

Annual financial statements

of Carl Zeiss Meditec AG (HGB)

Fiscal year 2022/23



Contents

Summary management report	3
Balance sheet (HGB)	4
Income statement (HGB)	6
Notes to the annual financial statements	7
General information and explanatory notes to the annual financial statements	7
Notes to individual items in the balance sheet	14
Notes to individual items in the income statement	21
Other mandatory disclosures	23
Declaration by the legal representatives	31
Independent Auditor's report	32
Financial calendar	39
Imprint/Disclaimer	39

Summary management report

The management report of Carl Zeiss Meditec AG and the Group management report have been consolidated pursuant to Section 315 (3) HGB, in conjunction with Section 298 (3) HGB, and published in the 2022/23 Annual Report.

The annual financial statements and summary management report for Carl Zeiss Meditec AG and the Group for fiscal year 2022/23 are submitted electronically to the authority maintaining the company register for inclusion in the company register.

They are also available for inspection on Carl Zeiss Meditec AG's website at <https://www.zeiss.com/meditec-ag/home.html>.

Carl Zeiss Meditec AG, Jena

Balance sheet (HGB)

as of 30 September 2023

	Note	30 Sep 2023	30 Sep 2022
		€k	€k
ASSETS			
A. Fixed assets	(5)		
I. Intangible fixed assets			
1. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets		16,578	24,502
2. Goodwill		14,668	22,002
3. Prepayments		4,842	3,693
		36,088	50,197
II. Tangible assets			
1. Land, land rights and buildings, including buildings on third-party land		1,795	1,867
2. Technical equipment and machinery		22,383	13,877
3. Other office equipment, fixtures and fittings		26,073	20,890
4. Payments on account and assets under construction		35,842	19,356
		86,093	55,990
III. Financial assets			
1. Shares in affiliated companies		609,698	589,752
2. Loans to affiliates		81,432	36,194
3. Investments		13,345	11,956
4. Long-term securities		1,772	1,772
5. Other loans		4,171	1,637
		710,418	641,311
		832,599	747,498
B. Current assets			
I. Inventories			
1. Raw materials, consumables and supplies		154,507	110,878
2. Unfinished goods		43,341	36,229
3. Finished goods and merchandise		122,072	73,226
4. Prepayments		367	-
5. Payments received on account of orders		-2,790	-3,139
		317,497	217,194
II. Receivables and other assets			
1. Trade receivables	(7)	19,222	17,804
2. Receivables from affiliated companies	(8)	1,010,731	1,031,385
3. Other assets	(9)	41,743	29,035
		1,071,696	1,078,224
III. Cash-in-hand and bank balances			
	(10)	47	55
		1,389,240	1,295,473
C. Prepaid expenses	(11)	2,760	2,315
Total ASSETS		2,224,599	2,045,286

Carl Zeiss Meditec AG, Jena

Balance sheet (HGB)

as of 30 September 2023

	Note	30 Sep 2023	30 Sep 2022
		€k	€k
EQUITY AND LIABILITIES			
A. Equity	(12)		
I. Subscribed capital		89,441	89,441
II. Capital reserve		954,942	954,942
III. Revenue reserves			
Other sales reserves		2,940	2,940
IV. Net retained profits		722,641	601,487
		1,769,964	1,648,810
B. Special item for investment subsidies		595	-
C. Provisions	(13)		
1. Provisions for pensions and similar obligations		68,932	46,018
2. Provisions for taxes		12,259	14,573
3. Other provisions		142,876	154,998
		224,067	215,589
D. Liabilities	(14)		
1. Trade payables		109,409	78,816
2. Liabilities to affiliated companies		107,196	91,171
3. Other liabilities		11,710	9,214
		228,315	179,201
E. Deferred income	(15)	1,658	1,686
Total EQUITY AND LIABILITIES		2,224,599	2,045,286

Carl Zeiss Meditec AG, Jena

Income statement (HGB)

from 1 October 2022 to 30 September 2023

	Note	2022/23 1 Oct 22 to 30 Sep 23	2021/22 1 Oct 21 to 30 Sep 22	Change
		€k	€k	in %
Sales	(17)	1,485,204	1,353,273	9.7 %
Increase in inventories of finished goods and work in progress		39,297	11,192	251.1 %
Other own work capitalized		26,014	8,309	213.1 %
Other operating income	(18)	95,338	45,853	107.9 %
Cost of materials		-686,647	-542,790	26.5 %
a) Cost of raw materials and supplies, and of purchased merchandise		-678,570	-535,185	26.8 %
b) Cost of purchased services		-8,077	-7,605	6.2 %
Personnel expenses		-256,526	-199,278	28.7 %
a) Wages and salaries		-203,448	-157,181	29.4 %
b) Social security and other pension costs		-53,078	-42,097	26.1 %
- thereof in respect of post-employment benefits		-22,673	-18,284	24.0 %
Amortization on intangible assets and depreciation of tangible assets		-27,015	-25,603	5.5 %
Other operating expenses	(19)	-374,407	-354,228	5.7 %
Income from long-term equity investments	(20)	2,283	3,602	-36.6 %
of which from affiliated companies		2,283	3,602	-36.6 %
Income from profit transfer agreements	(21)	-	640	-100.0 %
Expenses from loss transfers	(21)	-542	-	
Income from long-term loans		1,979	470	321.1 %
of which from affiliated companies		1,562	470	232.3 %
Other interest and similar income		17,318	949	1,724.9 %
of which from affiliated companies		17,094	387	4,317.1 %
Write-downs of long-term financial assets and securities classified as current assets		-4,931	-12,549	-60.7 %
Interest and similar expenses	(22)	-1,615	-16,777	-90.4 %
thereof to affiliated companies		-	-	
Result before tax		315,750	273,063	15.6 %
Income taxes	(23)	-95,834	-107,277	-10.7 %
Result after tax		219,916	165,786	32.7 %
Other taxes	(24)	-377	-307	22.8 %
Net income for the fiscal year		219,539	165,479	32.7 %

Notes to the annual financial statements for fiscal year 2022/23

GENERAL INFORMATION AND EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1 Description of operations

Carl Zeiss Meditec AG, Jena ("Company") is engaged in the development, manufacture and marketing of products and systems as well as the rendering of services for diagnosis and treatment in the field of medical technology. Carl Zeiss Meditec AG's headquarters are located in 07745 Jena, Germany (Göschwitzer Straße 51-52), Germany's traditional center of excellence for optical and optical-related technologies. Additional operating facilities are located in Oberkochen, Berlin and Munich. The Company has major subsidiaries in the USA, France, Japan, Spain, the United Kingdom, Turkey and Germany. Together, these form the Carl Zeiss Meditec Group.

Users of the Company's products are primarily physicians, particularly surgeons, in various fields and hospitals worldwide. Global distribution is handled by the Company's own distribution companies or the distribution network of Carl Zeiss AG, Oberkochen.

Carl Zeiss Meditec AG is recorded in the commercial register of Jena Local Court under HRB 205623.

2 Foundation, stock exchange listing

Carl Zeiss Meditec AG was originally founded on 4 October 1995 as AESCULAPMEDITEC GmbH with its registered office in Jena.

On 10 November 1999 AESCULAP-MEDITEC GmbH changed its legal form to a stock corporation (Aktien-gesellschaft). The Company went public on 22 March 2000 and was listed on the Frankfurt Stock Exchange.

