

Remuneration Report

Remuneration Report

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- B. Supervisory Board remuneration

With this report, the Executive Board and Supervisory Board inform, as per § 162 AktG, on the remuneration granted and owed to the current and former members of the Executive Board and Supervisory Board of JENOPTIK AG and companies of the Jenoptik Group for the fiscal year 2022, including a comparative presentation of the annual change in remuneration for the members of the Executive Board, the development of the company's earnings, and the average remuneration of the employees. At its meeting on August 9, 2022, the Audit Committee appointed Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH, Stuttgart, to carry out a formal audit of the Remuneration Report in accordance with § 162 (3) AktG.

2022 was dominated in particular by the war in Ukraine and its economic and geopolitical consequences. For Jenoptik, however, the fiscal year 2022 was another very good year in terms of revenue and profitability. With year-on-year revenue growth of 30.6 percent and an EBITDA margin of 18.8 percent in the challenging geopolitical and macroeconomic environment, Jenoptik performed excellently and once again demonstrated its resilience and ability to grow. In line with the "Pay for Performance" principle, this performance by Jenoptik is also reflected in the variable remuneration for the Executive Board.

A Remuneration for the Executive Board

I. Executive Board remuneration system

Following preparation by the Personnel Committee, the Supervisory Board is responsible for specifying the remuneration system and determining the total remuneration for the individual Executive Board members. The criteria for defining the appropriateness of the individual total remuneration are primarily the respective tasks and areas of responsibility of the members of the Executive Board, their personal performance, as well as the economic situation, the success of the company and its future prospects. Standard practice within the comparative environment and in relation to established comparative groups within the company is another factor in the remuneration.

Jenoptik’s corporate strategy focuses on its core expertise in photonics and optics, combined with increased investment in research and development and an active portfolio management. At the same time, international growth is targeted. The remuneration system for members of the Executive Board aims to provide key incentives for implementing this corporate strategy by setting ambitious targets in line with the strategy. In a similar way to the control system, the remuneration system is geared toward the long-term corporate strategy and, in addition, is aligned with the Group’s short to medium-term objectives. The company control system’s key indicators are used to assess the performance of the Executive Board. The long-term targets are in line with envisaged business performance and aim to enable a clear assessment of its attainment. Jenoptik aims to promote long-term and sustainable development with a multi-year variable remuneration component and a consideration of sustainability criteria (ESG: environmental, social, governance criteria) in the one-year variable remuneration.

G18 An overview of the remuneration system

Relative share of total target remuneration	Remuneration components	Description
35%–40%	Basic salary	<ul style="list-style-type: none"> - Scheme type: Target bonus model - Limit: max. 200% of target amount - Performance criteria: <ul style="list-style-type: none"> • 40% revenue growth • 40% EBITDA margin • 20% cash conversion rate • Multiplier (0.8 to 1.2) to assess individual and collective performance of the Executive Board and ESG targets
<2%	Fringe benefits	
12%–15%	Company pension plan	<ul style="list-style-type: none"> - Scheme type: Virtual performance share plan - Performance period: Four years - Limit: <ul style="list-style-type: none"> • Target attainment: max. 150% per target • Payout: max. 200% of target amount - Performance criteria: <ul style="list-style-type: none"> • 30% return on capital employed (ROCE) • 70% relative total shareholder return (TSR) compared to TecDax
17%–23%	One-year variable remuneration	
25%–30%	Multi-year variable remuneration	<ul style="list-style-type: none"> - Opportunity to reduce bonus via the multiplier in the sense of a malus - Right of the company to repayment of the multi-year variable remuneration (clawback)
	Malus & clawback	
	Maximum remuneration pursuant to § 87a(1)(2) AktG	<ul style="list-style-type: none"> - Chairman of the Executive Board: 2,550,000 euros p.a. - Ordinary member of the Executive Board: 1,800,000 euros p.a.

If the targets set are not met, the variable remuneration may be reduced to zero. At the same time, if the targets are exceeded, it can only increase up to a clearly defined upper limit ("cap") in terms of amount, thereby avoiding the incentive to take excessive risks.

The system of remuneration applicable for the Executive Board in the fiscal year 2022 was decided by the Supervisory Board with the assistance of an independent external remuneration advisor and approved by the Annual General Meeting on June 9, 2021 with a majority of 75.96 percent of the votes. A presentation of the remuneration system is published on the Jenoptik website at www.jenoptik.com/about-jenoptik/management/executive-board-and-executive-management-committee-emc. Please refer to Section A. III. 4 of this Remuneration Report for information on the renewed revision of the remuneration system that has taken place in the meantime.

II. Determination of total target remuneration, appropriateness of Executive Board remuneration

The Supervisory Board has determined the amount of the total target remuneration for the members of the Executive Board in accordance with the remuneration system for Executive Board members approved by the 2021 Annual General Meeting. The target total remuneration for Executive Board members remained unchanged in 2022.

T41 Target remuneration for the fiscal year 2022 in euros

	Dr. Stefan Traeger President & CEO			Hans-Dieter Schumacher Executive Board member		
	Target remuneration	Min.	Max.	Target remuneration	Min.	Max.
Non-performance-related remuneration						
Fixed remuneration	650,000	650,000	650,000	450,000	450,000	450,000
Fringe benefits	18,161	18,161	18,161	21,532	21,532	21,532
Pension contribution	200,000	200,000	200,000	160,000	160,000	160,000
Total	868,161	868,161	868,161	631,532	631,532	631,532
Performance-related remuneration						
One-year variable remuneration (bonus for fiscal year 2022)	320,000	0	640,000	200,000	0	400,000
Multi-year variable remuneration						
of which performance shares 2022	430,000	0	860,000	300,000	0	600,000
Total	750,000	0	1,500,000	500,000	0	1,000,000
Total remuneration	1,618,161	868,161	2,368,161	1,131,532	631,532	1,631,532

Maximum remuneration. The maximum remuneration (including pension contributions and fringe benefits) set by the Supervisory Board for the members of the Executive Board and approved by the 2021 Annual General Meeting is 2,550,000 euros per fiscal year for the Chairman of the Executive Board and 1,800,000 euros for ordinary members of the Executive Board. The basic remuneration is a fixed amount. The upper limits for the one-year and multi-year variable remuneration granted and owed in 2022 – as shown in table T42 – were not reached. Although achievement of the performance targets for the 2022 installment of performance shares will not be measured until the first quarter of 2026, it is already certain that the fixed maximum remuneration for the fiscal year 2022 will be complied with, even if the maximum target is achieved in 2026.

Customary level of the specific total remuneration in comparison with other companies and within the company. The review of the appropriateness of the remuneration was last carried out in mid-2022 by comparing the level and structure of the remuneration with that at companies in the TecDax and SDax indices. These two indices were chosen as the companies included are largely comparable with Jenoptik in terms of country and sector and Jenoptik itself is listed in both indices. In order to take the size of the company into account, Jenoptik was classified into the comparison groups on the basis of the criteria of revenue, employees, and market capitalization; the size-adjusted remuneration bands derived from this were analyzed. In addition, a vertical review was also made with the remuneration of managers and the workforce as a whole. The Supervisory Board came to the conclusion that the remuneration agreed with the members of the Executive Board is customary and appropriate in a horizontal and vertical comparison in accordance with the requirements of the German Corporate Governance Code.

