

Chapter 1

Management



Interview with the Executive Board

In 2023, Jenoptik continued the successful development of prior years, once again growing profitably with revenue up by 8.7 percent to 1,066.0 million euros and an EBITDA margin of 19.7 percent. With its photonic solutions, the Group serves the growth areas of semiconductor & electronics, life science & medical technology, and smart mobility. After years of increased external growth through acquisitions that have expanded the portfolio in its core markets, the Group's strategic focus is now primarily on organic growth. Jenoptik considers itself to be very well positioned here and has set itself a number of goals as part of the "More Value" strategic agenda with defined medium-term goals up to the year 2025. The aim is to further increase revenue to around 1.2 billion euros and the EBITDA margin to between 21 and 22 percent. These ambitious goals are based on a very solid financial foundation. Jenoptik Executive Board members Dr. Stefan Traeger, Dr. Prisca Havranek-Kosicek, and Dr. Ralf Kuschnerer explain in this interview how the goals are being achieved, what growth potential sits in which areas, where Jenoptik is using the funds generated, and how the company is committed to sustainability.

Dr. Traeger, 2023 was geopolitically and economically turbulent, but Jenoptik has remained on course for success, how have you achieved this?

Stefan Traeger: 2023 was characterized by significant uncertainty. Jenoptik has been able to navigate well through this challenging environment thanks to our product portfolio which is focused on growth areas in the photonics market, where we have a strong presence. In 2023, we achieved significant growth in our Advanced Photonic Solutions division. However, our Smart Mobility Solutions business and our Non-Photonic Portfolio Companies have also contributed to the growth of our Group. Overall, we have achieved what we set out to do and are continuing to make progress towards our goal of becoming a world leading photonics group. Above all, sustainable organic growth is now the decisive factor for the future, for which our high innovative strength remains key.

"Overall, we achieved what we set out to do in 2023 and remain well on the way to becoming a world leading photonics group."

Dr. Stefan Traeger

Dr. Havranek-Kosicek, we'll come to the outlook a little later. How do you specifically assess the key financial figures for the fiscal year 2023?

Prisca Havranek-Kosicek: As Stefan Traeger rightly says: We delivered what we promised and even went one better, as we raised our profitability targets in the course of the year. Specifically, with group revenue of 1,066.0 million euros, we are within the forecasted target corridor of 1,050 to 1,100 million euros. In terms of our EBITDA margin, we even managed to slightly exceed the increased forecast of around 19.5 percent. This means that 2023 was another record year for Jenoptik in terms of revenue and EBITDA despite the aforementioned adversities. And what I find particularly important as Chief Financial Officer is that we have been able to further improve our financing and balance sheet quality. For example, the ratio of net debt to EBITDA – i.e. leverage – was significantly reduced from 2.6 to 2.0, and our equity ratio is rock solid at 54.2 percent. In addition, our free cash flow has improved significantly to 127.3 million euros.

Dr. Kuschnereit, could you please give more details on the subject of growth focus?

Ralf Kuschnereit: With our "More Value" Agenda 2025, we are simultaneously serving several markets which promise above-average growth going forward: semiconductor & electronics, life science & medical technology, and smart mobility. With its innovative photonic solutions, Jenoptik has become an indispensable link and enabler in the value chain, for example in the semiconductor equipment industry. Experts predict that the semiconductor market will grow dynamically to around 1 trillion US dollars by 2030. We will also benefit from this and are significantly expanding our capacities in Dresden, for example. We are convinced of the strong growth of our business and key customers in the medium to long term. This also applies to the other target markets I mentioned.

Let me ask you a quick question: what are the specific investments planned at the Dresden site?

Ralf Kuschnereit: In Dresden, we are investing between 90 and 100 million euros in a new factory for the production of micro-optics and sensors for the semiconductor equipment industry. Everything is going according to schedule, with the groundbreaking ceremony taking place in September 2022 and the topping-out ceremony in the fall of 2023. The buildings are expected to be completed in the first half of 2024 and production is set to commence in the new factory at the beginning of 2025. We think on a global scale, but our commitment to Germany remains strong – one such example of this was the opening of the new medical technology site in Berlin in June 2023. This lays the foundation for further strong, global growth at Jenoptik.

"With our "More Value" Agenda 2025, we are simultaneously serving several markets which promise above-average growth in the future."

Dr. Ralf Kuschnereit

Within your portfolio, you still differentiate between photonic core businesses and non-photonic activities. What will happen with the latter?

Stefan Traeger: Correct, "More Value" essentially envisages profitable growth in our photonic divisions Advanced Photonics Solutions and Smart Mobility Solutions. The portfolio for this is in place, we see opportunities for good organic growth here and we do not exclude that there might be smaller additions to the portfolio through acquisitions. Our Non-Photonic Portfolio Companies, where the focus is on the automotive sector, still generated around 11 percent of our revenue in 2023. We have succeeded in recording a noticeable growth in earnings here, thus achieving a return to solid profitability. We are seeking potential suitable owners for our automation business, which we operate under the Prodomax brand. We are not under pressure in terms of time, the price must be right. The further development of our industrial metrology business may take place both within and outside the Group.

We are already well into 2024, what are Jenoptik's plans for this fiscal year?

Prisca Havranek-Kosicek: 2024 will be an important interim stage in achieving our medium-term targets for 2025. To this end, we announced in November that we would be sticking to our group revenue target for 2025 of around 1.2 billion euros. However, we have raised our profitability target from around 20 percent to between 21 and 22 percent in view of good organic development, especially in the semiconductor equipment sector. Of course, we will only meet this if we also make gains in 2024. Consequently, we have set ourselves the target of organic growth in revenue in the mid-single-digit percentage range. Our EBITDA margin is expected to be between 19.5 and 20.0 percent, including a charge of around 0.5 percentage points associated with the move to our new plant in Dresden. We anticipate more moderate progress during the first half of the year with an upturn in business beginning in summer 2024.