3 Annual financial statements according to HGB and AktG, consolidated financial statements

The figures in the annual financial statements of Carl Zeiss Meditec AG for the fiscal year ending on 30 September 2023 are stated in thousands of euros (€k) – unless specified otherwise – in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). As of the balance sheet date, 30 September 2023, the Company is a large stock corporation as defined by Section 267 (3) and (4) HGB.

In order to give a better insight into the Company's net assets and financial position, the classifications in the balance sheet have been expanded in accordance with Section 265 (5) HGB to include the liabilities-side item "Special item for investment subsidies". Contrary to prior fiscal years, the income statement has been prepared using the total cost format. Details on this can be found in chapter 4 "Information and explanatory notes on accounting and valuation principles" in the section "Income statement".

The Company is included in the consolidated financial statements of Carl Zeiss AG, Oberkochen, Germany, which prepares the consolidated financial statements for the largest and, at the same time, smallest group of companies, and publishes them in the business register.

The Company also prepares consolidated financial statements according to the International Financial Reporting Standards (IFRSs). The consolidated financial statements of Carl Zeiss Meditec AG are published in the business register. The consolidated financial statements can also be obtained from Carl Zeiss Meditec AG in Jena on

request. They are also available for inspection on Carl Zeiss Meditec AG's website at <https://www.zeiss.com/meditec-ag/home.html>.

The following accounting and valuation principles were mainly applied unchanged for the preparation of the annual financial statements.

For better clarity and transparency, the disclosures to be made in accordance with the statutory provisions for the items in the balance sheet and income statement, as well as the optional disclosures to be made in the balance sheet and income statement, are for the most part included in the notes accompanying the financial statements.

4 Information and explanatory notes on accounting and valuation principles

Fixed assets

Intangible fixed assets

Purchased intangible fixed assets are carried at cost less scheduled straight-line amortization in accordance with their expected useful life. The underlying estimated useful lives range between three and seventeen years. Extraordinary write-downs to the lower of cost or market are performed where impairments are expected to be permanent. Internally generated intangible fixed assets are not recognized.

The goodwill arising from the merger transactions on 1 October 2010 is amortized in accordance with the expected useful life. This is more than 5 years, provided that the purchased assets can be expected to make a positive contribution to earnings over a longer period. The estimated useful life of goodwill of the former companies Carl Zeiss Surgical GmbH, *AcriTec GmbH and Carl Zeiss Medical Software GmbH was determined to be 15 years. The Company made use of the option under the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz, BilMoG), as the investment is considered a long-term investment. Points of reference for estimating the individual useful operating life include the continually expanding market for medical technology, the positive economic and business conditions, the very low levels of employee turnover at the acquired companies and the life cycles of the products which, thanks to patent protection, etc., range between 10 and 20 years.

As of 30 September 2023 no development expenses were capitalized due to the recognition option.

Tangible fixed assets

Tangible fixed assets are carried at cost less scheduled depreciation.

In addition to direct material costs and direct production costs, the production costs of internally generated assets also include an appropriate portion of the material and production overheads, as well as the pro rata depreciation of the fixed assets in production.

Tangible fixed assets are depreciated in accordance with their expected useful life. Movable items of tangible fixed assets added before the enactment of the BilMoG, are – as a general rule – subject to the sliding-scale method of depreciation. A transition shall be made to the straight-line method in the year in which the straight-line method results in higher annual depreciation amounts for the first time. Applying the straight-line depreciation method to these assets would have resulted in only minor deviations in fiscal year 2022/23. The other assets are depreciated on a straight-line basis. Low-value assets up to a value of € 800.00 are written off in full in the year of acquisition. Additions to tangible fixed assets are depreciated pro rata temporis.

The depreciable assets were depreciated on a straight-line basis in accordance with their expected useful lives. The following useful lives were applied:

» Buildings, including buildings on third-party land	2 to 33 years
» Technical equipment and machinery:	2 to 21 years
» Other office equipment, fixtures and fittings:	2 to 23 years

Extraordinary write-downs to the lower of cost or market are performed where impairments are expected to be permanent. If the reasons for an extraordinary write-down no longer exist, the impairment loss shall be reversed up to a maximum of the depreciated cost.

Prepayments are recognized at nominal value.

Financial assets

Under long-term financial assets, shares in affiliated companies, other long-term equity investments and securities are recognized at cost and loans are recognized at nominal value. Appropriate valuation allowances are made for potential risks and impairment of financial assets.

Current assets

Inventories

Raw materials, consumables and supplies are valued at cost or moving average price. The lower of cost or market principle is strictly applied for this valuation.

Work in progress and finished goods are measured at cost. In addition to direct material costs and direct production costs, these also include an appropriate portion of the material and production overheads, as well as the pro rata depreciation of the fixed production assets. Inventory risks relating to the storage period or reduced marketability were taken into account by write-downs using a combination of the lower of cost or market test, marketability discounts and loss-free valuation, and by special individual write-downs.

Trade goods are valued at the lower of cost or market as of the balance sheet date.

Prepayments and payments received on account of orders are recognized, respectively, at their nominal value and settlement amount.

Receivables and other assets

Receivables and other assets are stated at their nominal amount. Appropriate individual valuation allowances have been set up for discernible individual risks. The general credit risk on trade receivables has been taken into account by a general bad debt allowance.

Receivables due after more than one year are discounted.

Equity

Subscribed capital

This is measured at the nominal amount.

Authorized capital

Authorized Capital 2022

Pursuant to Art. 4 (5) of the Articles of Association of Carl Zeiss Meditec AG, the Company has an Authorized Capital. Subject to the approval of the Supervisory Board, the Management Board is accordingly authorized to increase the share capital, on one or several occasions in the period until 29 March 2027, by up to a total of € 26,500,000.00. New no-par value bearer shares can be issued against cash and/or contributions in kind for this. The Management Board was authorized, subject to the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the following cases:

- » to balance out fractional amounts,
- » if the capital increase is effected against cash contributions and the new shares, for which the subscription rights are excluded, are equivalent to no more than 10% of the share capital, neither on the date the increase becomes effective, nor on the date this authorization is exercised, and the issuing price of the new shares is not significantly lower than the market price of shares of the same type and structure already publicly quoted. Sales of own shares on the basis of other authorizations pursuant to Section 186 (3) sentence 4 AktG must be taken into account in the restriction to 10% of the share capital.
- » for capital increases against contributions in kind to grant shares for the purpose of acquiring companies, parts thereof or interests in a company.

The Management Board is authorized, subject to the approval of the Supervisory Board, to specify the further details of capital increases from Authorized Capital.

Treasury shares

Based on the resolution of the Annual General Meeting of Carl Zeiss Meditec AG on 6 August 2020, the Management Board is authorized to purchase own shares. This authorization is valid until 5 August 2025. The shares may be purchased, subject to the approval of the Supervisory Board:

- » to offer them for purchase to employees of the Company and the companies affiliated with the Company within the meaning of Section 15 et seqq. German Stock Corporation Act (AktG) – noting that the right of shareholders to subscribe to own shares is excluded – or
- » as a (part-)consideration within the scope of business combinations or to acquire companies, investments in companies or parts of companies and other assets, for example, land or buildings or receivables from the Company or companies affiliated with it within the meaning of Section 15 et seqq AktG – whereby the right of shareholders to subscribe to own shares is also excluded – or
- » to recall them.

