

Management



Interview with the Executive Board

Despite major external challenges, 2022 was another very successful year for Jenoptik. With revenue growth of more than 30 percent to 980.7 million euros and an EBITDA margin of 18.8 percent, the very positive development from the prior year was continued. The strategic focus on the growth markets semiconductor & electronics, life science & medical technology as well as smart mobility is paying off. Accordingly, Jenoptik has set itself the goal of further improving its key financial figures in 2023. The company is on the right path to achieving its medium-term goals defined in the “More Value” strategic agenda by 2025, which envisage revenue of around 1.2 billion euros and an improvement in profitability to an EBITDA margin of around 20 percent. Jenoptik is also financially well prepared for future growth. Jenoptik Executive Board members Dr. Stefan Traeger and Hans-Dieter Schumacher explain in this interview how the goals will be achieved, what growth potential still exists organically and possibly also externally, and how Jenoptik is positioned in terms of sustainability.

Despite difficult underlying conditions, 2022 was a very successful year for Jenoptik. How did you achieve this?

Stefan Traeger: The very positive development in revenue and EBITDA margin is an indication that our focus on specific growth areas in the photonics market is not only strategically but also economically correct. Thanks to well-established relationships with our customers and suppliers, but also due to our focus on demanding photonic applications, we have developed a certain resilience. Yet 2022 was challenging, with high inflation rates, rising interest rates, intermittent supply bottlenecks, and uncertainties associated with the war in Ukraine and the Covid-19 pandemic. Our investment in innovation forms the basis for the company’s success. In addition, we will continue to implement our goal of becoming a world leading, pure photonics group using

appropriate portfolio measures. We remain focused on the goals of our “More Value” growth agenda and expect continued profitable growth in 2023. We can be satisfied with what has been achieved over the past fiscal year and I would like to take this opportunity to thank our more than 4,400 employees for their outstanding commitment!

Mr. Schumacher, you will be leaving Jenoptik on April 1, 2023 after very successful years; how do you classify 2022?

Hans-Dieter Schumacher: In many respects, 2022 was a highlight of my eight-year term as Chief Financial Officer. We exceeded our own targets, in some cases significantly, and achieved new records in terms of both order intake and revenue. A revenue increase of more than 30 percent – around 11 percent of which was organic – is definitely something

The organic
growth
in fiscal year
2022
was approximately
11
percent

“We see good opportunities to further improve our profitability.”

Hans-Dieter Schumacher



to be proud of. And we significantly improved our EBITDA margin on a comparable basis. This is particularly remarkable when considering the challenges we had to face. As Chief Financial Officer, my focus has always been on Jenoptik's financial and balance sheet health. And here we are in an excellent position with an equity ratio of 50.4 percent, a significant reduction in net debt in 2022 and a debt-to-equity ratio of 2.6, which is clearly below our target of 3.0. Consequently, Jenoptik is very well positioned for the future.

You have focused your portfolio on three strategic growth areas. Do you think Jenoptik is already perfectly positioned here?

Stefan Traeger: Our “More Value” growth agenda focuses on the semiconductor & electronics, life science & medical technology, and smart mobility markets. These markets offer above-average growth potential, require sophisticated photonic solutions, and are only partially affected by economic fluctuations. In recent years, we have strengthened ourselves very well in these markets through the

acquisition of TRIOPTICS, BG Medical, and SwissOptic. This has brought us a good deal closer to our goal of generating around 50 percent of the 1.2 billion euros in revenue targeted for 2025 from semiconductor & electronics and around 25 percent respectively from life science & medical technology and smart mobility. In 2022, we already generated around 85 percent of our revenue in these markets. We also always look for suitable additions to our portfolio, but this is done with prudence.

What potential do you see for the next few years in your core markets? How long will the current boom in the semiconductor business last?

Stefan Traeger: Our Advanced Photonics Solutions division, where we bundle our activities in the areas of semiconductor & electronics and life science & medical technology, among others, continued to show fantastic development in 2022 with revenue growth of around 47 percent, 17 percent of which was organic. Growth was driven by almost all application areas, but above all by the semiconductor equipment segment. Against the backdrop of strong long-term drivers of growth such as ever-increasing digitization, we see significant potential here. We are also benefiting from the trend towards becoming less dependent on Southeast Asia for semiconductor production and establishing production in the US and Europe. As a result, we are investing heavily, for example more than 70 million euros in a new high-tech factory in Dresden, which is scheduled to start operation in 2025.

And how does the situation look for the other activities?

Hans-Dieter Schumacher: We also see very good growth opportunities in life science and medical technology. Here we are well positioned as a supplier in the areas of ophthalmology, dermatology, dentistry and laboratory diagnostics. Smart mobility is benefiting from increased safety awareness in the mobility segment and among the general public, resulting in steadily rising demand. As an integrated service provider for speed monitoring, for example, we offer everything from speed measurement to fine notices from a single source. So, all in all, we are very confident about the future.

Currently an 18.8 percent margin and you still see room for improvement, where do you see this coming from?

Hans-Dieter Schumacher: Actually, we had very good development in our operating profitability. On the one hand, we expect to grow particularly strongly in products with above-average margins and to benefit accordingly from an improved product mix. On the other hand, we are constantly working on our efficiency, so we see this as having a further positive effect on profit. We expect these two aspects to provide further positive effects in the future. However, key, above all, is our ability to further expand our business with our customers through new applications, among other things, and to win new customers. Last year, we spent around 87 million euros on research and development, some of which we develop jointly with our customers; this represents 8.9 percent of our revenue.

You see yourself as an enabler, helping to make the world more sustainable with your products. What do you base this on?

Stefan Traeger: According to the industry association SPECTARIS, photonics applications will facilitate at least 11 percent of global CO₂ savings in 2030. As one of the leading technology companies, Jenoptik intends to contribute here in the areas of infrastructure, communication, mobility and health. In

addition, we have made a clear commitment as to how we will also make Jenoptik ever more sustainable. This includes, for example, the goal of reducing CO₂ emissions by 30 percent by 2025 compared to the base year 2019 and increasing the share of green energy in the Group to 75 percent. Our ambitions are recognized, both by awards from customers, and by positive ESG ratings. For example, MSCI, a global leader in sustainability analysis

“In 2023, we aim to achieve further growth in revenue and earnings.”

Dr. Stefan Traeger



and ratings, has certified us with an AA rating, indicating that we are among the top 15 percent of the world's best-rated companies in the electronic components sector and thus, according to MSCI, part of the group of leaders in sustainability.

