital with its division into non-par-value shares of LPKF SE pursuant to Article 4, Section 1, of the Articles of Incorporation of LPKF SE shall equal the total share capital with its division into no-par-value shares of LPKF AG pursuant to Article 4, Section 1, of the Articles of Incorporation of LPKF AG.
 - b. The amount and number of shares of Authorized Capital of LPKF SE pursuant to Article 4, Section 6, of the Articles of Incorporation of LPKF SE shall equal the amount and number of shares of Authorized Capital of LPKF AG pursuant to Article 4, Section 6, of the Articles of Incorporation of LPKF AG.
 - c. The amount and number of shares of contingent capital of LPKF SE pursuant to Article 4, Section 7, of the Articles of Incorporation of LPKF SE shall equal the amount and number of shares of contingent capital of LPKF AG pursuant to Article 4, Section 7, of the Articles of Incorporation of LPKF AG.

Any changes concerning the amount of share capital, the amounts and numbers of shares of Authorized Capital and the contingent capital of LPKF AG shall also apply to LPKF SE.

- (4) The Supervisory Board of LPKF AG (alternatively, the Supervisory Board of LPKF SE) is authorized and simultaneously instructed to make any changes arising from the above provisions and any changes upon which the court of registry stipulates that registration of the transformation depends to the version of the Articles of Incorporation of LPKF SE attached to this transformation plan, provided they concern only the wording of the Articles of Incorporation, before the transformation is entered in the Commercial Register.
- (5) Shareholders who object to transformation shall not be offered a cash settlement since the law does not provide for such offers of cash settlement.

Section 5

Continued Validity of Resolutions of the Annual General Meeting of LPKF AG

- (1) Resolutions (in particular, authorization granted outside the Articles of Incorporation) adopted by the Annual General Meeting of LPKF AG shall remain valid and apply to LPKF SE if they have not yet been executed as of the Transformation Date.
- (2) In particular, this provision applies to the following:
 - The authorization granted by resolution under item 8 of the agenda of the Annual General Meeting held on 4 June 2020, to purchase treasury shares in accordance with Section 71, para. 1, no. 8, of the AktG while also disapplying the option to sell and to use treasury shares while disapplying shareholders' statutory pre-emptive rights
 - The authorization granted by resolution under item 11 of the agenda of the Annual General Meeting held on 20 May 2021, to issue warrant bonds and/or convertible bonds while disapplying shareholders' statutory pre-emptive rights

Following the transformation, the aforementioned authorizations shall pertain to shares of LPKF SE instead of shares of LPKF AG as of the Transformation Date. In all other respects, they shall also continue to apply to LPKF SE in their respective versions and scopes as of the Transformation Date.

Section 6

No Special Rights or Special Advantages

- (1) LPKF AG has no shareholders to which special rights within the meaning of Section 194, para. 1, no. 5, of the Umwandlungsgesetz (UmwG – German Transformation Act) and/or Art. 20, Section 1, sentence 2f) of the SE Regulation have been attached and no holders of securities other than shares. Therefore, such individuals shall not be granted any rights beyond the shares named in Section 4, para. 2, in the course of the transformation, and no measures are intended and will not be proposed for such individuals.
- (2) No individuals within the meaning of Art. 20, Section 1, sentence 2g) of the SE Regulation have been, nor shall they be, granted special advantages in the course of the transformation.
- (3) As a legal precaution, we hereby state that, (i) irrespective of the responsibility of the Supervisory Board of LPKF SE under the German Stock Corporation Act, it can be assumed that the current members of the Management Board of LPKF AG are to be appointed as members of the Management Board of LPKF SE (see Section 7), and (ii) the current members of the Supervisory Board of LPKF AG named in the Articles of Incorporation of LPKF SE are to be appointed as members of the first Supervisory Board of LPKF SE (see Section 8).

Section 7

Management Organ (Management Board)

- (1) Pursuant to Article 6, Section 1, of the Articles of Incorporation of LPKF SE, the Management Board of LPKF SE shall consist of one or more persons, with the number of members on the Management Board being determined by the Supervisory Board of LPKF SE.
- (2) The term of office of every member of the Management Board of LPKF AG shall end on the Transformation Date. Irrespective of the responsibility of the Supervisory Board of LPKF SE under the German Stock Corporation Act, it can be assumed that the members of the Management Board of LPKF AG in office immediately prior to the Transformation Date will be appointed as members of the Management Board of LPKF SE. The current members of the Management Board are Dr. Klaus Fiedler (Chairman) and Mr. Christian Witt.

Section 8 Supervisory Organ (Supervisory Board)

- (1) According to Article 10, Section 1, of the Articles of Incorporation of LPKF SE, the Supervisory Board of LPKF SE shall consist of four members. Every member of the Supervisory Board of LPKF SE – as is currently the case at LPKF AG – shall be elected by the Annual General Meeting without being bound by nominations.
- (2) The term of office of every member of the Supervisory Board of LPKF AG shall end on the Transformation Date.
- (3) Pursuant to Art. 40, Section 2, sentence 2, of the SE Regulation, the members of the first Supervisory Board of LPKF SE can be appointed in the Articles of Incorporation. Pursuant to Article 10, Section 2, of the Articles of Incorporation of LPKF SE, the following individuals are to be appointed as members of the first Supervisory Board of LPKF SE:
 - a. Mr. Jean-Michel Richard; residing in Leigh, Wiltshire, United Kingdom; founder and independent Senior Advisor of Fisadis Consulting Ltd, Rushall, United Kingdom
 - b. Dr. Dirk Rothweiler; residing in Weimar, Germany; independent corporate consultant
 - c. Ms. Julia Kranenberg; residing in Helmstedt, Germany; member of the Management Board (CHRO) of Avacon AG, Helmstedt
 - d. Prof. Ludger Overmeyer, Dr.-Ing.; residing in Wunstorf, Germany; university professor and Head of the Institute for Transportation and Automation Technology at Leibniz University in Hanover

The members of the first Supervisory Board of LPKF SE shall be appointed until the end of the first Annual General Meeting that decides whether to ratify their actions for the first full or truncated financial year of LPKF Laser & Electronics SE but for no longer than until the end of 30 June 2024. The first financial year of LPKF SE shall be the financial year in which the transformation of LPKF AG into LPKF SE is entered in the Commercial Register.

Section 9 Employee Involvement Agreement Procedure Details

- (1) With respect to the participation of employees (with the term "Employees" encompassing all genders) of the Company, affected subsidiaries, and affected facilities, the national regulations on implementing Council Directive 2001/86/EC of 8 October 2001, supplementing the Statute for a European company with regard to the involvement of employees ("SE Directive"), in particular the SEBG (German Act Governing the Involvement of Employees in a European Company). The procedure for involvement of Employees provided for in the law shall be conducted in accordance with the statutory provisions. With respect to Employees of affected subsidiaries and affected facilities outside Germany, the respective national regulations implementing the SE Directive shall also be observed.
- (2) As part of the procedure for involvement of Employees, the Company's management informed the Employee representatives (if applicable) and, where no such Employee representatives exist, it informed the Employees of the Company at its affected subsidiaries and affected facilities about the transformation plan on 24 February 2022 (the "Information"). In particular, the Information covered the following points:
 - a) The identity and structure of the Company, the affected subsidiaries and the affected facilities and their locations in the Member States of the EU and the other parties to the Agreement on the European Economic Area ("Member States")
 - b) The Employee representatives at those subsidiaries and facilities

- c) The number of employees at each of those subsidiaries and facilities as well as the total number of Employees computed for a particular Member State
 - d) The number of Employees with rights of co-determination on the governing bodies of those companies
- (3) Furthermore, the Company's management requested that the Employee representatives (if applicable) and, where no such Employee representatives existed, it informed the Employees of the Company themselves at its affected subsidiaries and affected facilities to form a special negotiating committee ("Special Negotiating Committee") in accordance with the SEBG. The members of the Special Negotiating Committee shall be elected or appointed according to the regulations of the respective national laws governing implementation of the SE Directive. In Germany, that law is the SEBG. Section 5, para. 1 of the SEBG states that members of the Special Negotiating Committee are elected or appointed for the Employees of the involved companies, affected subsidiaries and affected facilities in every Member State in accordance with the national regulations of the respective Member State. For every percentage of the Employees in a Member State that equals 10% of the total number of Employees of the involved companies, affected subsidiaries and affected facilities in all Member States or even a fraction thereof, one member is to be elected or appointed from that Member State to the Special Negotiating Committee in accordance with the national regulations of the respective Member State.

The Special Negotiating Committee shall be formed pursuant to the statutory provision contained in Section 5, para. 1, of the SEBG and shall have a total of eleven (11) members based on the number of Employees of the Company and its affected subsidiaries and facilities in the individual Member States on the date the Information was issued. The members will come from the following countries: nine members from Germany and two members from Slovenia.

- (4) The Company shall attempt to conclude an agreement on the involvement of Employees in LPKF SE through the Special Negotiating Committee.
- (5) Section 11 et seq. of the SEBG shall be observed regarding the process of negotiation and the involvement of Employees in LPKF SE.
- (6) The Company's management shall send the draft of the resolution on transformation to the responsible employee representatives no later than one month before the date of the Annual General Meeting at which the resolution on a change in legal form is to be adopted (Section 194, para. 2, of the UmwG).

Section 10

Other Effects of the Transformation on Employees and Their Representatives

- (1) The transformation shall have no material effects on Employees, their employment relationships, or their representatives. Only the legal form of the Company will change. Specifically:
- (2) The transformation shall not result in a transfer of business within the meaning of Section 613a of the Bürgerliches Gesetzbuch (BGB – German Civil Code).
- (3) Existing employment contracts and the associated rights and obligations of Employees of the Company shall remain unaffected by the transformation and shall be continued by the future LPKF SE. There shall be no interruption in the length of employment with the Company. Employees' individual benefits shall not be affected. The transformation shall also have no effects on the location or scope of Employee's duties.