This authorization is limited to the purchase of shares equivalent to a proportionate amount of the share capital of €8,940,000.00. The shares shall be purchased at the stock exchange. The consideration paid by the Company per share (excluding incidental purchase costs) may not be more than 10% above or below the closing rate of the shares in Xetra trading (or an equivalent successor system to the Xetra trading system) at the Frankfurt Stock Exchange on the previous day of trading. At no time may the purchased shares, together with other own shares held by the Company and ascribable to it pursuant to Section 71a et seqq. AktG, exceed 10% of the share capital.

The Company did not make use of these authorizations during fiscal year 2022/23.

Special reserve for investment subsidies

This special item includes investment subsidies recognized as liabilities. The reversal through profit or loss corresponds to the average useful life of the respective assets.

Provisions and liabilities

Provisions

Provisions for pensions and similar obligations are calculated based on future wage/salary and pension trends using the projected unit credit method. The calculation of the present values of the pension obligations is based on the average market discount rate for an assumed residual period of 15 years. The obligations are measured using Prof. Dr. Klaus Heubeck's 2018 G mortality tables.

As of 30 September 2023 measurement is based on the following accounting principles:

	2022/23	2021/22
Discount rate pursuant to the German Regulation on the Discounting of Provisions (<i>Rückstellungsabzinsungsverordnung</i>)	1.81 %	1.78 %
Pension growth	2.25 %	2.25 %
Salary growth	3.00 %	3.00 %
Fluctuation factor	approx. 2.00%	approx. 2.00%

The assets that are withheld from access to all other creditors and that are exclusively used to fulfill liabilities arising from pension commitments or similar long-term commitments (plan assets in the sense of Section 246 (2) Sentence 2 HGB), are recognized at fair value and offset against the relevant pension or other long-term commitments.

If there is no active market that can be used as a basis for calculating the fair value, the fair value is determined using the following valuation methods: present value method and option pricing model.

Provisions for anniversary bonuses and partial retirement were valued according to actuarial principles.

The Company contracted out the funding of pension obligations. This outsourcing is based on the model of a contractual trust arrangement (CTA). Thus the pension obligations are primarily covered by external plan assets and are separate from the Company's other operating assets. Access to the assets by the employer or other third parties is generally excluded. In the event of the Company becoming insolvent, employees shall have a direct claim against the pension fund.

The Company also contracted out the financing of partial retirement obligations. As with the pension commitments for the entitled group of employees, Carl Zeiss Meditec AG transferred the appropriate funds to the Trustee. For further information, please refer to the notes on plan assets for pension provisions.

The provision for deferred compensation commitments corresponds to the asset values of the reinsurance policy.

The expenses and income from discounting and compounding the above obligations and from the plan assets to be offset are offset against each other (Section 246 (2) sentence 2 HGB) and recognized under other interest and similar expenses.

The other provisions set up provide adequate cover for discernible risks, uncertain obligations and impending losses from pending transactions. The amount to be allocated to these provisions is determined using prudent commercial judgment. Cost increases not expected to have an effect until the future, up until fulfillment of the obligation, were recognized for the first time. Long-term provisions are measured at their net present value using the discount rates appropriate for the term in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung).

Liabilities

Liabilities are stated at their respective amounts payable.

Trade payables

These include the usual obligations in the form of trade payables to outside suppliers and accrued commissions.

Foreign currency translation

Receivables and liabilities denominated in foreign currency are translated using the exchange rate prevailing on the date of the transaction. Exchange rate gains/losses are recognized for short-term receivables and liabilities, in accordance with Section 256a HGB, through remeasurement at the average spot exchange rate at the balance sheet date. In the case of a remaining term of more than one year, this shall apply only if the translation results in a lower amount, for receivables, or a higher amount, for liabilities.

Deferred taxes

Deferred taxes are calculated on the basis of temporary and quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses/deferred income under commercial law and their tax bases using the tax rates applicable to the individual companies (29.87%, prior year: 29.87%) at the time the differences are reduced, without discounting the resulting tax burden or relief. Deferred taxes result mainly from the following: Valuation of intangible fixed assets, valuation of receivables (foreign currency), valuation of pension commitments, valuation of other provisions and valuation of liabilities (foreign currency). Deferred tax assets and liabilities are offset. Any surplus of deferred taxes is not capitalized due to exercise of the recognition option that exists for this.

Amounts excluded from distribution

The payout block is calculated as follows:

	30 Sep 2023	30 Sep 2022
	€k	€k
Fair valuation of plan assets pursuant to Section 268 (8) HGB	19,197	21,787
Difference in recognition of pension obligations pursuant to Section 253 (6) HGB	8,046	18,510
Payout block	27,243	40,297

This is offset by sufficient reserves, and therefore there is no blocking effect as a result of the payout block for the net income for fiscal year 2022/23.

Derivative financial instruments

As a company with global operations, Carl Zeiss Meditec is exposed to the effects of exchange rate fluctuations and enters into currency forward contracts to hedge against its currency risks based on planned transactions in foreign currencies as hedges for peaks after natural hedge of receivables and liabilities. The aim of currency hedging is to fix prices on the basis of hedging rates, to protect against future unfavorable exchange rate fluctuations. These contracts generally have a term of twelve months. The fair value of currency forward contracts is calculated based on the average spot exchange rate as of the balance sheet date, adjusted for

forward premiums and discounts for the respective residual term of the contract, compared with the contracted forward exchange rate.

As of 30 September 2023, the values of currency forward contracts were as follows:

	Market value	Nominal value
	€k	€k
Derivatives with a negative market value	-12,309	441,864
Provision for onerous contracts	12,309	441,864
Currency forward contracts with a positive market value	19,853	544,313

Income statement

Contrary to prior fiscal years, the income statement for fiscal year 2022/23 has been prepared in using the total cost format. This change is due, on the one hand, to a uniform, Group-wide procedure for the preparation of annual financial statements in accordance with HGB, and, on the other, to a change in cost accounting in accordance with HGB, which means it is no longer possible to apply the cost of sales format.

An income statement comparable to the prior year prepared using the cost of sales format would look as follows:

	Note	2022/23 1 Oct 22 to 30 Sep 23	2021/22 1 Oct 21 to 30 Sep 22	Change
		€k	€k	in %
Sales	(17)	1,485,204	1,353,236	9.8 %
Cost of sales		-643,167	-532,927	20.7 %
Gross profit on sales		842,037	820,309	2.6 %
Selling expenses		-192,719	-150,663	27.9 %
General and administrative expenses		-43,458	-46,263	-6.1 %
R&D costs		-329,591	-258,437	27.5 %
Other operating income	(18)	95,338	45,021	111.8 %
Other operating expenses	(19)	-70,349	-113,239	-37.9 %
Income from long-term equity investments	(20)	2,283	3,602	-36.6 %
of which from affiliated companies		2,283	3,602	-36.6 %
Income from profit transfer agreements	(21)	-	640	-100.0 %
Expenses from loss transfer	(21)	-542	-	
Income from long-term loans		1,979	470	321.1 %
of which from affiliated companies		1,979	470	321.1 %
Other interest and similar income		17,318	949	1,724.9 %
of which from affiliated companies		17,094	387	4,317.1 %
Write-downs of long-term financial assets and securities classified as current assets		-4,931	-12,549	-60.7 %
Interest and similar expenses	(22)	-1,615	-16,777	-90.4 %
thereof to affiliated companies		-	-	
Result before tax		315,750	273,063	15.6 %
Income taxes	(23)	-95,834	-107,277	-10.7 %
Result after tax		219,916	165,786	32.7 %
Other taxes	(24)	-377	-307	22.8 %
Net income for the fiscal year		219,539	165,479	32.7 %

NOTES TO INDIVIDUAL ITEMS IN THE BALANCE SHEET

5 Fixed assets

The addition to intangible assets is mainly attributable to the acquisition of computer software. Investments in tangible fixed assets in the fiscal year under review relate in particular to tools, production facilities and test equipment, as well as modifications in production.