Let's look ahead, what are your plans for 2023?

Stefan Traeger: Assuming that the geopolitical risks do not worsen and the imminent easing of inflation and materials procurement continues, we aim to achieve further growth in revenue and earnings in 2023 on the basis of the excellent order situation. Accordingly, revenue should be between 1,050 million euros and 1,100 million euros. In terms of profitability, we forecast a further step towards our goal for 2025, aiming to achieve an EBITDA margin of 19.0 to 19.5 percent. Accordingly, we believe there will once again be good opportunities for us to once again achieve strong free cash flow and a further significant reduction in net debt, despite continued high investment in our organic growth. Possible changes to our portfolio are not taken into account here.

And what do your shareholders gain from this positive development?

Hans-Dieter Schumacher: We continue to pursue the goal of allowing our shareholders to participate appropriately in the success of the company, taking into account necessary investment in growth. Accordingly, we want

our shareholders to participate in the company's success through a 20-percent higher dividend of 0.30 euros per share. On the other hand, our investment in growth should lead to a sustainable increase in the value of our company.

Dr. Traeger, Mr. Schumacher, thank you for talking to us!

Supervisory Board Report

Honored Shareholders,

2022 was another challenging fiscal year, dominated in particular by the war in Ukraine and its economic and geopolitical consequences. Despite these challenging circumstances, Jenoptik demonstrated its resilience and ability to grow in the past fiscal year: Group revenue grew 30.6 percent and, on a comparable basis, i.e. without the one-off effect in fiscal year 2021, the EBITDA margin improved to 18.8 percent. The acquisitions made in recent years of TRIOPTICS, the SwissOptic Group, and BG Medical Applications GmbH also contributed to this significant growth. A considerable increase of 26.6 percent was also achieved in order intake. With the sale of VINCORION, completed on June 30, 2022, Jenoptik reached a further important milestone on its path to becoming a streamlined, globally leading photonics group. As a result, Jenoptik remains on course to build on its successful and profitable growth in the coming year.

Cooperation on the Executive and Supervisory Boards

In the past fiscal year, the Supervisory Board diligently performed the duties stipulated by law, by the Articles of Association, and by the rules of procedure, regularly provided advice to the Executive Board on the management of the company, and continuously monitored its work. The Executive Board directly involved the Supervisory Board in all decisions of fundamental importance to Jenoptik and notified it regularly, in good time and in full, both verbally and in writing, of the business development, the course of business and the economic situation, the risk position, risk management, sustainability issues, and issues relating to compliance, strategy, and corporate planning. In the event that actual business development deviated from the defined plans and targets, the Executive Board notified the Supervisory Board, explaining the reasons in detail. The members of the Supervisory Board fully discussed in detail the reports submitted by the Executive Board and reviewed them for plausibility at committee and Supervisory Board meetings. It further maintained full compliance with the professional duties set out in § 90 of the Stock Corporation Act (AktG) and the German Corporate Governance Code ("Code"). The Supervisory Board approved business transactions requiring approval following due deliberation and discussion. Meetings of the Supervisory Board were in part prepared separately by shareholder representatives and employee representatives.

Attendance at Meetings of the Supervisory Board and its Committees

Over the course of the fiscal year 2022, the Supervisory Board met for five regular meetings and one constituent meeting following the Annual General Meeting on June 15, 2022. All meetings were held in person, with individual members joining virtually via video in several meetings when they were unable to be physically present. In addition, resolutions were adopted through two written circular resolutions. Over the past fiscal year, the Supervisory Board saw a consistently high participation rate: All members of the Supervisory Board attended at least half of the meetings. Overall, participation in Supervisory Board meetings averaged 97 percent.

There were also five meetings of the Audit Committee, six meetings of the Personnel Committee, four meetings of the Investment Committee, and one meeting of the Nomination Committee. The Nomination Committee meeting and four Audit Committee meetings were held in person. Of the six meetings of the Personnel Committee, two were held in person and four virtually. All meetings of the Investment Committee were held virtually. At some of the committee meetings that were held in person, individual members could attend virtually. Attendance at Audit Committee meetings was 100 percent, at Investment Committee meetings 96 percent, and at Personnel Committee meetings 97 percent. Only one Nomination Committee meeting had a low attendance of 67 percent, as Mr. Dudok had to excuse himself at short notice due to illness. Accordingly, he also attended less than half of the meetings of the Nomination Committee. Detailed information on individual attendance at meetings can be found in tabular summary T01.

The members of the Executive Board attended the meetings of the Supervisory Board and its committees. In line with the new recommendations of the Code, the Supervisory Board, the Audit Committee, and in particular the Personnel Committee also regularly discussed individual agenda items without the Executive Board, for example in connection with the appointment of new Executive Board members or with regard to adjustments to the Executive Board remuneration system.

The Executive Board and the Supervisory Board worked together in an open atmosphere of mutual trust and understanding at all times. The Chairman of the Supervisory Board and the chairmen of the committees maintained ongoing contact with the Executive Board between the meetings of the Supervisory Board and the committees. The Chairman of the Supervisory Board consulted with the Executive Board on current business performance, in particular, but also on planning, the risk situation, risk management, and compliance within the company. In addition, the Executive Board promptly informed him, either verbally or in writing, about important issues of key relevance to assessing the situation, development, and management of Jenoptik. He informed the Supervisory Board of these issues without delay, and at the next meeting by the very latest.

Particular Subjects discussed by the Supervisory Board

At all its regular meetings, the Supervisory Board dealt with the Executive Board’s detailed reports on the course of business, in particular the Group’s current revenue and earnings performance and its financial and asset position. This included a comprehensive examination and discussion of the monthly reports and quarterly statements. A recurring issue at several meetings also included detailed explanations and discussions on the sale of VINCORION, completed on June 30, 2022, and other acquisition and divestment projects.

Through a written **circular resolution in January 2022**, the Supervisory Board approved the candidacy of Dr. Traeger for a Supervisory Board mandate at Aixtron SE. In a further written **circular resolution in February 2022**, the members of the Supervisory Board adopted their report for the 2022 Annual General Meeting and, together with the Executive Board, the Remuneration Report for the fiscal year 2021, and approved the Corporate Governance Statement, including the Corporate Governance Report. In addition, the CVs of Supervisory Board members were compared against the competency profile adopted by the Supervisory Board and updated on the Jenoptik website.