- (4) The Articles of Incorporation of the future LPKF SE provide for a two-tier system of governance, i.e., LPKF SE shall have a management organ and a supervisory organ. Sections 7 and 8 above are included by reference with respect to details. The members of the Management Board shall represent the future LPKF SE in court and out of court and shall exercise their right to issue instructions to Employees.
- (5) The transformation into a European Company shall affect neither the operating structure of the Company or its affected subsidiaries nor the organizational structure of the Company or its affected subsidiaries.
- (6) The transformation shall have no effect on the application of rules under the Betriebsverfassungsgesetz (German Labor-Management Relations Act) within the Company and its affected subsidiaries. Where the Company has councils of Employee representatives, they shall not be affected by the transformation.
- (7) The transformation shall have no direct effects on Employee involvement in corporate decision-making. The Company's Supervisory Board has no employee representatives as members. In all other respects, Section 9 is included by reference with respect to the details of Employee involvement in connection with the transformation.
- (8) The existing commitments made with respect to company pension plan benefits shall not be affected by the transformation. The transformation shall affect neither the existing pension benefits promised to Employees of LPKF AG nor current pension recipients.
- (9) As an identical legal entity, the future LPKF SE shall be liable for any and all claims pertaining to benefits in arrears asserted against the Company by Employees. No changes in capital are planned in connection with the transformation; the share capital shall not be reduced.
- (10) Authorizations granted to Employees (e.g., power of attorney to execute and represent) shall remain unaffected by the transformation. If necessary, the only changes made to the entry in the Commercial Register will involve clarification.
- (11) The transformation shall have no effect on the individuals holding specific offices (e.g., data protection officer, laser safety officer); they shall retain their appointments.
- (12) Terminations of employment based solely on the transformation are prohibited by law and are not planned. The right to terminate employment relationships for other reasons in accordance with statutory regulations remains unaffected.
- (13) Employees are not entitled to object to the transformation, nor does the transformation trigger any extraordinary right of termination for Employees. Section 9 is included by reference with respect to the involvement of Employees and their representatives in the transformation process (referred to as the "procedure for involvement of Employees").
- (14) No changes in operations are planned in connection with implementation of the transformation into a European Company. Independently of the transformation of LPKF AG into LPKF SE, LPKF WeldingEquipment GmbH plans to take over the LM unit of LPKF AG at its facility in Fürth. The affected Employees in Fürth will be informed of those plans and the resulting consequences for the Employees of the LPKF AG facility in Fürth in advance of the execution.

Section 11
Transformation Expenses

The Company shall cover the expenses associated with the transformation up to a total amount of EUR 250,000.00.

Section 12
Auditor

The Company appoints KPMG AG Wirtschaftsprüfungsgesellschaft of Hanover, Germany as auditor of the annual financial statements and consolidated financial statements for the first financial year of LPKF SE. The first financial year shall be the financial year in which the transformation of LPKF AG into LPKF SE is entered in the Commercial Register.

Garbsen, 22 March 2022

LPKF Laser & Electronics Aktiengesellschaft
The Management Board

**Annex to the Conversion Plan:
Articles of Incorporation of LPKF Laser & Electronics SE**

I. General Provisions

Article 1

Company Name, Registered Office, and Financial Year

- (1) The Company is established as a European Company (Societas Europaea, SE). The name of the Company is LPKF Laser & Electronics SE.
- (2) Its registered office is in Garbsen.
- (3) The financial year is the calendar year.

Article 2

Purpose of the Company

- (1) The purpose of the Company is to develop, manufacture, and market laser systems, machinery, electronic components, and devices, including the associated software, and to manufacture and market components manufactured using laser systems.
- (2) The Company is authorized to carry out all measures and transactions that are suitable for promoting the Company's purpose. This includes establishing branch offices, acquiring and establishing other companies, and investing in other companies in Germany and abroad. The Company is also authorized to entrust its operations fully or partially to such companies.

Article 3

Announcements

- (1) The announcements of the Company are made by way of publication in the German Federal Gazette, unless mandatory statutory provisions stipulate otherwise.
- (2) The company is authorized to convey information to holders of securities by means of remote data transmission in accordance with Section 49 (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

II. Share Capital and Shares

Article 4 Share Capital

- (1) The Company has share capital in the following amount: EUR 24,496,546.00 (twenty-four million four hundred ninety-six thousand five hundred forty-six euros) The share capital is divided into 24,496,546 (twenty-four million four hundred ninety-six thousand five hundred forty-six) no-par-value shares.
- (2) The share capital in the amount of EUR 24,496,546.00 was contributed by transforming LPKF Laser & Electronics Aktiengesellschaft with its registered office in Garbsen into a European Company (Societas Europaea, SE).

The share capital in the amount of DM 5,000,000.00 was contributed as a result of the shareholders of LPKF Laser & Electronics GmbH, Garbsen, having transformed this company into the legal form of a stock corporation (AG) through a resolution adopted on 30 July 1998, in accordance with Sections 90 et seq. of the Umwandlungsgesetz (UmwG – German Transformation Act), with the remaining (free) assets of the above limited liability company (GmbH), after deducting liabilities, corresponding to the share capital of the AG and the shares acquired respectively by the shareholders corresponding to their share in the assets of the GmbH.

- (3) The shares are issued as no-par-value bearer shares. Shares resulting from a capital increase shall also be issued as no-par-value bearer shares unless otherwise stipulated in the resolution governing the capital increase.
- (4) When new shares are issued, the start of profit participation may be specified in deviation from Section 60 (2) AktG. The form of share certificates, profit participation certificates, and renewal certificates is determined by the Management Board with the approval of the Supervisory Board.
- (5) Individuals are not entitled to the issuance of separate certificates for their shares, provided a denial of entitlement is permitted by law and separate certificates are not required under the rules of a stock exchange on which the shares are listed. Issuance of global shares is permitted. The Management Board is also authorized, with the approval of the Supervisory Board, to determine the further content of the share rights and the conditions under which the shares are issued.
- (6) The Management Board is authorized to increase the share capital once or repeatedly until 19 May 2024, with the approval of the Supervisory Board by up to a total of EUR 4,899,309.00 by issuing up to 4,899,309 new no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital).

Shareholders shall generally be granted a subscription right in that connection. The shares can also be taken over by one or more banks or companies specified by the Management Board within the meaning of Section 186 (5) sentence 1 German Stock Corporation Act (Aktiengesetz) with an obligation to offer them to shareholders for subscription (indirect pre-emptive right).

However, the Management Board is authorized with the approval of the Supervisory Board to disapply the pre-emptive rights of shareholders

- to exclude fractional amounts from shareholders' pre-emption rights;
- if the new shares are issued in return for cash contributions and the issue price of the new shares is not significantly lower than the stock exchange price of the shares currently listed when the issue price is finally determined. The number of shares issued while thus disapplying shareholders' pre-emption rights may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. Other shares that were issued or sold during the period in which this authorization is in effect while disapplying shareholders' pre-emptive rights in direct or corresponding application of Section 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz) are to be

counted toward this upper limit of 10% of the share capital. Shares that are issued to service option rights and/or conversion rights or conversion obligations from convertible bonds or bonds with warrants or profit participation rights are also to be counted toward this limit if such debt securities or profit participation rights are issued during the period in which this authorization is in effect while disapplying shareholders' pre-emptive rights in corresponding application of Section 186 (3) sentence 4 German Stock Corporation Act (Aktiengesetz);

- if the capital increase is carried out in return for contributions in kind for the purpose of acquiring entities, business divisions, equity investments, other assets related to an intended acquisition or in connection with mergers or for the purpose of acquiring industrial property rights, including copyrights and know-how or rights to use such rights;
- if it is necessary to grant subscription rights for new shares to the bearers or creditors of bonds with warrants and/or convertible bonds or profit participation rights with option rights or conversion rights and/or conversion obligations that were or will be issued by the company or companies in which the Company holds a direct or indirect 100% interest in the volume to which they would be entitled after exercising the option rights or conversion rights or after conversion obligations are fulfilled;
- if the new shares are issued to individuals who are in an employment relationship with the company or its affiliated companies. The number of shares issued while disapplying shareholders' pre-emption rights may not exceed a pro-rata interest in the share capital in the total amount of EUR 200,000.00.

In any case, the authorization to disapply shareholders' pre-emption rights is limited insofar as, after exercising the authorization, the sum of shares issued while disapplying shareholders' pre-emption rights in exchange for contributions in cash or in kind under this authorized capital may not exceed a total of 10% of the share capital, either when this authorization enters into effect or when it is exercised. The following count toward the aforementioned 10% limit:

- own shares that are sold during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights, as well as
- new shares that are to be issued on the basis of convertible bonds or bonds with warrants or profit participation rights issued during the period in which this authorization is in effect while disapplying shareholders' pre-emption rights and
- new shares issued during the period in which this authorization is in effect on the basis of other permitted authorized capital while disapplying shareholders' pre-emption rights.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the contents of the share rights, the further details of the capital increase, and the terms and conditions under which the shares are issued, in particular the issue price.

The Supervisory Board is authorized to revise the Articles of Incorporation accordingly after utilization of the Authorized Capital or the expiration of the period for utilizing the Authorized Capital.

- (7) The share capital shall undergo a contingent increase of up to EUR 4,899,309.00 through the issue of up to 4,899,309 new no-par value bearer shares (Contingent Capital 2021/I). The contingent capital increase shall be used to grant new, no-par value bearer shares to the bearers/creditors of bonds with warrants and/or convertible bonds (referred to collectively as "bonds"), in each case with option or conversion rights or option or conversion obligations, issued by the Company or by a Group company in which the Company directly or indirectly owns 100% of shares up to 19 May 2024, on the basis of the authorization resolved upon by the Annual General Meeting on 20 May 2021, in accordance with agenda item 11. The new shares shall be issued at the option or conversion price to be determined in accordance with the authorization referred to under b) above. The contingent capital increase shall be carried out only insofar as bearers or creditors of bonds exercise option or conversion rights or fulfill their option or conversion obligation or insofar as the Company or the Group company issuing the bond exercises an option to grant no-par value shares in the Company in lieu of all or part of payment of the sum of money due and in each case insofar as a cash settlement is not granted and treasury

shares or shares from Authorized Capital or shares in another listed company are not used to service the bonds. The new shares shall be entitled to a share in the profits from the beginning of the financial year in which they are created through the exercising of option or conversion rights or through the fulfillment of option or conversion obligations. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of how the contingent capital increase will be implemented.

