JENOPTIK

MORE LIGHT

Interim Financial Report of the Jenoptik Group

(unaudited)

January to June 2022

At a glance – Jenoptik Group

	Jan. – June 2022	Jan. – June 2021	Change in %	April – June 2022	April – June 2021	Change in %
Order intake (in million euros)	608.6	444.9	36.8	298.3	205.3	45.3
Advanced Photonic Solutions	457.9	294.2	55.7	225.2	151.4	48.7
Smart Mobility Solutions	75.4	64.6	16.8	36.6	23.3	56.6
Non-Photonic Portfolio Companies	74.0	85.0	– 13.0	36.0	30.7	17.3
Other[1]	1.3	1.1		0.5	– 0.1	
Revenue (in million euros)	447.2	329.2	35.8	238.7	178.7	33.6
Advanced Photonic Solutions	342.1	222.2	53.9	185.0	121.7	52.1
Smart Mobility Solutions	44.7	42.8	4.4	23.5	23.6	– 0.3
Non-Photonic Portfolio Companies	59.3	63.1	– 6.0	29.6	32.8	– 9.8
Other[1]	1.2	1.1		0.6	0.6	
EBITDA (in million euros)	69.6	66.6	4.4	48.6	50.1	– 3.1
Advanced Photonic Solutions	78.9	69.7	13.2	50.6	47.7	6.2
Smart Mobility Solutions	1.4	3.3	– 59.3	0.7	3.2	– 78.4
Non-Photonic Portfolio Companies	– 1.8	– 0.5	– 238.1	1.5	2.5	– 41.1
Other[1]	– 8.8	– 5.9		– 4.1	– 3.1	
EBITDA margin	15.6%	20.2%		20.4%	28.1%	
Advanced Photonic Solutions[2]	23.0%	31.3%		27.3%	39.1%	
Smart Mobility Solutions[2]	3.0%	7.8%		2.9%	13.4%	
Non-Photonic Portfolio Companies[2]	– 3.0%	– 0.8%		4.9%	7.5%	
EBIT (in million euros)	36.9	42.7	– 13.6	32.2	38.4	– 16.2
EBIT margin	8.3%	13.0%		13.5%	21.5%	
Earnings after tax (in million euros)	25.6	35.6	– 28.2	22.5	32.9	– 31.7
Earnings per share - Group (in euros)[3]	0.41	0.65	– 37.3	0.36	0.58	– 38.2
Free cash flow (in million euros)	12.6	11.7	8.1	15.7	2.4	542.3
Cash conversion rate	18.2%	17.5%		32.4%	4.9%	

	June 30, 2022	Dec. 31, 2021	June 30, 2021
Order backlog (in million euros)	710.5	543.5	414.2
Advanced Photonic Solutions	550.4	430.2	261.2
Smart Mobility Solutions	86.5	54.3	68.8
Non-Photonic Portfolio Companies	73.4	58.9	84.3
Other[1]	0.1	0	0
Frame contracts (in million euros)	135.8	135.1	36.9
Employees (head count and incl. trainees)	4,300	4,205	3,619
Advanced Photonic Solutions	2,845	2,721	2,072
Smart Mobility Solutions	479	491	498
Non-Photonic Portfolio Companies	680	692	758
Other[1]	296	301	291

[1] Other includes Corporate Center (holding, shared services, real estate) and consolidation

[2] Based on the sum of external and internal revenue

[3] Group includes the continuing operations and VINCORION as discontinued operation

Please note that there may be rounding differences in this report compared to the mathematically exact amounts (currency units, percentages).

Summary of Business Performance, January to June 2022

- Order intake remains at high level: From January to June 2022, the order intake in continuing operations (incl. contributions of 92.2 million euros from Jenoptik Medical and the SwissOptic Group, acquired in 2021), increased to 608.6 million euros, 36.8 percent up on the prior-year figure of 444.9 million euros. The order backlog grew to 710.5 million euros (31/12/2021: 543.5 million euros).
See Earnings Position – Page 10

- Revenue sharply up on prior year: Over the reporting period, revenue increased by 35.8 percent on the prior year, to 447.2 million euros (prior year: 329.2 million euros), which was chiefly attributable to the Advanced Photonic Solutions division (incl. contributions from the above-mentioned companies of 73.3 million euros).
See Earnings Position – Page 8

- Improvement in earnings: Thanks to strong operating performance in the Advanced Photonic Solutions division, EBITDA rose by 4.4 percent to 69.6 million euros (prior year: 66.6 million euros, incl. a one-off effect of 18.4 million euros). The EBITDA margin came to 15.6 percent (prior year: 20.2 percent, excl. one-off effect 14.6 percent). In the second quarter, the EBIT margin was 20.4 percent, up on the 10.1 percent in the first quarter.
See Earnings Position – Page 9

- Balance sheet and financing structure still robust: The equity ratio improved to 47.3 percent (31/12/2021: 44.4 percent). At 12.6 million euros, the free cash flow was slightly up on the prior-year figure, despite higher capital expenditure (prior year: 11.7 million euros).
See Financial and Asset Position – from Page 11

- Division highlights

  Advanced Photonic Solutions: Order intake significantly up on prior year, from 294.2 million euros to 457.9 million euros. Sharp rise in revenue of 53.9 percent to 342.1 million euros (prior year: 222.2 million euros). Strong operating performance produced EBITDA growth of 13.2 percent. Jenoptik Medical and the SwissOptic Group included in figures for first half-year 2022.

  Smart Mobility Soutions: Order intake increased to 75.4 million euros (prior year: 64.6 million euros). Order backlog up sharply to 86.5 million euros (31/12/2021: 54.3 million euros). Revenue marginally up, EBITDA down on prior year.

  Non-Photonic Portfolio Companies: Order backlog worth 73.4 million euros up on prior year (31/12/2021: 58.9 million euros). Order intake of 74.0 million euros did not reach high prior-year figure of 85.0 million euros. Revenue and earnings down on prior year.
See Segment Report – from Page 13

- Sale of VINCORION successfully completed as of June 30, 2022.
See Notes – Page 30

- Forecast raised: For the 2022 fiscal year, the Executive Board is now expecting revenue of between 930 and 960 million euros and an EBITDA margin of between 18.0 and 18.5 percent.
See Forecast Report – Page 19

Business and Framework Conditions

Group Structure and Business Activity

Jenoptik is a global photonics group and a supplier of high-quality and innovative capital goods. Its range of products comprises OEM or standard components, modules and subsystems through to complex systems and production lines for numerous sectors, such as the semiconductor equipment, medical technology, automotive and automotive supplier, and mechanical technology industries. The range also includes total solutions and full-service operator models, for example in the traffic sector.

As part of its reorganization, the Group has consolidated its core photonics business in two new divisions, Advanced Photonic Solutions (industrial customer business) and Smart Mobility Solutions (business with public sector contractors). In the first quarter of 2022, the former Light & Optics and parts of the Light & Production divisions were combined into the new Advanced Photonic Solutions division. Non-photonic activities, particularly for the automotive market, are now operated as independent brands (incl. HOMMEL ETAMIC, Prodomax, and INTEROB) within the Jenoptik Group's Non-Photonic Portfolio Companies. The former Light & Safety division became the Smart Mobility Solutions division.

More information on the Group structure and business activity can be found in the 2021 Annual Report, from page 86 on.

Purchases and sales of companies.

Jenoptik successfully completed the sale of VINCORION on June 30, 2022. Approval was granted by the competent authorities and the necessary closing conditions were met. The acquirer of VINCORION is a fund managed by STAR Capital Partnership LLP ("STAR"). STAR is a leading private equity firm investing in medium-sized companies throughout Europe. VINCORION develops, produces, and sells mechatronic products, in particular for the security and defense technology, aviation, and the rail and transport industries.

There were no further company acquisitions or disposals in the first six months of 2022.

Targets and Strategies

With its strategic Agenda 2025 “More Value,” announced in November 2021, Jenoptik is focusing on sustainable profitable growth in the photonics market segments. The transformation into a globally leading, pure photonics group is to be continued and accelerated. Jenoptik is focusing on three attractive core markets: semiconductors & electronics, life science & medical technology, and smart mobility. We expect substantial organic growth from this, to be complemented by acquisitions.

In order to create more value for all our stakeholders with the Agenda 2025, we want to

- accelerate the transformation of Jenoptik into a globally leading, streamlined photonics group,
- focus on attractive core markets,
- drive forward organic and non-organic growth,
- increase profitability,
- strengthen our financial power for further acquisitions.

Jenoptik benefits in particular from the global trends in digitization, health, and mobility, and is increasingly establishing itself as a strategic systems partner for international customers, with whom it works to design forward-looking solutions.

The planned profitable growth will be further supported by efficiency measures, the realization of economies of scale, and increasingly also by the further expansion of the service business.

For more information on the strategic trajectory of the Jenoptik Group, we refer to the 2021 Annual Report and the details given in the “Targets and Strategies” chapter from page 93 on, as well as on the Jenoptik website.

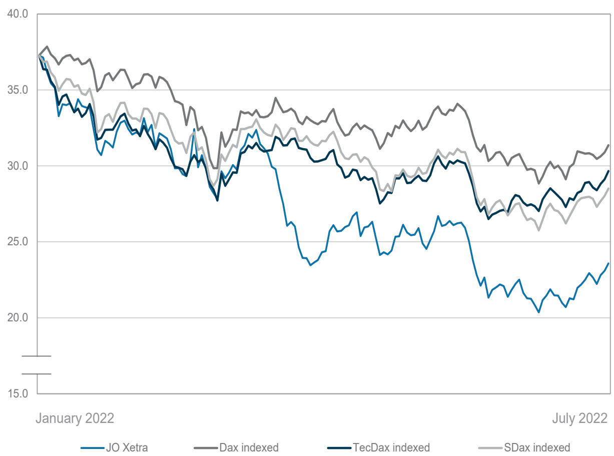
The Jenoptik Share

The stock markets took a downturn in the first half-year 2022, with contributing factors including geopolitical uncertainties, in particular the war in Ukraine, high inflation and rising interest rates, supply chain issues, high energy prices, and the threat of gas supplies being cut off. In the first six months, Germany’s benchmark index, the Dax, fell 20.2 percent to 12,783.77 points. The German technology index (TecDax) stood at 2,885.62 points at the end of June 2022, a year-to-date fall of 26.5 percent. On the last day of trading in the second quarter, the SDax was down 29.0 percent, at 11,881.19 points.

The Jenoptik share also fell sharply in value over the reporting period. After starting the first day of trading in 2022 with a closing price of 37.26 euros, the share slid to 21.28 euros on June 30, 2022, despite the announcement of revenue and earnings growth in the current fiscal year. As of the end of June 2022, Jenoptik’s market capitalization was 1,218.0 million euros.

In July, the share benefited from the slightly more positive development on the capital market, with its price increasing to 23.58 euros on July 29, 2022. This equated to a market capitalization of 1,349.7 million euros.

The company received a number of voting rights notifications in the first six months of 2022. A detailed list of voting rights notifications can be viewed in the Investors/Share section of the Jenoptik website.



Compared to the prior-year period, an average of 171,195 Jenoptik shares changed hands per day on the Xetra, in floor trading, and Tradegate (prior year: 195,587), 12.5 percent fewer than in the prior year. On the TecDax, Jenoptik was in 22nd place (prior year: 26th) in terms of free float market capitalization (89.0 percent) as of June 2022. Among the 70 SDax stocks, the share was 7th (prior year: 20th) in terms of market capitalization (free float).

At the virtual Annual General Meeting on June 15, 2022, the shareholders agreed to pay out a dividend of 0.25 euros per share (prior year: 0.25 euros). The total payout thus remained unchanged at 14.3 million euros. In addition, shareholder representatives were elected to the Supervisory Board. Shareholders also approved all other items on the agenda by a clear majority.

A total of thirteen research companies and banks currently report regularly on Jenoptik. At the time this report was prepared, nine analysts recommended buying the share, while four advised investors to hold their shares. As of the end of July, the average price target across all analysts was 34.93 euros.