At its **balance sheet meeting on March 25, 2022**, the Supervisory Board discussed the audit of JENOPTIK AG's Annual Financial Statements, the Consolidated Financial Statements, the Combined Management Report, the Consolidated Non-Financial Report, the Remuneration Report, and the appropriation of accumulated profits at length in presence of the auditor. After extensive discussion, the Supervisory Board approved the Annual Financial Statements of JENOPTIK AG and the Consolidated Financial Statements for the fiscal year 2021. The Annual Financial Statements were thus adopted. The members of the Supervisory Board also resolved to approve the Executive Board's proposal for the appropriation of profits, with, as in the prior year, an unchanged dividend payment of 0.25 euros per dividend-bearing no-par value share. The Supervisory Board also discussed the possible effects of the war in Ukraine on Jenoptik. Other matters discussed at the meeting were the settlement of the target agreements for Executive Board members in the fiscal year 2021, including determination of the multiplier, and the conclusion of new target agreements for both Executive Board members for 2022. The Supervisory Board adopted the agenda for the Annual General Meeting on June 15, 2022, dealing in particular with a candidate proposal to succeed Mr. Heinrich Reimitz as a shareholder representative on the Supervisory Board. The Supervisory Board also elected a successor to the employee representative Mr. Dieter Kröhn on the Investment Committee, who left the Supervisory Board on March 31, 2022.

The **meeting on June 14, 2022** focused on the company's current business outlook and financial situation following the end of the first quarter and on the figures as of April 30, 2022. The Supervisory Board dealt with issues relating to the Annual General Meeting to be held on the following day and obtained detailed information on the progress of the integration and business activities of the companies acquired in recent years and on current acquisition and divestment projects. The Supervisory Board also discussed the further development of the Executive Board and resolved to contract an external personnel consultant to search for a successor to Mr. Hans-Dieter Schumacher, who will leave on March 31, 2023.

At the **constituent meeting** directly following the Annual General Meeting **on June 15, 2022**, I, Matthias Wierlacher, was re-elected Chairman of the Supervisory Board, and Mr. Stefan Schaumburg was re-elected as my deputy. There were also changes on the committees: Mr. Thomas Spitzenpfeil

T01 Participation of the individual Supervisory Board members in meetings

	Matthias Wierlacher	Stefan Schaumburg	Evert Dudok	Elke Eckstein	André Hillner (since 15.06.2022)	Prof. Ursula Keller (since 22.01.2022)	Dörthe Knips	Alexander Münkwitz (since 01.04.2022)
6 Supervisory Board Meetings	●●●●●●	●●●●●●	●●●●●●	●●●●●● ○	●●●●	●●●●●●	●●●●●●	●●●●●●
5 meetings of the Audit Committee	-	-	-	-	-	-	●●	●●
6 meetings of the Personnel Committee	●●●●●●	●●●●●●	●●●●●●	●●●●	-	-	●●●●	-
4 meetings of the Investment Committee	●●●●	●●● ○	-	●●●●	●●	-	●●	●
1 meetings of the Nomination Committee	●	-	○	-	-	-	-	-

● Participation ○ No participation

was elected Chairman of the Audit Committee, Ms. Doreen Nowotne his deputy. As provided for in the Rules of Procedure of the Supervisory Board, I chair the Personnel, Mediation, Investment, and Nomination Committees.

At the **meeting on September 14, 2022**, which was held in Switzerland at the site of SwissOptic AG, acquired in 2021, following a tour of the manufacturing areas, the Executive Board, reported on the current business and financial situation of the Group at the end of the second quarter and as of July 31, 2022, the non-financial reporting as of July 31, 2022, and the performance of the Jenoptik share in the current fiscal year. The Supervisory Board examined the planning assumptions for the 2023 fiscal year, a range of acquisition and divestment projects, and the Group’s Risk and Opportunity Report as of June 30, 2022. The Supervisory Board also resolved to contract an independent external expert to review and further develop the Executive Board remuneration system in order to introduce ESG targets as part of the multi-year variable remuneration and share ownership guidelines, as announced in last year’s Remuneration Report. The Supervisory Board was also updated on the status of the search for a successor to Mr. Hans-Dieter Schumacher.

During the **two-day strategy meeting in November**, the Supervisory Board, together with the Executive Board and other members of the Executive Management Committee, discussed in detail the progress made with the Group’s “More Value” strategy at divisional level and also dealt with the Group’s sustainability and HR strategy. The Supervisory Board adopted adjustments to the remuneration system for the Executive Board members, which is to be submitted to the Annual General Meeting on June 7, 2023 for approval. Subject to approval by the Annual General Meeting, the adjusted remuneration system is to take effect retroactively from January 1, 2023. The Supervisory Board also resolved to expand the Executive Board to three persons and, following the recommendation of the Personnel Committee, appointed Dr. Ralf Kuschnerreit to the Executive Board with effect from January 1, 2023, and Dr. Prisca Havranek-Kosicek from March 1, 2023. It considered the overview of the customary nature of Executive Board remuneration compared with other companies and with other employee groups in the company, which had been prepared with the assistance of an

Doreen Nowotne	Thomas Spitzenpfeil (since 15.06.2022)	Christina Süßenbach (since 15.06.2022)	Franziska Wolf (since 15.06.2022)	Thomas Klippstein (until 15.06.2022)	Dieter Kröhn (until 31.03.2022)	Astrid Biesterfeldt (until 15.06.2022)	Heinrich Reimitz (until 15.06.2022)	Frank Steininger (until 15.06.2022)	Total attendance in percent
●●●●● ○	●●●●●	●●●●●	●●●●●	●●	●	●●	●●	●●	97%
●●●●●	●●	-	-	●●●	-	●●●	●●●	-	100%
-	-	-	●●● ○	●●	-	-	●●	●●	97%
●●●●●	-	●●	-	-	●	-	-	-	96%
-	-	-	-	-	-	-	●	-	67%

external independent remuneration consultant, and concluded that the remuneration agreed with the members of the Executive Board is customary in a horizontal and vertical comparison in accordance with the requirements of the Code. Finally and on the recommendation of the Personnel Committee, the conclusion of the service contracts with the new Executive Board members was approved.

