



MORE LIGHT

Executive Board report to the Annual General Meeting regarding item 7 of the agenda pursuant to §71(1)(8) in conjunction with §186(4)(2) AktG [German Stock Corporation Act] (convenience translation)

The authorization to acquire treasury shares resolved by the Annual General Meeting on June 5, 2018 expired on June 4, 2023. The new authorization with a shorter term under item 7 of the agenda is intended to give the entity the opportunity once again to acquire treasury shares up to an amount of 10 percent of the share capital existing at the time of the resolution on this authorization or – if this amount is lower – of the share capital existing at the time of the exercise of this authorization through June 6, 2025. The entity does not currently hold any treasury shares.

When acquiring treasury shares, the principle of equal treatment of shareholders pursuant to §53a AktG must be observed. This principle is fulfilled by acquiring the shares, at the discretion of the Executive Board, on the stock exchange or by means of a public offering addressed to all shareholders or a public invitation to all shareholders to submit an offer for sale (together “public offering”). In the case of a public offering, the addressees of the invitation may decide how many shares and, if a price range is specified, at what price they wish to offer the shares to the entity. If the total number of shares tendered in response to a public offering exceeds its volume, acceptance may be based on quotas. It shall, however, be possible to provide for preferential acceptance of small offers or small parts of offers up to a maximum of 100 no-par value bearer shares per shareholder as well as rounding according to commercial principles to avoid fractional shares. In this respect, shareholders have no further rights to tender shares. These options serve to avoid fractional amounts when determining the quotas to be acquired and prevent the formation of small residual holdings. They therefore facilitate the technical handling of the acquisition process and are in the interests of the entity and its shareholders.

Acquisition via the stock exchange may also be carried out as part of a structured buyback program with which a credit institution or an enterprise operating pursuant to §53(1)(1) or §53b(1)(1), or §53b(7) of the German Banking Act or a syndicate of such credit institutions or enterprises is commissioned.

In order to protect shareholders against the dilution of their investments in the entity, shares may only be used with an exclusion of subscription rights in accordance with the following provisions under b) to h) if the total of the shares used in this way together with shares

- (1) issued or sold by the entity during the term of this authorization until its utilization under another authorization excluding shareholders’ subscription rights, or
- (2) to be issued on the basis of rights that are issued during the term of this authorization until its utilization on the basis of another authorization excluding subscription rights and that enable or oblige the subscription of shares in the entity

do not account for more than 10 percent of the share capital in total at the time the authorization takes effect or – if the subsequent value is lower – at the time this authorization is exercised.

Repurchased or otherwise acquired treasury shares can be used for all purposes permitted by law, in particular for the following purposes:

- a) The Executive Board shall, with the approval of the Supervisory Board, be able to retire treasury shares without a renewed resolution by the Annual General Meeting. The Executive Board may determine that the retirement either results in a capital reduction or that the share capital remains unchanged upon retirement and that instead the retirement increases the proportion of the share capital represented by the remaining shares pursuant to §8(3) AktG. The Executive Board is therefore also to be authorized to make the necessary amendment to the Articles of Association with regard to the number of no-par value bearer shares that changes as a result of a retirement.
- b) The authorization to sell treasury shares is also to include the possibility of using treasury shares, excluding shareholders' subscription rights, to service the entity's warrant and/or convertible bonds. In suitable cases, this enables the bonds to be serviced without the more time-consuming and costly implementation of a capital increase from conditional capital, in which shareholders do not have subscription rights by law.
- c) In addition, the entity shall have the option to exclude shareholders' subscription rights in the event of a sale of acquired treasury shares in favor of holders or creditors of warrant and/or conversion rights to shares in the entity or corresponding conversion obligations vis-à-vis the entity, which are issued by the entity or by associates in which it holds a majority interest. This means that, for example, in the case of capital increases, subscription rights to shares can be granted to the extent to which the holders or creditors of warrant and/or conversion rights to shares in the entity or corresponding conversion obligations to the entity would be entitled. This can prevent their value from being diluted or other measures from having to be taken to protect against dilution.
- d) It should also be possible to use treasury shares, excluding shareholders' subscription rights, in exchange for contributions in kind, in particular in connection with business combinations or the acquisition of companies, parts of companies or investments in companies, or other assets within the scope of the entity's business purpose. International competition and the globalization of the economy make it necessary to be able to acquire companies or investments therein by means of an exchange of shares. The proposed exclusion of subscription rights gives the entity the necessary scope to exploit opportunities for business combinations, acquisitions of shareholdings, or the purchase of other non-cash assets quickly and flexibly without having to take the more time-consuming and costly route of utilizing authorized capital against contributions in kind. In determining the measurement ratios, the Executive Board will ensure that the interests of the shareholders are adequately safeguarded. It will base its assessment of the value of the shares granted as consideration on the stock market price of the Jenoptik share. However, a schematic link to a stock market price is not envisaged, in particular in order not to call into question achieved results of negotiations due to fluctuations in the stock market price.