Earnings per share

	1/1 to 30/6/2022	1/1 to 30/6/2021
Earnings attributable to shareholders in thousand euros	23,317	37,202
Weighted average number of outstanding shares	57,238,115	57,238,115
Earnings per share in euros	0.41	0.65

Earnings per share are the earnings attributable to shareholders divided by the weighted average number of shares outstanding

Jenoptik key share figures

	1/1 to 30/6/2022	1/1 to 30/6/2021
Closing share price (Xetra) on 30/6 in euros	21.28	23.06
Highest share price (Xetra) in euros	37.26	29.96
Lowest share price (Xetra) in euros	21.28	22.36
Market capitalization (Xetra) on 30/6 in million euros	1,218.0	1,319.9
Average daily trading volume in shares[1]	171,195	195,587

[1] Source: Deutsche Börse

Development of the Economy as a Whole and of the Jenoptik Sectors

A slight recovery in the prior year was followed by increasingly „gloomy developments“ in the current year, the International Monetary Fund (IMF) said at the end of July. Global economic output declined in the second quarter of 2022, mainly due to developments in China and Russia and weak consumption in the US, which is considered to be the main driver of the US economy. According to the IMF report, several shocks had hit the global economy, which was already weakened by the Corona pandemic: higher-than-expected inflation, especially in the US and major European markets; Corona lockdowns in China, which disrupted not only the Chinese economy but global supply chains; and effects of the war in Ukraine, which were more negative than expected, which was reflected also in high energy prices.

Parts of the US economy contracted more sharply than expected in 2022. After growth of 6.9 percent in the final quarter of 2021, gross domestic product (GDP) first fell by 1.6 percent on an annualized basis, and by 0.9 percent from April to June, as reported by the US Department of Commerce. Exports fell by almost 5 percent in the first quarter and caused a record trade deficit. The US Federal Reserve had sharply increased the key interest rate in the first half of the year to counter high inflation.

In China, the government's Zero-Covid-Strategy led to the worst quarterly result in two years. Between April and June 2022, the economy grew by only 0.4 percent year-on-year. Compared to the first quarter, economic output declined by 2.6 percent. A key factor in this was the two-month lockdown in Shanghai, where the closure of the port led to a significant impairment of global supply chains and logistics.

In Germany, the economy became gloomy in the first half of the year. After GDP increased by 0.8 percent in the first quarter compared with the previous quarter, it stagnated in the second quarter. In June and July the business climate index fell to a two-year low, as, in particular, high raw material and energy prices, increased uncertainty and the threat of gas shortages weighed on companies in industry, trade, tourism, service providers and construction. The geopolitical developments also affected the order situation: the high order backlog from the prior year could not be worked off as planned due to material bottlenecks, and industrial orders rose by only 0.1 percent in May. Economists also reported increasing production problems: According to a DIHK survey in July, a quarter of the companies particularly affected by the high energy prices had already cut back production or relocated it abroad. Half of the affected companies were planning to cut back or relocate production, they said.

With diverse areas of application and its status as a key technology, the photonics industry has in recent years shown itself to be considerably more crisis-proof than other industries, as was stated by the Spectaris industry association in April 2022. In Germany, the industry increased its total revenue by around 18 percent, to 47.3 billion euros, in 2021 (prior year: 40.1 billion euros). Domestic business grew by an impressive 15 percent, foreign business by 19 percent. Spectaris sees detrimental impacts arising from the coronavirus pandemic in global supply chain and logistics issues.

The German medical technology industry continues to grow, as reported by Spectaris in June 2022, with revenue up 6.3 percent on the prior year at 36.4 billion euros. This was due to strong foreign business overall, although in the face of lockdowns and travel restrictions business in Asia saw only a relatively weak rise of 2.8 percent. By contrast, exports to the EU and North America rose by a significant 12 percent. In the first quarter of 2022, the German medical technology industry had already posted revenue growth of 3.4 percent, but the war in Ukraine, supply chain disruptions, and rising material, energy, and logistics costs are increasingly impacting on business.

The Semiconductor Industry Association (SIA) reported sustained strong demand in the semiconductor industry and strong revenue gains in all key markets and product categories. For example, global sales in the second quarter of 2022 increased by 13.3 percent year-on-year to 152.5 billion US dollars; this was 0.5 percent more than in the first quarter of 2022. In June 2022, a slight slowdown in monthly sales growth was registered for the first time since early 2021: down 1.9 percent from May, and down 15 percent year over year. Global semiconductor equipment manufacturer revenue grew 44 percent to a new record figure of 102.6 billion US dollars in 2021 (prior year: 71.2 billion US dollars), as stated in the final figures provided by Semiconductor Equipment and Materials International (SEMI) in April 2022. As stated by SEMI, this good performance continued into the first quarter of 2022, with revenue up 5 percent on the prior-year quarter at 24.7 billion US dollars. It also reports efforts to step up local chip production, particularly in North America and Europe, for example with the “CHIPS for America Act” and the “European Chips Act”.

The German electrical and digital industry set a new record in 2021 with revenue of 200.4 billion euros, 9.0 percent more than in 2020, according to the ZVEI industry association. In the first five months of the current year, industry revenue totaled 87.3 billion euros, 10.1 percent more than in the comparable prior-year period. For this same period, order intakes grew 15.6 percent on the prior year, while production was up 2.6 percent.

The German mechanical and plant engineering industry is increasingly feeling the effects of the weakness of the global economy and the disrupted supply chains, according to the VDMA industry association. Orders increased by a total of 2 percent in the first half of the year, but investment restraint is on the rise. In June 2022 alone, demand fell by 9 percent compared to the same month in the last year. In contrast, the German robotics and automation industry benefited from a boom in demand: In the first four months of 2022, new orders rose by around 38 percent year-on-year, according to the VDMA R+A trade association at the end of June 2022.

Strong demand for chips in a wide range of industries and applications already led to a chip shortage in the prior fiscal year, especially in the automotive industry, which continued into 2022. The bottleneck throttled production, slowed deliveries, and caused price increases for new and used vehicles, and was compounded by the impacts of the war in Ukraine, specifically material shortages of key components and electronics manufactured in Ukraine. This led to production restrictions or stops at car manufacturers and their suppliers. The German Association of the Automotive Industry (VDA) delivered a mixed assessment of the first half-year 2022: Value and supply chains were constraining markets and production, especially due to the shortage of semiconductors and uncertainty surrounding the war in Ukraine. With the exception of China and India, new registrations in all major auto markets saw double-digit declines.

No important new reports were published for other sectors relevant to Jenoptik. We therefore refer to pages 110ff. of the 2021 Annual Report.

Earnings, Financial and Asset Position

The tables in the Interim Report, which show a breakdown of the key indicators by segment, include the Corporate Center (holding company, shared services, real estate) and consolidation effects under "Other". Jenoptik operates in the following reportable segments: the Advanced Photonic Solutions division, the Smart Mobility Solutions division, and the Non-Photonic Portfolio Companies.

Unless otherwise specified, the following shows the figures for continuing operations (the Advanced Photonic Solutions and Smart Mobility Solutions divisions and the Non-Photonic Portfolio Companies). VINCORION is also included in the disclosures for the Group as a whole. Following signing of the contract to sell VINCORION in November 2021, this division is now shown as a discontinued operation in accordance with IFRS 5. The sale process was completed with closing on June 30, 2022.

Even given the challenges of the Russia-Ukraine conflict, the ongoing Covid-19 pandemic, rising prices, and supply bottlenecks, Jenoptik is confident that it still has, in large part, a crisis-resistant business model and is in a good financial and balance sheet position.

Earnings Position

Jenoptik posted very good order intake and revenue figures in the first six months of 2022, particularly in the Advanced Photonic Solutions division.

Revenue in continuing operations increased to 447.2 million euros in the first half-year 2022 (prior year: 329.2 million euros), a significant rise of 35.8 percent on the prior year.

In the Advanced Photonic Solutions division, strong revenue growth was particularly facilitated by sustained strong demand in semiconductor equipment business and good growth in the Biophotonics and Industrial Solutions areas. The two companies acquired in late 2021, Jenoptik Medical (formerly BG Medical Applications) and the SwissOptic Group, also contributed to growth. In the first six months of 2022, the Smart Mobility Solutions division also posted higher revenue, while revenue in the Non-Photonic Portfolio Companies was down on the prior year. On a quarterly basis, revenue improved from 208.5 million euros in the first quarter of 2022 to 238.7 million euros in the second quarter.

In the period from January to June 2022, Jenoptik saw revenue growth in all regions. Both organic growth and the companies acquired in 2021 contributed to the strong increase in revenue seen in Europe (incl. Germany), from 168.5 million euros to 238.8 million euros, and in the Americas, from 82.5 million euros to 110.7 million euros. Revenue in Asia/Pacific also grew. Combined revenue for the key strategic regions of the Americas and Asia/Pacific came to 192.2 million euros, or 43.0 percent of total revenue (prior year: 150.6 million euros or 45.8 percent). At 75.9 percent, the share of revenue generated abroad was down on the prior-year figure of 80.3 percent.

The cost of sales rose to 301.1 million euros (prior year: 218.3 million euros), and thus at a slightly stronger rate than revenue. This was primarily the result of increased material and personnel costs, in part due to price increases and the 2021 acquisitions. At 146.1 million euros, gross profit was, however, up on the prior-year figure of 110.9 million euros. The gross margin came to 32.7 percent (prior year: 33.7 percent).

Revenue

in million euros	1/1 to 30/6/2022	1/1 to 30/6/2021	Change in %
Total	**447.2**	**329.2**	**35.8**
Advanced Photonic Solutions	342.1	222.2	53.9
Smart Mobility Solutions	44.7	42.8	4.4
Non-Photonic Portfolio Companies	59.3	63.1	– 6.0
Other	1.2	1.1	

R+D Output

in million euros	1/1 to 30/6/2022	1/1 to 30/6/2021	Change in %
R+D output	**41.5**	**31.1**	**33.4**
R+D expenses	25.4	19.3	31.7
Capitalized development costs	1.8	2.2	– 17.7
Developments on behalf of customers	14.3	9.6	48.6

Over the first six months of the year, research and development expenses increased to 25.4 million euros (prior year: 19.3 million euros), also reflecting impacts from the acquisition of the above-mentioned companies. Development expenses on behalf of customers posted in cost of sales increased to 14.3 million euros (prior year: 9.6 million euros), in particular due to customer projects in the Advanced Photonic Solutions division. The continuing operations' R+D output came to 41.5 million euros, an increase on the prior-year figure of 31.1 million euros, equating to a share in revenue generated by continuing operations of 9.3 percent (prior year: 9.5 percent).

Selling expenses in the reporting period amounted to 53.0 million euros (prior year: 43.3 million euros). This increase is mainly due to the acquisition of Jenoptik Medical and the SwissOptic Group, as well as higher amortization in connection with PPA impacts, in particular on customer relationships. At 11.9 percent, the selling expenses ratio was down on the prior year level of 13.2 percent.

Administrative expenses increased to 32.3 million euros (prior year: 26.7 million euros), this rise was also mainly due to the companies acquired in the prior year. The administrative expenses ratio fell to 7.2 percent (prior year: 8.1 percent).

Impairment gains and losses in connection with the measurement of trade receivables and contract assets amounted to 0.8 million euros (prior year: minus 1.3 million euros).

Other operating income fell sharply compared to the prior-year period, from 26.3 million euros to 8.1 million euros. The prior year had included a positive one-off effect of 18.4 million euros in connection with the measurement of the conditional purchase price components arising from the acquisitions of TRIOPTICS and INTEROB. Higher currency gains, by contrast, had a positive impact. Higher currency losses, in particular, were behind the increase in other operating expenses; the prior-year period had included reversals of provisions for restructuring measures. Together, other operating income and expenses came to 0.8 million euros (prior year: 22.4 million euros), currency gains and losses to 0.8 million euros (prior year: 0 million euros).