At its last meeting of the year on **December 14, 2022**, the Supervisory Board dealt in detail with the business performance of JENOPTIK AG and the Group following the end of the third quarter and as of October 31, 2022, including the sustainability indicators. The Supervisory Board was provided with information on the medium-term planning and approved the corporate planning for the fiscal year 2023. After reviewing a corporate governance checklist, the Declaration of Conformity in accordance with § 161(1) AktG for the fiscal year 2022 was approved. The Supervisory Board also dealt determined the ESG indicators for the multi-year variable remuneration of the Executive Board members and adopted a new schedule of responsibilities for the extended Executive Board. The Executive Board provided information on adjustments to the D&O liability insurance policy as part of the annual renewal. The Supervisory Board also discussed how effectively the Supervisory Board as a whole and its committees perform their duties (efficiency review).

Work in the Committees

The Supervisory Board has established five committees to perform its tasks with greater efficiency. To the extent permissible by law, these committees make one-off decisions in place of the Supervisory Board and prepare topics that are then addressed by the Supervisory Board. The chairmen on the committees provide in-depth information on the content and outcomes of each committee meeting at the following meeting of the Supervisory Board. With the exception of the Audit Committee, the committees are led by myself as the Chairman of the Supervisory Board. Information on the individual members of each committee can be found in the Corporate Governance Statement.

The [Audit Committee](#), chaired until June 15, 2022 by Mr. Heinrich Reimitz and since then by Mr. Thomas Spitzenpfeil, held four meetings and one conference call in the reporting period. Both members of the Executive Board, the Head of Corporate Controlling & Accounting, and the Head of Group Accounting were present at all meetings; the heads of relevant departments attended as required for individual topics. In addition to the monthly reports, the Quarterly Statements as well as the Half-Year Financial Statements, and the Annual and Consolidated Financial Statements, the Audit Committee paid particular attention to the effectiveness, appropriateness, and ongoing development of the risk management, internal control, and compliance management systems. The Chairman of the Audit Committee also maintained regular contact with the auditor outside the meetings, and subsequently reported to the committee on this. In its new composition since June 2022, the Audit Committee also discusses individual matters at each meeting without the Executive Board.

During a **conference call on February 8, 2022** prior to publication of the preliminary figures, the Audit Committee together with the Executive Board discussed the key indicators in the fiscal year 2021 as well as the current status of the preparation of the Annual and Consolidated Financial Statements.

The **balance sheet meeting on March 10, 2022** focused on the audit of the Combined Management Report, JENOPTIK AG's Annual Financial Statements and Consolidated Financial Statements following application of ESEF regulations, and the Executive Board's proposal for the appropriation of

profits. This meeting was also attended by Mr. Steffen Maurer and Mr. Uwe Pester, acting as representatives of our auditor. The Consolidated Non-Financial Report and the results of the limited assurance audit were discussed with representatives from auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PWC"). The Audit Committee considered the quality of the audit carried out by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart ("EY"), and rated it as convincing. The Director of Risk & Compliance then presented the current Group Risk and Opportunity Report as of December 31, 2021. Another issue at the meeting was the recommendation by the Audit Committee to the Supervisory Board that EY again be proposed to the Annual General Meeting as the auditor for the fiscal year 2022. EY confirmed that there are no circumstances compromising its independence as auditor.

At the **meeting on May 10, 2022**, the Audit Committee dealt in detail with the Statement for the first quarter of 2022. The Committee obtained information on current interest rate developments and their impact on group financing, audits carried out, and Internal Audit's audit planning, and was given an overview of a project to optimize the internal control system.

In addition to the Half-Year Financial Statements, the topics of discussion on **August 9, 2022** included the determination of the main points of the audit and the review of EY's fee agreement for the upcoming audit. The committee also addressed the issue of monitoring the independence of the auditor. To this end, it reviewed the services provided in the past year in addition to the audit and updated its approved catalog of permissible non-audit services. On the basis of the resolution of the Annual General Meeting on June 15, 2022, the Audit Committee subsequently appointed EY as auditors for the fiscal year 2022. The Committee was also informed about the current Group Risk and Opportunity Report as of June 30, 2022.

At its last meeting of the year on **November 9, 2022**, the Audit Committee examined the Financial Statements for the third quarter and the current forecast as of December 31, 2022. Representatives from EY presented the audit strategy and audit plan for the upcoming audit to the Audit Committee. This plan covered the defined main points of the audit, the scope of the audit at the individual group companies, and the provisional key audit matters. The Head of Group Internal Audit reported on the audits carried out in the second half of the year and the main findings, the status of the internal control system optimization project, and the Internal Audit department's audit planning for the following year.

The **Personnel Committee** met six times in the past fiscal year. Its meetings focused on the settlement of the Executive Board's target agreements for 2021, including determination of the multiplier for the one-year variable remuneration, and the agreement of new targets for the fiscal year 2022. After Mr. Hans-Dieter Schumacher declared that he did not wish to extend his Executive Board service contract, which expires on March 31, 2023, the Personnel Committee dealt intensively with succession planning and proposals to expand the Executive Board to three persons in the further course of the year. It was supported in this by an external personnel service provider. It also submitted the proposals for an adjusted Executive Board remuneration system drawn up with the assistance of an external remuneration consultant to the Supervisory Board, including the introduction of ESG criteria in the multi-year variable remuneration and of share ownership guidelines. With the support of the remuneration consultant, the customary nature of Executive Board remuneration was considered in comparison with other companies and with other employee groups in the company, and taken into account in the proposal for the level of remuneration of the new Executive Board members.

The [Investment Committee](#) met four times in 2022, and dealt with current acquisition and divestment projects, in particular the completion of the sale of VINCORION, which was successfully concluded on June 30, 2022, and information on the development of the companies acquired in the last four years. Following relevant suggestions made in the course of the self-evaluation, the committee also discussed its allocation of tasks and the structure of its working methods.

The [Nomination Committee](#) met once in the past fiscal year to prepare for the upcoming election of shareholder representatives to the Supervisory Board by the 2022 Annual General Meeting. Taking into account the requirements profile updated by the Supervisory Board at the end of 2021, it discussed the suitability and independence of various candidates to succeed Mr. Heinrich Reimitz, who was not available for a further term of office. It ultimately recommended Mr. Thomas Spitzenpfeil as the candidate for election to the Supervisory Board by the Annual General Meeting. Mr. Spitzenpfeil introduced himself personally both to the Nomination Committee and subsequently to the Supervisory Board.

The [Mediation Committee](#) established on the basis of § 27(3) of the Codetermination Act (MitbestG) did not meet in the year covered by the report as there was no reason for it to do so.

