» Payment of a dividend of €0.55 per no-par value share for 87,536,079 no-par-value shares: €48,144,843.45.
» Carryforward of residual profit to new account €655,594,855.58.

Declaration on corporate governance (pursuant to Section 289f HGB, 315d HGB) and corporate governance report

The declaration on corporate governance (pursuant to Sections 289f HGB and 315d HGB) includes the declaration of conformity pursuant to Section 161 AktG, relevant information on corporate governance practices applied which go beyond the statutory requirements, in addition to information of where these are publicly accessible and a description of how the Management and Supervisory Boards work, as well as the composition and mode of working of their committees. In addition, disclosures are made concerning the stipulation of targets for the proportion of women on the Management Board and within the next two levels of management below the Management Board, including the deadlines for attaining these targets, and concerning compliance with the minimum proportions of women and men on the Supervisory Board. The Declaration on Corporate Governance is available at https://www.zeiss.com/meditec-ag/en/investor-relations/corporate-governance.html.

The sustainability management system of the Carl Zeiss Meditec Group is integrated in the sustainability strategy of the ZEISS Group.

In a separate condensed non-financial report, the Carl Zeiss Meditec Group provides information in accordance with section 315b and section 289b et seq. HGB and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation") on significant non-financial aspects for fiscal year 2024/25 of the Carl Zeiss Meditec Group. This report covers the necessary aspects for understanding the business development, results of operations and position of the Group as well as the impact of its business on the environment and society. This separate condensed non-financial report is available in German and English at https://www.zeiss.com/meditec-ag/en/investor-relations/financial-publications.html.

OPPORTUNITY AND RISK REPORT

A group with global operations faces a large number of entrepreneurial risks and opportunities that can have a sustained impact on business success. The assessment of opportunities and risks and conscientious handling of entrepreneurial uncertainty are an important part of corporate governance within the Carl Zeiss Meditec Group.

Risk management

The central risk management system of the Carl Zeiss Meditec Group stipulates uniform regulations and processes for the early detection, assessment and management of risks. In the subsidiaries and at Group level, risk management coordinators are responsible for applying the policies and procedures. The management of the subsidiaries identifies and manages operating and strategic risks. Risks from non-controlling interests are also taken into account. Risks and opportunities arising from general social requirements for companies and megatrends such as digitalization, sustainability and demographic change are also regularly examined. Overall responsibility lies with the Management Board, which regularly assesses risks and their management at Group level together with the Group Risk Manager. The Management Board and Supervisory Board review the appropriateness of and monitor the risk management system.

Risk management is an integral part of corporate governance within the Carl Zeiss Meditec Group, and is based on the following key components: a **risk reporting system** (including an early detection system), an **internal control system** and a **compliance management system**.

Risk reporting system

This is a clearly structured, traceable feedback loop which encompasses all of the Company's activities, is integrated in its organizational structure and its control and reporting processes, and comprises a systematic and ongoing process for the identification, assessment, management/control, as well as the documentation and communication of any risks. Any relevant information can therefore be immediately passed on to the responsible decision makers. The main features of this system are as follows:

» The risk reporting system exclusively records risks. It integrates all fully consolidated subsidiaries. Risks arising from investee companies, including at-equity investments, are recognized by the subsidiary that holds the investment.

» The business risks are assessed and categorized according to their potential implications over the period of their existence, and according to their probability of occurrence and damage potential. The period of assessment is a maximum of three years. The risks are evaluated in respect of their effect on earnings before interest and tax.
» Regular risk reports are provided to the Management Board, the management of the subsidiaries and other decision-makers within the Company on the basis of specified thresholds. Significant risks arising at very short notice are reported to this responsible group immediately.
» On this basis, the Group takes and evaluates appropriate measures to avoid identified risks, reduce their probability of occurrence or reduce the potential economic damage they could cause. The measures to reduce risks and the residual risks derived from these are regularly updated and documented.

Internal control system

The internal control system of the Carl Zeiss Meditec Group is based on the COSO Enterprise Risk Management Model (COSO ERM model). The Group's integrated enterprise risk management system covers strategic and operational risks. There are key risks and defined control mechanisms for central processes, the effectiveness of which is assessed annually by the relevant specialist departments and adjusted where necessary. The results of the regular evaluation of the controls are reported to the Management Board of the Carl Zeiss Meditec Group, monitored and incorporated into the execution of strategic and operational activities.