The addition to shares in affiliated companies is mainly attributable to the acquisition of additional shares in Audiopics Medical Inc., Halifax, Canada and the capital increase at CZ Meditec Holding Shanghai, Shanghai, China. Write-downs to the amount of €176k relate to InfiniteVision Optics S.A.S., Strasbourg, France. The increase in loans to affiliated companies relates to the new issue of expired loans to Atlantic S.A.S, Périgny/La Rochelle, France, Carl Zeiss Meditec Iberia S.A., Tres Cantos, Spain and to HYALTECH Ltd., Livingston, United Kingdom. Loans were also issued to Carl Zeiss Meditec S.A.S., Périgny/La Rochelle, France and Vibrosonic GmbH, Mannheim, Germany. The addition to other long-term equity investments mainly results from the purchase of shares in Vibrosonic GmbH, Mannheim, Germany and the acquisition of new shares in Precise Bio, Inc., Winston-Salem, USA. The write-downs on other long-term equity investments in the amount of €4,755k relate to the investment in Photon Oy, Helsinki, Finland.

The statement of changes in fixed assets is as follows:

	Acquisition and production costs			
	1 Oct 2022	Additions	Reclassifications	Disposals
	€k	€k	€k	€k
Intangible fixed assets				
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	167,163	538	250	-
Goodwill	110,012	-	-	-
Prepayments	3,693	1,399	(250)	-
	280,868	1,937	-	-
Tangible fixed assets				
Land, land rights and buildings, including buildings on third-party land	4,653	73	-	-
Technical equipment and machinery	27,032	5,986	5,261	490
Other office equipment, fixtures and fittings	73,542	11,849	1,758	1,100
Payments on account and assets under construction	19,356	23,505	(7,019)	-
	124,583	41,413	-	1,590
Financial assets				
Shares in affiliated companies	606,801	19,381	741	-
Loans to affiliates	47,194	86,632	-	44,394
Investments	11,956	7,140	(741)	255
Long-term securities	1,772	-	-	-
Other loans	1,637	2,534	-	-
	669,360	115,687	-	44,649
	1,074,811	159,037	-	46,239

30 Sep 2023	Accumulated depreciation and amortization					Net book value		
	1 Oct 2022	Depreciation, amortization and write-downs in the fiscal year	Disposals	Reclassifications	Reversal of impairment losses	30 Sep 2023	30 Sep 2023	30 Sep 2022
€k	€k	€k	€k	€k	€k	€k	€k	€k
167,951	142,661	8,712	-	-	-	151,373	16,578	24,502
110,012	88,010	7,334	-	-	-	95,344	14,668	22,002
4,842	-	-	-	-	-	-	4,842	3,693
282,805	230,671	16,046	-	-	-	246,717	36,088	50,197
4,726	2,786	145	-	-	-	2,931	1,795	1,867
37,789	13,155	2,526	280	5	-	15,406	22,383	13,877
86,049	52,652	8,298	969	(5)	-	59,976	26,073	20,890
35,842	-	-	-	-	-	-	35,842	19,356
164,406	68,593	10,969	1,249	-	-	78,313	86,093	55,990
626,923	17,049	176	-	-	-	17,225	609,698	589,752
89,432	11,000	-	-	-	3,000	8,000	81,432	36,194
18,100	-	4,755	-	-	-	4,755	13,345	11,956
1,772	-	-	-	-	-	-	1,772	1,772
4,171	-	-	-	-	-	-	4,171	1,637
740,398	28,049	4,931	-	-	3,000	29,980	710,418	641,311
1,187,609	327,313	31,946	1,249	-	3,000	355,010	832,599	747,498

6 Inventories

Inventories comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Inventories	317,497	217,194
of which valuation allowances	26,582	24,352

7 Trade receivables

Trade receivables comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Trade receivables	19,222	17,804
of which cumulative specific and global valuation allowances	3,647	3,551
Discounted trade receivables due in > 1 year	-	18

8 Receivables from affiliated companies

Receivables from affiliated companies comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Trade receivables	263,944	254,934
Treasury receivables from Group treasury of the ZEISS Group	742,928	773,314
Other receivables	3,859	3,137
Receivables from affiliated companies	1,010,731	1,031,385

9 Other assets

Other assets comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Receivables from tax office	35,617	27,472
Receivables for prepayments	4,548	1,171
Receivables from creditors with debit balances	61	141
Other	1,517	251
Other assets	41,743	29,035

As in the prior fiscal year, all receivables and other assets are due within one year or less.

10 Cash-in-hand and bank balances

Cash refers solely to bank balances. Cash investments are made with the Group treasury of the ZEISS Group and are recognized under "Receivables from affiliated companies".

11 Prepaid expenses

Prepaid expenses comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Vacation pay	930	746
Agreed supplementary payments (T-ZUG)	795	497
License payments/royalties	301	407
Other	734	665
Prepaid expenses	2,760	2,315

12 Equity

Subscribed capital

Carl Zeiss Meditec AG's subscribed capital amounts to €89,440,570 and is composed of 89,440,570 no-par value ordinary bearer shares (no-par value shares), each with a theoretical interest in the share capital of €1.00 per no-par value share. This is stated at the nominal value.

Capital reserve

As of 30 September 2023 capital reserves still amounted to €954,942k.

Revenue reserves

As of 30 September 2023 revenue reserves still amounted to €2,940k.

Net retained profits

As of 30 September 2023, net retained profits amount to:

	30 Sep 2023	30 Sep 2022
	€k	€k
Net income for the fiscal year	219,539	165,479
Retained profits brought forward	601,487	516,505
Dividend payment	-98,385	-80,497
Net retained profits	722,641	601,487

13 Provisions

Provisions for pensions and similar obligations

The assets that have been transferred in trust to Carl Zeiss Pensions-Treuhand e.V., Oberkochen, as part of a CTA are therefore earmarked assets for the fulfillment of pension commitments to active employees of the Company, are plan assets in the sense of Section 246 (2) Sentence 2 HGB and are therefore offset at fair value against the respective pension commitments.

Information on offsetting pursuant to Section 246 (2) Sentence 2 HGB:

	30 Sep 2023
	€k
Amount payable for pensions and similar obligations	210,527
Acquisition costs for plan assets	123,031
Fair value of plan assets	142,229

The difference between the recognition of pension provisions with a 10-year average market interest rate and the recognition of pension provisions with a 7-year average market interest rate amounts to €8,046k (prior year: €18,510k).