Sustainability is also one of your responsibilities. Have you also increased some of your targets for 2025 in this area?

Prisca Havranek-Kosicek: That is correct. We are clearly committed to our social responsibility and, as a leading technology company, will make our contribution to the Paris climate goals and the associated need to reduce CO₂ emissions worldwide. Accordingly, Jenoptik has set itself non-financial objectives, some of which are also reflected in the Executive Board remuneration. Group financing is also aligned with these objectives. Firstly, we have set ourselves the target of reducing our CO₂ emissions by more than 55 percent by 2025 in comparison to the base year 2019 and, secondly, we are aiming to achieve net zero by 2035 at the latest. Our CO₂ reduction target was previously 30 percent. In terms of our proportion of green electricity, we are now also pursuing a target value in excess of 90 percent for 2025 in comparison with the previous target of 75 percent.

"We are clearly committed to our social responsibility and are aiming to achieve net zero by 2035 at the latest."

Dr. Prisca Havranek-Kosicek

And my final question: what do your shareholders gain from this positive development?

Stefan Traeger: Everything we do at Jenoptik is aimed at creating value for our stakeholders. The approximate 11 percent increase in our share price in 2023 is a step in the right direction. However, if the majority of our analysts are to be believed, there is still plenty of room for improvement. And the investment in growth described above should naturally lead to a sustainable increase in the value of our company. And to ensure that our shareholders continue to participate appropriately in the company's success in the future, we want to increase our dividend for 2023 to 0.35 euros per share.

Mr. Traeger, Ms. Havranek-Kosicek, Mr. Kuschnerreit, good luck for 2024 and thank you very much for talking to us!

Supervisory Board Report

Dear shareholders,

2023 was a challenging year, with new geopolitical crises and uncertainties. In an increasingly difficult economic environment, Jenoptik proved its ability to perform, once again demonstrating its resilience and strength to grow: Group revenue increased organically by 8.7 percent and the EBITDA margin improved to 19.7 percent. With our Agenda 2025 "More Value", we will consistently continue to focus strategically on the high-growth cutting-edge industries in the photonics sector.

Cooperation on the Executive and Supervisory Boards

In the year covered by the report, the Supervisory Board stringently fulfilled its duties as stipulated in law, the Articles of Association, the Rules of Procedure, and the German Corporate Governance Code (the "Code") and both monitored and advised the Executive Board in its management of the company. We were fully involved in all decisions of fundamental importance to Jenoptik at an early stage. The Executive Board regularly informed us, both verbally and in writing, about all issues relevant to JENOPTIK AG and the Group relating to corporate planning, business development and profitability trends, the risk position and risk management, sustainability issues, compliance, corporate strategy, and the general economic situation. We intensively discussed the reports submitted, especially regarding transactions of significance to Jenoptik, and reviewed them for plausibility. Meetings of the Supervisory Board were in part prepared separately by shareholder representatives and employee representatives.

On occasions where, in accordance with the provisions of the German Stock Corporation Act (AktG), the Articles of Association, and the Rules of Procedure, the Executive Board required the agreement of the Supervisory Board before undertaking certain actions, we granted approval after thorough examination and consultation. In the event that the business development deviated from the established plans, the Executive Board notified us, explaining the reasons in detail. The Executive Board thus completely fulfilled its reporting obligations as stipulated in § 90 AktG and the Code.

Attendance at Meetings of the Supervisory Board and its Committees

The Supervisory Board held five regular meetings during the year. Four out of five meetings were held in person, with individual members joining virtually via video in several meetings when they were unable to be physically present. Resolutions were also adopted using a written circulation procedure on three occasions. Over the past fiscal year, the Supervisory Board saw a consistently high participation rate: No active members of the Supervisory Board or its committees attended half or fewer than half of the meetings in 2023. On average, attendance at Supervisory Board meetings was 97 percent.

There were also five meetings of the Audit Committee, six meetings of the Personnel Committee, five 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. One meeting of the Audit Committee was held entirely virtually. Of the six meetings of the Personnel Committee, two were held in person and four virtually. Three Investment Committee meetings were held in person, two virtually. At some of the committee meetings that were held in person, individual members were given the opportunity to attend virtually. Attendance at Audit Committee and Nomination Committee meetings was 100 percent, at the Investment Committee meetings 97 percent, and at the Personnel Committee meetings 94 percent. In most cases, members who were unable to attend a meeting participated in the resolutions by means of voting in absentia. Detailed information on members' attendance at meetings can be found in the table below.

T01 Attendance at meetings by the individual members of the Supervisory Board

| | Matthias Wierlacher | Stefan Schaumburg | Evert Dudok | Elke Eckstein | André Hillner | Prof. Dr. Ursula Keller | Dörthe Knips | |
|--|---------------------------------------|---------------------|--------------------------------------|---------------------|---------------------|-------------------------|--|--|
| Supervisory Board 5 meetings (of which 4 in person) | ●●●●● | ●●●●● | ●●●●● | ●●●●● | ●●●●● | ●●●●● | ●●● ○ | |
| Audit Committee 5 meetings (of which 4 in person) | - | - | - | - | - | - | ●●●●● | |
| Personnel Committee 6 meetings (of which 2 in person) | ●●●●● | ●●●●● | ●●●●● | ●●●●● | - | - | ●●●●● | |
| Investment Committee 5 meetings (of which 3 in person) | ●●●●● | ●●●● ○ | - | ●●●●● | ●●●●● | ● | - | |
| Nomination Committee 1 meeting (in person) | ● | - | ● | ● | - | - | - | |
| Attendance in percent | 100 % | 94 % | 100 % | 100 % | 100 % | 100 % | 88 % | |
| | Daniela Mattheus (since 1/11/2023) | Alexander Münkowitz | Doreen Nowotne (until 15/10/2023) | Thomas Spitzenpfeil | Christina Süßenbach | Franziska Wolf | Total attendance of all members in percent | |
| Supervisory Board 5 meetings (of which 4 in person) | ●● | ●●●●● | ●●● | ●●●●● | ●●●●● | ●●●●● | 97 % | |
| Audit Committee 5 meetings (of which 4 in person) | ● | ●●●●● | ●●●● | ●●●●● | - | - | 100 % | |
| Personnel Committee 6 meetings (of which 2 in person) | - | - | - | - | - | ●●●● ○ | 94 % | |
| Investment Committee 5 meetings (of which 3 in person) | - | - | ●●●● | - | ●●●●● | - | 97 % | |
| Nomination Committee 1 meeting (in person) | - | - | - | - | - | - | 100 % | |
| Attendance in percent | 100 % | 100 % | 100 % | 100 % | 100 % | 82 % | | |