The Supervisory Board is authorized to adjust the wording of the Articles of Incorporation in accordance with the respective issue of new shares and to make all other associated adjustments to the Articles of Incorporation that affect only the wording. The same applies in the event of the non-utilization of the authorization to issue bonds after the period of the authorization has expired and in the event of the non-utilization of the Contingent Capital 2021/I after expiry of the periods for exercising option or conversion rights or for the fulfillment of option or conversion obligations.

III. Organization and Administration of the Company

Article 5

Two-Tier System, Governing Bodies

- (1) The Company has a two-tier system of management and supervision, consisting of a management organ (Management Board) and a supervisory organ (Supervisory Board).
- (2) The Company's governing bodies are as follows:
 - a) the Management Board
 - b) the Supervisory Board
 - c) the Annual General Meeting

The Management Board

Article 6

Management Board Composition and Appointment of Members

- (1) The Management Board is comprised of one or more members. The Supervisory Board defines the number of members of the Management Board.
- (2) Members of the Management Board are appointed and dismissed by the Supervisory Board. If the Management Board consists of more than one person, the Supervisory Board may appoint a Chairperson. The Supervisory Board is entitled to appoint deputy members of the Management Board.
- (3) Members of the Management Board are appointed for terms of no more than five years. Subsequent appointment is permitted, in each instance for no more than five years.

Article 7

Rules of Procedure for the Management Board

The Supervisory Board issues Rules of Procedure for the Management Board. The schedule of responsibilities requires its approval.

Article 8

Legal representation of the Company

- (1) If the Management Board consists of more than one person, the Company shall be legally represented by two members of the Management Board or by one member of the Management Board together with an authorized signatory (Prokurist). If only one member of the Management Board is appointed, said member shall be the sole representative of the Company.
- (2) If more than one member of the Management Board has been appointed, the Supervisory Board may grant individual power of representation to one, more than one, or all members of the Management Board.
- (3) The Supervisory Board may exempt individual or all members of the Management Board from the restrictions of Section 181, second alternative, of the Bürgerliches Gesetzbuch (BGB – German Civil Code). Section 112 of the Aktiengesetz (AktG – German Stock Corporation Act) remains unaffected.

Article 9

Executive Powers of and Resolution Adoption by the Management Board

- (1) The Management Board runs the Company on its own responsibility. It has an obligation to the Company to adhere to the limitations arising from the provisions of the law, the Articles of Incorporation, and the Rules of Procedure for the Management Board (Section 7) or from a resolution of the Annual General Meeting in accordance with Section 119 of the AktG.
- (2) The following types of transactions may be executed only with the approval of the Supervisory Board:
 - a) Establishment and closure of branch offices
 - b) Dissolution, merger, change in legal form, division under the Umwandlungsgesetz (German Transformation Act), or continuation of the Company after a reason to dissolve it has occurred
 - c) Entering into and/or terminating control and/or profit transfer agreements in accordance with Sections 291 and 293 of the AktG.

The Supervisory Board may also make other types of transactions subject to its approval.

- (1) The Management Board is quorate if half of its members but not fewer than two members of the Management Board take part in adopting the resolution. Abstaining from voting shall also count as participation. Meetings of the Management Board can also be held as video or audio conferences or using a combination of the two at the request of the Chairperson. Resolutions may be adopted and votes may be taken in text form in accordance with the Rules of Procedure for the Management Board.
- (2) Resolutions of the Management Board shall be adopted with a simple majority of votes, unless the Articles of Incorporation or compelling legal regulations stipulate otherwise. In the event of a tie, a motion shall be deemed defeated. In such cases, the vote cast by the Chairperson shall not be the deciding factor.

The Supervisory Board

Article 10

Composition of the Supervisory Board

- (1) The Supervisory Board consists of four members.
- (2) The individuals named below shall be appointed as members of the first Supervisory Board of LPKF Laser & Electronics SE until the end of the first Annual General Meeting that decides whether to ratify their actions for the first full or truncated financial year of LPKF Laser & Electronics SE but for no longer than until the end of 30 June 2024:
 - a) Mr. Jean-Michel Richard; residing in Leigh, Wiltshire, United Kingdom; founder and independent Senior Advisor of Fisadis Consulting Ltd, Rushall, United Kingdom
 - b) Dr. Dirk Rothweiler; residing in Weimar, Germany; independent corporate consultant
 - c) Ms. Julia Kranenberg; residing in Helmstedt, Germany; member of the Management Board (CHRO) of Avacon AG, Helmstedt
 - d) Prof. Ludger Overmeyer, Dr.-Ing.; residing in Wunstorf, Germany; university professor and Head of the Institute for Transportation and Automation Technology at Leibniz University in Hanover

The first financial year of LPKF Laser & Electronics SE shall be the financial year in which the transformation of LPKF Laser & Electronics Aktiengesellschaft into the legal form of LPKF Laser & Electronics SE is entered in the Commercial Register.

- (3) Subject to para. 2 above and provided the Annual General Meeting does not resolve to adopt a shorter period for individual members or all members to be elected by it, the members of the Supervisory Board shall be appointed until the end of the Annual General Meeting that decides whether to ratify the acts of its members for the fourth financial year after the start of their terms of office. The year in which the term of office begins is not included. The term of office shall absolutely end after no more than six years.
- (4) Substitutes for Supervisory Board members may be elected, who will then replace Supervisory Board members who leave early in an order that is defined when they are elected.
- (5) If a Supervisory Board member is elected to replace a departing member, his/her term of office is for the remainder of the departing member's term of office unless the Annual General Meeting specifies a different term when the member is elected and in observance of para. 3 above. If a substitute member replaces a departing member, his or her office shall terminate at the end of the next Annual General Meeting, during which a new Supervisory Board member shall be elected, but no later than at the end of the term of office of the Supervisory Board member who has departed.
- (6) Members and substitute members of the Supervisory Board may resign from their position by way of a written statement addressed to the Chairperson of the Supervisory Board or to the Management Board, giving notice of one month. The Management Board can approve a shorter period of required notice or a waiver of the need to observe a period of notice for resignation. Members may also resign their office for due cause without giving notice.

Article 11

Tasks and Powers of the Supervisory Board

- (1) The Supervisory Board has all the rights and duties assigned to it by law or the Articles of Incorporation.
- (2) The Supervisory Board is authorized to make changes to the Articles of Incorporation that affect only the wording.

Article 12

Declarations of Intent

- (1) Declarations of intent by the Supervisory Board are issued on behalf of the Supervisory Board by the Chairperson, or by the Deputy Chairperson in the event that the Chairperson is impeded.
- (2) The permanent representative of the Supervisory Board vis-à-vis third parties, particularly courts and public authorities as well as the Management Board, is the Chairperson or the Deputy Chairperson in the event that the Chairperson is impeded.

Article 13

The Chairperson and Deputy Chairperson of the Supervisory Board

- (1) The Supervisory Board elects a Chairperson and a Deputy Chairperson from among its members. The terms of office of the Chairperson and Deputy Chairperson are equal to their terms of office as members of the Supervisory Board, unless a shorter term of office is specified when they are elected. This election takes place after the Annual General Meeting at which the Supervisory Board members were appointed, in a meeting that does not need to be specially convened. If the Chairperson or Deputy Chairperson steps down from this position before the end of his/her term of office, then the Supervisory Board must hold a new election for the remainder of his/her term in office.
- (2) The Deputy Chairperson shall have the rights and obligations of the Chairperson only when the latter is impeded and the law, these Articles of Incorporation, or the Rules of Procedure of the Supervisory Board do not specify otherwise.

Article 14

Rules of Procedure and committees

- (1) The Supervisory Board shall adopt Rules of Procedure for itself.
- (2) The Supervisory Board may form committees from among its members and determine their tasks and powers. Section 107, para. 4, sentence 1, of the AktG remains unaffected.
- (3) The Supervisory Board and the committees may enlist the assistance of expert individuals when performing their tasks. They may bring in experts and information providers at their meetings.

Article 15

Convening

- (1) The Supervisory Board must be convened once per calendar quarter. Each Supervisory Board member or the Management Board may ask the Chairperson of the Supervisory Board to convene the Supervisory Board immediately, stating the purpose and reasons. The meeting must be held within two weeks of its being convened. If the request is not met, the Supervisory Board member or the Management Board may convene the Supervisory Board themselves, communicating the subject and specifying an agenda.
- (2) The Supervisory Board meetings shall be convened in writing, by fax or using other conventional means of communication (e.g., by e-mail) by the Chairperson of the Supervisory Board, or by the Deputy Chairperson in the event that the Chairperson is impeded, giving notice of 14 days. When calculating this notice period, the day on which the invitation is sent and the day of the meeting are not included. In urgent cases, the Chairperson of the Supervisory Board may shorten the notice period and convene the meeting verbally.
- (3) Meetings shall be held in person or, at the request of the Chairperson of the Supervisory Board, by telephone and/or video conference in justified cases. The Chairperson of the Supervisory Board may permit individual members of the Supervisory Board to attend in-person meetings via telephone and/or video transmission. Such a hybrid procedure for

adopting a resolution is permissible if no member of the Supervisory Board objects to it. The items on the agenda, the place of the meeting, the meeting arrangements, and the time of the meeting shall be communicated with the invitation. Proposals for resolutions on items on the agenda shall be communicated in good time before the meeting so that members of the Supervisory Board who are not present at the meeting can also vote in writing or in text form.