Risk assessment within the internal control system goes beyond pure financial risks. Key business processes other than accounting are identified and critical controls are defined for the relevant business processes by the specialist departments. Key business processes in the Carl Zeiss Meditec Group include the areas of organizational structure, human resources, research and development, purchasing, production planning, logistics, export control, complaints management, compliance, IT security, information processing, data protection, risk management and sustainability. The Management Board is confident that the internal control system is appropriate and effective.[11]

[11] The Management Board's assessment of the appropriateness and effectiveness of the internal control and risk management system is based on the German Corporate Governance Code (GCGC) and goes beyond the statutory requirements for the management report. In this respect, the information is excluded from the audit of the management report by the auditor.

Internal control system relating to the Group accounting process

The accounting-related part of the internal control system ensures that key accounting processes are carried out properly and economically, that business transactions are recorded completely and punctually in accordance with the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS), thereby establishing a basis for reliable external reporting. The part of the internal control system specifically related to accounting falls under the responsibility and supervision of the Chief Financial Officer of the Carl Zeiss Meditec Group.

The internal control system and, as a consequence, the accounting-related part of the internal control system of the Carl Zeiss Meditec Group is supplemented by the risk reporting system. The risk reporting system includes systematic early identification of relevant operational and strategic risks. In terms of Company and Group accounting, the risk reporting system helps ensure the completeness and accuracy of the consolidated financial statements and reporting as issued to external recipients.

The accounting-related part of the internal control system is reviewed by Internal Auditing as part of regular audit procedures. In addition, the Group auditor audits accounting-related processes and financial statements of significant subsidiaries included in the consolidated financial statements and specified in the scope.

Compliance management system

The internal control system and the risk reporting and early warning system are supplemented by a compliance management system which focuses on the Company's risk situation.

The compliance management system of the Carl Zeiss Meditec Group and the requirements for appropriate action are integrated into all major business processes. The core element of the Group's compliance management system is a comprehensive internal Code of Conduct. This is based on various aspects including prevention, recognition and reaction and is a compilation of principles and guidelines for responsible conduct. The Code of Conduct applies to all employees and is available for inspection on the Company's website. In addition to conventional anti-corruption regulations to ensure fair competition, prevent the granting and acceptance of advantages and avoid conflicts of interest, a variety of other principles of action are regulated, for example to ensure fair treatment of employees and business partners, the handling of business secrets and private data, insider regulations, handling of Company property, occupational health and safety and protection of the environment, and others.

Compliance managers at the subsidiaries and at Group level are responsible for applying the guidelines and directives and for communicating violations or suspected violations to the management.

Management and further development measures as well as training programs help to ensure that the compliance principles are known and observed throughout the Group and that the compliance management system is aligned with the Company's current risk situation. We also encourage our employees to take part in discussions with colleagues and managers on the subject of compliance and to raise concerns about specific business processes. These concerns can also be addressed in consultations with internal compliance officers. In addition, there are telephone and web-based whistleblower communication channels that are available not only to all employees worldwide, but also to third parties, and which fulfill the requirements of the German Corporate Governance Code and the German Supply Chain Due Diligence Act.

Further to providing comprehensive advice on the compliance components mentioned above, the work of the compliance function in the past fiscal year focused primarily on the following topics:

» Implementation of non-routine investigations in response to appropriate indications
» Regular liaison between the Segment Compliance Officer and the Local Compliance Officers

The Compliance Officer for the Group reports regularly and also, if necessary, on an ad hoc basis to the Management Board. The Management Board is informed about key issues relating to the compliance function in regular meetings with the Group Compliance Officer. The Management Board receives a detailed compliance report once a year. This Annual Report provides the Management Board with an overview of the company-wide compliance risk situation and the development of the compliance modules in relation to the three basic functions of compliance (prevention, detection and response). In the final meeting of the year, the Compliance function also reports to the Audit Committee of the Supervisory Board of the Carl Zeiss Meditec Group on behalf of the Management Board.

The entire compliance management system is constantly updated to bring it in line with company-specific risks and various local legal requirements. The findings from internal consultations and investigations and the dialogue with the global compliance organization, for example, are used to derive measures for the further development of the system.