III. Specific configuration of the remuneration system

The remuneration for the Executive Board of Jenoptik consists of non-performance-related and performance-related components.

1. Non-performance-related remuneration

Fixed remuneration. The non-performance-related basic salary is paid on a pro rata basis each month. In 2022, it totaled 650,000 euros for Dr. Stefan Traeger (prior year: 650,000 euros) and 450,000 euros for Hans-Dieter Schumacher (prior year: 450,000 euros).

Retirement benefits. Agreements relating to occupational retirement benefits have been concluded with the members of the Executive Board. The commitment is based on a pension fund reinsured by a life insurance policy. This is a defined contribution scheme within the framework of a provident fund. The annual and the long-term costs for Jenoptik are clearly defined. On reaching retirement age, the payouts will no longer affect Jenoptik – with the exception of a possible subsidiary liability. In 2022, the contributions for the provident fund totaled 200,000 euros for Dr. Stefan Traeger and 160,000 euros for Hans-Dieter Schumacher. They have remained unchanged for Dr. Stefan Traeger since he joined in 2017 and for Hans-Dieter Schumacher since he joined in 2015. The surrender value of the pension commitment in accordance with § 169 of the German Insurance Contract Act (VVG) came to 1,083,541 euros for Dr. Stefan Traeger (prior year: 895,746 euros) and 1,254,533 euros for Hans-Dieter Schumacher (prior year: 1,072,198 euros) as of December 31, 2022.

Fringe benefits. There is accident insurance and directors and officers liability insurance for the members of the Executive Board. The latter comprises the contractual obligation to pay a deductible amounting to 10 percent of the loss per claim, however up to maximum sum of 150 percent of the fixed remuneration of the Executive Board member in question. Executive Board members are also entitled to the private use of a company vehicle.

2. Performance-related remuneration components

The **variable remuneration** of the Executive Board is based on target agreements concluded with each member of the Executive Board in the first quarter of each calendar year. Jenoptik's long-term and sustainable development is promoted by granting a multi-year variable remuneration component and a consideration of sustainability criteria (ESG: environmental, social, governance criteria) in the one-year variable remuneration. The same targets are agreed upon with both members of the Executive Board, as the Executive Board works as a team and implements the targets together.

The variable remuneration comprises two components:

The (one-year) **bonus** (approx. 40 percent of the variable remuneration) is based on the achievement of certain targets within a fiscal year and is paid in the subsequent year.

The second part of the variable remuneration (approx. 60 percent of the variable remuneration) is granted in the form of **performance shares**. To this end, virtual shares are allocated to the members of the Executive Board on an annual basis. For each installment of performance shares granted, the target attainment is determined at the end of a four-year performance period, and the amount determined in accordance with a predefined calculation method is paid out.

The total variable remuneration for 2022 may be between 0 euros and a maximum of 1,500,000 euros for Dr. Stefan Traeger, and between 0 euros and a maximum of 1,000,000 euros for Hans-Dieter Schumacher. The value is 0 when less than 50 percent of all targets are achieved. For the respective maximum amount, 200 percent of the targets for one-year variable remuneration and 150 percent of the targets for multi-year variable remuneration must be achieved.

a) Bonus.

(i) Bonus system. 40 percent of the bonus is dependent on the Group's revenue growth: 75 percent of this (i.e., 30 percent of the bonus) is reached at 100 percent if the revenue growth from the annual plan adopted by the Supervisory Board for the Jenoptik Group is achieved for the corresponding year without taking into account companies or parts of companies acquired or sold. 25 percent of the revenue growth target (i.e., 10 percent of the bonus) is achieved at 100 percent if a certain level of revenue attributable to new acquisitions is achieved (regardless of the acquisition date in relation to the entire fiscal year). 40 percent of the bonus is calculated on the basis of the EBITDA margin contained in the annual plan. The third sub-target, with a 20 percent share of the bonus, is achieved at 100 percent if the ratio of free cash flow to EBITDA for the year in question (the cash conversion rate) reaches the value from the annual plan approved by the Supervisory Board.

The yardstick for determining the degree of target attainment does not need to be linear. This means that a target attainment of 200 percent does not necessarily require a doubling of the initial value of the financial key indicator. In the same way, a 50 percent target attainment does not necessarily have to be achieved at half of the originally defined financial baseline for 100 percent. The precise calibration of the targets is based on historical experience and future expectations, as well as the adopted budget of the respective year.

(ii) Targets for 2022. The financial targets agreed with the members of the Executive Board for 2022 were:

T42 Financial targets agreed for 2022

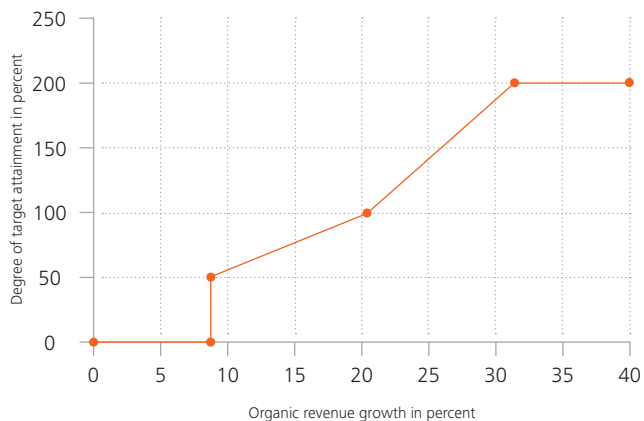
Target	Weighting for 100% target achievement	Targets for 2022 in %		
		100	50 (lower Cap)	200 (upper cap)
Organic revenue growth in %*	30%	20.4	9.1	31.2
Non-organic revenue growth in million euros **	10%	80.0	40.0	100.0
EBITDA margin in %	40%	17.7	12.0	23.0
Cash conversion rate in %	20%	51.8	25.0	80.0

* Acquisitions in the years 2021 and 2022 are not included. Divestments are not included if the proceeds from the sale are at least equivalent to the enterprise value for this fiscal year

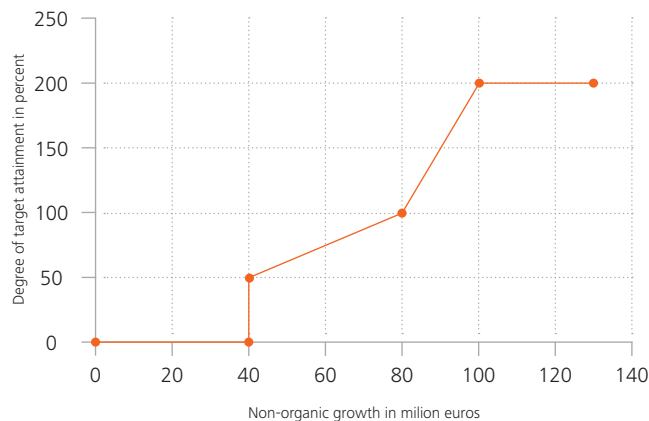
** The calculation is based on the total revenue of the acquired target in the full calendar year 2022 (irrespective of the acquisition date in the fiscal year)