Thanks to strong operating performance in the Advanced Photonic Solutions division, EBITDA grew to 69.6 million euros in the first six months of 2022 (incl. PPA impacts of minus 1.3 million euros), and was thus 4.4 percent up on the prior-year figure of 66.6 million euros (incl. PPA impacts of minus 1.8 million euros). In the prior year, this item included the above-mentioned positive one-off effect of 18.4 million euros in connection with the 2020 acquisitions; without this one-off effect, EBITDA would have come to 48.2 million euros. The EBITDA margin in the first half-year 2022 fell to 15.6 percent (prior year: 20.2 percent; excl. the above-mentioned one-off effect 14.6 percent). In the second quarter of 2022, the continuing operations achieved an EBITDA margin of 20.4 percent (prior year: 28.1 percent), up on the 10.1 percent in the first quarter of 2022.

Income from operations (EBIT) of 36.9 million euros in the first six months of 2022 (incl. PPA impacts of minus 14.4 million euros) was down on the prior-year figure of 42.7 million euros (incl. PPA impacts of minus 8.9 million euros). The above-mentioned one-off effect is also included in the prior-year EBIT item. The EBIT margin for continuing operations came to 8.3 percent (prior year: 13.0 percent).

EBITDA

in million euros	1/1 to 30/6/2022	1/1 to 30/6/2021	Change in %
Total	69.6	66.6	4.4
Advanced Photonic Solutions	78.9	69.7	13.2
Smart Mobility Solutions	1.4	3.3	– 59.3
Non-Photonic Portfolio Companies	– 1.8	– 0.5	– 238.1
Other	– 8.8	– 5.9	

EBIT

in million euros	1/1 to 30/6/2022	1/1 to 30/6/2021	Change in %
Total	36.9	42.7	– 13.6
Advanced Photonic Solutions	56.4	57.3	– 1.6
Smart Mobility Solutions	– 1.3	0	n/a
Non-Photonic Portfolio Companies	– 6.5	– 5.6	– 14.8
Other	– 11.7	– 8.9	

Financial income and expenses were up on the prior-year figure in the first half-year 2022. The rise in financial income was particularly due to higher currency gains, which grew more strongly than currency losses. Over the reporting period, the financial result thus improved to minus 1.6 million euros, despite higher interest expenses (prior year: minus 3.0 million euros).

Continuing operations achieved lower earnings before tax of 35.3 million euros (prior year: 39.7 million euros), again reflecting the above-mentioned one-off effect in the prior year. Income taxes amounted to 9.7 million euros (prior year: 4.1 million euros). The overall tax rate for continuing operations increased to 27.6 percent (prior year: 10.3 percent), due both to changes in regional profit distribution as of the reporting date and, in particular, the deferred tax expense arising from utilization of the JENOPTIK AG tax loss carryforward (prior year: deferred tax income). The cash-effective tax rate was 16.2 percent (prior year: 12.7 percent). Earnings after tax for continuing operations came to 25.6 million euros (prior year: 35.6 million euros).

Discontinued operation

In the first half-year 2022, revenue in the discontinued operation (VINCORION) came to 47.9 million euros (prior year: 60.0 million euros). EBITDA amounted to 0.5 million euros (prior year: 6.3 million euros). Earnings after tax amounted to minus 2.3 million euros (prior year: 2.1 million euros) and include the result from the sale of the discontinued operation.

Group earnings after tax (incl. VINCORION) fell to 23.3 million euros (prior year: 37.7 million euros). Group earnings per share came to 0.41 euros (prior year: 0.65 euros).

Order situation

The first half-year 2022 saw a strong order intake, which over the reporting period grew 36.8 percent – both organically and non-organically, thanks to new orders of the companies acquired in 2021 – to 608.6 million euros (prior year: 444.9 million euros). In the Advanced Photonic Solutions division, the Semiconductor Equipment, Biophotonics, and Industrial Solutions areas were the main contributors to the increase. The Smart Mobility Solutions divisions also improved its order intake, which is strongly influenced by projects and thus subject to fluctuations, compared to the prior-year period. In the Non-Photonic Portfolio Companies, the order intake did not reach the level of the prior year, which had included a larger order in the Automation area. Overall, the significant rise in the continuing operations' order intake produced a book-to-bill ratio of 1.36 (prior year: 1.35).

The order backlog climbed 30.7 percent to 710.5 million euros (31/12/2021: 543.5 million euros). Of this order backlog, 449.3 million euros or 63.2 percent (prior year: 314.1 million euros or 75.8 percent) are due to be converted to revenue in the present fiscal year.

As of June 30, 2022, there were also frame contracts worth 135.8 million euros (31/12/2021: 135.1 million euros). Frame contracts are contracts or framework agreements where the exact sum, in particular regarding the time of occurrence, cannot yet be specified precisely.

Order situation

in million euros	1/1 to 30/6/2022	1/1 to 30/6/2021	Change in %
Order intake	608.6	444.9	36.8
	30/6/2022	31/12/2021	Change in %
Order backlog	710.5	543.5	30.7
Frame contracts	135.8	135.1	0.5

Employees (head count and incl. trainees)

	30/6/2022	31/12/2021	Change in %
Total	4,300	4,205	2.3
Advanced Photonic Solutions	2,845	2,721	4.6
Smart Mobility Solutions	479	491	– 2.4
Non-Photonic Portfolio Companies	680	692	– 1.7
Other	296	301	– 1.7

The number of Jenoptik employees in continuing operations rose 2.3 percent or by 95 persons as of June 30, 2022, to 4,300 (31/12/2021: 4,205 employees). The number of employees in the Advanced Photonic Solutions division rose due to an increase in staff in the Semiconductor Equipment and Biophotonics areas. At the end of June 2022, 1,570 people were employed at the foreign locations (31/12/2021: 1,525 employees).

The continuing operations had 138 trainees as of June 30, 2022 (31/12/2021: 152 trainees).

Detailed information on the development of the divisions can be found in the Segment Report from page 13 on.

Financial and Asset Position

The Group continues to ensure healthy balance sheet ratios and an ample supply of liquidity, and is thus in a good financial and balance sheet position.

At the end of the first half-year 2022, the debt-to-equity ratio, that of borrowings to equity, came to 1.11, down on the figure of 1.25 at the end of 2021.

Compared to the end of December 2021, net debt fell to 511.0 million euros (31/12/2021: 541.4 million euros). The Group therefore still has sufficient financial leeway to ensure the company's scheduled strategic growth. As of June 30, 2022, the Group also had unused lines of credit worth over 260 million euros.

Over the reporting period, continuing operations invested 42.1 million euros in intangible assets and property, plant, and equipment as well as investment property (prior year: 16.8 million euros). At 37.1 million euros, the largest share of capital expenditure was spent on property, plant, and equipment (prior year: 12.3 million euros), in part on new technical equipment and an expansion in production capacities, in particular for the semiconductor equipment industry, and to the purchase of the site in Dresden and the new site for Jenoptik Medical in Berlin. Capital expenditure for intangible assets of 5.0 million euros was just slightly up on the prior-year figure of 4.5 million euros. Investment was mainly attributable to costs in connection with setting up and launching a new IT system (SAP S/4 HANA) and the development costs from internal projects to be capitalized. Scheduled depreciation and amortization increased to 32.7 million euros (prior year: 23.9 million euros), in particular due to the acquisitions in the 2021 fiscal year, incl. impacts arising from the purchase price allocation (PPA impacts) for the companies acquired in 2021.

In the reporting period, lower negative impacts arising from the increase in working capital and significantly improved earnings before non-cash impacts were offset by negative impacts arising from the change in other assets and liabilities and higher payments for income tax. The Group's cash flows from operating activities (incl. VINCORION) improved to 41.3 million euros as of June 30, 2022 (prior year: 26.0 million euros).

At the end of June 2022, cash flows from investing activities for the Group (incl. VINCORION) came to 25.2 million euros (prior year: minus 19.3 million euros). Over the reporting period, this item was particularly affected by proceeds arising from the provisional purchase price for VINCORION and higher capital expenditure for intangible assets and property, plant, and equipment.

Despite higher cash flows from operating activities before taxes, the Group's free cash flow fell to 11.0 million euros in the period covered by the report (prior year: 11.6 million euros) due to the significant overall increase in outflows from investing activities. The free cash flow in continuing operations rose to 12.6 million euros (prior year: 11.7 million euros). The free cash flow is calculated on the basis of the cash flow from operating activities before taxes less proceeds from and capital expenditure for intangible assets and property, plant and equipment. In the first six months of 2022, the cash conversion rate came to 18.2 percent (prior year: 17.5 percent).

Cash flows from financing activities of the Group (incl. VINCORION) fell to minus 23.5 million euros in the period covered by the report (prior year: minus 21.5 million euros), and were particularly influenced by proceeds from the take-up of loans (in the prior year, especially from the issue of the debenture bonds placed in March 2021), repayment of the existing tranche of the debenture bond placed in 2015, and payment of the dividend to shareholders of JENOPTIK AG.

At 1,728.3 million euros as of June 30, 2022, the total assets of the Jenoptik Group were slightly down on the 2021 year-end figure of 1,757.0 million euros.

Non-current assets increased on the year-end figure for 2021, in particular due to the rise in property, plant and equipment, and were worth 1,141.4 million euros (31/12/2021: 1,110.8 million euros). Intangible assets and other non-current assets also grew, while deferred taxes fell.

Current assets declined from 646.3 million euros at the end of 2021 to 587.0 million euros as of the end of June 2022. This was due to the closing of the VINCORION sale process and the associated disposal of the assets held for sale (31/12/2021: 156.8 million euros), but was in part offset by the increase in cash and cash equivalents as a result of the sale process. Inventories increased to 241.4 million euros (31/12/2021: 200.2 million euros). Payments in advance were made for future revenue, critical stocks were built up, and the availability of primary products was secured.

As of June 30, 2022, the working capital rose compared to year-end 2021, to 281.0 million euros (31/12/2021: 260.6 million euros / 30/6/2021: 200.9 million euros excl. VINCORION). The working capital ratio, that of working capital to revenue based on the last twelve months, was 32.3 percent and thus below the 2021 year-end figure but up on the figure for the prior-year period (31/12/2021: 34.7 percent / 30/6/2021: 29.4 percent excl. VINCORION). The reason for this is the first-time consolidation: Jenoptik Medical and the SwissOptic Group have been included here on a pro rata basis with regard to revenue since December 2021 but in full in the balance sheet items and thus in working capital.

As of June 30, 2022, equity of 818.2 million euros was above the level as at year-end 2021 (31/12/2021: 780.7 million euros), with positive impacts particularly arising from currency effects, actuarial impacts, and the net profit for the period. The equity ratio increased to 47.3 percent, compared with 44.4 percent at the end of December 2021.

Non-current liabilities also rose to 552.1 million euros (31/12/2021: 503.1 million euros), this item's development in the first six months of 2022 being mainly influenced by an increase in non-current financial debt to 501.5 million euros (31/12/2021: 448.7 million euros) as a result of borrowings and a decline in pension provisions. Due to higher interest rates, pension provisions decreased to 5.1 million euros (31/12/2021: 9.4 million euros).

Current liabilities reduced to 358.0 million euros (31/12/2021: 473.3 million euros), in particular due to the disposal of liabilities held for sale following closing of the sale of VINCORION (31/12/2021: 93.6 million euros). In addition, the last tranche of the debenture bonds issued in 2015 was repaid, producing a reduction of current financial debt. By contrast, contract liabilities increased due to consideration paid by or due from customers arising from project business, especially in the Advanced Photonic Solutions division. The increase in the other current non-financial liabilities item is chiefly due to the accrual of vacation entitlements throughout the year and Christmas bonuses.

Following the deconsolidation of VINCORION, there were changes to assets and liabilities not included on the balance sheet with regard to contingent liabilities. For further information, we refer to the details in the Notes to the Interim Report on page 34 and, for other assets and liabilities not included on the balance sheet, to the details on page 128 of the 2021 Annual Report.

Segment Report

The two divisions, Advanced Photonic Solutions and Smart Mobility Solutions, together with the Non-Photonic Portfolio Companies, represent the segments as defined in IFRS 8. Information on the new segment structure can be found in the chapter Business and Framework Conditions on page 4. The prior year's figures in the Segment Report have been adjusted to the new structure of the Jenoptik Group.

The revenue, order intake, and order backlog figures provided in the Segment Report concern business with external parties only.