The corresponding personnel expenses are included under pension costs; the interest expenses of the obligations, the current income from the plan assets and the income or expenses arising from changes in the fair value of the plan assets are carried under interest income. Details can be found in Section 22 "Interest and similar expenses".

Provisions for taxes

This item includes for provisions for corporation and trade tax.

Other provisions

Other provisions comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Remaining purchase price components from company acquisitions	44,979	44,291
Other provisions for employee benefits	26,573	20,321
Outstanding invoices	25,597	25,886
Currency forward contracts	12,309	37,231
Special payments to employees	10,170	8,134
Vacation entitlements and flexitime balances	9,384	7,133
Warranties	2,825	1,705
Litigation risks	2,691	2,691
Losses on supply and purchase commitments	1,811	3,023
Anniversary bonuses	968	909
Contributions to employers' liability insurance association	669	556
Year-end costs	538	487
Partial retirement benefits	513	345
Supervisory Board remuneration	488	411
Sundry other provisions	3,361	1,875
Other provisions	142,876	154,998

Partial retirement arrangements

The amount payable for provisions for partial retirement arrangements is €1,124k as of 30 September 2023. The fair value of the CTA plan assets against which these provisions were offset is €611k. The resulting interest expenses amount to €-1k.

14 Liabilities

Liabilities comprise the following:

	30 Sep 2023	30 Sep 2022
	€k	€k
Trade payables	109,409	78,816
Liabilities to affiliated companies	107,196	91,171
Trade receivables	106,634	88,478
Other liabilities	561	2,693
<i>of which liabilities to the majority shareholder</i>	29,721	26,421
Other liabilities, including liabilities to other long-term investees and investors	11,710	9,214
thereof from taxes	4,171	2,724
of which customs and import sales tax	6,998	6,146
Liabilities	228,315	179,201

As in the prior year, all liabilities are due in less than one year.

Based on the control and profit and loss transfer agreement concluded on 30 May 2017, the wholly owned subsidiary Carl Zeiss Meditec Asset Management Verwaltungsgesellschaft mbH, Jena, Germany, assumed a loss (prior year: profit) of €-542k (prior year: €640k) from Carl Zeiss Meditec AG in fiscal year 2022/23.

15 Deferred income

This item relates to deferred income for service and maintenance contracts extending beyond the end of the fiscal year.

16 Contingent liabilities and other financial obligations**Contingent liabilities**

As of the balance sheet date there were guarantees in favor of affiliated companies for which a noted item in the amount of €1 is recognized, as a quantitative value does not seem possible at the current time.

Utilization of this liability is considered unlikely. Equity investments are tested regularly for impairment – and revalued, if necessary – particularly within the scope of preparing the annual financial statements. These tests did not identify any risks that jeopardize the continuation of operations of the equity investments or their ability to meet their obligations.

Off-balance-sheet transactions/Other financial commitments

Off-balance-sheet transactions in the area of rental and leasing obligations mainly relate to rent for buildings, motor vehicle and bicycle leases and office equipment leases. These contracts provide an alternative source of financing that essentially avoids liquidity and equity being tied up as well as the assumption of major economic risks. In addition, they offer planning and costing reliability in terms of the fixed lease conditions for the term of the lease. There is a risk that the Company may not have unrestricted access to the assumed properties, particularly in the case of underutilization of capacity. Rental and leasing obligations were calculated on the basis of the earliest possible termination dates or the end of the contractual term. The nominal amounts were used.

Rental agreements give rise to the following financial obligations:

	30 Sep 2023
	€k
due 2023/24	9,611
thereof to affiliated companies	2,472
due 2024/25 to 2027/28	21,917
thereof to affiliated companies	363
due after 2028/29	6,752
thereof to affiliated companies	-

The financial commitments arising from rental agreements mainly relate to rental agreements with Carl Zeiss AG, Oberkochen, for rented production and office space in Jena and Oberkochen, as well as externally rented production and office space in Munich and Berlin.

The following financial commitments exist due to leases:

	30 Sep 2023
	€k
due 2023/24	888
thereof to affiliated companies	-
due 2024/25 to 2027/28	-
thereof to affiliated companies	-
due after 2028/29	-
thereof to affiliated companies	-

These are primarily leases for motor vehicles and bicycles.

Purchase commitments

The purchase commitment for investments gives rise to financial commitments of €32,072k (prior year: €58,216k).

NOTES TO INDIVIDUAL ITEMS IN THE INCOME STATEMENT

17 Sales

The tables below show a breakdown of sales:

	2022/23	2021/22
	€k	€k
Sales by region		
Germany	71,079	68,332
Europe, Middle East and Africa	297,308	246,138
Asia/Pacific region	901,106	845,393
Americas	215,711	193,410
Total	1,485,204	1,353,273

	2022/23	2021/22
	€k	€k
Sales by strategic business unit		
Microsurgery SBU	374,416	319,488
Ophthalmic Devices SBU	1,110,788	1,033,785
Total	1,485,204	1,353,273

18 Other operating income

Other operating income comprise the following:

	2022/23	2021/22
	€k	€k
Income from foreign currency translation	81,075	37,136
Reversals of write-downs of long-term financial assets	3,000	-
On-charging to Group companies	5,231	2,786
Prior-period income from the reversal of provisions	3,679	4,142
Other	2,353	1,789
Other operating income	95,338	45,853

19 Other operating expenses

Other operating expenses include expenses from foreign currency translation of €-57,464k (prior year: €-102,885k).

20 Income from long-term equity investments

Income from long-term equity investments amounts to €2,283k (prior year: €3,602k).

21 Income from profit transfer agreements, expenses from loss transfers

Carl Zeiss Meditec AG has a control and profit and loss transfer agreement with its wholly owned subsidiary, Carl Zeiss Meditec Asset Management Verwaltungsgesellschaft mbH. In fiscal year 2022/23, this agreement resulted in a loss (prior year: profit) of €-542k (prior year: €640k).

22 Interest and similar expenses

Other interest and similar expenses comprise the following:

	2022/23	2021/22
	€k	€k
Other interest and similar expenses:		
from provisions for pensions	-1,709	-11,930
from plan assets	2,926	387
from fair value adjustment	-2,640	-5,048
from compounding	-	-21
from other interest expenses	-192	-165
Other interest and similar expenses	-1,615	-16,777

Non-current provisions, which are based on acquisition transactions (acquisition of shareholdings), are compounded against the respective shares without affecting acquisition costs.

23 Income taxes

As in the prior year, taxes on income do not include any effects from the change in deferred taxes recognized.

24 Other taxes

Other taxes comprise the following:

	2022/23	2021/22
	€k	€k
Employee-related taxes	-319	-278
Vehicle tax	-20	-20
Foreign input tax	-24	-12
Refund of foreign input tax	16	3
Other	-30	-
Other taxes	-377	-307

OTHER MANDATORY DISCLOSURES

25 Auditors' fees

The Annual General Meeting on 23 March 2023 appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as auditor for fiscal year 2022/23. To total fee charged by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft for the fiscal year can be seen in the corresponding notes accompanying the consolidated financial statements.

26 Disclosures on the existence of an equity interest in the Company

Since September 2003 Carl Zeiss AG, Oberkochen, Germany, has held a direct and indirect majority interest in the Company's voting capital below the threshold of 75% pursuant to Section 33 (1) German Securities Trading Act (WpHG).