The following charts illustrate the target attainment curves for the 2022 bonuses:

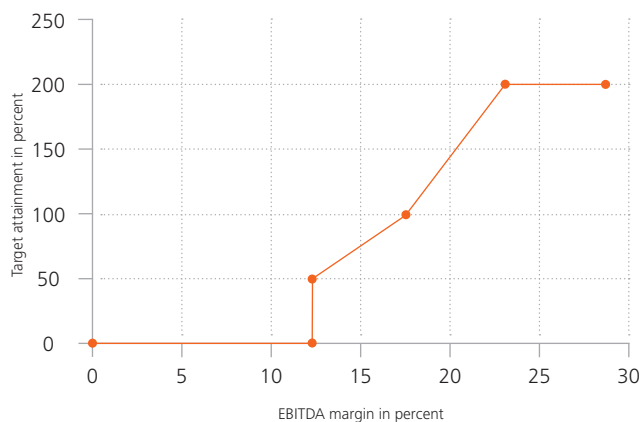
G19 Organic revenue growth



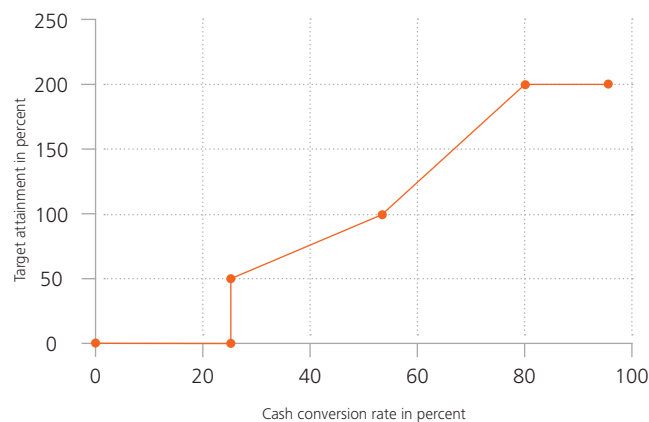
G20 Non-organic revenue growth



G21 EBITDA margin



G22 Cash conversion rate



To take account of non-financial aspects, the bonus amount for the respective Executive Board member resulting from the target attainment is then multiplied by a performance factor, the multiplier. Its value can be between 0.8 and 1.2. The multiplier is determined on the basis of the individual performance of the Executive Board member, the collective performance of the Executive Board as a whole, and the non-financial targets. These targets are derived from the Jenoptik Group's ESG road map described in the Sustainability Report and published on our website at www.jenoptik.com/sustainability/sustainability-targets. They are in line with the ESG targets agreed used in group financing. The non-financial targets agreed for 2022 and their attainment are shown in table T44.

The Supervisory Board can use the multiplier to reduce the variable bonus in the sense of a malus arrangement by up to 20 percent even if the financial targets are met or exceeded, if, for example, the behavior of the Executive Board member strongly warrants it, but is not serious enough to justify termination or liability due to breach of duty or a reduction in remuneration in accordance with § 87 (2) AktG is not possible.

With 100 percent target attainment and a multiplier of 1.0 for the fiscal year, Dr. Stefan Traeger receives a bonus of 320,000 euros (prior year: 320,000 euros) and Hans-Dieter Schumacher 200,000 euros (prior year: 200,000 euros). In each case, the bonus for 2022 for Dr. Stefan Traeger is limited to a maximum of 640,000 euros (prior year: 640,000 euros), for Hans-Dieter Schumacher to 400,000 euros (prior year: 400,000 euros). The bonus is paid with the subsequent payroll after the target settlement and approval of the Annual Financial Statements.

G23 One-year variable remuneration (bonus)

12 months		
Target	Target attainment (0% – 200%)	Payout (cap 200% of the target)
*	Financial targets	Multiplier (0.8 – 1.2)
	30 % organic revenue growth	Individual performance
	10 % revenue of newly acquired companies	Collective performance of the Executive Board
	40 % EBITDA margin	ESG targets
	20 % cash conversion rate	
	=	

(iii) **Target attainment 2022.** On the basis of its assessment, and taking into account all relevant aspects for the fiscal year 2022, the Personnel Committee of the Supervisory Board has decided to propose to the Supervisory Board that a multiplier of 1.10 be used for both members of the Executive Board. In particular, the overachievement of the non-financial targets presented in table T44 below was weighted positively. In addition, the integration of the major companies of the TRIOPTICS and BG Medical/SwissOptic groups acquired in the two previous years, which continued to progress very successfully in 2022, and the unsatisfactory development of the smaller Spanish company Interob, acquired at the beginning of 2020, were taken into account.

The actual target attainment of the one-year variable remuneration for 2022 and the resulting payments for the 2022 fiscal year are as follows:

T43 Target attainment of the one-year variable remuneration for 2022 and payment in euros

Indicator	Fiscal year 2022 Actually attained	Target attainment in %	Payment to Dr. Stefan Traeger	Payment to Hans-Dieter Schumacher
Organic revenue growth in %*	30.6	194.44	186,662	116,664
Non-organic revenue growth in million euros	0	0	0	0
EBITDA margin in %	18.8	120.75	154,560	96,600
Cash conversion rate in %	44.9	87.13	55,763	34,852
Subtotal			396,985	248,116
Multiplier			1.10	1.10
Total			436,684	272,928

* Acquisitions made in 2021 and 2022 are not included.. Divestments are not included if the proceeds from the sale are at least equivalent to the enterprise value for this fiscal year

T44 Target attainment of non-financial objectives

		2022 target	Target attainment
Diversity rate	Increase in diversity: Proportion of managers with an international background and female managers Calculation: $\sim \emptyset$ (proportion of international managers + proportion of female managers)	30.0%	30.6%
Vitality index	Increase in innovative strength: percentage of revenue generated by products and services developed within the last 3 years	20.0%	23.7%
CSR rate	Increased transparency in the supply chain to protect human rights and the environment: CSR rate: the percentage of suppliers of production materials with an annual purchase volume in excess of 200,000 euros for which full CSR self-assessments are available.	40.0%	51.4%
Green electricity rate	Active reduction of the CO₂ emissions: Green electricity share as a proportion of the total electricity demand used by the main production sites	70.0%	85.4%
Employee satisfaction	Global Engagement Score: Our employees' engagement, i.e., 76% of our employees identify positively with their duties at Jenoptik in 2022 and are active participants.	72.2%	76.0%

b) Performance shares.

(i) **System of the performance shares.** Based on a value of 430,000 euros (prior year: 430,000 euros) for Dr. Stefan Traeger and 300,000 euros (prior year: 300,000 euros) for Hans-Dieter Schumacher ("initial value" for 2022), performance shares are to be provisionally allocated to the member of the Executive Board in the first quarter of each fiscal year, usually at the balance sheet meeting of the Supervisory Board in the second half of March.