Advanced Photonic Solutions

On the closing date of November 30, 2021, Jenoptik successfully completed the acquisition of Jenoptik Medical (formerly BG Medical Applications) and the SwissOptic Group, and integrated them into the Advanced Photonic Solutions division. The companies were not included in the financial statements until the closing date and are thus not shown in the prior-year figures such as revenue, earnings, and order intake for the first six months.

In the first half-year 2022, the Advanced Photonic Solutions divisions generated revenue of 342.1 million euros, a significant 53.9 percent above the prior-year figure of 222.2 million euros. All areas contributed to this growth. Business with the semiconductor equipment industry continued to grow in the first six months of 2022. The Biophotonics and Industrial Solutions areas also generated considerably higher revenue than in the comparable period in the prior year. The companies acquired in 2021 contributed 73.3 million euros to the increase, bringing the division's organic revenue growth to 21.1 percent. In the second quarter, the division generated revenue of 185.0 million euros (prior year: 121.7 million euros), an increase of 52.1 percent.

Advanced Photonic Solutions at a glance

in million euros	30/6/2022	30/6/2021	Change in %
Revenue	342.1	222.2	53.9
EBITDA	78.9	69.7	13.2
EBITDA margin in %[1]	23.0	31.3	
EBIT	56.4	57.3	− 1.6
EBIT margin in %[1]	16.4	25.7	
Capital expenditure	32.2	10.0	223.6
Free cash flow	34.5	34.9	− 1.1
Cash conversion rate in %	43.8	50.1	
Order intake	457.9	294.2	55.7
Order backlog[2]	550.4	430.2	27.9
Frame contracts[2]	109.4	107.4	1.9
Employees[2]	2,845	2,721	4.6

[1] Based on the sum of external and internal revenue
[2] Prior-year figures refer to December 31, 2021

Revenue increased in all regions. The greatest growth was seen in Europe (incl. Germany), where revenue increased, in part thanks to the contributions made by the acquired companies, from 109.5 million euros to 189.2 million euros. In the first six months of 2022, the Advanced Photonic Solutions division contributed a total of 76.5 percent of the continuing operations' revenue (prior year: 67.5 percent).

At 78.9 million euros (incl. PPA impacts of minus 1.3 million euros), EBITDA saw a noticeable year-on-year increase of 13.2 percent to 69.7 million euros (incl. PPA impacts of minus 1.8 million euros). Very good operating performance was chiefly responsible for this growth, especially in the Semiconductor Equipment, Biophotonics, and Optical Test & Measurement areas. The prior-year earnings had included a one-off effect of 18.4 million euros in connection with the conditional purchase price components arising from the acquisitions of TRIOPTICS and INTEROB. The division's EBITDA margin came to 23.0 percent and was thus down on the prior-year figure of 31.3 percent (prior year: 23.1 percent excl. the above-mentioned one-off effect). In the second quarter, EBITDA amounted to 50.6 million euros, following 28.3 million euros in the first quarter, bringing the EBITDA margin to 27.3 percent (Q1/2022: 18.0 percent).

EBIT fell to 56.4 million euros (incl. PPA impacts of minus 11.8 million euros) (prior year: 57.3 million euros, incl. the above-mentioned one-off effect worth 18.4 million euros and PPA impacts of minus 6.0 million euros).

Demand for products made by the Advanced Photonic Solutions division remained at a consistently high level in the first half-year 2022. The division posted a significant 55.7-percent increase in the value of its order intake, to 457.9 million euros (prior year: 294.2 million euros). Growth was seen in all areas – particularly from the semiconductor equipment industry and in the Biophotonics and Industrial Solutions areas. The order intake includes new orders from Jenoptik Medical and the SwissOptic Group worth 92.2 million euros. Set against revenue, this resulted in the book-to-bill ratio improving from 1.32 in the prior year to 1.34 over the reporting period.

Thanks to the strong order intake, the order backlog worth 550.4 million euros at the end of June 2022 was well above the level at year-end 2021 (31/12/2021: 430.2 million euros).

Compared to the prior-year period, capital expenditure in the Advanced Photonic Solutions division, e.g., for machinery, increased strongly to 32.2 million euros in the first half-year 2022 (prior year: 10.0 million euros). As a result of rising demand for optics and sensors for the semiconductor industry, Jenoptik is expanding its manufacturing capacities and plans to invest in a state-of-the-art production building and a new office complex in Dresden. For this purpose, the Group has acquired a 24,000-squaremeter plot of land at the Airportpark Dresden industrial park in 2021. Construction is due to commence in the second half of 2022, with production at the new factory to begin in early 2025.

In the light of very good business performance, the free cash flow (before interest and taxes) of 34.5 million euros was practically unchanged on the prior year (prior year: 34.9 million euros), despite the significant increase in capital expenditure. The increase in EBITDA combined with a slight decrease in free cash flow due to higher capital expenditure also led to a reduction in the cash conversion rate to 43.8 percent (prior year: 50.1 percent).

Smart Mobility Solutions at a glance

in million euros	30/6/2022	30/6/2021	Change in %
Revenue	44.7	42.8	4.4
EBITDA	1.4	3.3	– 59.3
EBITDA margin in %[1]	3.0	7.8	
EBIT	– 1.3	0	n/a
EBIT margin in %[1]	– 2.8	0.1	
Capital expenditure	3.0	2.8	5.2
Free cash flow	– 0.5	– 8.3	94.3
Cash conversion rate in %	< 0	< 0	
Order intake	75.4	64.6	16.8
Order backlog[2]	86.5	54.3	59.3
Frame contracts[2]	26.3	27.7	– 5.1
Employees[2]	479	491	– 2.4

[1] Based on the sum of external and internal revenue

[2] Prior-year figures refer to December 31, 2021

Smart Mobility Solutions

IIn the first six months of 2022, the Smart Mobility Solutions division generated revenue of 44.7 million euros, 4.4 percent more than in the prior-year period (prior year: 42.8 million euros). More revenue was generated in Europe (incl. Germany). The division's share of continuing operations' revenue came to 10.0 percent (prior year: 13.0 percent).

Even though the division was able to post a slight increase in revenue, EBITDA of 1.4 million euros over the reporting period was down on the prior year's 3.3 million euros, in part due to higher expenses for research and development. The EBITDA margin was 3.0 percent, compared with 7.8 percent in the first six months of the prior year.

The division's order intake is subject to typical fluctuations in project business, and at 75.4 million euros in the first half-year 2022 was actually up on the high prior-year figure of 64.6 million euros. The division secured larger orders in North America, Europe, and the Middle East/Africa region in the first half-year 2022. In spring 2021, the Smart Mobility Solutions division had received several orders for traffic safety technology in North America, in total worth around 20 million euros. In the reporting period, the book-to-bill ratio increased to 1.69 (prior year: 1.51).

The division's order backlog grew by a significant 59.3 percent to 86.5 million euros (31/12/2021: 54.3 million euros).

Due to positive working capital impacts in the current year, as against high outflows in the prior year, the division was able to improve its free cash flow (before interest and taxes) in the first half-year 2022 from minus 8.3 million euros in the prior year to minus 0.5 million euros.

Non-Photonic Portfolio Companies

The impacts of the coronavirus pandemic, supply bottlenecks, and structural issues are still being felt in the automotive industry.

In the period from January to June 2022, the Non-Photonic Portfolio Companies generated 59.3 million euros of revenue, compared with 63.1 million euros in the prior year; which still included the revenue contributions from the non-optical process metrology business for grinding machines. The Automation area saw strong growth in North America, resulting in an appreciable revenue increase in this region. The division's share of continuing operations' revenue fell to 13.3 percent (prior year: 19.2 percent).

Over the reporting period, the division's EBITDA came to minus 1.8 million euros (prior year: minus 0.5 million euros). The EBITDA margin fell from minus 0.8 percent in the prior-year period to minus 3.0 percent in the first six months of 2022. In the second quarter of 2022, the Non-Photonic Portfolio Companies achieved an improvement to 1.5 million euros compared to minus 3.3 million euros in the first quarter.

EBIT came to minus 6.5 million euros (incl. PPA impacts of minus 2.5 million euros) (prior year: minus 5.6 million euros (incl. PPA impacts of minus 2.7 million euros)).

Despite an improved order intake in the Metrology area, the Non-Photonic Portfolio Companies' order intake was down on the high prior-year figure in the first half-year 2022, at 74.0 million euros (prior year: 85.0 million euros), a drop of 13.0 percent. In the prior-year period, the division received several orders for its Automation business in North America, worth a total of over 40 million US dollars. Over the reporting period, the book-to-bill ratio of 1.25 was below the prior-year figure of 1.35.

The division has a considerable order backlog, which at 73.4 million euros at the end of the reporting period was significantly up on the figure at year-end 2021 and will be worked off in the coming months (31/12/2021: 58.9 million euros).

Impact from the change in working capital in conjunction with the commencement of work on projects led to an increase in the free cash flow (before interest and taxes) to 6.9 million euros (prior year: minus 1.3 million euros).

Non-Photonic Portfolio Companies at a glance

in million euros	30/6/2022	30/6/2021	Change in %
Revenue	59.3	63.1	– 6.0
EBITDA	– 1.8	– 0.5	– 238.1
EBITDA margin in %[1]	– 3.0	– 0.8	
EBIT	– 6.5	– 5.6	– 14.8
EBIT margin in %[1]	– 10.9	– 8.9	
Capital expenditure	0.8	0.9	– 7.2
Free cash flow	6.9	– 1.3	n/a
Cash conversion rate in %	< 0	< 0	
Order intake	74.0	85.0	– 13.0
Order backlog[2]	73.4	58.9	24.5
Employees[2]	680	692	– 1.7

[1] Based on the sum of external and internal revenue
[2] Prior-year figures refer to December 31, 2021

Opportunity and Risk Report

Within the framework of the reporting on risk and opportunity management, we refer to the details on pages 141ff. of the 2021 Annual Report published in March 2022, and to the Quarterly Statement on the first quarter of 2022.

The ongoing global spread of Covid-19 infections and the potential resulting action to contain the pandemic may continue to have an impact on Jenoptik's business success. Of particular note in this regard is the Chinese government's Zero-Covid strategy, which is having a significant impact on international supply chains and also travel.

The war in Ukraine and associated sanctions, as already outlined in the report on the first quarter, are impacting on energy prices, which also affects our business activities. Securing a supply of energy in Germany and other parts of Europe also represents a risk to Jenoptik. A potential shortage of gas would have an effect on maintaining the operating infrastructure, as well as the availability of primary products needed to maintain steady production activities and work off order backlog. Jenoptik set up a "Gas Task Force" in April, with those responsible for infrastructure, purchasing, production, and risk management jointly monitoring developments and both identifying and implementing measures. As it is currently not known how the German Federal Network Agency will proceed as a "federal load distributor" at the "emergency level," it is still very difficult to estimate the impacts in the supply chain. Steps that Jenoptik is taking therefore include, for example, checking and increasing critical stocks, checking and implementing energy savings, and also maintaining critical production infrastructure through energy substitution. Downstream, this risk also increases efficiency risks or the risk that emission targets will not be met.

Furthermore, criminal attempts to access our global IT infrastructure have increased significantly during 2022, which has increased the risks relating to the continued secure operation of our IT infrastructure.

All parts of our business remain exposed to risks in the supply chain, in particular regarding ongoing supply and cost developments. Availability risks have their origins in the pandemic, but remain due to ongoing stress factors, e.g., Zero-Covid or transport capacities. Our Purchasing department has taken steps to ensure the availability of primary products and to minimize supply risks.

The risks arising from current inflation trends arise from the pandemic (increase in logistics costs), as well as from structural issues such as the shortage of skilled workers, geopolitical tensions, and the associated development of energy costs, which cannot be influenced in the short term. Jenoptik is actively countering inflation risks through steps taken in both purchasing and sales. We are also countering the impacts of the measures introduced by the European Central Bank, such as interest rate risks, through active risk mitigation. There were no other major changes in the risks and opportunities described in the Annual Report and Quarterly Statement during the course of the second quarter of 2022.

At present, no risks have been identified that, either individually or in combination with other risks, could jeopardize the continued existence of the company.