The effectiveness of the system is ensured by regular evaluations and inspections. It is also subject to monitoring by Internal Auditing.

Certified quality management

A vital part of early risk detection is the Group's certified quality management system. Clearly structured and documented quality management processes ensure not only transparency, but are now a prerequisite in most markets for obtaining regulatory approval for medical devices. The quality management system employed by the Carl Zeiss Meditec Group was certified by DQS GmbH Deutsche Gesellschaft zur Zertifizierung von Managementsystemen and complies with the US standard for Good Manufacturing Practice (“GMP”), 21 C.F.R. part 820, Quality System Regulation.

Monitoring system

The Management Board is responsible for ensuring an appropriate and effective internal control system and for continuously improving it. The Audit Committee of the Supervisory Board monitors the effectiveness of risk management, the internal control system, including the accounting process and the compliance management system. It also uses the Internal Auditing system for this purpose, whose tasks it also monitors and controls at the same time.

Risks will be managed as effectively as possible through a combination of internal control system, risk reporting and early warning system and compliance management system. Internal Audit prepares an annual risk-oriented audit plan. It conducts spot checks to determine whether the internal guidelines for the Group's entire control and risk management system are being adhered to. This monitoring function also includes checking the functionality and effectiveness of the defined controls. Standardized risk control matrices, which are subject to continuous further development, are used for this purpose. In terms of key Group-wide controls, we also use structured assessments as described in the internal control system chapter. These are also verified by Internal Audit as part of its site audits. The Management Board, the Supervisory Board and above all the Audit Committee are kept informed about the regular audits carried out by Internal Audit. They receive regular reports on the current status and results of the audit as well as on the progress towards mitigation of the findings. Internal Audit conducted audits at selected subsidiaries and on Group functions in the 2024/25 fiscal year based on the risk-oriented audit plan. Specific measures for the further development of the control system were agreed with the audited areas. Implementation of these measures is also continuously monitored by Internal Audit.

Assessment of risk-bearing capacity

The risk-bearing capacity of the Carl Zeiss Meditec Group is the difference between the aggregate total risks and the risk coverage potential. The risks are assessed using distribution

functions and the risks are aggregated using a Monte Carlo simulation. The risk coverage potential is calculated as the sum of the planned earnings before interest and income taxes for the current fiscal year and the lower of equity and current assets. Risk-bearing capacity is at risk if the risk coverage potential in the aggregation of all risks is exceeded with a probability of 5%.

Major opportunities

The Carl Zeiss Meditec Group is a leading medical technology company specializing in innovative products and solutions for ophthalmology and surgical microscopy. The Company benefits from a continuously growing health care sector, particularly in the fields of ophthalmology and surgical procedures, which increases the demand for high-quality medical devices. By investing substantially in research and development, the Carl Zeiss Meditec Group is able to drive technological innovation, such as the integration of artificial intelligence (AI) into diagnostic and treatment devices, in order to gain a competitive edge. The Carl Zeiss Meditec Group has a high ratio of research and development expenditure to revenue by industry standards (2024/25: 14.6%) which could enable the Company to gain additional market share by means of the resulting innovations.

Demographic change, in particular the ageing population, leads to an increase in eye diseases, which is boosting demand for surgical interventions and thus for the products of Carl Zeiss Meditec Group. Growth markets also offer great potential, whereby access to new markets can be facilitated through partnerships or local production facilities. Digitalization in the healthcare sector also opens up new business opportunities.

Strategic acquisitions can expand the product portfolio and integrate new technologies that promote growth. Overall, the Carl Zeiss Meditec Group has a wide range of opportunities to further consolidate its position as market leader through strategic measures and investments.

The Chinese market offers the Group additional opportunities that the Company can exploit. China has been one of the fastest growing markets for medical technology in recent years and has specific characteristics that can be advantageous for the Carl Zeiss Meditec Group. With the increasing urbanization and rising income of the population, the demand for high-quality healthcare services is growing.