In order to calculate the provisional number of performance shares to be allocated, the initial value, with effect from the 2022 installment, is divided by the volume-weighted average closing price (VWAP) of the Jenoptik share on the last 60 trading days of the fiscal year preceding the provisional allocation. The VWAP for the specified 2021 period was 33.906 euros (prior year: 24.114 euros). Consequently, Dr. Stefan Traeger was provisionally allocated a total of 12,682 performance shares and Hans-Dieter Schumacher 8,848 for the 2022 installment. Long-term performance targets are agreed for each installment, the achievement of which is measured at the end of each four-year "performance period". For the performance shares provisionally allocated in 2022, the measurement will take place at the beginning of 2026.

The performance shares not yet paid out are:

T45 Performance shares

Installment	Number of provisionally allocated performance shares		Payout year
	Dr. Stefan Traeger	Hans-Dieter Schumacher	
2019	12,512	9,384	2023
2020	18,933	13,687	2024
2021	17,832	12,441	2025
2022	12,682	8,848	2026

(ii) **Targets for the 2022 installment.** The performance targets to be attained over the performance period are the return on capital employed (ROCE) with a weighting of 30 percent and the total shareholder return (TSR) of Jenoptik compared with the TecDax with a weighting of 70 percent.

An average ROCE of 14 percent is currently set as the target value for the ROCE target. The ROCE target is achieved at 50 percent if the average ROCE over the performance period is 5 percentage points below the target ("lower cap"). If the average ROCE is more than 5 percentage points below the target value, target attainment is 0 percent. The target attainment for the ROCE target can be a maximum of 150 percent. This is achieved if the average ROCE over the performance period is 5 percentage points or more above the target value of 14 percent ("upper cap"). Exceeding the ROCE target value by more than 5 percentage points does not result in a higher target attainment

The ROCE is calculated by dividing group EBIT by the average tied operating capital. The average tied operating capital comprises non-current non-interest-bearing assets (e.g., intangible assets including goodwill, property, plant, and equipment, and investment properties) and current non-interest-bearing assets (essentially inventories, receivables from the operating business, and other current receivables), less non-interest bearing borrowings (e.g. provisions – excluding pensions and taxes –, liabilities from the operating business, and other current liabilities). The calculation of averages uses the twelve month-end balances in the period under review and the opening balance at the start of the year.

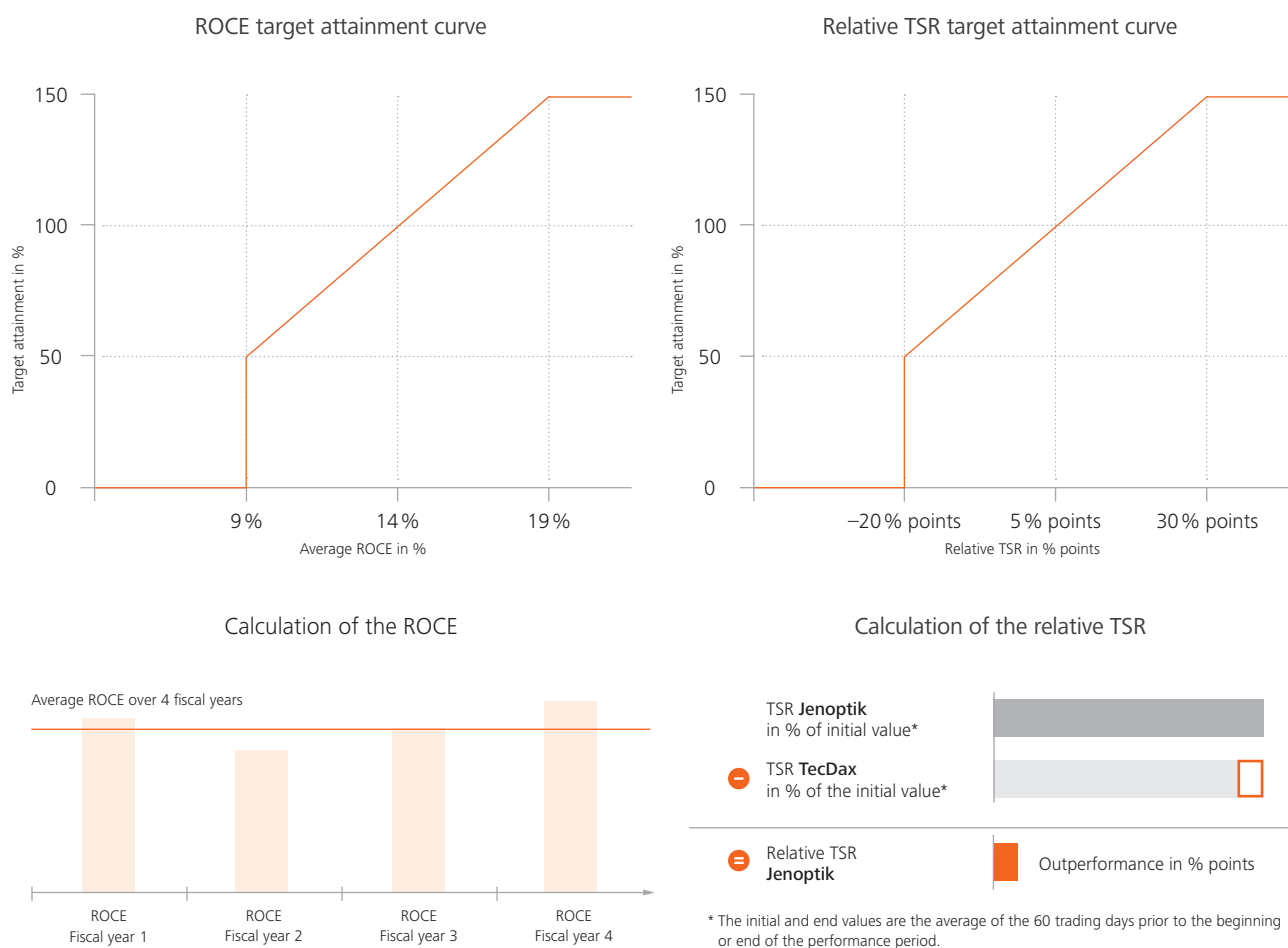
A relative TSR of plus 5 percentage points is set as the target value for 100 percent target attainment of the TSR target, i.e., the performance of the Jenoptik share price, including dividend, over the performance period exceeds the performance of the TecDax by 5 percentage points. A relative TSR of minus 20 percentage points equates to a target attainment of 50 percent ("lower cap").

If the relative TSR is lower than minus 20 percentage points, target attainment falls to 0 percent. Similarly, target attainment is capped at an upper limit of 150 percent, and is achieved with a relative TSR of plus 30 percentage points (“upper cap”).

The relative TSR is determined as the difference in percentage points between the change in the Jenoptik share price including reinvested dividends and the change in the TecDax performance index.

Again, the yardstick for determining the degree of target attainment does not need to be linear here.

G24 The multi-year variable remuneration – target attainment curves



(iii) Calculation of the payout amount for the 2022 performance share installment in 2026. Depending on the level of target attainment, the number of performance shares to be finally allocated is determined at the end of the four-year performance period. It is limited to one and a half times the number of provisionally allocated performance shares (“allocation cap”). If the level of target attainment is less than 50 percent, the entitlement to final allocation of performance shares shall no longer apply.