Forecast Report

Outlook for the Economy as a Whole and the Jenoptik Sectors

According to the International Monetary Fund (IMF), the outlook for the global economy is significantly worse than expected still in April 2022. Not least because of the war in Ukraine and persistently high inflation, the global economy will grow more slowly, by 3.2 percent year-on-year, 0.4 percentage points less than assumed in April. According to the IMF, the risks predominate: the Ukraine war could lead to a sudden halt in gas imports from Russia, inflation may be harder to fight than anticipated, and tighter monetary policy in response to high inflation could lead to debt crises in emerging and developing countries. In China, an escalation of the real estate crisis would further slow down growth. Other risk factors for the global economy would be renewed corona outbreaks, associated lockdowns and bottlenecks in supply chains. The IMF expects inflation to return to near pre-Corona pandemic levels by the end of 2024. In 2022, it will remain persistently high: In the industrialized countries, the inflation rate will be 6.6 percent, in emerging and developing countries 9.5 percent.

The Ukraine war and sanctions against Russia are causing prices for energy, raw materials and food to rise, which ultimately burdens companies and consumers and slows down the economy – especially in the EU, the euro zone and Germany. Economists see a considerable cost and supply risk here in the coming months and expect a severe recession in Germany in the winter if there are no Russian gas supplies. There would then be a threat of rationing of gas supplies and thus production stoppages in industry.

Growth forecast of gross domestic product

in %	2022 (forecast July)	2022 (forecast April)	2023
World	3.2	3.6	2.9
USA	2.3	3.7	1.0
Euro zone	2.6	2.8	1.2
Germany	1.2	2.1	0.8
China	3.3	4.4	4.6
Emerging economies	3.6	3.8	3.9

Source: International Monetary Fund, World Economic Outlook, July and April 2022

Photonics is an essential key technology for the commercialization of quantum systems, reports the Spectaris industry association in a study conducted with Messe München. As stated there, overall revenue growth of 20 percent p.a. is expected by 2030 for the quantum technology sector alone; the global market for quantum systems is due to grow sixfold by 2030 and achieve a value of 2.33 billion euros p.a. According to the study, manufacturers of basic photonic technologies for quantum systems will generate additional revenue of 530 million euros in that period. The photonic application segments in China are expected to see particularly dynamic growth. As Spectaris reported in April 2022, annual growth in China is expected to be 6.5 percent and reach 150 billion euros in 2027. The study identified the following key trends: rapid digitization, the expansion of autonomous mobility to include new applications such as delivery robots, increasing demand for decentralized solutions for medical diagnostics and environmental sensor technology, and the pursuit of autonomy in key areas such as optical communications or semiconductor technology.

After a moderate start to 2022 in the German medical technology industry, Spectaris anticipates revenue growth to be significantly lower than the 6.3 percent in the prior year. The industry is facing enormous challenges; in addition to the uncertainties caused by the war in Ukraine and a generally difficult environment, these include serious supply bottlenecks for important components, energy supplies for production, and increasing approval complexity and bureaucracy in connection with the new EU Medical Devices Regulation, which could lead to a reduction in the range of medical technology products. This contrasts with positive trends such as the aging population worldwide, the increasing importance of healthcare, technological advances and digitization, and investments in healthcare systems in emerging markets. Consulting firm Frost & Sullivan forecasts growth in the global medical technology market at an average annual rate of 6.3 percent through 2025.

According to industry experts, the semiconductor industry is seeing sustained strong – and growing – demand: Despite the difficult overall economic environment, research company IC Insights expects the global semiconductor market to grow 11 percent in 2022 and achieve record revenue of 680.7 billion dollars. Chip manufacturer Intel estimates that the global semiconductor shortage will not abate until 2024. While chip manufacturers have announced plans for more than 29 factories worldwide, it still takes a few years to get a fab up and running. Investments in chip manufacturing have been announced in Magdeburg, Germany, and in France, for example. In its "Mid-Year Total Semiconductor Equipment Forecast," the Semiconductor Equipment and Materials International (SEMI) association forecasts another record year for the semiconductor equipment industry: Revenue is expected to grow 14.7 percent, from 102.5 billion US dollars in the prior year, to 117.5 billion US dollars in 2022, and even further to 120.8 billion US dollars in 2023. According to industry analysts, Dutch semiconductor equipment supplier ASML faces severe revenue losses if the export ban on lithography equipment to China demanded by the US is enforced.

According to the German Electrical and Electronic Manufacturers' Association (ZVEI), the German electrical and digital industry will see production growth of 4 percent in 2022. Capacity utilization in the industry was very high, 88.5 percent, at the beginning of the first quarter 2022; the order range of 4.8 production months is a historical high. On the other hand, many industry companies are having to contend with shortages of materials and skilled workers.

For the German mechanical and plant engineering industry, the German Mechanical Engineering Industry Association (VDMA) is still expecting a slight recovery, provided there is no sudden interruption of energy supplies. The war in Ukraine and supply chain issues, particularly due to lockdowns in China, are weighing on companies in the sector, which is why the VDMA has reduced its production forecast from 4 percent to 1 percent. Based on the high order backlog, real production growth is still expected for 2022, as well as revenue growth of 8 percent to a peak of 239 billion euros.

The VDMA's R+A sector group is expecting revenue growth of 6 percent to 14.4 billion euros for the German robotics and automation industry in 2022. The robotics and industrial image processing segments are each forecast to grow by 8 percent. Industry experts anticipate increasing use of robotics and automation to achieve climate and environmental protection targets and ensure sustainable operations in the future, for example with assistance systems or human-robot collaboration. They also see digital networking, state-of-the-art automated guided vehicles (AGVs), and autonomous mobile robots (AMRs) as having the potential to reform factories.

Based on significantly worsened conditions for the automotive industry, the German Association of the Automotive Industry (VDA) scaled back its market forecasts for 2022. Globally, the VDA expects a sales volume of 70.2 million units, which would be 1 percent less than in the prior year and 13 percent less than in the pre-Covid year 2019. The sector is contending with supply bottlenecks and material shortages, particularly for semiconductors, rising prices, and regionally exacerbated additional shortages in the value chain, for example due to the war in Ukraine.

No new major forecasts have been issued for the other sectors. We therefore refer to pages 153ff. of the 2021 Annual Report.

Future Development of Business

The Jenoptik Group remains committed to pursuing its goal of securing profitable growth in the medium and long term. This will be aided by an expansion of the international business and the resultant economies of scale, higher margins from an optimized product mix, increasing service business, and improved cost discipline. A good asset position and a viable financing structure still give Jenoptik sufficient room for maneuver to finance both organic and, through potential acquisitions, non-organic growth.

Jenoptik is a diversified company and also has a well-balanced portfolio of products and services that ensure stability during crises and help the company to offset fluctuations. In recent months and also at present, both the semiconductor equipment business and business in the Biophotonics and Optical Test & Measurement areas are developing very positively; this development is expected to continue, among others due to the digitization trend.

The acquisition of Jenoptik Medical (formerly BG Medical Applications) and the SwissOptic Group serves to boost Jenoptik's global, rapidly growing photonics business. The acquisition will allow the Group to significantly expand its highly attractive medical technology business and further strengthen the semiconductor equipment business. Jenoptik plans to accelerate its growth and sharpen its focus on photonics.

On the basis of the good order situation, a well-filled product pipeline, and ongoing promising developments in the core photonics businesses, in particular the semiconductor equipment sector and in biophotonics, the Executive Board anticipates further profitable growth in 2022. In addition to the organic growth in the divisions, Jenoptik Medical and the SwissOptic Group, consolidated for a full fiscal year for the first time, will also particularly make a contribution to positive development.

Following good performance in the first half-year 2022, the Executive Board is now expecting revenue of between 930 and 960 million euros for the continuing operations in 2022 (previously: revenue growth of at least 20 percent / 2021: 750.7 million euros). EBITDA is also expected to see significant growth on the prior year, excluding one-off effects (2021: 125.2 million euros). The EBITDA margin is expected to improve to between 18.0 and 18.5 percent (previously: approx. 18 percent / 2021: 16.7 percent (excl. one-off effects)). Our scheduled growth, however, presupposes that the geopolitical risks do not worsen further. This includes the Ukraine conflict – with the sanctions that have been put in place and potential impacts on price developments, energy supplies, and supply chains – does not escalate further. Uncertainties also exist with regard to the development of the Covid-19 pandemic and continuing supply bottlenecks, although Jenoptik is confident of its ability to manage them.

All statements on the future development of the business situation have been made on the basis of current information available at the time the report was prepared. A variety of known and unknown risks, uncertainties, and other factors (e.g., portfolio changes) may cause the actual results, the financial situation, the development, or the performance of the company to diverge significantly from the information provided here.

Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

in thousand euros	1/1 to 30/6/2022	1/1 to 30/6/2021[1]	1/4 to 30/6/2022	1/4 to 30/6/2021[1]
Continuing operations				
Revenue	447,236	329,233	238,694	178,659
Cost of sales	301,123	218,296	152,478	114,820
Gross profit	146,113	110,937	86,216	63,839
Research and development expenses	25,384	19,278	13,074	10,168
Selling expenses	53,031	43,319	26,566	20,690
General administrative expenses	32,341	26,684	16,201	12,627
Impairment gains and losses	762	– 1,306	698	– 431
Other operating income	8,121	26,257	4,680	19,805
Other operating expenses	7,342	3,889	3,590	1,325
EBIT	36,897	42,720	32,163	38,402
Profit or loss from investments	101	286	109	113
Financial income	8,025	2,747	5,685	1,663
Financial expenses	9,716	6,058	6,893	2,793
Financial result	– 1,591	– 3,025	– 1,098	– 1,017
Earnings before tax from continuing operations	35,306	39,695	31,065	37,385
Income taxes	– 9,742	– 4,084	– 8,585	– 4,452
Earnings after tax from continuing operations	25,565	35,611	22,479	32,933
Discontinued operation				
Earnings after tax from discontinued operation	– 2,294	2,136	– 2,000	1,059
Group				
Earnings after tax	23,271	37,747	20,480	33,992
Results from non-controlling interests	– 46	545	145	1,074
Earnings attributable to shareholders	23,317	37,202	20,335	32,918
Earnings per share in euros (undiluted = diluted)	0.41	0.65	0.36	0.58
Earnings per share from continuing operations in euros (undiluted = diluted)	0.45	0.61	0.39	0.56

[1] Adjustment of prior year due to discontinued operation VINCORION

Consolidated Comprehensive Income

in thousand euros	1/1 to 30/6/2022	1/1 to 30/6/2021	1/4 to 30/6/2022	1/4 to 30/6/2021
Earnings after tax	23,271	37,747	20,480	33,992
Items that will never be reclassified to profit or loss	9,138	3,308	4,708	414
Actuarial gains / losses arising from the valuation of pensions and similar obligations	11,802	4,290	5,556	400
Income taxes	– 2,664	– 983	– 848	13
Items that are or may be reclassified to profit or loss	19,612	8,229	14,519	– 305
Cash flow hedges	– 2,242	– 1,384	– 960	1,171
Foreign currency exchange differences	23,611	9,892	16,915	– 1,070
Income taxes	– 1,757	– 279	– 1,436	– 406
Total other comprehensive income	28,750	11,537	19,227	109
Total comprehensive income	52,021	49,283	39,707	34,101
Thereof attributable to:				
Non-controlling interests	202	736	345	1,005
Shareholders	51,819	48,548	39,362	33,096

Consolidated Statement of Financial Position

Assets in thousand euros	30/6/2022	31/12/2021	Change	30/6/2021
Non-current assets	**1,141,352**	**1,110,770**	**30,582**	**849,813**
Intangible assets	760,590	753,247	7,343	493,356
Property, plant and equipment	290,129	266,656	23,473	261,987
Investment property	3,587	3,638	– 50	4,201
Investments accounted for using the equity method	14,544	14,328	216	13,800
Financial investments	2,788	2,987	– 198	2,842
Other non-current assets	11,517	6,555	4,962	2,518
Deferred tax assets	58,197	63,360	– 5,164	71,109
Current assets	**586,969**	**646,271**	**– 59,302**	**503,904**
Inventories	241,448	200,213	41,236	221,771
Current trade receivables	117,301	120,475	– 3,174	122,523
Contract assets	80,633	81,414	– 781	79,509
Other current financial assets	25,616	19,582	6,034	6,374
Other current non-financial assets	20,816	11,439	9,377	16,261
Current financial investments	2,060	1,555	505	5,168
Cash and cash equivalents	99,094	54,817	44,277	49,806
Assets held for sale	0	156,777	– 156,777	2,492
Total assets	**1,728,321**	**1,757,041**	**– 28,720**	**1,353,717**