Corporate Governance

Over the past fiscal year, the Supervisory Board engaged with corporate governance issues, and in December, following examination of a corporate governance checklist and in conjunction with the Executive Board, adopted the Declaration of Conformity in accordance with § 161(1) AktG. It is part of the Corporate Governance Statement.

Following the most recent efficiency review carried out with the assistance of an external expert in 2020 and an internal audit in 2021, the Supervisory Board once again made an internal self-assessment in the past fiscal year. Based on suggestions from the internal evaluation in 2021, the Investment Committee reviewed its task profile and working methods in 2022, among other things. The internal self-assessment of the Supervisory Board, which has been largely reconstituted since the Annual General Meeting in June 2022, again gave a positive picture of the activities of the Supervisory Board and its committees in December 2022. No efficiency shortcomings were identified. The next external efficiency review is scheduled to take place in 2023.

Within the Supervisory Board, there were no conflicts of interest subject to reporting requirements in the past fiscal year. Based on the recommendations of the Code, members of the Executive Board may only exercise external supervisory board mandates with the approval of the Supervisory Board. In the past fiscal year, the Supervisory Board approved the exercise of a supervisory board mandate by Dr. Traeger at Aixtron SE. One member of the Supervisory Board of JENOPTIK AG exercises an executive role at a company with which Jenoptik has a business relationship. Jenoptik does not, however, consider these business transactions to be of significance, especially as they are conducted under the same conditions as would have been maintained with third-party companies. Furthermore, the Executive Board and Supervisory Board did not undertake any transactions that would have been subject to approval or publication as related party transactions. More information on business transactions by the Executive Board or Supervisory Board with related parties can be found in chapter 8.5 of the Notes.

Members of the Supervisory Board are responsible for undergoing the training and professional development measures necessary for their tasks. To the extent permitted by law, they are given targeted support by the company, for example in the form of invitations to selected events. All members are regularly informed about new regulatory requirements or other legal developments affecting them.

New members also are supported by the company during their inductions (“onboarding”). Immediately after assuming the chairmanship of the Audit Committee, Mr. Thomas Spitzenpfeil met the CFO and managers with specialist responsibility on several occasions to exchange views on fundamental and current issues, thus gaining an overview of the relevant Audit Committee topics at Jenoptik.

Detailed information on corporate governance at Jenoptik can be found in the Corporate Governance Statement.

Annual Financial Statements and Consolidated Financial Statements

In line with the resolution of the Annual General Meeting on June 15, 2022, EY was appointed to audit the Combined Management Report, the Annual Financial Statements of JENOPTIK AG, the Consolidated Financial Statements, and to carry out a formal audit of the Remuneration Report. EY has been the JENOPTIK AG and Group auditor since the fiscal year 2016. The lead audit partner is currently Mr. Steffen Maurer. EY audited the Annual Financial Statements prepared by the Executive Board according to the provisions of the German Commercial Code (HGB), the Combined Management Report as well as the Consolidated Financial Statements, and each provided with an unqualified audit opinion. The Consolidated Financial Statements were prepared according to § 315e HGB and on the basis of International Financial Reporting Standards (IFRS) as applicable in the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB. The Remuneration Report was subjected to a formal audit by EY in accordance with § 162 (3) AktG and issued an unqualified opinion. The limited assurance audit of the Consolidated Non-Financial Report was also given an unqualified opinion by PWC.

Within the scope of its audit duties, EY also checked whether the Executive Board had adopted suitable measures to ensure that developments that may endanger the continued existence of the company are identified in good time. The EY audit was conducted according to § 317 HGB and the EU Audit Regulation, giving consideration to the generally accepted German audit principles defined by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]).

On completion, the audit reports, the Annual Financial Statements, the Consolidated Financial Statements, the Executive Board’s proposal for the appropriation of profits, the Combined Management Report, including the Combined Non-Financial Report were dispatched to all members without delay and, together with the documents submitted by the Executive Board, discussed in detail by the Audit Committee and the Supervisory Board at their March meetings. Both also dealt with the key audit matters. In the presence of the Executive Board, representatives from EY and PWC reported personally on the scope, main focus, and key findings of their audit at the meetings, and were also available to respond to any further queries. The Supervisory Board is of the opinion that the participation of the Executive Board is a valuable addition to Supervisory Board discussions and completion of auditing of the Annual and Consolidated Financial Statements, at which auditor EY is in attendance,

and therefore endorses the Executive Board's continued participation in the future. If a member wishes to have a discussion with the auditor without the participation of the Executive Board, the Chairman of the Supervisory Board or the Committee will agree to this.

EY also provided information on services rendered in addition to the audit services. Detailed information can be found in the Notes in chapter 10.3. According to the auditor, there were no circumstances that gave rise to a concern of partiality. No major weaknesses in the risk management system or the internal control system were reported. The Chairman of the Audit Committee also reported in detail on the audits of the Annual Financial Statements and the Consolidated Financial Statements prepared by the Audit Committee.

Following the final outcomes of the preliminary audit by the Audit Committee and its own review and discussion, the Supervisory Board raised no objections to the outcomes of the audit at its meeting on March 27, 2023 and approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Executive Board. The Annual Financial Statements for 2022 are thus adopted according to § 172 (1) AktG. The Supervisory Board discussed in detail the Executive Board's resolution on the appropriation of profits, which provides for a dividend payment increased by 5 cents to 0.30 euros per dividend-bearing no-par value share, and approved it following an internal review.

Changes on the Supervisory Board and Executive Board

There were several changes on the Supervisory Board in the past fiscal year. Prof. Ursula Keller was appointed to the Supervisory Board by court order, with effect from January 22, 2022, to succeed Prof. Tünnermann, who left the Board on December 31, 2021, and was confirmed in office by the Annual General Meeting in June 2022. As of April 1, 2022, Mr. Alexander Münkowitz was also appointed to the Supervisory Board by court order as employee representative to succeed Mr. Dieter Kröhn, who left the Board on March 31, 2022, and was subsequently elected for a five-year term in the employee representative election. Mr. Heinrich Reimitz, Mr. Frank-Dirk Steininger, Mr. Thomas Klippstein, and Ms. Astrid Biesterfeldt left the Supervisory Board of JENOPTIK AG at the end of the Annual General Meeting on June 15, 2022. We thank all departed members for their valuable assistance and, in some cases, many years of service on the Supervisory Board. At the Annual General Meeting on June 15, 2022, Mr. Thomas Spitzenpfeil and, in the employee representative election, Ms. Christina Süßenbach, Ms. Franziska Wolf, and Mr. André Hillner were elected as new Supervisory Board members with effect from the end of the Annual General Meeting.