The number of finally allocated performance shares is multiplied by the VWAP of the Jenoptik share on the last 60 trading days of the last fiscal year of the performance period (“payout rate”). The resulting amount shall be paid after the adoption of the annual

financial statements. The payout amount is limited to a maximum of 200 percent of the initial value, ("payout cap"), i.e. 860,000 euros (prior year: 860,000 euros) for Stefan Traeger and 600,000 euros (prior year: 600,000 euros) for Hans-Dieter Schumacher for the 2022 installment.

In the event of termination of the Executive Board mandate, performance shares which have not yet been allocated finally, but only provisionally, shall not be prematurely finally allocated and paid out, but evaluated, allocated and then paid out in accordance with the regular procedure at the end of the respective performance period. Should JENOPTIK AG terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, all provisionally allocated performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation.

The Executive Board service contracts contain provisions for capital and conversion measures and the event of a delisting, which are aimed at ensuring that the performance shares are financially equivalent to real shares.

(iv) **Calculation of the payout amount for the 2019 performance share installment.** The fiscal year 2022 was the last year of the performance period of the performance shares provisionally allocated to the members of the Executive Board in 2019 (2019 installment). The long-term variable remuneration is deemed to be granted and owed in the final year of the performance period. The relevant share price for determining the number of performance shares to be provisionally allocated in 2019 was 31.970 euros (prior year: 28.165 euros), so Dr. Stefan Traeger and Hans-Dieter Schumacher were provisionally allocated 12,512 and 9,384 performance shares respectively for the 2019 installment. Of these, 3,754 shares in the case of Dr. Stefan Traeger and 2,815 shares in the case of Hans-Dieter Schumacher related to the ROCE target (30 percent) and 8,758 shares and 6,569 shares respectively to the TSR target (70 percent).

The arithmetic mean of the ROCE achieved for the 2019 to 2022 performance period was 11.8 percent, which, using the target achievement curve (linearly interpolated), corresponded to a target attainment of 58.00 percent, as the ROCE target for the 2019 installment was 16 percent and the lower cap was 11 percent. Thus, a total of 2,177 performance shares were finally allocated to Dr. Stefan Traeger and 1,633 to Hans-Dieter Schumacher for the performance shares allocated to the ROCE target. The amount to be paid out thereafter was then calculated by multiplying the number of performance shares finally allocated by the volume-weighted average price on the last 60 trading days of the last fiscal year of the performance period ("payout rate"), i.e. the year 2022. The payout price calculated in this way was 24.682 euros. In 2023, Dr. Stefan Traeger will therefore be paid 53,732.71 euros (equivalent to 2,177 shares * 24.682 euros) and Hans-Dieter Schumacher 40,305.71 euros (equivalent to 1,633 shares * 24.682 euros) for the ROCE sub-target.

T46 2019 Performance share installment

	Number of performance shares provisionally allocated for the 2019 installment (allocation rate: 31.970 euros)	ROCE target value for 100 percent target attainment	TSR target value for 100 percent target attainment	ROCE achieved in % = target attainment	TSR achieved in % = target attainment	Number of finally allocated performance shares	Payout amount in euros with payout rate 24.682 euros
Dr. Stefan Traeger	12,512, of which 3,754 for ROCE target and 8,758 for TSR target	16 percent	+5 percent	11.8 = 58 percent	-31.7 = 0 percent	2,177	53,732.71
Hans-Dieter Schumacher	9,384 of which 2,815 for ROCE target and 6,569 for TSR target	16 percent	+5 percent	11.8 = 58 percent	-31.7 = 0 percent	1,633	40,305.71

As the relative TSR target attainment level in the relevant measurement period was minus 31.7 percentage points (and therefore less than minus 20 percentage points), target attainment was 0 percent. Therefore, no final allocation and no payout were made for the performance shares provisionally allocated in 2019 for the relative TSR target.

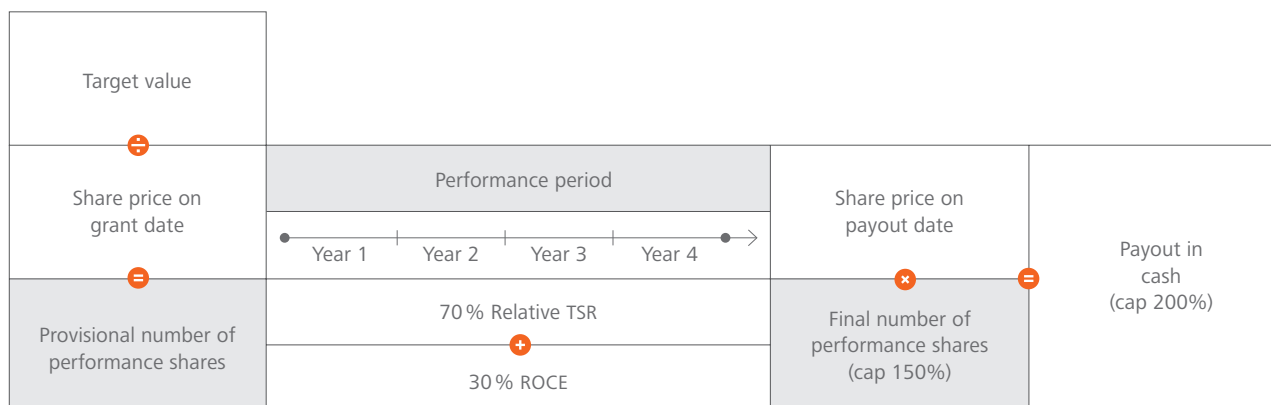
(v) **Summary.** The system of remuneration with performance shares is summarized as follows:

Year 1: Agreement of a performance target for the year 1 installment (“installment 1”) with the member of the Executive Board; provisional allocation of performance shares for installment 1; calculation of the provisional number by dividing the initial value by a VWAP of the last 60 trading days of the prior year.

Years 1–4: Performance period for installment 1.

Year 5: Measurement of target attainment, from which determination of the number of performance shares to be allocated finally for installment 1, taking into account the allocation cap; multiplication of this final number by a VWAP of the last 60 trading days of year 4. Payout of this amount to the member of the Executive Board, taking into account the payout cap.

G25 Multi-year variable remuneration



3. Other agreements

Clawback. The company has a right to repayment of the multi-year variable remuneration (clawback) if, within three years after payout of the multiple variable remuneration, it becomes apparent that one of the audited and approved consolidated financial statements during the four-year performance period was objectively incorrect and therefore had to be subsequently corrected in accordance with the relevant accounting standards. In addition, the Supervisory Board has the option to reduce the one-year variable remuneration by selecting a low multiplier if there are significant reasons relating to the behavior of a member of the Executive Board in addition to any statutory claims for damages under § 93 (2) of the AktG or a reduction in remuneration under § 87 (2) of the AktG. Should JENOPTIK AG terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, all provisionally allocated performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation. There was no reason to exercise this option in the fiscal year 2022, i.e. no variable remuneration components were clawed back.