● Attendance
○ No attendance

The members of the Executive Board attended the meetings of the Supervisory Board and its committees. In line with recommendations D.6 and D.10 of the Code, the Supervisory Board, the Audit Committee, and the Personnel Committee regularly discussed individual items on the agenda without the presence of the Executive Board.

The Executive Board and Supervisory Board always cooperated in an open and trusting atmosphere. The Chairman of the Supervisory Board and the Chairman of the Audit Committee also maintained regular contact with the Executive Board in between the meetings. 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 the Chairman of the Supervisory Board, either verbally or in writing, about important issues of key relevance to assessing the position, development, and management of Jenoptik. He informed the Supervisory Board of these issues without delay and at the next meeting by the latest.

Particular Subjects Discussed by the Supervisory Board

At all of its regular meetings, the Supervisory Board dealt with the detailed reports of the Executive Board on the progress of business, particularly with regard to the current development of revenue and earnings, the position of the company and the Group, and the financial and risk situations. This included a thorough examination and discussion of the relevant quarterly and monthly reports. Recurring topics at several meetings included information on the status of the construction of the new high-tech factory for micro-optics and sensors in Dresden as well as explanations and discussions on various acquisition and divestment projects.

The members of the Supervisory Board adopted their report for the Annual General Meeting and approved the Corporate Governance Statement, including the qualification matrix it contains, by two **written circular resolutions** in **February 2023**. In addition, the CVs of Supervisory Board members were compared against the competency profile adopted by the Supervisory Board, and were published in updated version on the JENOPTIK AG website.

The focus of the **balance sheet meeting on March 27, 2023** was the audit of JENOPTIK AG's Annual Financial Statements, the Consolidated Financial Statements, and both the Combined Management Report for JENOPTIK AG and the Group and the Non-Financial Report for the past fiscal year 2022. The auditors reported on the results of their audit. After a thorough review, and on the recommendation of the Audit Committee, the Supervisory Board approved the Annual and Consolidated Financial Statements. The Annual Financial Statements were thus adopted. Following in-depth discussions, the Supervisory Board also approved the Executive Board's proposal for the appropriation of profits, providing for a year-on-year increase of 5 cents in the dividend, to 0.30 euros per qualifying no-par value share. Another issue at this meeting was the approval of the agenda for the Annual General Meeting on June 7, 2023. We approved the settlement of the 2022 target agreements for the members of the Executive Board and adopted the new 2023 target agreements as well as the revised remuneration system for the members of the Executive Board, which was subsequently presented to the Annual General Meeting in June and approved by a large majority. The revised remuneration system was implemented in the employment contracts of all current members of the Executive Board with retroactive effect from January 1, 2023. Another topic of this meeting was the approval of a new target quota of at least one woman on the Executive Board. This target will apply until March 31, 2028. The Executive Board also provided information on various potential acquisition and divestment projects, as well as on the status of the construction of the new factory in Dresden. We also approved in principle the planned sale of a property in North America and authorized the Investment Committee to give final approval.

At its **meeting on June 6, 2023**, the Supervisory Board was given updated information relating to the Annual General Meeting to be held the following day, as well as on ongoing M+A projects, in addition to dealing with recurring topics. The Supervisory Board approved a major investment in machinery for the new building in Dresden and dealt with a report on production capacity in the Advanced Photonic Solutions division. It also authorized the Chairman of the Supervisory Board to sign the contracts negotiated with the two new members of the Executive Board regarding the structure of their company pension scheme.

In a **written circular resolution in July 2023**, the Supervisory Board approved the updated investment budget for the construction of the new high-tech factory in Dresden.

At the meeting on **September 12, 2023**, the Supervisory Board first discussed the regular topics with the Executive Board. The Executive Board informed the Supervisory Board about the planning assumptions for the fiscal year 2024, provided an update on various sustainability/ESG topics and processes, and reported on initial considerations regarding the further development of Jenoptik's strategy through 2030. The Supervisory Board also dealt with the Group's current risk and opportunity report. After Ms. Doreen Nowotne announced her resignation from the Supervisory Board with effect from October 15, 2023, Ms. Daniela Mattheus, a lawyer and management consultant from Berlin, personally introduced herself to the Supervisory Board as a candidate to succeed her. On the recommendation of the Nomination Committee, the Supervisory Board decided to propose Ms. Mattheus as a candidate to be appointed in replacement by court order. It also decided to have this year's efficiency review carried out again by an independent external expert and authorized the Chairman of the Supervisory Board to commission this expert.

At its two-day **strategy meeting on November 22/23, 2023**, the Executive Board and the Supervisory Board discussed in detail the status of the implementation of the Group Strategy 2025 "More Value" in key areas of the Group, the planned changes to the group structure, and HR activities for 2023. The Executive Board also informed the Supervisory Board about the status of the corporate planning for the fiscal year 2024. By focusing on the three high-growth semi-conductor & electronics, life science & medical technology, and smart mobility markets, Jenoptik has essentially completed its transformation from a diversified industrial company to a leading and streamlined photonics group and will continue to concentrate on organic growth in the future markets as well as operational excellence and innovation through 2025.