After our Executive Board member Mr. Hans-Dieter Schumacher announced that he would not be available again for an extension of his contract, which expires on March 31, 2023, the Supervisory Board decided in November 2022 to expand the Executive Board to three persons. As of January 1, 2023, Dr. Ralf Kuschnerit and as of March 1, 2023, Dr. Prisca Havranek-Kosicek were appointed additional members of the Executive Board. Dr. Havranek-Kosicek will succeed Mr. Hans-Dieter Schumacher on April 1, 2023. Mr. Schumacher has been Chief Financial Officer of JENOPTIK AG for a total of eight years, starting April 1, 2015, and has played a key role in shaping the company's very successful development since then. In doing so, he has ensured the necessary financial room for maneuver for investments and acquisitions and thus created an essential basis for Jenoptik's transformation into a global photonics company. We would like to thank Hans-Dieter Schumacher for the services he has provided to the company.

On behalf of the Supervisory Board, I would like to express my particular thanks to all employees, the employee representatives, and the members of the Executive Board for their extraordinary dedication and great personal commitment over the past year. I would also like to thank our shareholders, who have continued to place their trust in us throughout this time.

Jena, March 2023
On behalf of the Supervisory Board



Matthias Wierlacher
Chairman of the Supervisory Board

Highlights 2022



Awards for innovation

Jenoptik was presented with the Green Globe Award at the Intertraffic trade fair in March for the TraffiPole housing system, an environmentally friendly solution for greater sustainability and emissions reduction in traffic monitoring. The opto-electronic UFO Probe® Card for efficient PIC wafer testing was awarded the Thuringia Innovation Prize in the “Industry & Material” category in November.



Sustainability improvements

Sustainability is an integral part of our corporate strategy. With “LEED Gold Certification” in the construction industry, our newly constructed buildings, such as the employee restaurant opened in 2022, go well beyond legal requirements for sustainability. Our sustainability competition was also run successfully for the third time last year, with a large number of projects dedicated to protecting the environment and conserving resources.



Investments in growth markets

With a focus on the growth market of semiconductor & electronics, we are investing in a new high-tech factory in Dresden, where micro-optics and sensors for semiconductor equipment manufacturers will be produced from 2025 on. A major milestone was the groundbreaking ceremony at the site in September 2022.

Progress with the strategic Agenda 2025

With our Agenda 2025 “More Value,” we are continuing our transformation into a globally leading, streamlined photonics group with sustainable profitable growth in the core photonics markets of semiconductor & electronics, life science & medical technology, and smart mobility. In this context, we adjusted our divisional structure in spring 2022 and completed the sale of VINCORION in June.



Changes in management

In late 2022, the Jenoptik Supervisory Board appointed two new Executive Board members for 2023. Since January 1, the Head of the Advanced Photonic Solutions division, Dr. Ralf Kuschnerer, has been the third member of the Executive Board. Dr. Prisca Havranek-Kosicek will join the Executive Board on March 1 and succeed Hans-Dieter Schumacher in the role of Chief Financial Officer from April 1.

Jenoptik celebrated 30+1

On July 1, 2022, we were finally able to join in the postponed celebration of our 30th anniversary with many employees, the city of Jena, and the general public. Our vision of “More Light” was also part of the anniversary: Entitled “We shine together,” a diverse program for young and old was put on stage at Ernst-Abbe-Platz in Jena.



The Jenoptik Share

Stock Markets

The 2022 trading year was dominated by the energy crisis and the Ukraine war, high inflation, rising interest rates, and supply chain issues.

At the end of the year, Germany's benchmark index, the Dax, was at 13,923.59 points, 12.4 percent lower than at the end of 2021. The TecDax, Germany's technology index, was at 2,921.12 points at the end of December, up 25.5 percent for the year. On the last day of trading in 2022, the SDax was down 27.4 percent, at 11,925.70 points.



The latest information on the Jenoptik share and the development of the Jenoptik Group can be found at www.jenoptik.com/investors

Jenoptik Share Price Trends

The Jenoptik share also fell sharply in value over the reporting period. Starting the first day of trading in 2022 with a closing price of 37.26 euros, the highest price in the course of the year, the share price declined despite the announcement of revenue and earnings growth. The share reached its lowest level on September 29, closing at 19.54 euros. Specification of the forecast in November 2022 and a somewhat more positive mood on the German stock market again helped to buoy the Jenoptik share price in the further course of the year. The share ended trading on December 30 at 25.56 euros, a year-to-date fall of 31.2 percent.

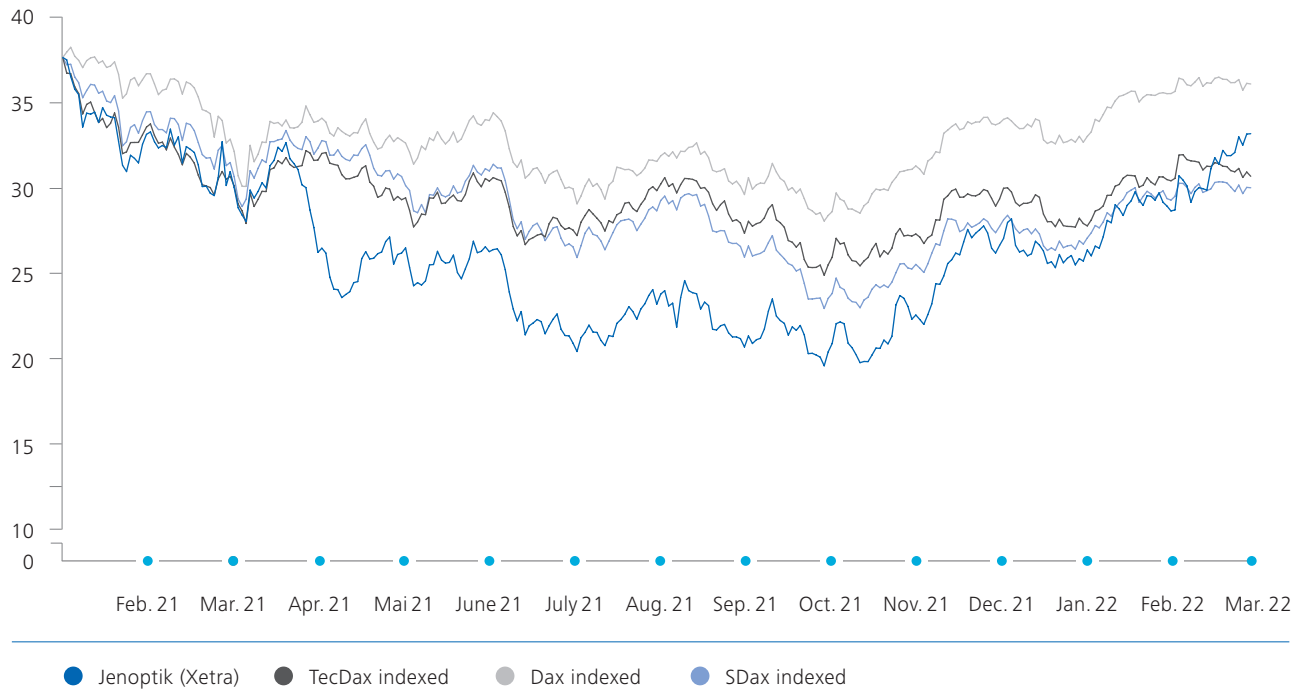
Jenoptik's total shareholder return, i.e., share price performance (last closing price in 2021 through last closing price in 2022) accounting for dividends paid in the fiscal year, came to minus 44.3 percent in 2022 (prior year: 48.8 percent). Based on 57,238,115 shares issued, market capitalization amounted to 1,463.0 million euros at the end of the year (prior year: 2,125.8 million euros).