Third-party benefit commitments. In the past fiscal year, no benefit commitments were promised or granted to any Executive Board member by a third party with regard to his activity as a member of the Executive Board.

Benefit commitments in the event of regular termination of employment. Dr. Stefan Traeger and Hans-Dieter Schumacher are not entitled to payment of bridging payments following their regular departure from the company. Nor was any right of termination agreed with them in the event of a change of control.

Benefits in the event of the premature termination of employment. In the event of a member of the Executive Board being dismissed in accordance with § 84 (3) AktG in conjunction with the relevant provisions of the German Codetermination Act, the rights under the employment contract shall remain unaffected. In this case, however, the member of the Executive Board is entitled to terminate the employment relationship extraordinarily and with immediate effect. At the same time, Jenoptik is entitled to release the Executive Board member from their obligation to render services.

In the event that the appointment as member of the Executive Board and the employment contract end prematurely without good cause within the meaning of § 626 BGB, a severance payment may be agreed. This amounts to a maximum of two years' remuneration (plus fringe benefits) or the remuneration due for the remaining term of the service contract, whichever is lower ("severance payment cap"). The annual remuneration comprises the basic remuneration, the variable remuneration components, and the annual pension contribution. For the one-year variable remuneration, a target attainment of 100 percent and a neutral multiplier of 1.0 are assumed. Virtual performance shares that have already been provisionally allocated but whose performance period has not yet expired are not forfeit in the event of premature termination. They are measured in accordance with the normal procedure at the end of the performance period depending on the attainment of the performance criteria, finally allocated, and paid out.

However, should, the company terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, as per § 626 BGB, all provisionally allocated virtual performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation.

Non-competition clause. A post-contractual non-competition clause was agreed with Dr. Stefan Traeger for a period of one year following the end of his contract of employment. An amount of 50 percent of the annual remuneration including variable remuneration (with a target attainment level of 100 percent) and pension contributions has been agreed as compensation for the non-competition clause. Any severance payment shall be offset against the compensation. Prior to termination of the employment relationship, Jenoptik may also waive the post-contractual non-competition clause by means of a written declaration.

Ancillary activities. The acceptance of seats on a supervisory board, advisory board or comparable supervisory bodies of companies outside the Group requires the approval of the Supervisory Board.

Rejection of the remuneration system. Should the Annual General Meeting reject the remuneration system and/or the remuneration report, the members of the Executive Board have committed themselves to enter into discussions on an adaptation of the remuneration system.

4. Revision of the remuneration system

With effect from January 1, 2023, the Executive Board of JENOPTIK AG was expanded to three persons; Dr. Ralf Kuschnereit was appointed as a further member of the Executive Board. With effect from April 1, 2023, Dr. Prisca Havranek-Kosicek will succeed Hans-Dieter Schumacher, who will leave the company on March 31, 2023, as Chief Financial Officer; from March 1, 2023, Dr. Havranek-Kosicek will be a member of the Executive Board without areas of responsibility. In the light of these new appointments to the Executive Board and as announced in last year's Remuneration Report, the Personnel Committee and Supervisory Board revised the Executive Board remuneration system in the fiscal year 2022. The focus was in particular on the introduction of share ownership guidelines and an adjustment of the multi-year variable remuneration. The remuneration system thus revised and approved by the Supervisory Board is to be submitted for approval to the Annual General Meeting on June 7, 2023.

The main changes compared with the current remuneration system are as follows:

The main features of the performance share plan for multi-year variable remuneration will be retained. In addition to the performance targets of relative TSR and ROCE, however, ESG targets will be introduced with a weighting of 20 percent. The basis for the selection of targets for each installment is a catalog of criteria derived from the materiality analysis. From this catalog of criteria, two to four ESG targets are selected at the beginning of each fiscal year and their weighting defined. The specific ESG targets, the actual achievement of the targets, and the weighting will be published ex post in the Remuneration Report. With the introduction of additional ESG targets, the weighting of the relative TSR will decrease from 70 to 50 percent. In addition, the relative TSR will in future no longer be measured exclusively against the TecDax; half of it will also be measured against an individual comparison group consisting of at least ten listed companies operating in markets addressed by Jenoptik. Furthermore, the measurement method was adapted to a ranking procedure. This means that in future the determination of the target achievement of the relative TSR will be based on a ranking within the comparison group and no longer on a percentage deviation from an average value.

In addition, a share ownership guideline will be introduced for Executive Board members. This will oblige the members of the Executive Board to acquire shares in JENOPTIK AG worth 100 percent of their annual gross basic remuneration over a four-year build-up phase and to hold them until the end of their Executive Board term of office.

In addition to the existing performance clawback (see A. III. 3 of this report), a compliance clawback has been introduced. Under this, in the event of intentional breaches of duty by the Executive Board member in his capacity as Executive Board member, the Supervisory Board may reduce the variable remuneration not yet paid out for the year in which the breach of duty occurred (malus) or demand partial or full repayment of the variable remuneration already paid out for the year in which the breach of duty occurred (clawback).

IV. Detailed presentation of the total remuneration for the members of the Executive Board

T47 Remuneration granted and owed in the fiscal years 2021 and 2022

	Dr. Stefan Traeger President & CEO				Hans-Dieter Schumacher Executive Board member			
	2022		2021		2022		2021	
	in euros	in %	in euros	in %	in euros	in %	in euros	in %
Non-performance-related remuneration								
Fixed remuneration	650,000	47.8	650,000	45.0	450,000	47.6	450,000	31.3
Fringe benefits	18,161	1.3	18,250	1.3	21,532	2.3	21,532	1.5
Pension contribution	200,000	14.7	200,000	13.9	160,000	16.9	160,000	11.1
Total	868,161	63.9	868,250	60.2	631,532	66.8	631,532	43.9
Performance-related remuneration								
One-year variable remuneration (bonus for fiscal year 2022)	436,684	31.1	n.a.		272,928	28.8	n.a.	
One-year variable remuneration (bonus for fiscal year 2021)	n.a.		446,428	30.9	n.a.		279,017	19.4
Multi-year variable remuneration (performance shares 2019)	53,733	4.0	n.a.		40,306	4.2	n.a.	
Multi-year variable remuneration (performance shares 2018 and LTI 2017*)	n.a.		128,572	8.9	n.a.		539,447	36.7
Total	490,417	36.1	574,999	39.8	313,234	33.2	808,465	56.1
Total remuneration	1,358,578	100.0	1,443,249	100.0	944,766	100.0	1,439,997	100.0

* Payout of 2017 installment of the LTI model applicable for Hans-Dieter Schumacher until 2017

Table T47 shows the remuneration components granted and owed for the past fiscal year to Dr. Stefan Traeger and Hans-Dieter Schumacher. In this context, remuneration granted and owed is understood to mean remuneration granted for professional activities performed in the fiscal year 2022, irrespective of whether payout takes place in 2022 or later. The long-term variable remuneration is deemed to be granted and owed in the last year of the performance period, even if payout is not made until the following year, because only then can it be determined that all performance criteria were fulfilled. This means that the performance shares allocated in 2019 are deemed to be granted and owed in the fiscal year 2022, even if payment will be made in April 2023 after the 2022 Annual Financial Statements have been adopted.