At its final **meeting** in the year covered by the report, **on December 12, 2023**, the Supervisory Board approved the corporate planning for the fiscal year 2024 following discussion of the regular submissions. After reviewing a corporate governance checklist, the Supervisory Board and the Executive Board approved the Declaration of Conformity in accordance with § 161(1) AktG for the fiscal year 2023 and discussed the results of the efficiency review carried out by an independent expert. It also adopted an updated version of its Rules of Procedure, which are published on the company's website. The Board also set the qualitative ESG targets for the variable remuneration of the members of the Executive Board for the next remuneration period. The Executive Board also informed the Supervisory Board about Jenoptik's sustainability management and reported on acquisition and divestment projects when required.

Work in the Committees

The Supervisory Board has established five committees to perform its tasks with greater efficiency. To the extent permissible by law and under the Supervisory Board's Rules of Procedure or on a one-off basis, these committees make 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, chaired by Thomas Spitzenpfeil, the committees are led by the Chairman of the Supervisory Board. Information on the individual members of each committee can be found in the Corporate Governance Statement, from page 98 on.

During the reporting period, the **Audit Committee** met five times. The Chairman of the Executive Board, the Chief Financial Officer, the Executive Vice President 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. Representatives of the auditor also attended the March and November meetings. The primary duties of the Audit Committee were in-depth audits of the Annual and Consolidated Financial Statements, the Combined Management Report for JENOPTIK AG and the Group, the Non-Financial Report, and detailed discussions of the quarterly statements and half-year reports prior to their publication. In addition, particular attention was paid to the effectiveness and further development of the risk management system, the internal control and compliance management system, and current topics and projects in the areas of Internal Audit, Treasury, Compliance, Tax, and Legal.

During a **conference call on February 14, 2023**, the Executive Board presented the committee members with the preliminary figures of the 2022 Consolidated Financial Statements.

The main issue at the **balance sheet meeting on March 8, 2023**, with the auditor and the auditor of the Non-financial Report present, was an in-depth discussion of the Annual and Consolidated Financial Statements, the Combined Management Report, the Non-financial Report, and the Executive Board's proposal for the appropriation of profits. As a result of these discussions, the Audit Committee recommended to the Supervisory Board that the Annual Financial Statements be adopted. The Audit Committee discussed the quality of the audit and recommended that the Supervisory Board propose to the Annual General Meeting the appointment of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, ("EY", since February 1, 2024 operating as EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft) as auditor for the fiscal year 2023. EY had previously confirmed that there are no circumstances that could compromise its independence as auditor. The Audit Committee also dealt with the Group's current risk and opportunity report.

At the **meeting on May 10, 2023**, the Audit Committee focused on the financial statements for the first quarter, the current forecast for the fiscal year 2023, a report on Jenoptik's internal control system, audit planning and results of the internal audit, the implementation of the ESEF process at Jenoptik, and an update on sustainability reporting. In the context of constantly growing regulatory requirements, the Audit Committee also reviewed and updated its meeting agenda in the course of the year.

At its **meeting on August 8, 2023**, the Audit Committee discussed the Half-Year Financial Statements with the Executive Board prior to their publication. It determined the main points for the audit of the Financial Statements of the fiscal year 2023, reviewed the fee agreements with EY and PWC, and addressed the issue of monitoring the independence of the auditor. To this end, the Audit Committee also reviewed the non-audit services provided in 2022 and confirmed the catalog of permissible non-audit services it had approved in the prior year. It then appointed EY to audit the Annual and Consolidated Financial Statements for the fiscal year 2023 and carry out an audit of the formal aspects of the 2023 Remuneration Report in accordance with the shareholder resolution by the Annual General Meeting. PWC was appointed to carry out the external audit of the Non-financial Report. Other items discussed at the meeting included a report on ESG regulation, the latest Group Risk and Opportunity Report, and information from the central Treasury department.

At its last **meeting** of the year **on November 8, 2023**, the Audit Committee examined the Group's Quarterly Statement as of September 30, 2023 and the current forecast. The meeting also focused on information on the project to further develop CSRD alignment, the presentation of EY's audit planning and strategy for the audit of the Financial Statements for the fiscal year 2023, and the initiation of a project to tender the audit mandate for the fiscal years from 2026 onwards. Internal Audit reported on the results of its audits during the reporting period and on the further development of the internal control system. The Legal department provided information on significant litigation. The Tax department explained the tax compliance processes and the Chief Compliance & Risk Officer provided an update on global compliance issues. The committee also reviewed the relevant sections of the Supervisory Board's Rules of Procedure and proposed amendments for resolution by the Supervisory Board.

The **Personnel Committee** met six times in the past fiscal year. The topic of the three sessions in February and March 2023 was the settlement of the target agreements with the members of the Executive Board for 2022, in particular the definition of the multiplier for calculating variable remuneration and the settlement of long-term variable remuneration. In addition, the performance criteria for the variable remuneration of the target agreements for the fiscal year 2023 were proposed to the Supervisory Board. Furthermore, the Personnel Committee informed itself about Jenoptik's structured succession planning at management levels below the Executive Board and – together with the members of the Audit Committee – the implementation of ESG regulations and the ESG indicators at Jenoptik. Finally, the last meeting of the year prepared the Supervisory Board's resolution on the ESG indicators for the variable remuneration of the Executive Board in 2024.

The **Investment Committee** met five times in the past fiscal year and dealt with various acquisition and divestment projects, the sale of a building in North America, and, on a regular basis, the current status of construction and the budget for the new high-tech factory in Dresden.