- e) Furthermore, the possibility is provided to sell repurchased shares to third parties, excluding shareholders' subscription rights, by making use of the provision of §186(3)(4) AktG. The prerequisite for the sale to third parties for cash outside the stock exchange is that the consideration agreed by the entity on the sale is not significantly lower than the stock market price at the time of the sale. Due to the average volatility of the Jenoptik share price, the Executive Board intends, in the event of the authorization being exercised, to use the average of the prices determined by the closing auctions in XETRA trading (or a comparable successor system) on the five stock exchange trading days prior to the establishment of the obligation to sell as an appropriate benchmark. The authorization is also subject to the proviso that the 10 percent threshold of §186(3)(4) AktG, taking into account resolutions of the Annual General Meeting or the utilization of other authorizations to exclude subscription rights in direct or analogous application of §186(3)(4) AktG, may not be exceeded from the time this authorization takes effect. Insofar as during the term of this authorization until its utilization other authorizations to issue or sell shares in the entity or to issue rights that enable or oblige the subscription of shares in the entity are exercised and subscription rights are excluded in accordance with or pursuant to §186(3)(4) AktG, this shall be counted towards the aforementioned 10 percent limit. The entity is thus making use of the option provided for in §71(1)(8) AktG in conjunction with §186(3) and (4) AktG to simplify the exclusion of subscription rights. The authorization is in the interests of the entity and its shareholders because it gives the entity greater flexibility and, in particular, enables it to sell shares to cooperation partners in a targeted manner. Shareholders' asset-related and voting rights interests are appropriately protected in the event of the exclusion of subscription rights pursuant to Section 186(3)(4) AktG. The fact that the shares may only be sold at a price not substantially below the relevant stock market price provides protection against dilution. The final selling price for the treasury shares is set shortly prior to sale. In the process, the Executive Board will endeavor to minimize any markdown on the stock market price in due consideration of current market conditions. Shareholders are protected by the fact that the markdown on the stock market price at the time of the sale may not be substantial. In addition, they have the option of maintaining their share of the entity's share capital at any time by purchasing shares on the stock market.
- f) The authorization also provides for treasury shares to be transferred, excluding subscription rights, to current or former members of the Executive Board of the entity or members of the representative body of an associate in which the entity holds a majority interest as share-based payment. The Supervisory Boards shall decide the extent to which shares are to be transferred to members of the Executive Board of the entity. The purpose of this option is to enable a form of remuneration as a partial substitute for cash remuneration, stock options, or virtual shares that bind the current or former members of the Executive Board or representative body to the entity or the Group and its economic success. It is therefore in the interest of the entity. The shares may also be transferred to a credit institution or other enterprise meeting the requirements of §186(5)(1) AktG that accepts the shares with the obligation to use them exclusively for the purposes of this paragraph f). The further details of any share compensation in favor of members of the Executive Board of the entity shall be determined by the Supervisory Board.
- g) In addition, treasury shares may also be used for direct or indirect transfer to employees of the entity and associates in which the entity has a majority shareholding, or to third

parties who transfer beneficial ownership of the shares to these employees. Such use is also provided for employees in §71(1)(2) AktG. It may, however, also be appropriate to use for this purpose treasury shares that the entity has already acquired under an authorization granted pursuant to §71(1)(8) AktG. Use through the issue of shares to employees of the entity and to associates in which the entity holds a majority interest serves to integrate and motivate employees through their participation in the entity and is thus in the entity's own interests.

- h) Finally, the Executive Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights for fractional amounts in the event of the sale of treasury shares by means of a public offer for sale to all shareholders. The possibility of excluding subscription rights for fractional amounts serves to provide a technically feasible subscription ratio. The shares excluded from subscription rights as fractional shares will either be sold on the stock exchange or otherwise used in the best possible way for the entity. In relation to the total volume of the sale, the fractional amounts are generally of minor importance.

The authorization also covers shares acquired pursuant to §71d(5) AktG. It is advantageous and creates further flexibility to be able to use these treasury shares in the same way as the shares acquired on the basis of this authorization resolution.

The Executive Board will carefully examine in each individual case whether it will make use of the authorization to acquire and use treasury shares excluding shareholders' subscription rights. The Executive Board will subsequently report to the Annual General Meeting on any utilization of the authorization.

Jena, March 2023

JENOPTIK AG
The Executive Board

Dr. Stefan Traeger
Chairman of the Executive Board

Hans-Dieter Schumacher
Member of the Executive Board

Dr. Prisca Havranek-Kosicek
Mamber of the Executive Board

Dr. Ralf Kuschnerleit
Member of the Executive Board