V. Comparative presentation of the annual change in remuneration, the company's development of earnings as well as the average remuneration for employees considered over the last five fiscal years

Firstly, the table T48 presents the total remuneration granted and owed to the members of the Executive Board and Supervisory Board in the years 2018 to 2022.

The Executive Board's total remuneration comprises the fixed remuneration, the one-year and multi-year variable remuneration, fringe benefits, and pension contributions. Should a member not have worked for Jenoptik for the full calendar year, the amount is extrapolated to a full 12 months.

The Supervisory Board's total remuneration comprises the fixed remuneration paid for 2022 for membership of the Supervisory Board and the committees, as well as the attendance fees for meetings held in 2022.

Also presented is the average remuneration for the total workforce and for employees paid in accordance with collective agreements in Germany over the last five fiscal years. The total workforce includes all employees below Executive Board level (including non pay-scale employees and senior executives) including TRIOPTICS and BG Medical for the first time in 2022 with the exception of employees of VINCORION, the sale of which was completed on June 30, 2022 and Hillos GmbH. The table also shows the average remuneration for all pay-scale employees in Germany. Pay-scale employees are salaried employees covered by collective bargaining agreements and employees on a par with the collective bargaining agreement but not bound by it. In addition to the basic salary, the average remuneration for the total workforce and pay-scale employees includes bonuses, special payments, variable remuneration for the year in question (for the year 2022 the provision amount) and the employer's share of social security contributions, but not any severance pay or sign-on bonuses. Should an employee not have worked for Jenoptik for the full calendar year, the amount is extrapolated to a full 12 months. Due to differing salary levels worldwide, the presentation is restricted to employees working in Germany, particularly as both members of the Executive Board are also employed and based in Germany.

The company's development of earnings is presented on the basis of the Jenoptik's key performance indicators of revenue, EBITDA, and free cash flow of the Jenoptik Group. The overview was supplemented by a comparative presentation of the development of the annual net profit of JENOPTIK AG as per the HGB.

T48 Comparative presentation of the change in remuneration for the Executive Board, the Supervisory Board, the employees, the company's and development of earnings

	2022		2021		2020		2019		2018
Remuneration in euros	2022 Amount	Change in %	2021 Amount	Change in %	2020 Amount	Change in %	2019 Amount	Change in %	2018 Amount
Development of earnings (in million euros) ¹									
Revenue	980.7	30.6	895.7	16.7	767.2	-10.3	855.2	2.5	834.6
EBITDA	184.1	18.2	177.2	58.8	111.6	-16.7	134	5.1	127.5
Free cash flow (before income taxes)	82.7	31.7	62.8	0.8	62.3	-19.3	77.2	-28.7	108.3
JENOPTIK AG annual net profit as per German Commercial Code	55.4	346.3	16	-56.9	37.2	-33.2	55.6	-29.6	79
Average remuneration for employees²⁵									
Total workforce in Germany (excluding the Executive Board) ²	75,000	0	75,000	2.8	73,000	0	73,000	1.4	72,000
Pay-scale employees in Germany ²	69,000	0	69,000	3.0	67,000	4.8	65,000	0	64,000
Remuneration granted and owed to the Executive Board									
Dr. Stefan Traeger	1,358,578	-5.87	1,443,249	19,6	1,206,741	20,2	1,003,786	-24,9	1,336,620
Hans-Dieter Schumacher ³	946,766	-34.39	1,439,997	16,7	1,234,072	-9.5	1,363,020	41,4	963,613
Remuneration granted and owed to the Supervisory Board⁴									
Matthias Wierlacher	135,432	11,93	121,000	19,2	101,500	-8.6	111,000	4,4	106,308
Stefan Schaumburg	91,199	14,72	79,500	57,5	50,470	-6.5	54,000	8	50,000
Astrid Biesterfeldt (until June 15, 2022)	26,171	-54,88	58,000	11,5	52,000	-14.1	60,500	1,7	59,500
Evert Dudok	65,466	48,79	44,000	14,3	38,500	-15.4	45,500	0	45,500
Michael Ebenau (until October 15, 2020)	/	/	/	/	57,536	-28.5	80,500	4,7	76,904
Elke Eckstein	67,432	28,44	52,500	11,7	47,000	-9.6	52,000	3,2	50,404
André Hillner (since June 15, 2022)	36,062	/	/	/	/	/	/	/	/
Prof. Dr. Ursula Keller (since Januar 21, 2022)	48,774	/	/	/	/	/	/	/	/
Thomas Klippstein (until June 15, 2022)	29,938	-53,58	64,500	5,7	61,000	-11.6	69,000	3	67,000
Dörthe Knips	68,432	29,12	53,000	10,4	48,000	-10.3	53,500	5,1	50,904
Dieter Kröhn (until March 31, 2022)	12,596	-76,46	53,500	12,6	47,500	-10.4	53,000	4,1	50,904
Alexander Münkowitz (since April 1, 2022)	49,603	/	/	/	/	/	/	/	/
Doreen Nowotne	76,466	10,02	69,500	8,6	64,000	-11.1	72,000	3	69,904
Heinrich Reimnitz (until June 15, 2022)	37,240	-52,86	79,000	14,5	69,000	-11.5	78,000	2,6	76,000
Thomas Spitzenpfeil (since June 15, 2022)	44,260	/	/	/	/	/	/	/	/
Frank-Dirk Steininger (until June 15, 2022)	23,404	-53,66	50,500	517,6	9,757	/	/	/	/
Christina Süßenbach (since June 15, 2022)	36,062	/	/	/	/	/	/	/	/
Prof. Dr. Andreas Tünnermann (until December 31, 2021)	/	/	57,000	21,3	47,000	-11.3	53,000	2,9	51,500
Franziska Wolf (since June 15, 2022)	36,562	/	/	/	/	/	/	/	/

¹ Figures for revenue, EBITDA and free cash flow of continuing operations in 2022; until 2021 based on Group (including VINCORION)

² Personnel expenses including employer share of social security contributions without severance pay and sign-on bonuses. Excluding VINCORION and Hillos. Employees covered by collective bargaining agreements include employees covered by collective bargaining agreements and employees on a par with but not covered by collective bargaining agreements. Total workforce includes non-pay-scale employees and managerial staff in addition to those covered by collective agreements. 2022 including TRIOPTICS and BG Medical for the first time

³ In the case of Hans-Dieter Schumacher since 2019 including LTI payout under the LTI model applicable until 2017 (for the last time in 2021)













⁴ In the Corona year 2020, the members of the Supervisory Board waived 10 percent of their fixed remuneration

⁵ Correction of prior-year figures (due to adjusted calculation basis)

B. Supervisory Board Remuneration

Current remuneration for the members of the Supervisory Board is governed by § 19 of the Articles of Association of JENOPTIK AG and was approved by the Annual General Meeting on June 15, 2022 with a majority of 99.77 percent.