The **Nomination Committee** met once and dealt with the search for a suitable successor to Ms. Nowotne, as she retired from the Board. Ms. Mattheus presented herself to the members of the committee as a candidate for the Supervisory Board. The committee subsequently recommended that the Supervisory Board propose Ms. Mattheus as a replacement candidate to be appointed by court order.

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

The Supervisory Board continued to focus on the principles of good corporate governance and regulatory changes in corporate governance over the past fiscal year.

In line with the recommendations of the Code, the Board regularly reviews the efficiency of its activities. Following the most recent external efficiency review in 2020 and internal self-evaluations in both 2021 and 2022, the Supervisory Board appointed an independent external expert in September 2023 to evaluate its work and processes with regard to its composition, discussion and working culture, the further development of the Board's work, and general aspects of good corporate governance. The review was conducted by means of a digital questionnaire followed by individual interviews with all members of the Supervisory Board. At the December meeting, the external expert presented the results of his review to the full Supervisory Board and made individual recommendations for action on organizational, procedural, and content-related issues. Overall, however, the audit provided a positive picture of the work of the Supervisory Board and its committees in terms of cooperation within the Board and its committees, also in comparison with peer companies, and confirmed an atmosphere of professional and trusting cooperation within the Board. The next external efficiency review is scheduled to take place in 2026.

At its December meeting, the Supervisory Board updated its Rules of Procedure, which were subsequently published on the company's website. We reviewed a checklist on the German Corporate Governance Code and, together with the Executive Board, approved the Declaration of Conformity pursuant to § 161 (1) AktG. This and prior declarations extending back to 2004 are permanently available to shareholders on the Jenoptik website.

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 directorship by Dr. Havranek-Kosicek at the Swiss company Sulzer AG.

Within the Executive and Supervisory Boards, there were no conflicts of interest that were subject to reporting requirements in the past fiscal year that would have to be disclosed to the Annual General Meeting with this report. Until the end of February 2024, one member of the Supervisory Board exercised an executive role at another company with which Jenoptik has an indirect business relationship. These are not material transactions for Jenoptik and were conducted on terms that would also have been concluded with other external companies.

Neither the Executive Board nor the Supervisory Board effected any transactions that would have required approval or a duty to disclose under the provisions of §§ 111a ff. AktG ("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 themselves responsible for undergoing the training and professional development measures necessary for their tasks. The company offers selected internal or external information events for targeted professional development as required. All members are regularly notified of new regulatory requirements. New members are also supported by the company during their inductions. During two onboarding days, Ms. Mattheus was given a comprehensive introduction to the structures at Jenoptik, in particular the responsibilities of the individual departments. She took the opportunity to get to know the members of the Executive Board and other Jenoptik managers with specialist responsibility as part of her onboarding. In particular, she gained an overview of the issues relevant to the Audit Committee at Jenoptik.

Further detailed information on corporate governance can be found in the Corporate Governance Statement beginning on page 94 of the Annual Report.

Annual Financial Statements and Consolidated Financial Statements

At its meeting on August 8, 2023, the Audit Committee appointed EY as auditor for the fiscal year 2023 after an in-depth preliminary review and on the basis of the resolution by the Annual General Meeting on June 7, 2023. EY has been the JENOPTIK AG and Group auditor of the Annual and Consolidated Financial Statements since 2016. The lead audit partner is Steffen Maurer, who is exercising this role for the fifth time. EY audited the Annual Financial Statements prepared by the Executive Board according to the provisions of the German Commercial Code (HGB), the Consolidated Financial Statements prepared according to § 315e HGB and on the basis of International Financial Reporting Standards (IFRS) and the supplementary provisions of German commercial law, and the Combined Management Report, and issued its unqualified approval. The audit of the Non-financial Report in the form of a so-called limited assurance audit was also issued with unqualified approval by PWC. EY carried out an audit of the formal aspects of the Remuneration Report in accordance with § 162 (3) AktG and issued an unqualified approval.

Within the scope of its 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 auditor undertook its audit 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 Remuneration Report, the Combined Management Report, and the Non-financial Report were sent to all members without delay and, together with the documents submitted by the Executive Board, discussed in great detail by the Audit Committee and the Supervisory Board at their March meetings. Both also dealt extensively with the key audit matters.

At the March meetings of the Supervisory Board and the Audit Committee, representatives of auditor EY and of audit firm PWC, which was appointed by the Audit Committee to conduct an audit review of the Non-financial Report, reported on the key findings of their audits in the presence of the Executive Board during the discussion of the relevant agenda items, 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 discussions of the Supervisory Board and Audit Committee about the Annual and Consolidated Financial Statements, at which auditor EY is in attendance, and therefore considers it necessary that the Executive Board continue to participate 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, however, agree to this.

EY also provided information on services rendered in addition to the financial statement audit services. Detailed information can be found in the Notes in chapter 10.3. According to EY, there were no circumstances that gave rise to a concern of impartiality. 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 Audit Committee's review of the Annual Financial Statements to the Supervisory Board.

Following its own comprehensive review and discussion, the Supervisory Board concurred with the findings of the auditors and the recommendation of the Audit Committee and raised no objections to the results of the audit. It approved the Annual Financial Statements and Consolidated Financial Statements submitted by the Executive Board, thus adopting the Annual Financial Statements in accordance with § 172 (1) AktG. Following its own review, the Supervisory Board discussed in detail with the Executive Board the proposal for the appropriation of accumulated profits, providing for payment of a dividend of 0.35 euros per qualifying no-par value share and also agreed to this.