Equity and liabilities in thousand euros	30/6/2022	31/12/2021	Change	30/6/2021
Equity	**818,217**	**780,659**	**37,557**	**723,857**
Share capital	148,819	148,819	0	148,819
Capital reserve	194,286	194,286	0	194,286
Other reserves	462,215	424,705	37,510	368,907
Non-controlling interests	12,897	12,849	48	11,845
Non-current liabilities	**552,117**	**503,102**	**49,014**	**254,734**
Pension provisions	5,057	9,379	– 4,322	29,980
Other non-current provisions	17,809	17,886	– 77	16,467
Non-current financial debt	501,470	448,746	52,724	193,353
Other non-current liabilities	3,254	2,350	903	4,542
Deferred tax liabilities	24,527	24,741	– 214	10,393
Current liabilities	**357,988**	**473,279**	**– 115,292**	**375,126**
Tax provisions	3,722	6,949	– 3,227	3,034
Other current provisions	34,449	39,907	– 5,458	43,216
Current financial debt	110,651	148,993	– 38,342	76,116
Current trade payables	91,970	94,221	– 2,251	77,692
Contract liabilities	66,445	47,323	19,121	57,498
Other current financial liabilities	23,582	22,023	1,559	87,627
Other current non-financial liabilities	27,168	20,249	6,919	29,627
Debt held for sale	0	93,613	– 93,613	315
Total equity and liabilities	**1,728,321**	**1,757,041**	**– 28,720**	**1,353,717**

Consolidated Statement of Changes in Equity

in thousand euros	Share capital	Capital reserve	Retained earnings	Equity instruments measured through other comprehensive income	Cash flow hedges
Balance at 1/1/2021	148,819	194,286	359,196	– 83	897
Net profit for the period			37,202		
Other comprehensive income after tax				0	– 980
Total comprehensive income			37,202	0	– 980
Transactions with owners (dividends)			– 14,310		
Balance at 30/6/2021	148,819	194,286	382,088	– 83	– 83
Balance at 1/1/2022	148,819	194,286	426,627	– 86	– 659
Net profit for the period			23,317		
Other comprehensive income after tax				0	– 1,575
Total comprehensive income			23,317	0	– 1,575
Transactions with owners (dividends)			– 14,310		
Transfer of actuarial effects to cumulative gains			– 11,236		
Balance at 30/6/2022	148,819	194,286	424,398	– 86	– 2,234

Cumulative exchange differences	Actuarial effects	Equity attributable to shareholders of JENOPTIK AG	Non-controlling interests	Total	in thousand euros
– 1,918	– 23,423	677,774	11,617	689,391	Balance at 1/1/2021
		37,202	545	37,747	Net profit for the period
9,000	3,326	11,346	191	11,537	Other comprehensive income after tax
9,000	3,326	48,548	736	49,283	Total comprehensive income
		– 14,310	– 508	– 14,817	Transactions with owners (dividends)
7,082	– 20,097	712,012	11,845	723,857	Balance at 30/6/2021
16,644	– 17,820	767,811	12,849	780,659	Balance at 1/1/2022
		23,317	– 46	23,271	Net profit for the period
20,939	9,138	28,503	247	28,750	Other comprehensive income after tax
20,939	9,138	51,819	202	52,021	Total comprehensive income
		– 14,310	– 154	– 14,464	Transactions with owners (dividends)
	11,236	0		0	Transfer of actuarial effects to cumulative gains
37,583	2,554	805,320	12,896	818,217	Balance at 30/6/2022

Consolidated Statement of Cash Flows

in thousand euros	1/1 to 30/6/2022	1/1 to 30/6/2021	1/4 to 30/6/2022	1/4 to 30/6/2021
Earnings before tax from continuing operations	35,306	39,695	31,065	37,385
Earnings before tax from discontinued operation	– 1,376	3,108	– 1,368	1,567
Earnings before tax	**33,931**	**42,803**	**29,697**	**38,952**
Financial income and expenses	2,107	3,713	1,434	1,330
Depreciation and amortization	32,700	27,449	16,439	13,517
Profit / loss from disposals of non-current assets, subsidiaries and other business units	1,271	– 132	1,256	– 2
Expenses / income from fair value adjustments of contingent purchase price components	653	– 18,438	0	– 16,081
Other non-cash income / expenses	– 931	– 1,234	– 435	– 274
Change in provisions	– 11,036	– 10,945	– 9,665	– 12,060
Change in working capital	– 7,770	– 20,288	– 9,761	– 24,839
Change in other assets and liabilities	– 1,584	8,319	– 653	5,646
Cash flows from operating activities before income tax payments	**49,341**	**31,248**	**28,312**	**6,188**
Income tax payments	– 8,063	– 5,208	– 4,855	– 3,326
Cash flows from operating activities	**41,277**	**26,039**	**23,457**	**2,862**
Capital expenditure for intangible assets	– 9,077	– 7,992	– 4,548	– 4,474
Proceeds from sale of property, plant and equipment	885	261	323	109
Capital expenditure for property, plant and equipment	– 30,182	– 11,962	– 16,554	– 6,015
Capital expenditure for investment property	– 15	0	– 15	0
Proceeds from sale of subsidiaries or other business units less cash sold	64,925	0	64,925	0
Capital expenditure for acquisition of consolidated entities less cash acquired	– 1,287	0	– 1,287	0
Proceeds from sale of financial assets within the framework of short-term disposition	0	197	0	0
Capital expenditure for financial assets within the framework of short-term disposition	– 489	0	– 489	0
Proceeds from other financial investments	1	530	1	197
Capital expenditure for other financial investments	– 117	– 435	0	– 190
Interest received and other income	543	126	369	83
Cash flows from investing activities	**25,188**	**– 19,275**	**42,725**	**– 10,290**
Dividends to shareholders of the parent company	– 14,310	– 14,310	– 14,310	– 14,310
Dividends to non-controlling interests	– 154	– 123	0	0
Proceeds from loans	64,036	138,340	56,669	4,155
Repayments of loans	– 57,619	– 134,804	– 57,327	– 132,376
Payments for leases	– 8,424	– 6,678	– 4,107	– 3,370
Change in group financing	– 1,903	– 604	– 1,256	591
Interest paid and other expenses	– 5,133	– 3,362	– 1,688	– 1,908
Cash flows from financing activities	**– 23,507**	**– 21,540**	**– 22,018**	**– 147,218**
Cash-effective change in cash and cash equivalents	**42,957**	**– 14,776**	**44,164**	**– 154,646**
Less cash and cash equivalents from discontinued operation	46	0	242	0
Change in cash and cash equivalents from foreign currency effects	1,626	1,119	974	– 7
Change in cash and cash equivalents due to changes in the scope of consolidation and valuation adjustments	– 352	58	– 342	515
Cash and cash equivalents at the beginning of the period	54,817	63,405	54,057	203,945
Cash and cash equivalents at the end of the period	**99,094**	**49,806**	**99,094**	**49,806**

Disclosures on Segment Reporting

January 1 to June 30, 2022

in thousand euros	Advanced Photonic Solutions	Smart Mobility Solutions	Non-Photonic Portfolio Companies	Other	Consolidation	Total
Revenue	342,690	44,675	59,631	21,234	– 20,993	447,236
	(222,845)	(42,788)	(63,317)	(21,566)	(– 21,283)	(329,233)
thereof intragroup revenue	615	0	303	20,075	– 20,993	0
	(609)	(0)	(221)	(20,454)	(– 21,283)	(0)
thereof external revenue	342,074	44,675	59,328	1,159	0	447,236
	(222,236)	(42,788)	(63,096)	(1,113)	(0)	(329,233)
Europe	189,207	29,930	18,464	1,159	0	238,760
	(109,546)	(28,203)	(29,618)	(1,113)	(0)	(168,480)
Americas	65,286	9,026	36,424	0	0	110,736
	(44,055)	(9,653)	(28,751)	(0)	(0)	(82,459)
Middle East / Africa	14,915	1,287	31	0	0	16,234
	(9,483)	(551)	(87)	(0)	(0)	(10,121)
Asia / Pacific	72,666	4,432	4,409	0	0	81,507
	(59,152)	(4,382)	(4,639)	(0)	(0)	(68,173)
EBITDA	78,884	1,358	– 1,815	– 8,656	– 173	69,598
	(69,706)	(3,337)	(– 537)	(– 6,218)	(348)	(66,636)
Research and development expenses	14,846	8,457	1,626	456	0	25,384
	(10,179)	(6,884)	(2,156)	(77)	(– 18)	(19,278)
Free cash flow (before income taxes)	34,539	– 476	6,942	– 27,174	– 1,195	12,636
	(34,915)	(– 8,333)	(– 1,297)	(– 14,904)	(1,303)	(11,685)
Working capital[1]	201,039	24,628	62,812	– 7,640	128	280,967
	(179,061)	(25,585)	(68,969)	(– 13,476)	(418)	(260,556)
Order intake (external)	457,862	75,428	73,958	1,307	0	608,555
	(294,158)	(64,586)	(85,028)	(1,130)	(0)	(444,902)
Frame contracts[1]	109,449	26,339	0	0	0	135,788
	(107,407)	(27,743)	(0)	(0)	(0)	(135,150)
Assets[1]	1,200,177	127,835	262,439	1,360,859	– 1,222,990	1,728,321
	(1,130,650)	(126,275)	(273,808)	(1,545,342)	(– 1,319,034)	(1,757,041)
Liabilities[1]	293,532	81,109	191,789	616,028	– 272,354	910,104
	(293,959)	(77,295)	(193,258)	(758,477)	(– 346,606)	(976,382)
Additions to intangible assets, property, plant	32,233	2,969	801	6,100	0	42,103
and equipment and investment properties	(9,961)	(2,823)	(864)	(2,912)	(288)	(16,848)
Scheduled depreciation and amortization	22,523	2,619	4,670	2,887	0	32,700
	(12,425)	(3,306)	(5,112)	(3,074)	(0)	(23,917)
Number of employees on average	2,719	474	666	285	0	4,144
(excluding trainees)[2]	(1,984)	(484)	(761)	(279)	(0)	(3,507)

Prior-year figures are in parentheses

[1] Prior-year figures refer to December 31, 2021

[2] Calculation of average in accordance with § 267 (5) HGB

Disclosures on Segment Reporting

Jenoptik has the following reportable segments: the divisions Advanced Photonics Solutions, Smart Mobility Solutions and Non-Photonic Portfolio Companies.

In 2022, the Group will have its core photonics business in the two new divisions Advanced Photonic Solutions (industrial customer business) and Smart Mobility Solutions (business with public clients). For that during the first quarter of 2022, the former Light & Optics and parts of Light & Production were combined into the new division Advanced Photonic Solutions. The non-photonic activities, which are geared in particular towards the automotive market, are operated as independent brands (including HOMMEL ETAMIC, Prodomax and INTEROB) within the Jenoptik Group's Non-Photonic Portfolio Companies. The former Light & Safety division became the Smart Mobility Solutions division.

The prior year's figures in the Disclosures on Segment Reporting were adapted to the new structure of the Jenoptik Group.

Reconciliation of Segment Earnings

EBITDA means earnings before interest, taxes, depreciation, and amortization, including impairment losses and reversals. The reconciliation of EBITDA to EBIT from continuing operations as shown in the Consolidated Income Statement is as follows:

in thousand euros	1/1 to 30/6/2022	1/1 to 30/6/2021
EBITDA	69,598	66,636
Scheduled depreciation and amortization	− 32,700	− 23,917
EBIT	**36,897**	**42,720**

Notes to the Interim Consolidated Financial Statements for the First Six Months of 2022

Parent Company

The parent company of the Jenoptik Group is JENOPTIK AG, based in Jena and registered in the Commercial Register at the Jena Local Court under number HRB 200146. JENOPTIK AG is listed on the German Stock Exchange in Frankfurt and traded on the TecDax and SDax, among others.