Carl Zeiss AG, Oberkochen, Germany informed the Company on 27 October 2006 that the share of the voting rights held by its wholly owned subsidiary Carl Zeiss, Inc., Thornwood, USA in Carl Zeiss Meditec AG fell below the threshold of 10% on 27 October 2006 and amounts to 7.47% (6,074,256 ordinary shares) from this date.

Carl Zeiss AG, Oberkochen, Germany informed the Company on 27 October 2006 that the share of the voting rights held by its subsidiary Carl Zeiss Beteiligungs-GmbH, Oberkochen, Germany in Carl Zeiss Meditec AG fell below the threshold of 10% on 27 October 2006 and amounts to 7.47% (6,074,256 ordinary shares) from this date. All these voting rights are allocated pursuant to Section 34 (1) Sentence 1 No. 1 WpHG.

The Capital Group, Los Angeles, USA, informed the Company on 14 February 2023 that the share of voting rights held by Capital Research and Management Company, Los Angeles, USA, a subsidiary of The Capital Group Companies, Inc., Los Angeles, USA, in Carl Zeiss Meditec AG exceeded the threshold of 5% on 13 February 2023 and amounts to 4.99% (4,464,153 ordinary shares) as of this date.

The Capital Group, Los Angeles, USA, informed the Company on 12 May 2023 that the share of voting rights held by Capital Research and Management Company, Los Angeles, USA, a subsidiary of The Capital Group Companies, Inc., Los Angeles, USA, in Carl Zeiss Meditec AG exceeded the threshold of 3% on 10 May 2023 and amounts to 2.94% (2,631,569 ordinary shares) as of this date.

According to our knowledge, the remaining shares are in free float.

27 Information on shareholdings

Information on shareholdings (consolidated companies)

Name and registered office of the company	in local currency:	Share of voting capital (in %)	Equity 30 Sep 2023		thereof profit/loss for fiscal year 2022/23	
			in local currency (k)	in €k translated at market rate at end of reporting period	in local currency (k)	in €k translated at average annual exchange rate
Carl Zeiss Meditec Asset Management Verwaltungsgesellschaft mbH, Jena, Germany*	€	100	68,394	68,394	0	0
Atlantic S.A.S., Périgny/ La Rochelle, France	€	100	61,447	61,447	2,256	2,256
Carl Zeiss Meditec S.A.S., Périgny/La Rochelle, France	€	100	31,909	31,909	1,349	1,349
Carl Zeiss Meditec Vertriebsgesellschaft mbH, Oberkochen, Germany*	€	100	23,428	23,428	0	0
Carl Zeiss Meditec France S.A.S., Marly-le-Roi, France	€	100	14,092	14,092	1,854	1,854
France Chirurgie Instrumentation S.A.S., Paris, France	€	100	9,005	9,005	3,763	3,763
Carl Zeiss Meditec Iberia S.A., Tres Cantos, Spain	€	100	6,749	6,749	738	738
France Chirurgie Instrumentation SUD Ltd., Quatre Bornes, Mauritius	€	100	3,253	3,253	202	202
Carl Zeiss Meditec Portugal Unipessoal Lda., Lisbon, Portugal	€	100	2,735	2,735	45	45
Preceyes B.V., Eindhoven, Netherlands	€	100	403	403	-74	-74
HYALTECH Ltd., Livingston, United Kingdom	GBP	100	-349	-404	-5,106	-5,863
Carl Zeiss Meditec Medikal Çözümler Ticaret ve Sanay A.S., Istanbul, Turkey	TRY	100	91,424	3,147	37,576	1,648
Audioptics Medical, Inc., Halifax, Canada	CAD	100	19,772	13,897	0	0
Carl Zeiss Meditec Inc., Dublin, USA	USD	100	601,338	567,621	13,936	13,054
Carl Zeiss Meditec USA Inc., Dublin, USA	USD	100	83,383	78,708	32,030	30,002
Carl Zeiss Meditec Production LLC, Ontario, USA	USD	100	21,149	19,963	379	355
Kogent Surgical LLC, Chesterfield, USA	USD	100	8,331	7,864	-950	-890
Katalyst Surgical LLC, Chesterfield, USA	USD	100	6,532	6,166	-2,339	-2,191
France Chirurgie Instrumentation Ophthalmics Inc., Pembroke, USA	USD	100	4,936	4,659	2,497	2,339
Carl Zeiss Meditec Digital Innovation risks LLC, Temple, USA	USD	100	915	864	0	0
Carl Zeiss Meditec Cataract Technology, Inc., Reno, USA	USD	100	-28,223	-26,641	-11,791	-11,044
Carl Zeiss Meditec (Shanghai) Holding Co. Ltd., Shanghai, China	CNY	100	69,608	8,999	-776	-103
Carl Zeiss Meditec Guangzhou Ltd., Guangzhou, China	CNY	100	47,814	6,181	-4,837	-642
Carl Zeiss Meditec (Suzhou) Ltd., Suzhou, China	CNY	100	3,056	395	-611	-81
Carl Zeiss Meditec Co. Ltd. Tokyo, Japan	JPY	51	4,010,864	25,369	493,783	3,332

* Pursuant to Section 264 (3) HGB, these entities are exempted from the duty to publish their annual financial statements

The figures shown in the tables above represent the values determined in accordance with country-specific accounting regulations.

Information on shareholdings (unconsolidated companies)

Name and registered office of the company	Currency	Share of voting capital (in %)
InfiniteVision Optics S.A.S., Strasbourg, France	€	100
Emmetropia, Inc., Princeton, USA	USD	100
Preceyes, Inc., New York, USA	USD	100

28 Information on employees

Number of employees

In fiscal year 2022/23 the Company had an average of 2,128 employees (prior year: 1,712 employees), plus 0 trainees (prior year: 4 trainees). This number does not include the members of the Management Board of Carl Zeiss Meditec AG.

The table below shows the average distribution of employees during the year across the following areas:

	Number
Production	701
Sales	429
Administration	194
Research and development	804
Total	2,128

As of the balance sheet date, 30 September 2023, the Company had a workforce of 2,235 employees, plus 0 trainees, plus two Management Board members.