Changes to the Supervisory Board and the Executive Board

Ms. Doreen Nowotne resigned from the Supervisory Board with effect from October 15, 2023. Ms. Nowotne was a corporate governance expert on the Board and strengthened its expertise as a whole with regard to the professionalization of the work of supervisory boards of listed companies, while also promoting it in other areas of expertise such as strategy and growth, capital markets, and mergers and acquisitions. She was also a financial expert on the Supervisory Board. We would like to thank Ms. Nowotne for her valuable support during her eight years on the Supervisory Board of JENOPTIK AG. Daniela Mattheus, lawyer and management consultant, was appointed to the Supervisory Board by court order as Ms. Nowotne's successor with effect from November 1, 2023 for a limited period until the end of the Annual General Meeting in 2024. With extensive expertise in areas such as corporate governance, accounting, and auditing, as well as sustainability (ESG), mergers and acquisitions, portfolio management, and digitization, Ms. Mattheus will strengthen the Supervisory Board in the future. She was also elected Deputy Chairwoman of the Audit Committee.

Mr. Stefan Schaumburg, Deputy Chairman of the Supervisory Board of JENOPTIK AG since October 2020, left his position to enter retirement with effect from December 31, 2023. Mr. Schaumburg had been a member of the Supervisory Board since 2012 and made a lasting contribution to the work of the Board, particularly in personnel matters, including co-determination and social issues. We thank him for his valuable assistance and years of service on the Supervisory Board of JENOPTIK AG. His replacement, Jakob Habermann, was elected as the new Deputy Chairman of the Supervisory Board with effect from January 1, 2024. Mr. Habermann is a trade union secretary in the central Germany regional directorate of IG Metall and will also support the Supervisory Board with his human resources skills and his expertise in co-determination and social issues.

The composition of the Executive Board also changed during the past fiscal year. As of January 1, 2023, Dr. Ralf Kuschnerreit and as of March 1, 2023, Dr. Prisca Havranek-Kosicek were appointed additional members of the Executive Board. After Hans-Dieter Schumacher announced that he would not be available to extend his contract, which expired on March 31, 2023, Dr. Havranek-Kosicek took over from Mr. Schumacher as Chief Financial Officer with effect from April 1, 2023. Mr. Schumacher was 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. We would like to thank Mr. Schumacher again for the services he has provided to the company.

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board and all employees for their outstanding performance and commitment in the past fiscal year, as well as our shareholders for the trust they have placed in us.

Jena, March 2024
For the Supervisory Board



Matthias Wierlacher
Chairman of the Supervisory Board

Jenoptik Highlights 2023

Strategy and commitment

At the end of the year, the Jenoptik Executive Board, which has had three members since April 2023 – Dr. Stefan Traeger, Dr. Prisca Havranek-Kosicek, and Dr. Ralf Kuschneireit – gave a positive interim assessment of the implementation of our Agenda 2025 “More Value”. Speaking to capital market representatives and the media, Dr. Stefan Traeger said that Jenoptik is making excellent progress in its transformation into a globally leading photonics group and has created strong growth platforms.

At the end of 2023, Jenoptik launched a campaign, initially focusing on Germany, to encourage people to remain open to progress, other perspectives, differences, and diversity. Openness is a key competence for Jenoptik if it wants to remain successful in its global markets, says Dr. Stefan Traeger. Away from the political contest between the parties, the company wants to position itself clearly and set an example to the public with a variety of communication measures.



In addition, the Group was once again committed to promoting young talent. In spring 2023, Jenoptik was once again the state-level corporate sponsor of the “Jugend forscht” competition and in summer extended its contract as the main sponsor of Imaginata Jena, an experimental and learning center focusing on the natural sciences.

Jenoptik continued its commitment to art and culture with video projections. Not only works of art were staged at the Ernst Abbe Tower, but also messages for seasonal occasions and events.

Investments and milestones

Progress on our construction site in "Silicon Saxony": Exactly one year after the groundbreaking ceremony, the topping-out ceremony for Jenoptik's new high-tech factory in Dresden took place in September. Jenoptik employees and neighboring companies from the industrial park were present alongside those involved in the construction. The high-tech factory will not only meet precise production requirements, but also high environmental standards. Micro-optics and sensors, which are mainly used in semiconductor lithography systems, are expected to be manufactured there from the beginning of 2025.



New medical technology site in Berlin: Together with employees from the Berlin sites and guests, the Jenoptik management celebrated the completion of the new site on Groß-Berliner Damm in June. In the new production areas and clean rooms, optical components and systems specifically for dentistry (intraoral scanners) and robotic surgery are developed and manufactured in a state-of-the-art environment.



Innovations and awards

At the Blechexpo trade fair in November, Jenoptik received an innovation award for the new PSS-40/LCLW test station. The system enables efficient stamping production thanks to optical inspection with integrated laser processing.



The optoelectronic UFO Probe® Card was further developed for wafer-level photonic integrated circuit (PIC) testing. The probe card, the first generation of which was awarded the Thuringian Innovation Prize at the end of 2002, combines a novel optical concept with industry-proven electrical needle technology.

In Australia, the Group supplied camera systems and software for one of the world's first cell phone speed camera projects. The solution detects dangerous driver behavior, such as using a mobile phone while driving or not wearing a seat belt.



A new lens from the JENar™ Silverline™ product family was launched, enabling efficient laser material processing of solar cells and thus indirectly contributing to the further development of the photovoltaic industry in favor of the energy transition.

Award from Manager Magazin in September: Jenoptik took first place in the SDax in the renowned "Investors' Darling" capital market competition and was thus recognized as one of the best communicators on the German capital market for the fiscal year 2022.



The Jenoptik Share

Stock Markets

The 2023 stock market year was dominated by geopolitical tensions, wars in Ukraine and the Middle East, higher interest rates, falling inflation rates, and below-average economic momentum. Nevertheless, financial markets performed well. Despite often positive price developments, many German equities, particularly in the small and mid-cap segment, attracted less investment capital than in previous years.

Following a year-end rally, Germany's benchmark index, the Dax, was at 16,751.64 points at the end of December, 20.3 percent higher than at the end of 2022. The TecDax, Germany's technology index, was at 3,337.41 points at the end of the year, up 14.3 percent for the year. On the last day of trading in 2023, the MDax was up 8.0 percent, at 27,137.30 points.