G26 Supervisory Board Remuneration

Basic remuneration for the Supervisory Board					
					
					
Chairman* of the Supervisory Board	Deputy*		Member*		
100,000 euros	75,000 euros		50,000 euros		

* with effect since June 15, 2022

Additional remuneration for committee work				
in euros	Audit Committee	Personnel Committee	Investment Committee	Nominations Committee
Chairman	20,000	10,000	10,000	10,000
Deputy	15,000			
Member	10,000	5,000	5,000	5,000

With effect from the end of the Annual General Meeting on June 15, 2022, each member of the Supervisory Board receives fixed annual remuneration of 50,000 euros (until June 14, 2022: 40,000 euros) for their activities. No variable remuneration is provided. This ensures independent control of the Executive Board by the Supervisory Board. The Chairman of the Supervisory Board receives double and his deputy one-and-a-half times this amount.

In addition, each member of a committee receives an annual remuneration in the sum of 5,000 euros per year. The Chairman of the committee receives double this amount. The annual remuneration for members of the Audit Committee, whose duties are particularly labor- and time-intensive, is 10,000 euros. The Chairman of the Audit Committee receives double and their deputy one-and-a-half times this amount. These allowances are intended to take account of the particular responsibility and greater time commitment associated with individual roles on the Supervisory Board. This also implements the recommendation of Point G.17 of the German Corporate Governance Code.

Members of committees that have not met during the fiscal year receive no remuneration. Members of the Supervisory Board who have only served on the Supervisory Board or a committee for part of the fiscal year receive a pro rata temporis payment. All the aforementioned remuneration is payable on expiry of the fiscal year.

The members of the Supervisory Board are paid a meeting allowance of 1,000 euros for attending a meeting. This also applies to participation in conference calls or video conferences. If several meetings are held on the same day, only half of the attendance fee is paid from the second meeting onwards. Verified expenses incurred in connection with a meeting are reimbursed in addition to the meeting allowance, but limited to an amount of 1,000 euros for meetings held in Germany. JENOPTIK AG also reimburses the members of the Supervisory Board for any value added tax due on their remuneration.

The members of the Supervisory Board are covered by a directors and officers-liability insurance.

There are no further remuneration-related agreements between the company and the members of the Supervisory Board that go beyond the provisions of § 19 of the Articles of Association. In particular, in the event of a member leaving the Supervisory Board, there is no provision granting remuneration to the members of the Supervisory Board after the end of their term of office.

Jenoptik did not pay any other remuneration or benefits to the members of the Supervisory Board for services rendered personally by them, in particular consulting and intermediary services.

The following table T49 shows the remuneration granted and owed to the members of the Supervisory Board of JENOPTIK AG for the fiscal year 2022 in accordance with § 162 (1) (1) AktG:

T49 Supervisory Board Remuneration

	Total remuneration in euros	in %	Fixed remuneration 2022 in euros	in %	Remuneration for committee work in euros	in %	Meeting allowances in euros	in %
Matthias Wierlacher (Chairman)	135,432	100	90,932	67.1	30,000	22.2	14,500	10.7
Stefan Schaumburg (Deputy Chairman)	91,199	100	68,199	74.8	10,000	11.0	13,000	14.3
Astrid Biesterfeldt (until June 15, 2022)	26,171	100	18,137	69.3	4,534	17.3	3,500	13.4
Evert Dudok	65,466	100	45,466	69.5	10,000	15.3	10,000	15.3
Elke Eckstein	67,432	100	45,466	67.4	10,466	15.5	11,500	17.1
André Hillner (since June 15, 2022)	36,062	100	27,329	75.8	2,733	7.6	6,000	16.6
Prof. Dr. Ursula Keller (since Januar 21, 2022)	48,774	100	43,274	90.6	0	0	5,500	11.3
Thomas Klippstein (until June 15, 2022)	29,938	100	18,137	60.6	6,801	22.7	5,000	16.70
Dörthe Knips	68,432	100	45,466	66.4	10,466	15.3	12,500	18.3
Dieter Kröhn (until March 31, 2022)	12,596	100	9,863	78.3	1,233	9.8	1,500	11.9
Alexander Münkowitz (since April 1, 2022)	49,603	100	35,603	71.8	6,500	13.1	7,500	15.1
Doreen Nowotne	76,466	100	45,466	59.5	20,000	26.2	11,000	14.4
Heinrich Reimitz (until June 15, 2022)	37,240	100	18,137	48.7	13,603	36.5	5,500	14.8
Thomas Spitzenpfeil (since June 15, 2022)	44,260	100	27,329	61.8	10,932	24.7	6,000	13.6
Frank-Dirk Steininger (until June 15, 2022)	23,404	100	18,137	77.5	2,267	9.7	3,000	12.8
Christina Süßenbach (since June 15, 2022)	36,062	100	27,329	75.8	2,733	7.6	6,000	16.6
Franziska Wolf (since June 15, 2022)	36,562	100	27,329	74.8	2,733	7.5	6,500	17.8
Total	884,096		611,596		145,000		127,500	

At regular intervals and at the latest every four years, the Supervisory Board reviews whether the remuneration received by its members is appropriate in view of their duties and the company situation. Due to the special nature of the Supervisory Board's work, a vertical comparison with the remuneration paid to company employees is not generally used when reviewing Supervisory Board remuneration. The remuneration system for the Supervisory Board can be found on our website at www.jenoptik.com/investors/corporate-governance under the heading Supervisory Board.

Jena, March 27, 2023

For the Executive Board



Dr. Stefan Traeger
Chairman of the
Executive Board



Hans-Dieter Schumacher
Chief Financial Officer

For the Supervisory Board



Matthias Wierlacher
Chairman of the
Supervisory Board



Dr. Prisca Havranek-Kosicek
Member of the
Executive Board



Dr. Ralf Kuschnereit
Member of the
Executive Board

Report of the independent auditor on the audit of the remuneration report pursuant to Sec. 162 (3) AktG

To JENOPTIK AG

Opinion

We have audited the formal aspects of the remuneration report of JENOPTIK AG, Jena, for the fiscal year from 1 January to 31 December 2022 to determine whether the disclosures required by Sec. 162 (1) and (2) AktG [“Aktengesetz“: German Stock Corporation Act] have been made therein. In accordance with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Sec. 162 (1) and (2) AktG have been made in the accompanying remuneration report in all material respects. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW AuS 870). Our responsibilities under this provision and standard are further described in the “Responsibilities of the auditor” section of our report. As an audit firm, we applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1). We complied with the professional obligations pursuant to the WPO [“Wirtschaftsprüferordnung“: German Law Regulating the Profession of Wirtschaftsprüfer (German Public Auditor)] and the BS WP/vBP [“Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer“: Professional Charter for German Public Accountants/German Sworn Auditors] including the requirements regarding independence.

Responsibilities of the management board and supervisory board

The management board and supervisory board are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, they are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our objectives are to obtain reasonable assurance about whether the disclosures required by Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects and to express an opinion thereon in a report.

We planned and performed our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Consideration of misrepresentations

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and, in doing so, remain alert for indications of whether the remuneration report contains misrepresentations in relation to the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Stuttgart, 27 March 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Murrmann
Wirtschaftsprüfer
[German Public Auditor]

Maurer
Wirtschaftsprüfer
[German Public Auditor]