In China, the prevalence of eye diseases is also increasing, particularly due to lifestyle changes and environmental and demographic factors. In particular, there is a high prevalence of myopia (short-sightedness) in the young population, while the older population is increasingly affected by conditions such as cataracts and retinal diseases. This creates an increased demand for the diagnostic and surgical solutions offered by the Group. The Chinese government is actively promoting the development of the health care sector through various initiatives and programs. New business opportunities arise for the Group from investments in health care infrastructure and improved access to medical care.

The introduction of innovative products based on state-of-the-art technology could be well received on the Chinese market. Through strategic partnerships or joint ventures with local companies, the Carl Zeiss Meditec Group can strengthen its market presence in China and benefit from local knowledge and networks.

In contrast to risk management, opportunities are not systematically quantified in the Carl Zeiss Meditec Group. Unless otherwise stated, the opportunities mentioned always refer to both strategic business areas of the Group.

Significant risks

The Carl Zeiss Meditec Group analyzes and assesses risks systematically. Special emphasis is placed on potential economic effects and on probability of occurrence. In this way, the risks are quantified and classified. Due to the broad portfolio and the Group's global presence, the strategic and operational risks are highly diversified.

Unless otherwise stated, the risks mentioned always refer to both strategic business areas of the Group.

Quantitative data is based on a net perspective after application and full implementation of measures, and relates to the risk assessment period. The measures implemented are outlined in the sections on the individual risks. The qualitative information on the probabilities of occurrence corresponds to the following quantitative likelihood limits:

- Very low likelihood: 0% to 5%
- Low likelihood: more than 5% to 25%
- Medium likelihood: more than 25% to 50%
- High likelihood: more than 50% to 75%
- Very high likelihood: more than 75% to 100%

Economic and political environment

As a company with global operations, the Carl Zeiss Meditec Group is exposed to developments that pose a risk to the global economy. Therefore, the general global political situation, especially in our key markets (US, China and Germany), major natural disasters, macroeconomic development and market trends in individual regions of the world may have diverse effects on the Carl Zeiss Meditec Group's chances of success in all business segments.

The global economic environment, which had already become more volatile over the last few years, resulting in greater overall economic risks, has once again deteriorated due to the COVID-19 pandemic and most recently the war in Ukraine and the conflict in Israel. The Carl Zeiss Meditec Group's business was only affected to a very moderate extent by the wars and conflicts in Ukraine and the Middle East in the fiscal year under review. These factors and an additional decline in demand in many sectors led to continuation of the recession in Germany, some EU countries and the US in the past fiscal year. In Germany, the sharp rise in energy prices is also contributing to this. China, too, is experiencing an economic slowdown.

Apart from the aforementioned influences, economic development may also be curbed by reduced stability of the EU, as well as a general economic downturn. Furthermore, an increasingly protectionist economic policy is being observed in key markets in which the Carl Zeiss Meditec Group operates, such as the US and China, the future direction of which is difficult to predict. We would also point to the tariff risks in the US market. Escalating trade tensions and conflicts between China, the US and the EU may impact global growth in general and the growth of the Carl Zeiss Meditec Group, especially in these countries. There are also local risks and instabilities in growth markets, such as Turkey or South America, which may cause global chain reactions.

The increased inflation in the previous years caused the costs of production factors, and the production and distribution of the Carl Zeiss Meditec Group's products to rise. In some cases, it was possible to pass these increased costs on to customers. In other cases, however, these cost increases also had to be cushioned by efficiency measures, and there is a risk that this will not succeed in full. Conversely, the fact that inflation remained at a normal level in the fiscal year under review had a risk-reducing effect.

In addition, interest rates remained at a high level in the past fiscal year. The central banks' interest rate cuts in the past fiscal year were unable to fully compensate for the interest rate increases caused by market expectations, driven in particular by high levels of new government debt – especially as it is not clear what the interest rate policy will be in the future. Interest rates remain high, keeping the interest burden on customers who use external financing to purchase the Group's products at an elevated level. In markets where such borrowing is more common, such as the US, this rise in interest rates may lead to a reluctance to buy and thus to lower revenue for the Group in those markets.

In China, the Volume-Based Procurement Directive is increasingly being applied to tenders from public hospitals. Under this, high purchasing volumes are put out to tender, but with lower prices per unit. This may lead to a reduction in the Group’s revenue per product after winning a tender. On the other hand, due to higher volumes there is an opportunity to achieve a more positive result overall through greater fixed cost degression.