In the first two months of 2023, the Dax, but also the TecDax and SDax, moved slightly upwards. The Jenoptik share performed much better, particularly after the announcement of the preliminary results for 2022 and the forecast for 2023. The closing price of the share in Xetra trading on February 28, was 32.88 euros. This corresponded to a market capitalization of 1,882.0 million euros.

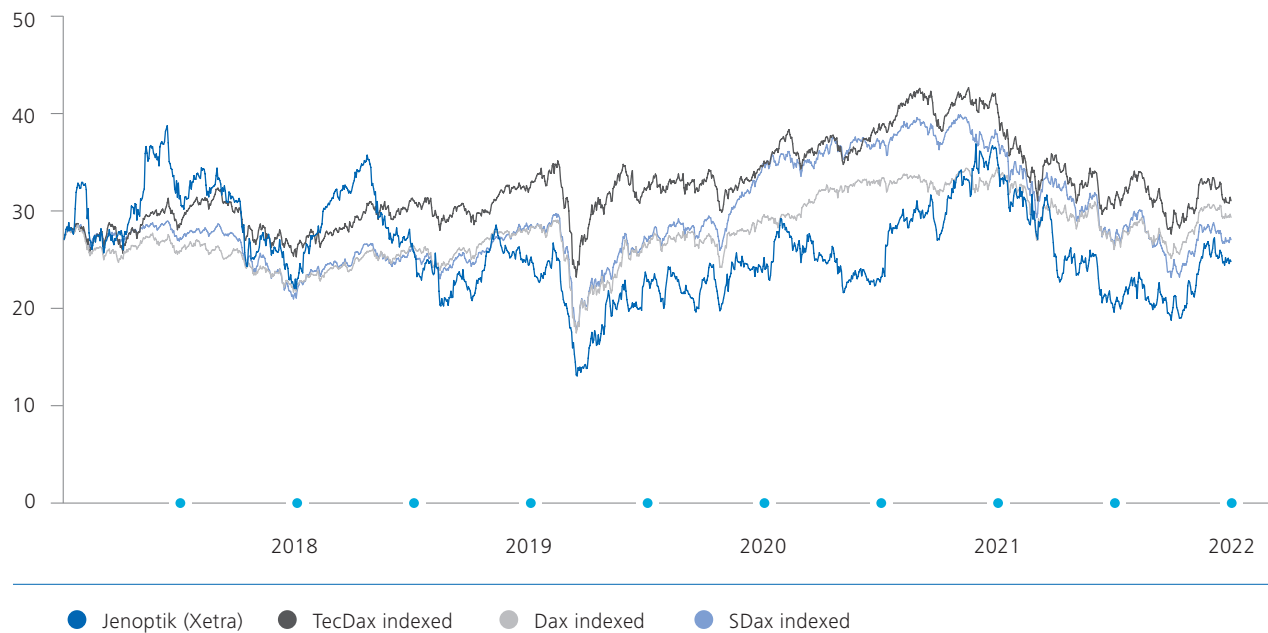
Compared to the prior year, investor trading saw a downturn. The average number of Jenoptik shares traded per day on the Xetra, in floor trading, and on Tradegate in 2022 was 127,179, 29.1 percent less than in the prior year (prior year: average 179,374 shares).

In the TecDax ranking compiled by Deutsche Börse Group, the Jenoptik share improved to 18th place in terms of free float market capitalization in December 2022, up from 20th in the prior year. Of the 70 stocks on the SDax, JENOPTIK AG remained in 3rd place in free float market capitalization (prior year: 3rd) at the end of the year.

G01 Share performance January 3, 2022 through February 28, 2023 (indexed in euros)



G02 Share performance 2018 through 2022 (indexed in euros)



Shareholder Structure

At the end of the fiscal year, JENOPTIK AG's free float was unchanged at 89 percent.

Throughout 2022, we received several voting right notifications from institutional investors on the purchase or sale larger stock positions; these were published by the company. For more information on this, see the individual JENOPTIK AG financial statements and the Investors/Share/Voting rights announcements section on www.jenoptik.com.