29 Information on the Company's executive bodies

Management Board

The following were appointed as members of the Management Board of Carl Zeiss Meditec AG in fiscal year 2022/23 and entered in the commercial register:

Member of Management Board	Membership of statutory supervisory boards and similar supervisory bodies at companies within the Carl Zeiss Group:	Membership of statutory supervisory boards and similar supervisory bodies at other companies
<p>Dr. Ludwin Monz President and CEO of Carl Zeiss Meditec AG</p> <p>Area of responsibility: Ophthalmology SBU, Microsurgery SBU, Operations, Group functions Human Resources, Communications, Strategy & Ventures, Digital Transformation</p> <p>First appointed 2022</p> <p>In addition: Member of the Executive Board of Carl Zeiss AG, Oberkochen, Germany</p>	<ul style="list-style-type: none"> » Member of the Board of Directors of Carl Zeiss Meditec Co. Ltd., Tokyo, Japan » Member of the Board of Directors of Carl Zeiss Co. Ltd., Tokyo, Japan 	<ul style="list-style-type: none"> » Member of the University Council of Ulm University, Ulm, Germany » Member of the Administrative Board of the Deutsches Museum München, Munich, Germany
<p>Justus Felix Wehmer</p> <p>Area of responsibility: Corporate functions Finance & Controlling, Investor Relations, IT, Quality, Regulatory & Clinical Affairs, Sustainability, Compliance, Legal</p> <p>First appointed 2018</p>	<ul style="list-style-type: none"> » Member of the Board of Directors of Carl Zeiss Meditec Inc., Dublin, USA » Member of the Board of Directors of Carl Zeiss Meditec Cataract Technology, Reno, USA » Member of the Board of Directors of Carl Zeiss Meditec USA, Inc., Dublin, USA » Member of the Board of Directors of Carl Zeiss Iberia, S.L., Tres Cantos, Spain » Chairman of the Board of Directors of Carl Zeiss Meditec Iberia S.A., Tres Cantos, Spain » Member of the Board of Directors of Carl Zeiss Meditec Co. Ltd., Tokyo, Japan » Chairman of the Board of Directors of Carl Zeiss Meditec (Guangzhou) Ltd., Guangzhou, China » Chairman of the Board of Directors of Carl Zeiss Meditec Holding (Shanghai) Ltd., Shanghai, China » Member of the Supervisory Board of Carl Zeiss Microscopy GmbH, Jena, Germany » Supervisor of the Management Board of Carl Zeiss Meditec (Suzhou) Co. Ltd., Suzhou, China (from 19 Jan 2023) 	<ul style="list-style-type: none"> » Member of the Executive Board of Spectaris e.V., Berlin, Germany » Member of Management Board of Ernst Abbe Foundation, Jena, Germany

Remuneration paid to the active members of the Management Board in financial year 2022/23

The total remuneration paid to the active members of the Management Board pursuant to Section 285 No. 9a HGB amounted to €3,516k in fiscal year 2022/23 (prior year: €3,645k).

Projected unit credits for pensions for former members of the Company's Management Board amounted to €1,515k (prior year: €1,263k).

Supervisory Board

The Supervisory Board of Carl Zeiss Meditec AG had the following members in fiscal year 2022/23:

Member of the Supervisory Board	Membership of statutory supervisory boards and similar supervisory bodies at companies within the Carl Zeiss Group:	Membership of statutory supervisory boards and similar supervisory bodies at other companies
<p>Dr. Karl Lamprecht Chairman</p> <p>Member of the Supervisory Board since 2020</p> <p>Chairman of the Executive Board of Carl Zeiss AG, Oberkochen, Germany</p>	<ul style="list-style-type: none"> » Member of the Board of Directors of Carl Zeiss Holding Co., Ltd. China, Shanghai, China » Member of the Board of Directors of Carl Zeiss (Shanghai) Co. Ltd., Shanghai, China » Chairman of the Supervisory Board of Carl Zeiss SMT GmbH, Oberkochen, Germany » Chairman of the Board of Directors of Carl Zeiss Far East Co., Ltd., Kwai Fong, NT/ Hong Kong, China » Chairman of the Board of Directors of Carl Zeiss India (Bangalore) Pte. Ltd., Bangalore, India » Member of the Board of Directors of Carl Zeiss Pte. Ltd. Ltd., Singapore, Singapore » Chairman of the Board of Directors of tooz technologies, Inc., White Plains, USA (until 3 Aug 2023) 	<ul style="list-style-type: none"> » Member of the Supervisory Board of Körber AG, Hamburg, Germany
<p>Dr. Christian Müller Member of the Supervisory Board until 30 Sep 2023</p> <p>Member of the Executive Board (CFO) of Carl Zeiss AG, Oberkochen, Germany (until 30 Sep 2023)</p>	<ul style="list-style-type: none"> » Member of the Management Board of Carl Zeiss Pensions-Treuhand e.V., Oberkochen, Germany (until 30 Sep 2023) » Chairman of the Board of Directors of Carl Zeiss Inc., White Plains, USA (until 1 Dec 2022) » Member of the Management Board of Carl Zeiss Pensions Trust Properties, White Plains, USA (until 30 Sep 2023) 	<ul style="list-style-type: none"> none
<p>Torsten Reitze Member of the Supervisory Board since 2021</p> <p>Member of the Management Board (CFO) of Carl Zeiss SMT GmbH, Oberkochen, Germany</p>	<ul style="list-style-type: none"> » Member of the Supervisory Board of Carl Zeiss IMT GmbH, Oberkochen, Germany » Member of the Board of Directors of Carl Zeiss SMS Ltd., D.N. Misgav, Israel » Chairman of the Board of Directors of Carl Zeiss SMT, Inc., Peabody, USA » Member of the Board of Directors of Carl Zeiss SBE LLC, White Plains, USA 	<ul style="list-style-type: none"> none
<p>Tania von der Goltz Deputy Chairwoman until 22 Mar 2023</p> <p>Member of the Supervisory Board since 2018</p> <p>Member of the Management Board (CFO) of Heidelberger Druckmaschinen AG, Heidelberg, Germany</p>	<ul style="list-style-type: none"> none 	<ul style="list-style-type: none"> » Member of the Advisory Board of Veonet Vision GmbH, Munich, Germany
<p>Isabel De Paoli Member of the Supervisory Board since 2020</p> <p>Partner Private Equity - Healthcare Sector, EQT Partners GmbH, Munich, Germany</p>	<ul style="list-style-type: none"> none 	<ul style="list-style-type: none"> none
<p>Peter Kameritsch Member of the Supervisory Board since 2021</p> <p>Member of the Management Board (CFO) of MTU Aero Engines AG, Munich, Germany</p>	<ul style="list-style-type: none"> none 	<ul style="list-style-type: none"> none

Member of the Supervisory Board	Membership of statutory supervisory boards and similar supervisory bodies at companies within the Carl Zeiss Group:	Membership of statutory supervisory boards and similar supervisory bodies at other companies
<p>Renè Denner* Member of the Supervisory Board since 2019</p> <p>Chairman of the Works Council of Carl Zeiss Meditec AG, Jena, Chairman of the General Works Council of Carl Zeiss Meditec AG, Jena, Germany and 3rd Deputy Chairman of the Works Council of the Carl Zeiss Group, Germany</p>	none	none
<p>Jeffrey Marx* Member of the Supervisory Board since 2020</p> <p>Process Engineer, Deputy Chairman of the Works Council of Carl Zeiss Meditec AG, Berlin, Germany</p>	none	none
<p>Brigitte Koblizek* Member of the Supervisory Board since 2022</p> <p>Industrial engineer, Deputy Chairwoman of the Works Council of Carl Zeiss Meditec AG, Oberkochen, Germany</p>	none	none
<p>Falk Bindheim* Member of the Supervisory Board since 22 Mar 2023</p> <p>Trade Union Secretary at IG Metall Jena-Saalfeld and Gera, Jena, Germany</p>	none	none
<p>Heike Madan* Member of Supervisory Board since 22 Mar 2023</p> <p>2nd Representative and Managing Director of IG Metall Aalen</p>	none	<p>» Member of the Supervisory Board of ZF Automotive Germany GmbH, Alfdorf, Germany</p> <p>» Member of the Supervisory Board of MTU Aero Engines AG, Munich, Germany (until 11 May 2023)</p> <p>» Member of the Supervisory Board of KONE GmbH, Hanover, Germany (until 24 Feb 2023)</p>
<p>Dr. Christian Münster* Member of the Supervisory Board since 22 Mar 2023</p> <p>Head of Regulatory and Clinical Affairs at Carl Zeiss Meditec AG, Jena, Germany</p>	<p>» Member of the Supervisory Board of Carl Zeiss Jena GmbH, Jena, Germany (until 20 Jun 2023)</p>	none