This trend in the overall economic situation may have an adverse effect on the economic situation of our customers and their demand for the Carl Zeiss Meditec Group’s products, which may in turn have an adverse effect on revenue and earnings. The early warning system for risks established by the Company and the monitoring of overall economic developments enables these risks to be identified in good time to allow countermeasures to be initiated. In addition, the international presence of the Carl Zeiss Meditec Group, which is to be further expanded, means it is less affected by regional crises, and the highly differentiated product and customer structure of the Company, which is also to be strengthened, limits its sales risks. Furthermore, the Group is working on making its cost base more efficient. In the 2023/24 fiscal year in particular, it started to implement stringent cost reduction measures and is now attempting to pass price increases on to the market. According to current estimates, as in the previous year there are currently risks with medium likelihood of occurrence in the mid double-digit million euro range in the overall economic environment.

Tariff risks in US market

On 2 April 2025, the US government announced tariffs on imports from a number of countries, and in July 2025, the EU and the US agreed on a tariff level of 15% for imports from the EU into the US market. For sales in the US market, the Carl Zeiss Meditec Group is particularly affected by tariffs of 15% on imports from the EU, 10% on imports from Singapore, and, to a lesser extent, 30% on imports from China. From the Company's perspective, it is not yet possible to assess whether the tariffs between the US and China in particular will be permanent, or whether further renegotiations will take place with an uncertain outcome.

The Carl Zeiss Meditec Group regularly monitors and analyzes developments in detail and will attempt to minimize the impact on earnings and pass on the burden. In the past fiscal year, price adjustments were already made for a large number of products on the US market as a result of the tariff increases. Most of the Carl Zeiss Meditec Group's competitors are also affected by these tariffs, or in some cases by higher tariffs, meaning that the Group is not expected to suffer any significant competitive disadvantages in relation to tariffs. In addition, price increases are more readily accepted when the price level across the entire market also rises as a result of tariff policy.

The majority of the tariffs have already been incorporated into the Carl Zeiss Meditec Group's medium-term planning. The impact of any additional tariffs on the Carl Zeiss Meditec Group's earnings is estimated to be in the mid-single-digit million euro range, with a high probability of occurrence.

Market and competition

The Carl Zeiss Meditec Group is exposed to intense and growing competitive pressure in both strategic business units. Besides the market entry of new competitors, there is also a risk, in the event of significant exchange rate fluctuations, of competitors from the beneficiary countries being able to offer their products at considerably lower prices in the market, and therefore improving their competitive position. Some competitors are better at dealing with competitive pressure, due to their higher total turnover and the financial resources they have at their disposal.

In addition, existing competitors may be bought up by large, financially strong companies, or form alliances with each other, which may lead to even greater competitive pressure, lower selling prices, margin pressure and/or the loss of market shares. The Company prepares itself for such risks by continuously observing and analyzing the market, in order to be able to react with the necessary foresight.

Health insurance funds, insurance companies or government health schemes reimburse the costs of certain medical treatments carried out with products of the Carl Zeiss Meditec Group. Changes in health care and reimbursement policy in Germany or abroad and, in particular, austerity measures as a result of the weakening economy, may lead to the denial or reduction of reimbursements, which could reduce the demand for the Carl Zeiss Meditec Group’s products. In the case of new products for which reimbursement cannot yet be predicted with certainty, demand may be considerably dampened by the financial situation of consumers. Refractive surgery is generally an elective procedure, which patients pay for themselves. Demand therefore depends on general economic development. In addition, on the customer side, and particularly in the private health care sector, there is a noticeable increase in the formation of regional and national purchasing alliances, as well as clinic chains. Such a trend may lead to a fall in selling prices in this customer segment.

Collectively, these market and competition-related risks with a medium likelihood of occurrence may impact the Group's earnings by an amount in the low double-digit million euro range. On the other hand, the demographic trend in industrialized countries and economic development in the rapidly developing economies, as well as the increasing requirements placed on medical devices for diagnosing and treating age-related eye diseases, present growth opportunities for the Company. In addition to continuously optimizing manufacturing costs and process efficiency, the Carl Zeiss Meditec Group has also been investing heavily in research and development for many years. In recent years, this has increasingly extended to digital applications aimed at exploiting organic growth opportunities and increasing market shares. In addition, the Group is seeking to expand its product portfolio through internal research and development activities as well as external acquisitions in order to stay ahead of other competitors and to be an efficient partner for its customers by strengthening its key account approach. The acquisition of DORC in the previous fiscal year further expanded the product portfolio and customer base.