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

Performance of the Jenoptik Share

The Jenoptik share also increased significantly in value during the reporting period. Starting the first day of trading in 2023 with a closing price of 26.20 euros, the share price initially rose to 33.06 euros at the beginning of March, the highest closing price in the trading year. After losses, especially in the third quarter, the share price recovered in the last weeks of the year and increased significantly, especially after the Capital Markets Day at the end of November. The share ended trading on December 29 at 28.44 euros, an increase of 11.3 percent.

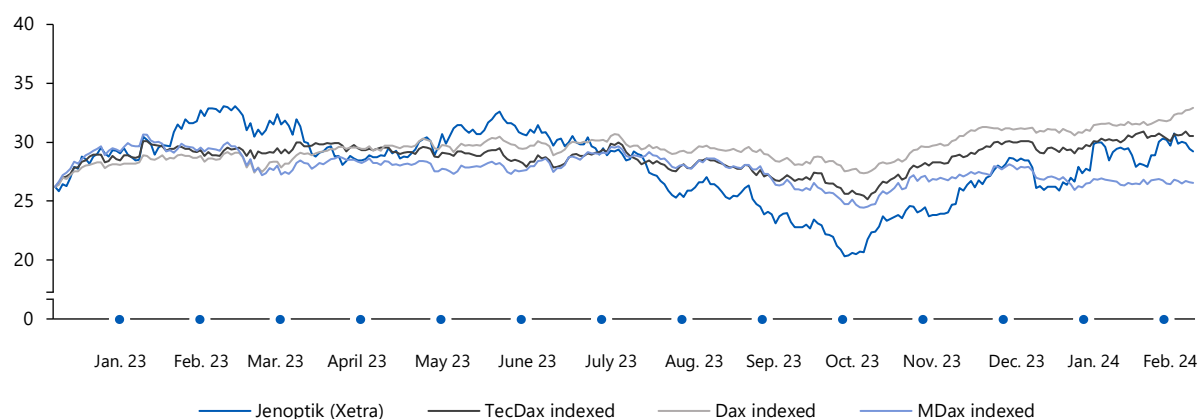
Jenoptik's total shareholder return, i.e., share price performance from the last closing price in 2022 through the last closing price in 2023, accounting for dividends paid in the fiscal year, came to 12.4 percent in 2023 (prior year: minus 30.4 percent). At 57,238,115 shares issued, market capitalization amounted to 1,627.9 million euros at the end of the year (prior year: 1,463.0 million euros).

In the first two months of 2024, the Dax, TecDax and SDax moved upwards, while the MDax fell slightly. The Jenoptik share price also rose. On February 29, the share closed Xetra trading at 29.22 euros. This corresponded to a market capitalization of 1,672.5 million euros.

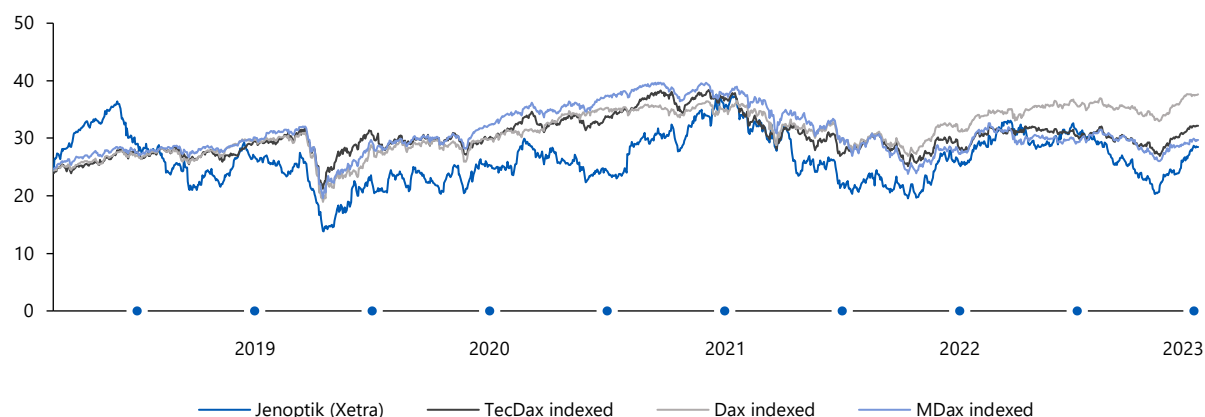
In line with the general trend in the capital market, trading in Jenoptik shares declined compared with the prior year. The average number of Jenoptik shares traded per day on the Xetra, in floor trading, and on Tradegate in 2023 was 101,031, 20.6 percent less than in the prior year (prior year: average 127,179 shares).

In the TecDax ranking compiled by Deutsche Börse Group, the Jenoptik share improved to 17th place in terms of free float market capitalization in December 2023, up from 18th in the prior year. The Jenoptik share was admitted to the MDax in March 2023 and ranked 84th in terms of free float market capitalization at the end of the year.

G01 Share performance January 2, 2023 through February 29, 2024 (indexed in euros)



G02 Share performance 2018 through 2023 (indexed in euros)



T02 Jenoptik share key figures

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------------|--------------|-------------|-------------|-------------|
| Closing price (Xetra year-end) in euros | 28.44 | 25.56 | 37.14 | 25.12 | 25.48 |
| Highest price/lowest price (Xetra) in euros | 33.06/30.32 | 37.26/19.54 | 37.60/22.36 | 27.44/13.82 | 36.45/21.00 |
| Performance: absolute in euros/relative in percent | 2.88/11.3 | -11.58/-31.2 | 12.02/47.9 | -0.36/-1.4 | 2.70/11.9 |
| No-par value bearer shares issued (31/12) in million euros | 57.24 | 57.24 | 57.24 | 57.24 | 57.24 |
| Market capitalization (Xetra year-end) in million euros | 1,627.9 | 1,463.0 | 2,125.8 | 1,437.8 | 1,458.4 |
| Average daily turnover in units ¹ | 101,031 | 127,179 | 179,374 | 190,855 | 152,355 |
| P/E ratio (based on highest price) / P/E ratio (based on lowest price) | 26.03/16.0 | 38.81/20.35 | 26.3/15.6 | 37.6/18.9 | 30.9/17.8 |
| Free cash flow per share in euros | 2.22 | 1.39 | 1.10 | 1.09 | 1.35 |
| Group earnings per share in euros | 1.27 | 0.96 | 1.43 | 0.73 | 1.18 |