To some extent, the Jenoptik Group's business activities are subject to the influence of seasonal fluctuations. In the past, revenue and earnings contributions were higher in the fourth quarter, in particular, than in the preceding quarters, reflecting stronger year-end business. Consequently, the interim results are only of limited value in forecasting the results for the full fiscal year.

Accounting in Accordance with International Financial Reporting Standards (IFRS)

In these interim consolidated financial statements ("Interim Financial Statements") as of June 30, 2022, which have been prepared on the basis of International Accounting Standard (IAS) 34, "Interim Financial Reporting", the same accounting policies have generally been applied as in the consolidated financial statements for the 2021 fiscal year, with the exception of the standards or amendments to standards to be applied for the first time in the 2022 fiscal year. The latter were prepared in compliance with the Financial Reporting Standards (IFRS), whose application is mandatory in the European Union. These methods are described in detail in the Notes to the 2021 Annual Report. The Annual Report is available on the website under www.jenoptik.com using the path Investors/Reports and Presentations.

The Interim Consolidated Financial Statements have been prepared in euros, the Group currency, and are stated in thousand euros unless otherwise indicated. Please note that there may be rounding differences compared to the mathematically exact amounts (monetary units, percentages, etc.).

The following IFRS or amendments to IFRS are being applied for the first time in the 2022 fiscal year:

Amendments to IAS 16: Proceeds before intended use. The IASB published amendments to IAS 16 in May 2020. Accordingly, entities are no longer permitted to deduct revenues from the sale of goods produced, while bringing an item of property, plant, and equipment into the location and condition necessary for it to be capable of operating in the manner intended by management, from the acquisition or production costs of this item of property, plant, and equipment. Instead, these revenues, together with the costs of production for these goods, must be recorded in the Income Statement.

The amendments are valid for fiscal years commencing on or after January 1, 2022 and are to be applied retrospectively to property, plant, and equipment that has been brought to operational readiness during the reporting period of its initial application. The amendments have no impact on the Interim Financial Statements.

Amendments to IAS 37: Onerous contracts – costs of fulfilling a contract. In May 2020, the IASB published amendments to IAS 37 in order to specify the costs an entity must take into consideration when assessing whether a contract is onerous or loss-making. The amendment is based on costs that relate directly to the contract (directly related cost approach).

The amendments are effective for fiscal years beginning on or after January 1, 2022. Since the previous accounting method already complies with the specifications of IAS 37, the amendments have no impact on the Interim Financial Statements.

Amendments to IFRS 3: Reference to the conceptual framework. The IASB published amendments to IFRS 3 in May 2020. The amendments replace the reference to the framework for the preparation and presentation of financial statements published in 1989 with a reference to the financial reporting framework concept published in March 2018, with no significant amendment to the existing rules of the Standard.

The amendments are effective for fiscal years beginning on or after January 1, 2022 and are to be applied prospectively. The amendments have no impact on the Interim Financial Statements.

Annual improvement process (2018–2020) – amendments to IAS 41: Taxation in fair value measurements. IAS 41 is not applicable to the Group. The amendment therefore has no impact on the Interim Financial Statements.

Annual improvement process (2018–2020) – amendments to IFRS 1: Subsidiaries as a first-time-adopter. As the Jenoptik Group already prepares its accounts in accordance with IFRS, the amendments to IFRS 1 have no impact on the Interim Financial Statements.

Annual improvement process (2018–2020) – amendments to IFRS 9: Financial instrument fees in the '10 percent' test for derecognition of financial liabilities. The amendment to IFRS 9 clarifies which fees an entity includes when it applies the '10 percent' test in assessing whether the terms of a new or modified financial liability differ materially from those of the original liability.

The amendment is valid for fiscal years commencing on or after January 1, 2022. The amendment has no effect on the Interim Financial Statements.

Annual improvement process (2018–2020) – amendments to IFRS 16: Lease incentives. The amendment removes the illustration of the reimbursement for tenant installations by the lessor from Explanatory Example 13 to IFRS 16 to resolve any potential confusion regarding the treatment of lease incentives that might arise from the related illustration.

The amendment is valid for fiscal years commencing on or after January 1, 2022. The amendment to IFRS 16 has no impact on the Interim Financial Statements.

Estimates

The preparation of the Interim Financial Statements in accordance with IFRS, as adopted by the EU, requires that assumptions be made for certain items, affecting their recognition in the Group's statement of financial position or in the statement of comprehensive income, as well as the disclosure of contingent receivables and liabilities. All assumptions and estimates are made to the best of the Group's knowledge and belief and aim to provide a true and fair view of the net assets, financial position and result of operations of the Group.

The underlying assumptions and estimates are continually reviewed. This gives the author of the Interim Financial Statements a certain amount of discretionary leeway. In view of the ongoing Covid-19 pandemic and the impacts of the war in Ukraine and associated sanctions, there are increased uncertainties with regard to estimates and risks relating to significant adjustments to carrying amounts, particularly in the areas of energy supply and inflation. The key assumptions and estimates used in preparing these Interim Financial Statements correspond unchanged to the disclosures in the notes to the consolidated financial statements as of December 31, 2021, starting on page 171. In addition, the key assumptions and estimates used in preparing these Interim Financial Statements correspond to the determination of the provisional purchase price and the conditional purchase price components arising from the sale of VINCORION (see section "Discontinued Operation" from page 30 on).

The Group of Entities Consolidated

The Consolidated Financial Statements of JENOPTIK AG include 41 fully consolidated subsidiaries (31/12/2021: 47). Of these, 9 (31/12/2021: 12) are domiciled in Germany, 32 (31/12/2021: 35) abroad. The Jenoptik Group's group of consolidated entities also includes 3 companies (31/12/2021: 3) that are included in the Consolidated Financial Statements using the at-equity method.

On November 25, 2021 Jenoptik signed a contract to sell VINCORION, consisting of the wholly-owned subsidiaries JENOPTIK Advanced Systems GmbH (Germany; now operating as VINCORION Advanced Systems GmbH), JENOPTIK Power Systems GmbH (Germany; now operating as VINCORION Power Systems GmbH), and JENOPTIK Advanced Systems, LLC (US; now operating as VINCORION LLC). On the transaction closing date of June 30, 2022, Jenoptik lost control over these subsidiaries and deconsolidated them (see section "Discontinued Operation" from page 30 on).

There were no other acquisitions or disposals of companies in the first half-year 2022.

The other adjustments in the group of consolidated entities concern the dissolution of companies in liquidation or no longer in operation.

On the closing date of November 30, 2021, Jenoptik acquired a 100-percent stake in the following companies:

- BG Medical Applications GmbH (BG Medical, renamed JENOPTIK Medical GmbH in January 2022), Berlin, Germany
- SwissOptic AG, Heerbrugg, Switzerland
- SwissOptic (Wuhan) Co., Ltd., Wuhan, China

With the acquisition of SwissOptic (Wuhan) Co., Ltd., Jenoptik also acquired control of its subsidiary Berliner Glas Wuhan Trading Co., Ltd., Wuhan, China.

Its inclusion in the 2021 Consolidated Financial Statements in accordance with IFRS 3 was based on provisional figures. In addition to the determination of the acquired net assets, the provisional nature related to the measurement of the assets identified in the process of purchase price allocation as well as the determination of the purchase price with a view to the finalization of the closing accounts as at the date of acquisition.

In the first half of 2022 and based on the closing accounts, final agreement was reached on the purchase price of 324,454 thousand euros, which consists exclusively of a fixed cash component. Following payment of the preliminary purchase price in November, a receivable of 2,000 thousand euros remains as of June 30, 2022 (31/12/2021: 3,818 thousand euros), which is expected to be settled in the second half of 2022. Determination of the final purchase price resulted in an increase in goodwill of 1,818 thousand euros.

With regard to the determination of the net assets acquired and the measurement of the assets identified as part of the purchase price allocation, the inclusion in the Interim Financial Statements as of June 30, 2022 continues to be based on provisional amounts. The first-time consolidation is intented to be finalized in the third quarter of 2022.

Material Transactions

Dividends. On June 15, 2022, the JENOPTIK AG virtual Annual General Meeting resolved to pay out a dividend of 0.25 euros per share. Payment of the dividend reduced cash flows from financing activities by 14,310 thousand euros.

Fair value adjustment of conditional purchase price components in the prior year. The acquisitions of INTEROB and TRIOPTICS resulted in conditional purchase price components that were recognized at fair value and are shown in detail in the Notes to the Consolidated Financial Statements as of December 31, 2021, starting on page 230. Based on performance in the first half of 2021, fair value adjustments of 18,438 thousand euros were recognized through profit or loss in other operating income, which thus led to a corresponding improvement in earnings in the prior year.

There were no other transactions that had a significant influence on the Interim Financial Statement for the second quarter or cumulated as at June 30, 2022.

Classifications of Material Financial Statement Items

Revenue. A breakdown of revenues from contracts with customers by divisions and regions is set out in the table on Disclosures on Segment Reporting on page 25. The breakdown of revenues recognized over time and revenues recognized at a point in time in accordance with IFRS 15, is shown in the table below. Revenue recognized over time includes revenue from customer-specific volume production in the Advanced Photonic Solutions division, customer-specific individual production and services performed, such as from customer-specific development projects, and from traffic service provision agreements.

in thousand euros	Advanced Photonic Solutions	Smart Mobility Solutions	Non-Photonic Portfolio Companies	Other	Total
External revenue	342,074	44,675	59,328	1,159	447,236
	(222,236)	(42,788)	(63,096)	(1,113)	(329,233)
thereof recognized over time	123,071	19,653	37,913	1,159	181,796
	(83,943)	(18,754)	(38,379)	(1,113)	(142,189)
thereof recognized at a point in time	219,003	25,022	21,415	0	265,440
	(138,294)	(24,034)	(24,716)	(0)	(187,044)

Prior-year figures are in parentheses

Discontinued operation. With the signing of the binding agreement to sell the VINCORION division on November 25, 2021, the business segment was classified as a discontinued operation, and the assets as well as the liabilities were shown as held for sale. The sale of the shares in the wholly owned subsidiaries JENOPTIK Advanced Systems GmbH, JENOPTIK Power Systems GmbH, and JENOPTIK Advanced Systems, LLC, was completed on the closing date of June 30, 2022.

The VINCORION result up to the time of sale is shown in the following table:

Result from discontinued operation

in thousand euros	1/1 to 30/6/2022	1/1 to 30/6/2021
Revenue	47,855	60,032
Expenses	47,540	56,523
EBIT	**315**	**3,510**
Financial result	– 415	– 402
Earnings before tax from operating activities	**– 100**	**3,108**
Income taxes	– 918	– 972
Earnings after tax from operating activities	**– 1,019**	**2,136**
Loss on the sale of discontinued operation	– 1,275	0
Earnings after tax from discontinued operation	**– 2,294**	**2,136**

The result from the sale of the discontinued operation after taxes is determined as follows:

Information on the sale of discontinued operation

in thousand euros	1/1 to 30/6/2022
Provisional purchase price	**68,827**
Carrying amount of net assets sold	– 69,603
Loss from the sale before reclassification of the currency reserve	**– 776**
Reclassification of the currency translation reserve	– 500
Loss on sale of the discontinued operation	**– 1,275**

The contractually agreed purchase price is based on the preparation and review of closing accounts, taking into account net financial debt and a working capital fluctuations as of June 30, 2022. Contingent considerations were also agreed and depend on the achievement of certain EBITDA performance criteria for VINCORION in the years 2022 and 2023, potentially resulting in an additional consideration of up to 5,000 thousand euros. In addition, there are indemnification agreements with limited amounts in respect of individual assets and liabilities at VINCORION, that continue to remain with Jenoptik and are recognized as an additional purchase price receivable or provision. The liability for the compensation of the loss arising from the profit and loss transfer agreement with JENOPTIK Advanced Systems GmbH, being effective until June 30, 2022, is also recognized as an additional purchase price liability. As of June 30, 2022, a provisional purchase price of 68,827 thousand euros was determined, taking into account the contingent consideration recognized at fair value and the above-mentioned additional receivables and liabilities. Finalization of the closing accounts and thus the exact purchase price owed by the acquirer is expected in the second half of 2022. As of the date of the statement of financial position, Jenoptik has received an amount of 65,000 thousand euros from the acquirer.