Sales market Russia

The war in Ukraine is also having an impact on sales, especially on sales and services in Russia itself. However, the distribution of the Carl Zeiss Meditec Group’s products in Russia is currently only partially affected by existing sanctions. This could change, however, if sanctions are tightened in future. In order to continue to provide patients and the population in Russia with high-quality ophthalmological treatment, the Carl Zeiss Meditec Group has decided not to break off its business relations with Russia.

The risks with a low likelihood of occurrence for this sales market are in the lower single-digit million euro range and thus unchanged compared with the prior year. The Group is attempting to compensate for possible losses in the Russian and Ukrainian markets by strengthening other markets.

Sales market China

The continued positive business development of the Carl Zeiss Meditec Group is heavily influenced by the dynamic development of the sales market in China and China’s strong contribution to earnings, particularly in the area of refractive surgery. Due to its size, demographics and the rising level of prosperity among the population, this market may continue

to have a significantly positive effect on the Carl Zeiss Meditec Group's results in future. However, there are risks with regard to net assets and results of operations to the extent that an increasing number of regional competitors are entering the market and China is increasingly pursuing a protectionist policy in the field of medical technology, which could lead to a reduction in revenue and market shares of the Carl Zeiss Meditec Group. A similar effect could result from significant weakening of the Chinese economy. In addition, the formation of regional and supraregional procurement associations and hospital chains is also increasing in China.

The Carl Zeiss Meditec Group is trying to mitigate these risks by increasingly expanding production capacities in China itself, which are not affected in the event of any protectionist measures. The development of other markets is also being intensified to increase geographic diversification.

The risks for this sales market are currently unchanged in the lower double-digit million euro range and have a medium likelihood of occurrence. Further risks regarding this sales market are also listed under "Economic and political environment".

Risks in procurement and production

The Group ensures compliance with national and international standards, guidelines and legal requirements with regard to its supply chain through an integrated management system that addresses the issues of quality, the environment, and occupational health and safety.

In some cases, the Carl Zeiss Meditec Group uses components from external suppliers to manufacture its products in all business segments. The increase in the prices of commodities, energy and materials, the growing complexity of purchased parts and the limited number of suppliers (single source) for certain technologies could have negative implications for the production, sale and quality of the Company's products.

The Group continues to work on stabilizing supply chains and reducing the dependence on individual suppliers in order to minimize the associated economic impact, among other things. Opportunities arising from the bundling of procurement activities are also being exploited. Furthermore, the Carl Zeiss Meditec Group selects its suppliers according to specific processes and criteria. By implementing consistent supply chain measures, such as qualifying its suppliers, identifying secondary suppliers and preparing a strategic stockpiling plan, the Carl Zeiss Meditec Group protects itself against supplier dependencies and changes on the commodities market.

The Carl Zeiss Meditec Group and the ZEISS Group have close contractual relationships in some areas. This relates in particular to the procurement of IT services, the licensed use of the "ZEISS" brand and agreements with distribution companies of the ZEISS Group. This distribution network provides major opportunities, which are rooted particularly in the close-meshed coverage worldwide and efficient market development.

As in the previous year, the impact of supplier risks on earnings is in the high single-digit million euro range with a medium likelihood of occurrence.

Sustainability risks

For the Carl Zeiss Meditec Group, sustainability and business success are inextricably linked. Sustainable value creation is an integral part of business activities, which aim to provide innovative solutions, contribute to the positive development of society and enable long-term profitable growth.

The Group regularly reviews the various sustainability and human rights' guidelines and directives adopted for the European Union and specific countries to check for potential violations and risks in the Group's subsidiaries.

The ban on the use of per- and polyfluorinated substances (PFAS) planned by the European Union has been identified as a significant risk. These substances are contained in many of the Group's products and in manufacturing processes and alternative substitutes are currently only available or technically feasible for a small number of these substances. Although the regulations provide for long transition periods, these still represent a challenge if substitute substances have to be developed in this time and then be implemented in the Group's products and processes and renewed long-term approval of these products has to be obtained in various markets.