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

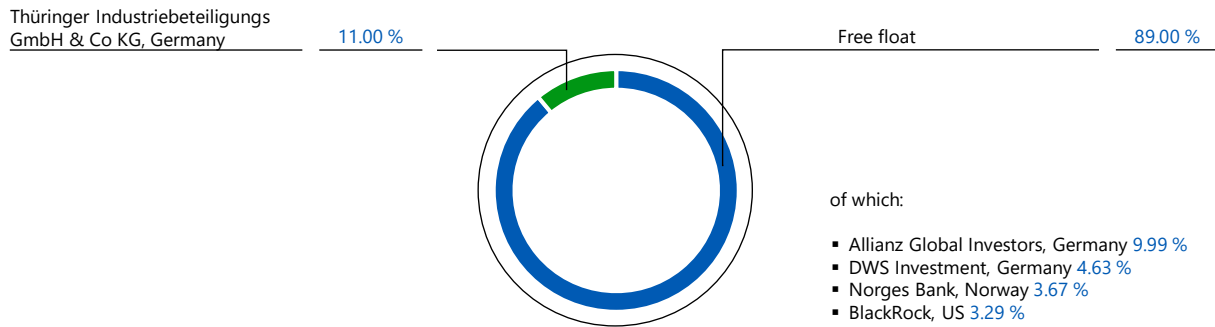
Shareholder Structure

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

In the course of 2023, we received various voting right notifications from institutional investors regarding the purchase or sale of larger share positions, which were published by the company. More information on this can be found in the Annual Financial Statements of JENOPTIK AG and at www.jenoptik.com/investors/share, under "Voting rights announcements".

At the end of 2023, a total of 51,615 shareholders (prior year: 50,612) were entered in the share register, of which 557 were institutional investors (prior year: 556) and 51,058 private investors (prior year: 50,056). Institutional investors held 76.98 percent of the company's share capital (prior year: 77.31 percent), private investors 23.02 percent (prior year: 22.69 percent).

G03 Shareholder structure (as of February 29, 2024)*



* Based on received voting right notifications

Dividend

Jenoptik's management aims to pursue a reliable and continuous dividend policy in which shareholders receive payment of 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 assist its transformation into a globally leading photonics group. This 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 0.30 euros per share (prior year: 0.25 euros) to its shareholders for 2022.

Based on the very good result for fiscal year 2023 the Executive Board and the Supervisory Board will propose to the Annual General Meeting 2024 to pay a dividend of 0.35 euros per share for fiscal year 2023. 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 investment in growths. With earnings per share of 1.27 euros (previous year: 0.96 euros), the pay-out ratio is 27.6 percent (prior year: 31.2 percent), subject to the approval of the Annual General Meeting.

T03 Dividend key figures

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|----------------------------------|-------|--------|------|-------|------|
| Dividend per share in euros | 0.35 | 0.30 | 0.25 | 0.25 | 0.13 |
| Dividend payout in million euros | 20.0! | 17.2 | 14.3 | 14.3 | 7.4 |
| Dividend yield ¹ in % | 1.2 | 1.2 | 0.7 | 1.0 | 0.5 |
| Payout ratio ² in % | 27.6 | 31.2 | 17.5 | 34.2 | 11.0 |
| Total shareholder return in % | 12.4 | - 30.4 | 48.8 | - 0.4 | 12.4 |

¹ based on year-end closing price

² based on earnings attributable to shareholder

Capital Market Communication

We are committed to making sure our communication with shareholders, analysts, and institutional investors is open, timely, and ongoing. In this way, we want to ensure the greatest possible transparency for capital market participants and the interested public, and boost confidence in Jenoptik.

In September 2023, Jenoptik was awarded first place in the SDax in the "Investors' Darling" competition for the fiscal year 2022, making it one of the best communicators on the German capital market.

We use our financial reports and statements 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/investors. 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 2023, Jenoptik was once again represented at numerous investor conferences and roadshows. During conference calls on the publication of the Consolidated, Annual, and Quarterly Financial 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. At our Capital Markets Days on November 30 and December 1, in particular, the Executive Board informed the approximately 50 analysts, investors, and other capital market participants in attendance about the status of implementation of our Strategy 2025 in the Group and the divisions as well as the next planned steps.

Jenoptik celebrated its 25th anniversary on the stock exchange in June 2023. The shares were first listed on the Frankfurt Stock Exchange on June 16, 1998.

The 25th Annual General Meeting of JENOPTIK AG was held on June 7, 2023 as an in-person event for the first time since the pandemic. At around 65 percent, the proportion of capital represented was slightly up on the prior-year figure of around 63 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. Shareholders also approved all other items on the agenda by a clear majority.

Over the course of 2023, 14 (prior year: 14) analysts published recommendations on the Jenoptik share: Baader Helvea, Bankhaus Metzler, Berenberg, BNP Paribas, Deutsche Bank, DZ Bank, Hauck & Aufhäuser, HSBC, Jefferies, Kepler Cheuvreux, LBBW, ODDO BHF, STIFEL, and Warburg Research. On December 31, 2023, the average target price of the Jenoptik share as assessed by our analysts was 34.29 euros (prior year: 31.08 euros).

G04 Analyst recommendations (as of December 31, 2023)