Article 16 Resolutions

- (1) The Chairperson of the Supervisory Board or, if he/she is impeded, the Deputy Chairperson may adjourn a convened meeting before it begins.
- (2) The Supervisory Board is quorate only if at least three members take part in adopting the resolution after all members have been invited. Abstaining from voting shall also count as participation.
- (3) Meetings shall be chaired by the Chairperson of the Supervisory Board. The Chairperson shall determine the order in which the agenda items are handled and the nature and order of the votes.
- (4) Resolutions of the Supervisory Board shall be adopted by a simple majority of the votes cast, unless the law or the Articles of Incorporation stipulate otherwise. Abstentions do not count as votes cast. In the event of a tie, the Chairperson of the Supervisory Board shall cast the deciding vote. The Deputy Chairperson is not authorized to cast the deciding vote.
- (5) Resolutions of the Supervisory Board are generally adopted at meetings. Absent Supervisory Board members may participate in the adoption of Supervisory Board resolutions by having another Supervisory Board member submit a vote in writing or text form (Section 126b of the German Civil Code).
- (6) At the request of the Chairperson, the Supervisory Board may also pass resolutions outside meetings by voting orally, by telephone, in writing, or by other conventional means of communication, or by a combination of the above methods, provided that no member of the Supervisory Board objects to the procedural arrangement.

Article 17 Minutes

Minutes of the resolutions and meetings of the Supervisory Board and its committees must be prepared and then signed by the chair of the respective meeting or, in the case of Article 16 (6), by the Chairperson of the Supervisory Board.

Article 18 Remuneration of the Supervisory Board

- (1) Each member of the Supervisory Board shall receive a fixed basic remuneration in the amount of EUR 32,000.00 p.a. for each full financial year of his/her membership of the Supervisory Board. The Chairperson of the Supervisory Board receives double and the Deputy Chairperson receives one-and-a-half times the amount of the fixed basic remuneration. The Chairperson of the Audit Committee receives additional remuneration of EUR 5,000.00 p.a. and the Chairperson of the Nomination Committee and the Chairperson of the Compensation and ESG Committee each receive additional remuneration of EUR 3,500.00 p.a.
- (2) Members of the Supervisory Board who have not been on the Supervisory Board for a full financial year or have not served as Chairperson or Deputy Chairperson of the Supervisory Board or chaired a committee shall receive the remuneration pursuant to paragraph 1 in the amount of one-twelfth for each month or part thereof of their service.

- (3) The remuneration pursuant to paragraphs 1 and 2 shall be paid in two equal installments at the end of six months after the beginning of the financial year and at the end of the financial year.
- (4) The members of the Supervisory Board shall also be reimbursed for all out-of-pocket expenses and for any value-added tax payable on their remuneration and out-of-pocket expenses. For the benefit of the members of the Supervisory Board, liability insurance can be taken out to cover the risks arising from the performance of their duties as members of the Supervisory Board (Directors and Officers Liability Insurance – D&O Insurance) with a total premium of up to EUR 30,000.

Article 19

Duty of Confidentiality

The members of the Supervisory Board are subject to the legally mandated duty of confidentiality.

The Annual General Meeting

Article 20

Convening of the Annual General Meeting

- (1) The Annual General Meeting shall be held at the Company's registered office, at the registered office of a branch or subsidiary of the Company, or at the registered office of a German stock exchange. The venue for the Annual General Meeting must be specified in the invitation.
- (2) The Annual General Meeting shall be convened by the Management Board, notwithstanding the legal authority of the Supervisory Board and a minority of shareholders to convene a meeting.
- (3) The Annual General Meeting shall be held within the first six months of each financial year. Extraordinary Annual General Meetings may be convened as often as appears necessary in the interests of the Company.
- (4) The meeting shall be convened by means of a one-time announcement in the German Federal Gazette (Bundesanzeiger). Any further statutory publication requirements shall remain unaffected. The Annual General Meeting shall be convened at least by the deadline specified by law, taking into account Section 21 (1) of the Articles of Incorporation.

Article 21

Right to Participate in the Annual General Meeting

- (1) Those shareholders who have registered for the Annual General Meeting and have submitted satisfactory evidence of their shareholdings shall have the right to participate in the Annual General Meeting and exercise their right to vote. Evidence of shareholdings shall be provided by means of certificate of share ownership issued in text form by the last intermediary in accordance with Section 67c, para. 3, of the Aktiengesetz (AktG – German Stock Corporation Act). The last intermediary can also send the certificate directly to the Company, and it must refer to the twenty-first day before the start of the Annual General Meeting. Both the registration and the evidence of shareholdings must be received by the Company no later than six days prior to the Annual General Meeting at the address provided for this purpose in the convening notice. The day of the Annual General Meeting and the day of receipt are not included in this calculation. The notice convening the Annual General Meeting may stipulate a shorter period, to be measured in days, for registration and receipt of evidence of shareholding.
- (2) If there are doubts as to the correctness or authenticity of the evidence of shareholders, the Company is authorized to request suitable further evidence. If evidence is not provided, or not in the proper form, the Company may reject the shareholder.

- (3) The Management Board is authorized to permit the video and audio broadcast of parts or all of the Annual General Meeting in a way that it is to determine in more detail. The broadcast may also take place in a form to which the public has unrestricted access. If the Management Board makes use of the authorizations in line with the sentences above, this must be announced together with the convening of the Annual General Meeting.
- (4) The Management Board is authorized to stipulate that shareholders may also participate in the Annual General Meeting without being present at its location and without a proxy, and that they may exercise all or some of their rights fully or partly by means of electronic communication (online participation). The Management Board is also authorized to make more detailed provisions on the scope and procedure for online participation. If the Management Board makes use of the authorizations in line with the sentences above, then the provisions made on the basis of the authorization must be announced together with the convening of the Annual General Meeting.

Article 22

Voting Rights

- (1) Each no-par-value share confers one vote.
- (2) Voting rights may be exercised by a proxy. The granting or revocation of a power of attorney and proof that a power of attorney has been granted must be submitted to the Company in text form. A power of attorney may also be revoked by appearing at the Annual General Meeting in person. A relaxation of the requirement for text form may be specified in the convening notice. Section 135 of the AktG remains unaffected. If a shareholder appoints more than one person to serve as their proxy, the Company may reject one or more of these appointments.
- (3) Unless share certificates have been issued, the conditions under which shareholders may exercise their voting rights at the Annual General Meeting are specified in the invitation to the Annual General Meeting.
- (4) The Management Board is authorized to stipulate that shareholders may also cast their votes in writing or by means of electronic communication without participating in the Annual General Meeting (absentee voting). The Management Board is also authorized to make more detailed provisions on the procedure for absentee voting. If the Management Board makes use of the authorizations in line with the sentences above, then the provisions made on the basis of the authorization must be announced together with the convening of the Annual General Meeting.

Article 23

Chairing of the Annual General Meeting

- (1) The Annual General Meeting shall be chaired by the Chairperson of the Supervisory Board. If the Chairperson does not attend the meeting or is unable to lead it, the Annual General Meeting shall be chaired by another member of the Supervisory Board appointed by the Chairperson of the Supervisory Board. If neither the Chairperson nor the member of the Supervisory Board designated by the Chairperson is present or willing to chair the meeting, the chairperson of the meeting shall be elected in advance by the Supervisory Board or on the day of the Annual General Meeting by the members of the Supervisory Board who are present. If an election pursuant to the preceding sentence is not held, the chairperson of the meeting shall be elected by the Annual General Meeting.
- (2) The chairperson shall chair the proceedings and determine the order of the agenda items and the form of voting. The chairperson may set appropriate time limits regarding shareholders' rights to ask questions and speak. In particular, he/she may reasonably determine at the start or during the Annual General Meeting the amount of time to be made available for the whole of the Annual General Meeting, the time available to discuss each of the agenda items, and/or the time available to raise and express individual questions and opinions.

Article 24
Resolutions of the Annual General Meeting

- (1) Resolutions of the Annual General Meeting require a simple majority of the votes cast, unless the law or the Articles of Incorporation stipulate otherwise. Unless compelling legal regulations prescribe otherwise, amendments to the Articles of Incorporation shall 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. Abstentions do not count as votes cast. In cases where the law also requires a majority of the share capital represented when the resolution is adopted, a simple majority of the share capital represented when the resolution is adopted shall be sufficient, unless a greater majority is prescribed by law.
- (2) In the event of a tie, except in elections, a motion shall be considered to be defeated.
- (3) If a simple majority of votes is not achieved in the first round of voting in elections, then a run-off between the two candidates who received the most votes shall be held. In the event of a tie in the second round of voting, the decision is made by drawing lots.

Article 25
Minutes of the Annual General Meeting

The statutory provisions apply to the minutes of the proceedings of the Annual General Meeting.

IV. Annual Financial Statements, Management Report, and Appropriation of Net Profit

Article 26
Annual Financial Statements and Management Report, Ratification of the Acts of the Management Board and Supervisory Board, Appropriation of Profits

- (1) The Management Board must prepare the management report and the annual financial statements for the past financial year in the first three months of each financial year and promptly submit them to the Supervisory Board. At the same time, the Management Board must present the Supervisory Board with its proposal for the resolution of the Annual General Meeting on the appropriation of net profit.
- (2) After receiving the report prepared by the Supervisory Board, the Annual General Meeting shall, within the first six months of each financial year, adopt resolutions on whether to ratify the acts of the Management Board and the Supervisory Board, the appropriation of net profit, the selection of an auditor, and the adoption of the annual financial statements in the cases provided for by law.
- (3) If the Management Board and the Supervisory Board adopt the annual financial statements, they may allocate up to 80% of the remaining net profit – after deducting the amounts to be allocated to the statutory reserves and any loss carried forward – to other retained earnings, provided the other retained earnings do not exceed half of the share capital or would do so after this allocation.

V. Final Provisions

Article 27

Place of Jurisdiction

By subscribing or purchasing shares or scrips, the shareholder submits to the Company's regular place of jurisdiction for all disputes with the Company or members of governing bodies of the Company unless compelling legal regulations prescribe otherwise.

Article 28

Incorporation Expenses

The Company shall cover the expenses associated with the incorporation of LPKF Laser & Electronics SE through the transformation of LPKF Laser & Electronics Aktiengesellschaft in the legal form of LPKF Laser & Electronics SE up to a total amount of EUR 250,000.00.