The net cash flows from the sale of VINCORION are shown in the following table:

Net cash inflows

in thousand euros	1/1 to 30/6/2022
Compensation received in cash	65,000
Cash sold as a part of discontinued operation	75
Net cash inflows	64,925

The net cash flows generated by VINCORION up to the closing date are shown in the table below:

Net cash flows from discontinued operation

in thousand euros	1/1 to 30/6/2022	1/1 to 30/6/2021
Operating activity	3,331	5,983
Investing activity	– 4,608	– 5,576
Financing activity	– 2,076	– 1,987
Net cash flows	– 3,353	– 1,580

Earnings per share from discontinued operation (undiluted = diluted) amounts to minus 0.04 euros (prior year: 0.04 euros).

Since VINCORION was sold on June 30, 2022, the assets and liabilities classified as held for sale are no longer included in the statement of financial position.

Classifications of Material Financial Statement Items

Intangible assets

in thousand euros	30/6/2022	31/12/2021
Goodwill	586,548	573,022
Acquired patents, trademarks, software, customer relationships	154,632	158,554
Development costs arising from internal development projects	11,481	9,953
Internally generated patents	1,196	1,190
Other intangible assets	6,733	10,529
Total	760,590	753,247

Property, plant and equipment

in thousand euros	30/6/2022	31/12/2021
Land, buildings	168,577	156,334
Technical equipment and machinery	67,487	65,826
Other equipment, operating and office equipment	26,624	26,073
Payments on account and equipment under construction	27,440	18,424
Total	290,129	266,656

Inventories

in thousand euros	30/6/2022	31/12/2021
Raw materials, consumables and supplies	95,215	80,655
Unfinished goods and work in progress	107,122	86,840
Finished goods and merchandise	35,885	30,285
Payments on account	3,227	2,433
Total	241,448	200,213

Other current financial assets

in thousand euros	30/6/2022	31/12/2021
Receivables arising from contingent considerations	5,613	13,347
Receivables from acquisitions or disposals	17,843	3,818
Receivable arising from surety retention for factoring	1,048	1,032
Other current financial assets	1,112	1,385
Total	25,616	19,582

Other current non-financial assets

in thousand euros	30/6/2022	31/12/2021
Accruals	9,135	5,711
Receivables from other taxes	6,885	4,313
Receivables from employees and accrued personnel costs	3,620	293
Receivables from income taxes	786	605
Other current non-financial assets	390	517
Total	20,816	11,439

Non-current financial debt

in thousand euros	30/6/2022	31/12/2021
Liabilities to banks	469,874	421,218
Liabilities from leases	31,596	27,528
Total	501,470	448,746

Current financial debt

in thousand euros	30/6/2022	31/12/2021
Liabilities to banks	99,591	137,575
Liabilities from leases	11,060	11,418
Total	110,651	148,993

Other current financial liabilities

in thousand euros	30/6/2022	31/12/2021
Liabilities from acquisitions or disposals	13,323	10,692
Derivatives	3,581	1,818
Liabilities from interest payments	1,676	2,897
Payments received from sales of receivables	1,192	146
Other liabilities to investments	1,110	3,022
Other current financial liabilities	2,700	3,449
Total	23,582	22,023

Other current non-financial liabilities

in thousand euros	30/6/2022	31/12/2021
Liabilities to employees	15,806	9,392
Liabilities arising from other taxes	7,360	7,171
Liabilities arising from social security payments	1,618	1,708
Liabilities to trade association	828	998
Accruals	645	126
Other current non-financial liabilities	913	854
Total	27,168	20,249

Financial Instruments

The carrying amounts of the items "Shares in non-consolidated, associates and investments," "Cash and cash equivalents," "Receivables," and "Derivatives with and without hedging" correspond to their fair values. The carrying amounts of the remaining items represented an appropriate approximation of their fair value. The non-current and current portions of the statement of financial position have been summarized in the following table:

Financial assets

in thousand euros	Valuation category according to IFRS 9[1]	Carrying amounts 30/6/2022	Carrying amounts 31/12/2021
Financial investments			
Current cash deposits	AC	2,060	1,555
Shares in non-consolidated associates and investments	FVTOCI	815	1,001
Shares in entities which are subject to the equity valuation	-[2]	14,544	14,328
Loans and other financial investments	AC	1,974	1,985
Trade receivables	AC	117,303	120,477
Other financial assets			
Receivables from finance leases	-	0	57
Receivables from contingent considerations	FVTPL	7,209	13,347
Derivatives with hedging relations	-	6,859	2,977
Derivatives without hedging relations	FVTPL	138	69
Other financial assets	AC	21,824	8,166
Cash and cash equivalents	AC	99,094	54,817

[1] AC = Amortized costs
FVTPL = Fair value through Profit & Loss
FVTOCI = Fair value through other comprehensive income
[2] Valuation according to IAS 28

Financial liabilities

in thousand euros	Valuation category according to IFRS 9[1]	Carrying amounts 30/6/2022	Carrying amounts 31/12/2021
Financial debt			
Liabilities to banks	AC	569,465	558,793
Liabilities from leases	-[2]	42,656	38,946
Trade payables	AC	92,371	94,764
Other financial liabilities			
Derivatives with hedging relations	-	3,050	1,661
Derivatives without hedging relations	FVTPL	2,347	870
Other financial liabilities	AC	21,038	21,300

[1] AC = Amortized costs
FVTPL = Fair value through Profit & Loss
[2] Valuation according to IFRS 16

The classification in the hierarchy of fair values for the financial assets and liabilities which are measured at fair value is shown in the following overview:

in thousand euros	Carrying amounts 30/6/2022	Level 1	Level 2	Level 3
Shares in non-consolidated associates and investments	815 (1,001)	0 (0)	0 (0)	815 (1,001)
Receivables from contingent considerations	7,209 (13,347)	0 (0)	0 (0)	7,209 (13,347)
Derivatives with hedging relations (assets)	6,859 (2,977)	0 (0)	6,859 (2,977)	0 (0)
Derivatives without hedging relations (assets)	138 (69)	0 (0)	138 (69)	0 (0)
Derivatives with hedging relations (liabilities)	3,050 (1,661)	0 (0)	3,050 (1,661)	0 (0)
Derivatives without hedging relations (liabilities)	2,347 (870)	0 (0)	2,347 (870)	0 (0)

Prior-year figures are in parentheses

Fair values which are available as quoted market prices at all times, are allocated to level 1. Fair values determined on the basis of directly or indirectly observable parameters, are allocated to level 2. Level 3 contains measurement parameters which are not based on observable market data.

The fair values of all derivatives are determined using the generally recognized measurement methods. In this context, the future cash flows determined via the agreed forward rate or interest rate are discounted using current market data. The market data used in this context is taken from leading financial information systems, such as for example Reuters. If an interpolation of market data is applied, it is done on a straight-line basis.

The fair value of contingent liabilities was measured by taking into consideration the expected and discounted payment in- and outflows as of the reporting date.

The receivables from contingent considerations recognized as of June 30, 2022 result from the acquisition of TRIOPTICS and the sale of VINCORION.

As part of the acquisition of TRIOPTICS, a bonus/malus scheme was agreed and is linked to the revenue of the TRIOPTICS Group under commercial law, resulting in a bonus or malus of up to 15 million euros in the event of deviations from the original business plan by up to 15 percent. The malus receivable was measured as of December 31, 2021 on the basis of expected revenue under commercial law and updated in 2022 on the basis of the audited Consolidated Financial Statements under commercial law. In 2022, the receivable was offset pro rata against the retained purchase price liability for the remaining 25-percent stake acquired in 2021. The remaining contingent receivable will be paid after final determination of the malus claim.

The contingent consideration receivables from the sale of VINCORION are based on agreed EBITDA targets in 2022 and 2023. The agreement specifies an earn-out entitlement of 2.5 million euros in each case if the respective target values are reached. If the EBITDA targets are not met by up to 4.7 million euros in 2022 and up to 4.5 million euros in 2023, the earn-out entitlements are reduced on a straight-line basis to 0 euros. Any shortfall in 2022 can be made up in 2023. The conditional purchase price receivable for 2022 and 2023 was determined on the basis of VINCORION's business plans.

The fair values of the conditional purchase price components were determined while taking into account discounting appropriate to the term and risk. Fair value adjustments recorded through profit or loss are recognized in other operating income or expenses. Accumulated interest is recognized in the financial result.

The development of the financial assets measured fair value through profit or loss and assigned to Level 3 can be found in the table below:

in thousand euros	Shares in non-consolidated associates and investments	Receivables from contingent considerations
Balance at 1/1/2022	1,001	13,347
Additions	0	3,430
Disposals	0	– 9,450
Changes in the group of entities consolidated	– 187	0
Gains and losses (-) recognized in operating result	0	– 653
Gains and losses (-) recognized in financial result	0	535
Balance at 30/6/2022	815	7,209

Disclosures on Relief and Support Measures

In the first half of 2022, there were no significant accounting or measurement effects related to Covid-19.

In the comparable period, support payments were utilized to mitigate the economic consequences of the pandemic and macroeconomic developments. These related in particular to short-time working allowances and other government support benefits granted in part abroad with a total value of 2,936 thousand euros, which led, in particular, to lower personnel costs and thus to a corresponding improvement in the earnings situation.

Disclosures on Contingent Liabilities

In 2021, VINCORION was part of the Jenoptik Group’s group of consolidated entities. Consequently, intercompany guarantees, comfort letters, and warranties (hereinafter “guarantees”) of JENOPTIK AG were not shown as external guarantee relationships. On completion of the sale of VINCORION on June 30, 2022, the existing guarantees will be classified as external to the Group for the first time.

The external contract performance guarantees to VINCORION customers remaining with JENOPTIK AG for a certain period amount to 17,221 thousand euros. In addition, counter-guarantees were issued by banks in June and at the beginning of July 2022 for further existing guarantees amounting to 13,362 thousand euros for the period until an exempting assumption of debt by VINCORION. The risk of a future claim under the latter is therefore considered to be very low.

Related Party Disclosures

For the period under review no material business transactions were performed with related parties.

German Corporate Governance Code

The current declaration given by the Executive Board and Supervisory Board pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz (AktG)) regarding the German Corporate Governance Code has been made permanently available to shareholders in the Investors/Corporate Governance section of the Jenoptik website at www.jenoptik.com. The declaration can also be viewed at the company’s registered office.

Litigations

JENOPTIK AG and its group entities are involved in several court or arbitration proceedings. Provisions for litigation risks, respectively litigation expenses, were set up in the appropriate amounts in order to meet any possible financial burdens resulting from any court decisions or arbitration proceedings. In case these litigations could have a material impact on the economic situation of the Group, they are set out in the Annual Report 2021. As at June 30, 2022, no further litigations arose that based on current assessment could have a material effect on the financial position of the Group.

Events after the Balance Sheet Date

There were no events after the date of the statement of financial position of June 30, 2022, that were of significance to the Group or had a significant influence on Jenoptik's earnings, financial or asset positions.

Assurance from the Legal Representatives

To the best of our knowledge, we assure that the Interim Financial Statements prepared in accordance with the applicable principles for the interim financial reporting give a true and fair view of the net assets, financial position and result of operations of the Group and that the interim group management report presents a fair view of the performance of the business including the operating result and the position of the Group, together with a description of the significant opportunities and risks associated with the anticipated development of the Group.

Jena, August 9, 2022

Dr. Stefan Traeger President & CEO	Hans-Dieter Schumacher Chief Financial Officer

Dates

November 10, 2022
Publication of Quarterly Statement
January to September 2022

Contact

Investor Relations & Communications

Phone +49 3641 65-2291
E-mail ir@jenoptik.com

www.jenoptik.com
www.twitter.com/Jenoptik_Group
www.linkedin.com/company/jenoptik
www.instagram.com/jenoptik_morelight

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