*elected employee representatives

Committees of the Supervisory Board

	Members
General and Personnel Committee	Dr. Karl Lamprecht, Chairman Renè Denner (since 22 Mar 2023) Dr. Christian Müller (until 30 Sep 2023) Dr. Christian Münster (since 22 Mar 2023) Tania von der Goltz (until 22 Mar 2023)
Audit Committee	Peter Kameritsch, Chairman Renè Denner Heike Madan (since 22 Mar 2023) Torsten Reitze
Nominating Committee	Dr. Christian Müller, Chairman (until 30 Sep 2023) Isabel De Paoli Dr. Karl Lamprecht
Mediation Committee (new since 22 Mar 2023)	Dr. Karl Lamprecht, Chairman (since 22 Mar 2023) Renè Denner (since 22 Mar 2023) Jeffrey Marx Torsten Reitze

Remuneration of the active members of the Supervisory Board in fiscal year 2022/23

The remuneration of the active members of the Supervisory Board amounted to €488k for fiscal year 2022/23 (prior year: €410k).

Advances/loans and contingent liabilities in favor of members of executive bodies

No advances or loans were granted to members of the executive bodies. The Company did not enter into any contingent liabilities in favor of members of the Management Board or Supervisory Board.

30 Supplementary Report

No further events of material significance for the Company's net assets, financial position and earnings occurred after the end of financial year 2022/23.

31 German Corporate Governance Code/Declaration according to Section 161 AktG (German Stock Corporation Act)

The Management Board and Supervisory Board have issued the declaration required in accordance with Section 161 AktG, stating that the Company conforms and plans to conform in future to the recommendations of the Government Commission on the German Corporate Governance Code, as published by the German Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger), and have made it permanently accessible to shareholders on Carl Zeiss Meditec AG's website at <https://www.zeiss.de/meditec-ag/investor-relations/corporate-governance.html>. The statement also cited which recommendations the Company does not yet comply with.

32 Appropriation of profits for fiscal year 2022/23

Fiscal year 2022/23 closes with net income for the year of €219,538,576.53. The Management Board proposes utilizing the net retained profits of €722,640,689.82 for fiscal year 2022/23 as follows:

Payment of a dividend of €1.10 per no-par value share for 89,440,570 no-par-value shares: €98,384,627.00

Carryforward of residual profit to new account: €624,256,062.82.

Jena, 29 November 2023

Carl Zeiss Meditec AG



Dr. Markus Weber
President and CEO



Justus Felix Wehmer
Member of the Management Board

Declaration by the legal representatives

pursuant to Section 297 (2) Sentence 4 HGB and
Section 315 (1) Sentence 5 HGB

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements of Carl Zeiss Meditec AG provide a true and fair view of the Company's net assets, financial position and results of operations, and the consolidated management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of Carl Zeiss Meditec AG.

Jena, 29 November 2023

Carl Zeiss Meditec AG



Dr. Markus Weber
President and CEO



Justus Felix Wehmer
Member of the Management Board

Independent Auditor's report

To Carl Zeiss Meditec AG, Jena

Report on the audit of the annual financial statements and of the management report

Audit Opinions

We have audited the annual financial statements of Carl Zeiss Meditec AG, Jena, which comprise the balance sheet as at September 30, 2023, and the statement of profit and loss for the financial year from October 1, 2022 to September 30, 2023, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Carl Zeiss Meditec AG, which is combined with the group management report, for the financial year from October 1, 2022 to September 30, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- » the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at September 30, 2023 and of its financial performance for the financial year from October 1, 2022 to September 30, 2023 in compliance with German Legally Required Accounting Principles, and
- » the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from October 1, 2022 to September 30, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1 Measurement of shares in affiliated companies and other equity investments

Our presentation of this key audit matter has been structured as follows:

- 1 Matter and issue
- 2 Audit approach and findings
- 3 Reference to further information

Hereinafter we present the key audit matter:

1 Measurement of shares in affiliated companies and other equity investments

In the annual financial statements of the Company shares in affiliated companies and other equity investments amounting to EUR 623,043 thousand (28.0% of total assets; 35,2% of equity) are reported in the "Financial assets" balance sheet item.

Shares in affiliated companies and other equity investments are measured in accordance with German commercial law at the lower of cost and fair value. The fair values of the material equity investments are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. These also factor in expectations relating to future market developments and assumptions about the development of macroeconomic factors affecting the affiliated companies and companies in which equity investments are held. The discount rate used is the individually determined cost of capital for the relevant financial investment. On the basis of the values determined and supplementary documentation, write-downs amounting in total to EUR 5,186 thousand were required for the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

- 2 As part of our audit, we assessed the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values of the material equity investments had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model.

In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies and other equity investments.

- 3 The Company's disclosures relating to financial assets are contained in the "Accounting policies" and "Notes to the individual items of the balance sheet" sections of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

- » the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- » the separate non-financial report to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- » is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- » otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- » Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- » Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- » Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- » Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- » Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence, we evaluate in particular the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file "ZEISS_2023_EA_ZLB.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the financial year from October 1, 2022 to September 30, 2023 contained in the "Report on the Audit of the Annual Financial Statements and of the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- » Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- » Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- » Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- » Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on March 22, 2023. We were engaged by the supervisory board on September 26, 2023. We have been the auditor of Carl Zeiss Meditec AG, Jena, without interruption since the financial year 2022/2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Carl Erik Daum.

Leipzig, November 29, 2023

(sgd. Marcus Nickel)
Wirtschaftsprüfer
(German Public Auditor)

(sgd. Carl Erik Daum)
Wirtschaftsprüfer
(German Public Auditor)

Financial calendar Imprint/Disclaimer

Financial calendar 2023/24

Publication of interim report Q1
and conference call
9 February 2024

Annual General Meeting Jena, virtual
21 March 2024

Publication of Half-Year Financial Report
and conference call
8 May 2024

Publication of interim report 9M
and conference call
6 August 2024

Publication of annual financial statements
and Analyst Conference
11 December 2024

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<https://www.zeiss.com/meditec-ag/investor-relations.html>



Disclaimer

This report contains certain forward-looking statements concerning the development of Carl Zeiss Meditec AG. At the present time, Carl Zeiss Meditec AG assumes that these forward-looking statements are realistic. However, such forward-looking statements are based both on assumptions and estimates that are subject to risks and uncertainties, which may lead to the actual results differing significantly from the expected results. Carl Zeiss Meditec AG can therefore assume no liability for such a deviation. There are no plans to update the forward-looking statements for events that occur after the end of the reporting period.

Apparent addition discrepancies may arise throughout this interim report due to mathematical rounding.

This is a translation of the original German language annual financial statements of the Carl Zeiss Meditec AG. Carl Zeiss Meditec shall not assume any liability for the correctness of this translation. If the texts differ, the German report shall take precedence.

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