3.2 Curriculum vitae of the persons to be appointed under the Articles of Incorporation of LPKF Laser & Electronics SE as members of the first Supervisory Board of LPKF Laser & Electronics SE (including the information under Section 125 para. 1 sentence 5 AktG and C.13 German Corporate Governance Code)

a) Jean-Michel Richard

Name:	Jean-Michel Richard
Profession:	Founder and Independent Senior Advisor at Fisadis Consulting Ltd, London, UK (not listed)
Residence:	Leigh, Wiltshire, United Kingdom
Year of birth:	1963
Citizenship:	Swiss
Since November 25, 2020	Member of the Supervisory Board of LPKF Laser & Electronics AG
Since December 1, 2020	Chairman of the Supervisory Board of LPKF Laser & Electronics AG
Since October 27, 2021	Chairman of the Audit and Risk Committee of LPKF Laser & Electronics AG

Professional Career

Since 2022	Advisor (non remunerated – pro bono) at Berkerley SKYDECK (Europe)
Since 2016	Founder and Independent Senior Advisor at Fisadis Consulting Ltd, London, UK

Since 2020	Finance Value-Add Advisor at Vitruvian Partners Ltd, London, UK
Since 2020	Non-Executive Director and Chairman of the Audit Committee at Halcyon TopCo Ltd, Burton Upon Trent, UK
2019-2020	Non-Executive Director and Chairman Audit & Governance Committee at Ebury Partners UK Ltd, London, UK
2016 – 2020	Independent Senior Advisor and Member of the Advisory Board at Qualtera, Montpellier, France
2006-2015	Chief Financial Officer and Senior Vice President Finance at Dialog Semiconductor Plc, London, UK
1998-2006 2005-2006	ON SEMICONDUCTOR, Phoenix, AZ USA Finance Director for Global Manufacturing and Technology at ON SEMICONDUCTOR, Phoenix, AZ USA
2000-2004	Senior Finance Controller for Die Manufacturing Operations at ON SEMICONDUCTOR, Phoenix, AZ USA
1993-2000	Motorola Inc. Semiconductor Group
1998-2000	Division Controller Bipolar Discretes at Motorola Inc. Semiconductor Group, Phoenix AZ USA
1995-1998	Finance Site Manager at Motorola Semiconductor S.R.O., Roznov, Czech
1993-1995	Cost Accounting Manager at Motorola Semiconductor SA, Toulouse, France
1988-1993 1989-1993	Motorola Inc, Corporate Assistant European Treasurer at Motorola Inc, Corporate, London, UK
1988-1989	Treasury Analyst at Motorola Inc, Corporate, Geneva & London, UK

Education

1988	B.Sc., Commercial and Industrial Science, Major in Business Management, Geneva University, Faculty of Economics, Switzerland
1981	Swiss Federal Diploma of Accounting, Geneva Commercial School, Switzerland

Relevant knowledge, abilities, and experience:

Jean-Michel Richard is a proven financial expert with more than 25 years of experience in various industries relevant to LPKF such as the high-tech and semiconductor sectors. He has a broad professional background, experience in the commercial sector and is a proven expert in growth strategies and M&A. In addition, Richard has extensive knowledge of public relations, investor relations, environment, social and corporate governance (ESG). Having worked for various international corporations in Europe and the USA, he is familiar with the requirements of an international, multicultural and rapidly changing environment. Due to his professional background and his practical experience, he has expertise in the area of accounting and the audit of annual financial statements as defined in Section 100 para. 5 AktG.

Memberships in other statutory supervisory boards

None

Memberships in comparable domestic and foreign governing bodies of commercial companies

Non-executive Director and Chairman of the Audit Committee at Halcyon TopCo Ltd, Burton Upon Trent UK (not listed)

Material activities in addition to the above mandates and the Supervisory Board mandate
None

Information pursuant to recommendation C.13 of the German Corporate Governance Code (GCGC)

The Supervisory Board views Mr. Jean-Michel Richard as independent pursuant to recommendation C.6, para. 2 GCGC.

In the assessment of the Supervisory Board, there are no personal or business relationships between Mr. Jean-Michel Richard and the Company, the governing bodies of the Company, and any shareholders with a material interest in the Company that should be disclosed pursuant to C.13 GCGC.

b) Dr. Dirk Rothweiler Deputy

For information about Dr. Dirk Rothweiler, see Section II., II. 2. (“Curriculum vitae of the candidate for election to the Supervisory Board, including the information pursuant to Section 125, para. 1, sentence 5 AktG and para. C.13 of the German Corporate Governance Code”).

c) Julia Kranenberg

Name:	Julia Kranenberg
Profession:	Member of the Management Board (CHRO) of Avacon AG, Helmstedt (not listed)
Residence:	Helmstedt
Year of birth:	1971
Citizenship:	German
Since June 14, 202	Member of the Supervisory Board of LPKF Laser & Electronics AG
Since October 27, 2021	Chairwoman of the Remuneration and ESG Committee of LPKF Laser & Electronics AG

Professional Career

March 2020	Member of the Management Board (CHRO) of Avacon AG, Helmstedt
2016-2020	Head of People Development & Top Executive Management innogy SE, Essen
2013-2016	Senior HR Business Partner Group Center, RWE AG, Essen

2010-2016	Head of Group Top Executive Management, RWE AG, Essen
2007-2009	Head of Executive Management Group Center, RWE AG, Essen
2001-2007	Board Office, WestLB AG, Düsseldorf
1998-2001	Attorney, Rechtsanwälte Baumert & Vigano, Essen/Mannheim

Education

1998	Second juristisches Staatsexamen (legal exam)
1996	First juristisches Staatsexamen, University of Trier

Relevant knowledge, abilities, and experience

Julia Kranenberg has comprehensive expertise and experience in the area of human resources development and management for exchange-listed companies as well as remuneration issues. She also has solid communications and negotiation skills including with regard to relevant stakeholders. In addition, she has particular expertise in the area of environment, social and corporate governance (ESG) as well as solid communications and negotiation skills including with regard to relevant stakeholders.

Memberships in other statutory supervisory boards

None

Memberships in comparable domestic and foreign governing bodies of commercial companies:

- Stadtwerke Wunstorf GmbH & Co. KG, Wunstorf, member of the Supervisory Board (not listed on the stock exchange)
- LeineNetz GmbH, Neustadt, member of the Supervisory Board (not listed on the stock exchange)
- Stadtwerke Garbsen GmbH, Garbsen, Deputy Chairperson of the Supervisory Board (not listed on the stock exchange)
- Stadtnetze Neustadt GmbH & Co. KG, Neustadt, Deputy Chairperson of the Supervisory Board (not listed on the stock exchange)
- Stadtwerke Burgdorf GmbH, Burgdorf, member of the Supervisory Board (not listed on the stock exchange)
- Stadtwerke Wolfenbüttel GmbH, Wolfenbüttel, Deputy Chairperson of the Supervisory Board (not listed on the stock exchange)

Julia Kranenberg will end her position on the Executive Board of Avacon AG in the course of 2022 and take up the position as Chief Human Resources Officer of Fraport AG. In this context, Ms. Kranenberg has announced that she will retire from the aforementioned memberships in comparable domestic and foreign governing bodies of commercial companies in the course of 2022.

Material activities in addition to the above mandates and the Supervisory Board mandate

None

Information pursuant to recommendation C.13 of the German Corporate Governance Code (GCGC)

The Supervisory Board views Ms. Julia Kranenberg as independent pursuant to recommendation C.6, para. 2 GCGC.

In the assessment of the Supervisory Board, there are no personal or business relationships between Ms. Julia Kranenberg and the Company, the governing bodies of the Company, and any shareholders with a material interest in the Company that should be disclosed pursuant to C.13 GCGC.

d) Prof. Dr.-Ing. Ludger Overmeyer

Name:	Prof. Dr.-Ing. Ludger Overmeyer
Profession:	University professor, Head of the Institute for Transportation and Automation Technology at Leibniz University in Hannover
Residence:	Wunstorf
Year of birth:	1964
Citizenship:	German
Since June 06, 2019	Member of the Supervisory Board of LPKF Laser & Electronics AG
Since October 27, 2021	Member of the Audit and Risk Committee of LPKF Laser & Electronics AG

Professional Career

Since 2018	Chairman of the Scientific Board at Laser Zentrum Hannover e.V. (LZH)
2013 – 2018	Executive Member of the Managing Board at Laser of Zentrum Hannover e.V. (LZH)
Since 2010	Board Member at Laser Zentrum Hannover e. V. (LZH)
Since 2007	Managing Partner at IPH, Institut für Integrierte Produktion GmbH, Hannover
Since 2002	University professor and Head of the Institute for Transportation and Automation Technology at Leibniz University in Hannover
2001	Appointment to the professorship for Automation Technology at the Technical University of Cottbus
1999 -2001	Head of Research and Development for Construction, Electronics, Software and Process Development, Mühlbauer AG
1998 – 1999	Department Head for "Semiconductor Backend Automation" at Mühlbauer AG
1997	Development Project Manager at Mühlbauer AG
1994 – 1997	Department Head "Machines and Controls" at Laser Zentrum Hannover e. V. (LZH)
1991 - 1993	Research associate at Laser Zentrum Hannover e.V. (LZH)

Education

1984 – 1991	Dipl.-Ing. Electrical Engineering, University of Hannover
1996	Dr.-Ing. Mechanical Engineering, University of Hannover

Memberships in other statutory supervisory boards

Member of the Supervisory Board of Viscom AG, Hannover (listed) since May 2014

Memberships in comparable domestic and foreign governing bodies of commercial companies

None

Material activities in addition to the above mandates and the Supervisory Board mandate

President of Wissenschaftliche Gesellschaft für Lasertechnik e.V. (WLT) since January 2021

Relevant knowledge, abilities, and experience

Prof. Overmeyer is a proven expert in the field of laser technology and optics. He has long-term industry experience in leadership positions within the field of system technology for electronics manufacturing. Furthermore, Prof. Overmeyer can look back on more than 20 years of experience in leading a large number of national and international research projects within the fields of automation technology, electronics manufacturing, and laser technology. He has significant experience in the leadership and governance of companies as a manager and board member of larger institutes and supervisory board member of a listed company in plant engineering.