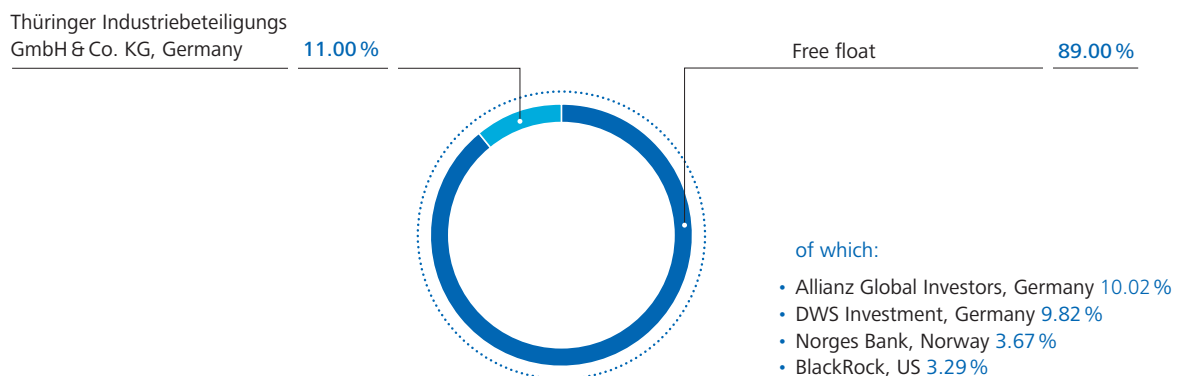
At the end of 2022, a total of 50,612 shareholders (prior year: 49,995) were entered in the share register, of which 556 were institutional investors (prior year: 588) and 50,056 private investors (prior year: 49,407). Institutional investors held 77.31 percent of the company's share capital (prior year: 78.23 percent), private investors 22.69 percent (prior year: 21.77 percent).

Dividend

The Jenoptik management aims to pursue a policy of dividend reliability and continuity in which shareholders receive a dividend in line with the company's success. At the same time, sufficient financial resources are required to finance Jenoptik's operating business and strategic investment to drive its transformation into a globally leading, streamlined photonics group. This, together with the use of further acquisition opportunities, is key to the sustainable and successful growth of the company, and thus also in the interests of shareholders. The Executive and Supervisory Boards of JENOPTIK AG therefore review their dividend recommendation with considerable prudence every year. In the past fiscal year, Jenoptik paid a dividend of 0.25 euros per share (prior year: 0.25 euros) to its shareholders for 2021.

Based on the very good result in fiscal year 2022 the Executive Board and the Supervisory Board will propose to the Annual General Meeting 2023 to pay a dividend of 0.30 euros per share for fiscal year 2022. The management is thus pursuing the goal of allowing shareholders to participate appropriately in the company's success while at the same time enabling further investments in growth in a highly volatile market environment. With earnings per share of 0.96 euros (previous year: 1.43 euros), the payout ratio is 31.2 percent (prior year: 17.5 percent), subject to the approval of the Annual General Meeting, and thus significantly exceeds the prior year's figure.

G03 Shareholder structure (as of February 28, 2023)*



* Based on received voting right notifications

4 Interview with the Executive Board

10 Report by the Supervisory Board

20 Highlights 2022

22 The Jenoptik Share

Capital Market Communications

We are committed to making sure our communication with shareholders, analysts, and institutional investors is open and reliable. In doing so, we follow the principle of providing the participants in the capital market as well as the general public with continuous, up-to-date information on an equal basis in order to guarantee as much transparency as possible and boost confidence in Jenoptik.

We use our financial reports and releases to provide extensive information about the Group's earnings, assets, and finances four times a year. In addition, important events and current developments are reported in press releases. These documents, as well as presentations, the financial calendar, the Articles of Association, and further information are also available in German and English on the Jenoptik website at www.jenoptik.com.

T02 Key figures of the Jenoptik share

	2022	2021	2020	2019	2018
Closing price (Xetra end-year) in euros	25.56	37.14	25.12	25.48	22.78
Highest/lowest price (Xetra) in euros	37.26/19.54	37.60/22.36	27.44/13.82	36.45/21.00	39.48/22.78
Absolute performance in euros/relative in percent	-11.58/-31.2	12.02/47.9	-0.36/-1.4	2.70/11.9	-4.77/-17.3
Issued no-par value shares (31/12) in millions	57.24	57.24	57.24	57.24	57.24
Market capitalization (Xetra end-year) in million euros	1,463.0	2,125.8	1,437.8	1,458.4	1,303.9
Average daily trading volume ¹ (shares)	127,179	179,374	190,855	152,355	167,748
P/E ratio (basis highest price)/P/E ratio (basis lowest price)	38.81/20.35	26.3/15.6	37.6/18.9	30.9/17.8	25.8/14.9
Free cash flow per share in euros	1.40	1.10	1.09	1.35	1.89
Group earnings per share in euros	0.96	1.43	0.73	1.18	1.53

¹ Source: Deutsche Börse; includes trading on the Xetra, in Frankfurt, Munich, Berlin, Düsseldorf, Hamburg, Hannover as well as Stuttgart and on Tradegate

T03 Dividend key figures

	2022	2021	2020	2019	2018
Dividend per share in euros	0.30	0.25	0.25	0.13	0.35
Payout amount in million euros	17.2	14.3	14.3	7.4	20.0
Dividend yield ¹ in %	1.2	0.7	1.0	0.5	1.5
Payout ratio ² in %	31.2	17.5	34.2	11.0	22.9
Total shareholder return in %	44.3	48.8	-0.4	12.4	-16.0

¹ based on year-end closing price

² based on earnings attributable to shareholders

In accordance with the statutory requirements of the Regulation on Market Abuse, inside information is published immediately and simultaneously worldwide in German and English, insofar as JENOPTIK AG is not, in individual cases, exempt from this publication.

In the fiscal year 2022, Jenoptik was once again represented at numerous investor conferences, roadshows, and sales briefings. During conference calls on the publication of the financial statements and quarterly statements and reports, and in numerous individual conversations, the Executive Board and the investor relations team explained the development of business, key figures, and strategy to institutional investors, analysts, and journalists.

The 24th Annual General Meeting of JENOPTIK AG was for the third time held in purely virtual form due to the coronavirus pandemic on June 15, 2022. At around 63 percent, the proportion of capital represented was slightly below the prior-year figure of 65 percent. By a large majority, the shareholders formally approved the actions of the Executive Board and Supervisory Board, and agreed to payment of the proposed dividend. In addition, shareholder representatives were elected to the Supervisory Board. Shareholders also approved all other items on the agenda by a clear majority.

Over the course of 2022, 14 (prior year: 12) analysts published recommendations on the Jenoptik share: Baader Helvea, Bankhaus Metzler, Berenberg, Deutsche Bank, DZ Bank, Hauck & Aufhäuser, HSBC, Kepler Cheuvreux, LBBW, STIFEL, and Warburg Research. New analysts in 2022 were ODDO BHF, BNP Paribas, and Jefferies; Independent Research did not publish recommendations anymore. On December 31, 2022, the average target price of the Jenoptik share as assessed by our analysts was 31.08 euros (prior year: 38.32 euros). G04

G04 Analyst recommendations (as of December 31, 2022)