Information pursuant to recommendation C.13 of the German Corporate Governance Code (GCGC)

The Supervisory Board views Prof. Overmeyer as independent pursuant to recommendation C.6, para. 2 GCGC.

In the assessment of the Supervisory Board, there are no personal or business relationships between Prof. Overmeyer and the Company, the governing bodies of the Company, and any shareholders with a material interest in the Company that should be disclosed pursuant to C.13 GCGC.

III. Further details regarding the convening of the meeting

Pursuant to the decision of the Management Board and with the consent of the Supervisory Board in accordance with Section 1 para. 2 of the Act on Measures of Corporate Law, Association Law, Foundation Law, and Residential Property Law to Combat the Effects of the COVID-19 Pandemic” dated March 27, 2020, (“COVID-19 Act”), as recently amended, the Annual General Meeting will be held without the physical presence of the shareholders or their proxies, as a “virtual Annual General Meeting.” Shareholders or their proxies may exercise their voting rights during the virtual Annual General Meeting exclusively by absentee ballot (not participating online as defined in Section 118 para. 1 sentence 2 AktG) or by assigning proxies and issuing instructions to the proxies appointed by the Company in accordance with the provisions below.

All times in the section “Further details regarding the convening of the meeting” are specified in Central European Summer Time (CEST), which applies for Germany. In terms of UTC (coordinated universal time), UTC = CEST minus two hours.

Video and audio broadcast of the complete Annual General Meeting on the Internet

Shareholders who have registered for the Annual General Meeting on time and in the proper form and have submitted evidence of their shareholdings can watch the Annual General Meeting in its entirety with audio and video on May 19, 2022, starting at 10 a.m. (CEST) via the password-protected Internet service available at the Web address below:

www.lpkf.com/en/investor-relations/annual-general-meeting

The logon information for the Internet service will be sent to shareholders on an access card mailed to them after they have registered on time and in the proper form and submitted evidence of their shareholdings.

Even authorized intermediaries (e.g. banks) or individuals or institutions (proxy advisors, shareholders’ associations, professional agents) deemed equivalent to them in accordance with Section 135, para. 8, AktG, or other proxies may watch the Annual General Meeting in its entirety on the Internet in place of the shareholder by using the logon information contained on the access card received by mail.

Conditions for participating in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and exercising the right to vote

Shareholders and their proxies (with the exception of proxies appointed by the Company) are not authorized to physically attend the virtual Annual General Meeting.

Only shareholders who have registered for the Annual General Meeting and have submitted evidence of their shareholdings to the Company shall have the right to attend the virtual Annual General Meeting by watching the watching the video and audio broadcast of the complete Annual General Meeting and to exercise voting rights by absentee ballot (not participating online) or by assigning proxies and issuing instructions to the proxies appointed by the Company. Evidence of shareholdings shall be provided by means of a certificate of share ownership issued in text form by the last intermediary in accordance with Section 67c, para. 3, AktG. The last intermediary can also send the certificate directly to the Company. Such evidence of the shareholding must refer to the beginning of the twenty-first day before the General Meeting, which, in this case is

**Thursday, April 28, 2022, 00:00 hrs (CEST),
(the “Record Date”)**

Both the registration and the evidence of shareholdings must be received by the Company no later than six days prior to the Annual General Meeting (not including the day of the Annual General Meeting or the day on which the evidence is received), i.e. by no later than

Thursday, May 12, 2022, 24:00 hrs (CEST),

at the address specified below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Significance of the Record Date

The Record Date is the deciding criterion for participating in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and its proceedings, the right to exercise one's vote, and the weight of one's vote. In relation to the Company, a person shall be considered a shareholder for purposes of entitlement to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and exercising one's voting rights at the Annual General Meeting only if he or she has submitted proof of share ownership. The shareholder's right to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and the weight of the shareholder's vote shall be determined solely by the number of shares owned as of the Record Date. The Record Date does not imply any limitation on the sale of shareholdings. Even if shareholdings are partially or completely sold after the Record Date, the ownership of shares on the Record Date shall be the only relevant factor for the right to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting and the weight of one's vote. In other words, the sale of shares or any other form of transfer of the shares after the Record Date shall have no influence on the right to participate in the Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting or the weight of one's vote. The same applies to the acquisition of shares after the Record Date. Persons who do not own any shares on the Record Date and who only become shareholders after this date are not authorized to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting or vote unless they are authorized by way of a proxy to participate and vote on behalf of someone else or to exercise such a person's rights.

Total number of shares and voting rights at the time the Annual General Meeting is convened

The Company's share capital at the time the Annual General Meeting is convened amounts to EUR 24,496,546.00 and is divided into 24,496,546 no-par value bearer shares which all have the same voting rights and each grant one vote. The total number of shares and voting rights at the time the Annual General Meeting is convened is therefore 24,496,546.

Procedures for voting by absentee ballot and by proxy

1. Procedure for voting by absentee ballot

Shareholders have the option to cast their votes by absentee ballot by following the procedure outlined below without participating in the Annual General Meeting. Timely registration for the Annual General Meeting and timely submission of evidence of shareholdings in accordance with the foregoing provisions are required in this case as well. Votes cast by absentee ballot that are not associated with a proper registration form shall be null and void. Votes cast by absentee ballot must be submitted in writing or by electronic means. Voting by absentee ballot can be performed using our password-protected Internet service, which is available at the Web address below:

www.lpkf.com/en/investor-relations/annual-general-meeting

Absentee ballots can also be cast by using the form for voting by mail, which will be sent to shareholders with their access cards. It can also be downloaded from the Company's website at www.lpkf.com/en/investor-relations/annual-general-meeting/. The logon information for the Internet service will be sent to shareholders on an access card after they have properly registered and submitted evidence of their shareholdings.

Notwithstanding the requirement to register on time and provide proof of share ownership, votes can be cast by electronic absentee ballot using the password-protected Internet service until immediately before the start of voting during the virtual Annual General Meeting on May 19, 2022 (the chairperson of the meeting will announce the start of voting).

Notwithstanding the requirement to register on time and provide proof of share ownership, votes cast by absentee ballot without using the Internet service must be submitted by mail, fax, or e-mail by no later than **Wednesday, May 18, 2022, 18:00 hrs (CEST) (time of receipt)** at the address below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Absentee ballots already cast can be amended or rescinded using the methods indicated above until the times specified for each. Additional details on absentee voting are available on the Company's website at www.lpkf.com/en/investor-relations/annual-general-meeting/ or are found on the form mailed along with the access card.

Even authorized intermediaries (e.g. banks), individuals or institutions (proxy advisors, shareholders' associations, professional agents) deemed equivalent to them in accordance with Section 135, para. 8, AktG, or other proxies may take advantage of absentee voting.

2. Procedure for voting by proxy

Shareholders also have the option of following the procedure outlined below to have their voting rights exercised by the proxies appointed by the Company during the Annual General Meeting. Timely registration and timely submission of evidence of shareholdings by the shareholder in accordance with the foregoing provisions are required in this case as well. The proxies appointed by the Company are available for the sole purpose of exercising voting rights and, if authorized, shall exercise those voting rights exclusively as instructed. The proxies appointed by the Company are not authorized to vote without receiving prior instructions from the shareholders. Such authorization (with instructions) and any revocation thereof must be issued in text form. A form for assigning proxies and issuing instructions as well as other related details are contained in the materials mailed with the access card.

Notwithstanding the requirement to register on time and provide proof of share ownership, proxies can be assigned and instructions issued to the proxies appointed by the Company using the password-protected Internet service until immediately before the start of voting during the virtual Annual General Meeting on May 19, 2022 (the chairperson of the meeting will announce the start of voting). The logon information for the Internet service will be sent to shareholders on an access card.

Notwithstanding the requirement to register on time and provide proof of share ownership, proxies and instructions intended for the proxies appointed by the Company but not assigned and issued using the Internet service must be received by the Company by mail, fax, or e-mail by no later than **Wednesday, May 18, 2022, 18:00 hrs (CEST)** (time of receipt) at the address below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Shareholders who do not themselves wish to exercise their right to vote via absentee ballot or by assigning proxies and issuing instructions to proxies appointed by the Company for the Annual General Meeting may also have their votes cast through a different proxy – for example, by an intermediary (e.g. a bank), an association of shareholders, a proxy advisor, or another person of their choosing. This also applies to the right to ask questions online and protest online to a resolution adopted by the Annual General Meeting as well as the option to submit statements. Timely registration and timely submission of evidence of shareholdings by the shareholder in accordance with the foregoing provisions are required in this case as well. For his or her part, the proxy may exercise the right to vote to the extent permitted by law only by absentee ballot or by delegating the authority (to) another person and issuing instructions to the proxies appointed by the Company.

If neither an intermediary (e.g. a bank), a shareholders' association, a proxy advisor, nor one of the other persons or institutions deemed equivalent under Section 135 of the AktG is assigned a proxy, a power of attorney must be granted in text form within the meaning of Section 126b of the *Bürgerliches Gesetzbuch* (BGB – German Civil Code). In such instances, revocation of a power of attorney and proof that a power of attorney has been granted must also be submitted to the Company in text form.

Shareholders who wish to appoint a proxy may use the forms for granting a power of attorney that the Company provides for that purpose on the Internet at www.lpkf.com/en/investor-relations/annual-general-meeting/. The materials sent to shareholders along with their access cards also contain proxy forms. Proxies can also be assigned directly via our password-protected Internet service at the following Web address:

www.lpkf.com/en/investor-relations/annual-general-meeting/.

The declaration of proxy authorization may be made either to the proxy or the Company.

Documentary proof of the proxy must also be sent to the Company at the address below:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

Please use only the above-mentioned fax number or e-mail address to send evidence of a proxy on the day of the Annual General Meeting before the start of voting. The aforementioned communication channels and the Internet service may also be used if the declaration of proxy authorization is submitted

directly to the Company. In this case, no separate evidence of the proxy authorization is required. The revocation of a previously issued proxy may also be submitted directly to the Company by using the aforementioned communication channels or the Internet service.

When assigning a proxy to an intermediary (e.g. a bank), a shareholder's association, a proxy advisor, or a person or institution deemed equivalent under Section 135, para. 8, AktG, and when revoking and providing proof of such authorization, special rules may apply. In such cases, shareholders are advised to coordinate with their intended proxy in advance to determine whether the proxy might require a special form for granting the proxy.

Banks, shareholder's associations, proxy advisors, and other intermediaries covered by Section 135, AktG, as well as persons and institutions deemed equivalent under Section 135, AktG, who represent multiple shareholders are advised to contact the following address in advance of the Annual General Meeting concerning the exercising of voting rights:

LPKF Laser & Electronics Aktiengesellschaft
c/o C-HV AG
Gewerbepark 10
92289 Ursensollen
or
Fax: +49 (0) 9628 92 99-871
or
E-mail: anmeldestelle@c-hv.com

If a shareholder appoints more than one person to serve as their proxy, the Company may reject one or more of these appointments.

Having proxies exercise one's rights via the Internet service (no participating online) requires the shareholder to give the proxy logon information received with the access card for the Annual General Meeting or the logon information generated for the proxy upon assignment of authorization via the Internet service.

3. Additional instructions, in particular concerning the exercising of voting rights by shareholders by absentee ballot and the assigning of proxies and issuing instructions to the proxies appointed by the Company

Once shareholders have successfully registered and provided evidence of share ownership, they will have access to our Internet service, in addition to the methods by mail, fax, and e-mail listed above, until **May 18, 2022, 18:00 hrs (CEST)** (time of receipt), for assigning proxies and issuing instructions to the proxies appointed by the Company, revoking or amending them, and casting their votes by absentee ballot and revoking or changing said votes until immediately before the start of voting during the virtual Annual General Meeting (the chairperson of the meeting will announce the start of voting). The logon information for the Internet service will be sent along with the shareholder's access card.

Voting by absentee ballot, assigning proxies, and issuing instructions to the proxies appointed by the Company shall be limited to the votes taken on the proposed resolutions announced by the Management Board and/or the Supervisory Board as well as any vote on the proposals submitted by shareholders pursuant to Sections 122, 126, and 127 AktG. If separate votes are taken on any of the items on the agenda without said vote having been announced in advance of the virtual Annual General Meeting, then the vote cast or instructions issued concerning that item of the agenda shall also be counted overall as a corresponding vote or instructions regarding each point of the separate vote.

If more than one identical copy of the ballot is received, the final ballot (based on date of submission) shall prevail. If multiple copies of the ballot with varying instructions are received by different means and it cannot be determined which ballot was submitted last, they will take precedence in the following order: 1. Internet service, 2. e-Mail, 3. fax, and 4. hard copy.

Please note that shareholders and their proxies will have neither the right to give speeches nor ask questions during the Annual General Meeting in accordance with Section 131 of the AktG, nor will they be permitted to make motions during the Annual General Meeting. They will also not be permitted to propose resolutions during the Annual General Meeting because they will not be physically present but

voting by absentee ballot and, hence, not participating in the Annual General Meeting. The proxies appointed by the Company are exclusively available to exercise voting rights and not to exercise other shareholders' rights. Please note the following information concerning shareholders' rights and the instructions contained in the materials received along with your access card and at www.lpkf.com/en/investor-relations/annual-general-meeting.

Shareholders' rights

Proposals to add items to the Agenda pursuant to Section 122, para. 2, German Stock Corporation Act (Aktiengesetz)

Shareholders whose total shareholdings are equivalent to 1/20th of the Company's share capital or the pro rata amount of EUR 500,000.00 may request to have items placed on the Agenda and published in accordance with Section 122, para. 2, of the German Stock Corporation Act (Aktiengesetz). Every request for a new Agenda item must be accompanied by an explanation of the reasons for it or a proposed resolution. The request must be sent in writing to the Management Board and must be received by the Company at least thirty days prior to the date of the Annual General Meeting (excluding the day of the Annual General Meeting and the day the communication is received), in other words, by no later than

Monday, April 18, 2022, 24:00 hrs (CEST)

Please send such requests to the following address:

**LPKF Laser & Electronics Aktiengesellschaft
Management Board
Osteriede 7
30827 Garbsen, Germany**

Any items added to the agenda and subject to disclosure shall be published promptly in the Federal Gazette upon receipt of the request and distributed to media outlets that can be expected to disseminate the information throughout the European Union. They will also be made available on the Company's website at www.lpkf.com/en/investor-relations/annual-general-meeting and announced to shareholders.

Counterproposals and candidate nominations submitted by shareholders pursuant to Sections 126, para.1 and Section 127 AktG in conjunction with Section 1, para. 2, sentence 3 of the COVID-19 Act

In accordance with Section 126, para. 1 AktG, shareholders may send the Company counterproposals to proposals made by the Management Board and/or Supervisory Board regarding a particular item on the agenda as well as make recommendations on the choice of members of the Supervisory Board and/or auditor in accordance with Section 127 AktG. Counterproposals and nominations are to be submitted exclusively to the following address:

**LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Fax: +49 (0) 5131 7095-90
E-mail: investorrelations@lpkf.com**

In accordance with Section 126, para. 1 AktG, the Company publishes counterproposals including the name of the shareholder, potential reason(s) for the counterproposal and any comment by the management on the Company's website at www.lpkf.com/en/investor-relations/annual-general-meeting/ if it receives the counterproposals, including potential reason(s), at least 14 days prior to the date of the Annual General Meeting (excluding the day of the Annual General Meeting and the day the submission is received), in other words, by no later than

Wednesday, May 4, 2022, 24:00 hrs (CEST),

at the aforementioned address. Applications not sent to this address will be disregarded. The Company may refuse to publish a counterproposal if the conditions specified in Section 126 para. 2 German Stock Corporation Act (Aktiengesetz) apply, for instance, if the counterproposals could lead the Annual General Meeting to pass a resolution which violates the law or the Articles of Incorporation. It is not mandatory to publish the reasons provided for a counterproposal if they exceed 5,000 characters. Pursuant to Section 127 AktG, the aforementioned applies analogously to proposals submitted by shareholders for the election of members of the Supervisory Board and/or auditors. In addition to the cases specified in Section 126, para. 2 AktG, publication of election proposals submitted by shareholders may also be refused when the proposal does not include the name, profession and place of domicile of the proposed candidate. Nominations for the Supervisory Board do not need to be published if the proposal does not contain information about the nominee's membership of other statutory supervisory boards,

Counterproposals and/or nominations submitted on time and in the proper form in accordance with the above provisions pursuant to Sections 126 and 127 AktG and made available by the Company will be treated pursuant to Section 1, para. 2, sentence 3 of the COVID-19 Act as though they were submitted during the Annual General Meeting, provided the shareholder making such motion or nomination has registered for the Annual General Meeting and been properly identified.

Right to information pursuant to Section 131, para. 1, AktG, and right to ask questions pursuant to Section 1, para. 2, sentence 1, no. 3, sentence 2, of the COVID-19 Act

However, shareholders who have registered for the Annual General Meeting on time and in the proper form in accordance with the above provisions and proved their share ownership will have the right to ask questions by means of electronic communication pursuant to Section 1, para. 2, sentence 1, no. 3, of the COVID-19 Act. The Management Board shall use its professional judgment and discretion in deciding how to answer questions. Questions submitted in languages other than German and English will be disregarded.

The Management Board has decided with the approval of the Supervisory Board under Section 1, para. 2, sentence 2 of the COVID-19 Act that any questions must be received by the Company no later than Tuesday, **May 17, 2022, 24:00 hrs (CEST)**, and submitted online via the password-protected Internet service at www.lpkf.com/en/investor-relations/annual-general-meeting. To that end, the Internet service provides an option to "Submit questions online." Questions submitted after the deadline will be disregarded. No questions can be submitted during the virtual Annual General Meeting either. Furthermore, shareholders will not have the right to request information from the Management Board verbally during the Annual General Meeting in accordance with Section 131, paras. 1 and 4 AktG.

Answers will be provided during the video and audio broadcast of the virtual Annual General Meeting. When answers are given to questions during the Annual General Meeting, the name of the person submitting the question will not be disclosed (if and when individual questions are answered) unless consent was given to disclose the name at the time the question was submitted. The Company reserves the right to respond to frequently asked questions in advance on its website.

Voluntary option to submit statements for publication in the Internet service

Because shareholders will not be able to comment on the agenda during the Annual General Meeting, those shareholders who have registered for the Annual General Meeting on time and in the proper form in accordance with the above provisions and have proved their share ownership will have the option to submit statements on the agenda in excess of the legal requirements by no later than Tuesday, **May 17, 2022, 24:00 hrs (CEST)**.

Statements must be sent in text form, electronically, using the password-protected internet service at www.lpkf.com/en/investor-relations/annual-general-meeting and are limited to 10,000 characters. Statements submitted in another manner will not be considered.

Statements received on time will be published immediately following their review along with the shareholder's name, if the shareholder has given consent, using the password-protected internet service at www.lpkf.com/en/investor-relations/annual-general-meeting. However, there is no legal entitlement to this publication. In accordance with Section 126 para. 2 AktG, statements with offensive or other

content with relevance under criminal law, as well as those with clearly false or misleading content, will not be published. Statements will not be abridged to exclude the prohibited content. They will be excluded in full. The company also reserves the right not to publish statements that are unrelated to the agenda of the Annual General Meeting, as well as statements exceeding 10,000 characters, or that are not submitted by the deadline in the manner described above.

The Company reserves the right to publish statements submitted by the deadline not only via the password-protected internet service, but also to read them aloud during the audio and video broadcast of the Annual General Meeting, if feasible in organizational terms and if time permits during the Annual General Meeting. Therefore, the statements that are read aloud may be limited to certain statements that represent a larger number of shares or a larger group of shareholders. For each shareholder, only one statement in text form will be published via the password-protected internet service. Statements cannot be used to submit questions in accordance with Section 1 para. 2 sentence 1 no. 3 sentence 2 of the COVID-19 Act. Questions must be submitted in the manner described above in the section “The right to information pursuant to Section 131, para. 1, AktG, and the right to ask questions pursuant to Section 1, para. 2, sentence 1, no. 3, sentence 2, of the COVID-19 Act.”

Publication of the speech by the Management Board

The shareholders will be given the possibility of responding with their questions to the Management Board's speech. Therefore, the preliminary manuscript of the Management Board's speech is scheduled for publication on May 16, 2022, on the website of the Company at www.lpkf.com/en/investor-relations/annual-general-meeting. The speech held during the Annual General Meeting can deviate from this preliminary manuscript, especially if so required due to current developments. Check against delivery.

Option to protest online against a resolution adopted by the Annual General Meeting under Section 1, para. 2, sentence 1, no. 4, of the COVID-19 Act

Shareholders who have exercised their voting rights on one or more resolutions adopted by the Annual General Meeting shall be given the opportunity to protest by means of electronic communication any resolution adopted by the Annual General Meeting. The requirement to appear at the Annual General Meeting shall be waived, and such protests shall be recorded by the notary. Such declarations can be made from the start of the Annual General Meeting until it has been adjourned by the chairperson of the meeting via our password-protected Internet service at www.lpkf.com/en/investor-relations/annual-general-meeting.

Additional explanations and information available on the Company website

From the time the Annual General Meeting has been convened, information pursuant to Section 124a German Stock Corporation Act (Aktiengesetz) will be made available to shareholders on the Company's website at

www.lpkf.com/en/investor-relations/annual-general-meeting/

Additional information concerning the rights of shareholders pursuant to Section 122, para. 2; Section 126, para. 1, Section 127; and Section 131, para. 1 AktG; as well as Section 1, para. 2, sentence 1, no. 3, and no. 4, sentence 2 and 3 of the COVID-19 Act, is also published at the Web address below:

www.lpkf.com/en/investor-relations/annual-general-meeting/

Garbsen, Germany, April 2022
LPKF Laser & Electronics Aktiengesellschaft

The Management Board

Information for Shareholders of LPKF Laser & Electronics AG on Data Protection pursuant to Art. 13 and 14 GDPR

Through this data protection notice, we are informing you of the processing of your personal data by LPKF Laser & Electronics Aktiengesellschaft (“LPKF”) in connection with Annual General Meetings and of your rights in accordance with data protection law.

Controller of data processing

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telephone: +49 (0) 5131 7095-0
E-mail: info@lpkf.com

Contact information of our Data Protection Officer

Jürgen Recha, Data Protection Officer
Interev GmbH
Robert-Koch-Strasse 55
30853 Langenhagen
Telephone: +49 (0) 511 - 89 79 84 10
Juergen.Recha@interev.de

Purposes and legal bases of data processing

In connection with the virtual Annual General Meeting, LPKF processes your personal data (in particular, your name, address, e-mail address and, if necessary, other shareholder contact details, number of shares, type of ownership of the shares, access card number and code; if applicable, name and address of the authorized representative respectively mandated by the shareholder) in accordance with the requirements of the German Data Protection Act (Bundesdatenschutzgesetz – “BDSG”), the General Data Protection Regulation (“GDPR”), the German Stock Corporation Act (Aktiengesetz – “AktG”), and all other relevant legal requirements. This is only carried out for the purposes specified in the German Stock Corporation Act. This includes communicating with shareholders and carrying out Annual General Meetings. In doing so, the Company processes data that shareholders provide as part of registration for the Annual General Meeting or that has been provided by their custodian bank to the Company on this occasion. In accordance with Section 135 Para. 5 Sentence 2 AktG, a shareholder can authorize an intermediary (e.g. a bank) or shareholders’ association, proxy advisor, another individual or institution deemed equivalent according to Section 135, para. 8, AktG, and who professionally undertakes to exercise voting rights on behalf of shareholders at the Annual General Meeting to represent him or her at the Annual General Meeting and to exercise the voting right in the name of the party concerned. In this case, only the personal data of the representative is processed.

LPKF processes your personal data for the purpose of processing the registration and participation of the shareholders at the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting (e.g. verification of eligibility to participate) and enabling shareholders to exercise their rights in the context of the virtual Annual General Meeting (which includes the granting, the withdrawal, and the documentation of any and all powers of attorney and instructions).

These processing operations include the following:

LPKF processes the necessary data that shareholders provide or that has been provided by their custodian bank as part of a shareholder’s registration for the virtual Annual General Meeting (in particular, first and last names, address, number of shares, share class, access card number, and type of ownership).

If a proxy participates in the entire virtual Annual General Meeting, LPKF processes the shareholder’s information provided on the proxy form as well as the proxy’s first and last names and place of residence and address. If power of attorney and instructions are issued to a proxy appointed by LPKF, then the

instructions issued are also processed, and the proxy form is kept on file by the Company for three years as documentary evidence.

In the case of voting rights exercised during the Annual General Meeting by proxies appointed by the company in accordance with Section 129 AktG, a list of attendees will be kept with the following personal information: access card number, first and last names and place of residence of the shareholder being represented or his or her authorized representative and the Company's proxy, number of shares, share class, number of voting rights, and type of ownership.

If a shareholder requests that items be placed on the agenda, LPKF will announce those items, disclosing the name of the shareholder, provided he or she has met the conditions outlined in the provisions of German corporate law. LPKF will also make counterproposals and nominations submitted by shareholders, provided they meet the conditions outlined in the provisions of German corporate law, available on the website of LPKF (Section 122, para. 2; Section 126, para. 1; and Section 127 of the AktG), at the same time disclosing the name of the shareholder.

If you submit questions online prior to the Annual General Meeting in accordance with Section 1, para. 2 of the COVID-19 Act in conjunction with the provisions in the convening notice or object to resolutions proposed by the Annual General Meeting during the Annual General Meeting, we will process your personal information (name, address, access card number and code) in order to respond to your question or objection.

The legal basis for the aforementioned processing is formed by Section 67e AktG in conjunction with Art. 6, para. 1(1)(c) GDPR.

The processing of the aforementioned personal data in each case is necessary to fulfill the legally prescribed obligations of LPKF. Without the provision of the relevant data, you will be unable to participate in the virtual Annual General Meeting by watching the video and audio broadcast of the complete Annual General Meeting or exercise your voting rights and other AGM-related rights.

Responses to your questions during the virtual Annual General Meeting will include your name only if you have consented to the disclosure of your name at the time you submitted the question (Art. 6, section 1, subsection 1, letter a) GDPR). If you use the option as a shareholder to submit a statement in text form, this statement – provided that you have granted consent under Art. 6, section 1, subsection 1, letter a) GDPR – along with your name will be published via the password-protected internet service at www.lpkf.com/en/investor-relations/annual-general-meeting and can also be read aloud at the Annual General Meeting. This consent is voluntary and can be withdrawn at any time with future effect. Please send your withdrawal to the above contacts. If it is intended to process your personal data for another purpose, we will inform you of this beforehand as part of the legal provisions.

Furthermore, your personal data may also potentially be processed for the fulfillment of other legal obligations, such as supervisory requirements, as well as share, trade, and tax retention obligations. The legal basis for the processing is formed by the respective legal regulations in conjunction with Art. 6, para. 1(1)(c) GDPR.

In individual cases, your data will also be processed to safeguard our legitimate interests or the legitimate interests of a third party pursuant to Art. 6, para. 1(f) GDPR. This may be the case, for example, if your personal data is processed to compile internal statistics (e.g. to represent shareholder changes, the number of transactions for overviews of major shareholders).

If it is intended to process your personal data for another purpose, we will inform you of this beforehand as part of the legal provisions.

We do not use any purely automated decision-making procedures as per Article 22 GDPR or profiling.

Categories of recipients

We inform you below of which categories of recipients we share your personal data with:

External service providers: For the organization of the virtual Annual General Meeting (including the production of video and audio recordings and streaming the webcast), we rely on external service providers that process your personal data in accordance with our instructions in compliance with Art. 28 GDPR.

Shareholders and third parties: As part of the legally prescribed consultation right for the participant directory of the Annual General Meeting, shareholders can, upon request, access the data entered in the participant directory for up to two years after the Annual General Meeting. The list of attendees will also be made accessible to those in attendance as part of the Annual General Meeting. Your personal data will also be published in accordance with legal regulations as part of requests to amend the agenda that must be made public, counterproposals, and nominations.

Other recipients: As part of legal regulations, we may be obliged to share your personal data with other recipients, such as authorities and courts.

The transfer of personal data to a recipient in a third-party country is not planned.

Duration of the storage of your personal data

In general, we delete or anonymize your personal data as soon as – and to the extent that – it is no longer required for the purposes indicated above, unless legal evidence and/or retention obligations (in accordance with the German Stock Corporation Act, the German Commercial Code, the German Tax Code, or other legal regulations) oblige us to retain it. The above-mentioned data in connection with Annual General Meetings is regularly deleted or anonymized after three years. When we learn of the sale of your shares, we will only continue to store your personal data for a maximum of 12 months, subject to other legal regulations. We only store your personal data beyond this period if further processing is required in individual cases in connection with claims asserted against LPKF or by LPKF (legal statute of limitations of up to 30 years).

Your rights in accordance with data protection law

To the extent that we process personal data about you, with respect to the processing of your personal data you have the following rights within the framework of the legal requirements:

- Right of access to the data stored about you by LPKF (Art. 15 GDPR)
- Right of correction for incorrect data stored about you (Art. 16 GDPR)
- Right of deletion of your data, especially if it is no longer required for the purposes for which it was originally collected (Art. 17 GDPR)
- Right to restriction of processing (blocking), especially if the processing of your data is unlawful or if you dispute the accuracy of your data (Art. 18 GDPR)
- **Right to object to the processing of your data, provided the data is being processed only to safeguard the legitimate interests of the Company (Art. 21 GDPR)**
- Right of complaint: For complaints regarding the processing of your personal data, our Data Protection Officer is at your service at the contact information provided. Regardless of the above, you have the right to file a complaint with the relevant data protection authority.

Disclaimer:

This document is a convenience translation of the German original. In case of any discrepancy between the English and the German versions, the German version shall prevail.