If this ban is adopted, this could have material adverse effects on the net assets, financial position and results of operations of the Carl Zeiss Meditec Group, and likewise for the Group's competitors, due to the fact that the products concerned would no longer be able to be sold or their conversion may be significantly delayed. The impact of these effects remains unchanged in the low-double-digit million euro range. In the fiscal year under review, the probability of this risk occurring could be maintained at a low level. This is due to the ongoing low level of acceptance for such a regulation in the planned form at EU level and in the member states. However, if the ban is actually implemented, the Group will work on measures such as building up safety stocks and further reinforce the evaluation, analysis and implementation of alternative substances.

Innovation and process risks

The business success and reputation of the Carl Zeiss Meditec Group rely heavily on the rapid development of innovative products and solutions, and the effective organization of internal processes. New trends and current scientific and research findings can trigger technology shifts and new customer requirements, and make new business models necessary. Should the Carl Zeiss Meditec Group lose touch with technological developments on the market, or react too late to trends and technological advancements, this could weaken its competitive position. There is also a risk of products of the Group being completely superseded by alternative technologies, procedures or treatment methods, thus reducing demand, which could result in losses in revenue and earnings. Possible unused optimization potential in the Company's own production and sales processes can further increase these risks. The negative impact which these risks with a continuing low likelihood of occurrence could have on earnings equates to an amount in the low (prior year: mid) -single-digit million euro range.

In order to exploit opportunities in this area in good time and keep the probability of occurrence and the economic impact of this risk low in all segments, the Carl Zeiss Meditec Group invests in research and development and upstream areas of products with a technological edge and unique selling points and in the expansion of its strategy as a solutions provider. Furthermore, developments in digital solutions are increasingly being driven forward and production and distribution processes continuously optimized.

Personnel risks

Demographic change and the shortage of skilled staff for technical jobs as well as the differing training and qualifications standards around the globe are creating new challenges when it comes to filling job vacancies. Unfilled positions could limit the technological advancement and sale of the products and services it offers in all segments. The Carl Zeiss Meditec Group is countering this with its recruitment strategy and employee development and successor planning, thus keeping the probability of such risks occurring low. In order to retain skilled employees in the long term, the Carl Zeiss Meditec Group offers various social benefits depending on the location – these include health promotion and child care services. The management currently expects these risks with a medium likelihood of occurrence to have very minor effects on the net assets, financial position and results of operations of the Carl Zeiss Meditec Group in the low single-digit million euro range.

Risks of information technology

The Carl Zeiss Meditec Group continuously reviews and exploits the opportunities of digitalization. This creates many new possibilities to offer customers additional services. At the same time, the Group constantly updates its existing information technology (IT) systems, and its IT protection and security systems. Functioning and adequately documented IT systems are also a prerequisite for obtaining product approvals in certain countries. Risks that, in the event of occurrence, could result in an interruption of business processes due to IT system failures or the loss or falsification of data, are therefore identified and evaluated across the entire life cycle of the applications and IT systems. Contingency plans for business interruptions have been drawn up and are constantly being optimized. Analyses were carried out and measures were taken in this area in particular during the last few fiscal years. The aim of these was to prevent cyber and virus attacks from causing damage to the IT infrastructure of Carl Zeiss Meditec AG and to medical devices on customer premises. The management is working continuously to improve its IT security in response to a considerable increase in the threat from cybercrime. Depending on the nature and scope of potential successful cyber attacks, these could have material adverse effects on the Carl Zeiss Meditec Group’s net assets, financial position and results of operations. Some of the Group’s IT systems are operated by external partners. The Group has defined standards for these service providers with regard to the hardware and software used, as well as data security. The Carl Zeiss Meditec Group monitors the implementation of, and compliance with, these standards.

Risks in this area with a low likelihood of occurrence are in the low single-digit million euro range, as in the prior year.

Product approval

As the Carl Zeiss Meditec Group sells its products worldwide, statutory regulations have to be taken into consideration when manufacturing and launching products in the market, especially where explicit regulatory approvals and certifications are required. Although these requirements are incorporated into all stages of development, production and distribution, there is no guarantee that such approvals will be granted at all or in time for the planned launch in the market or that the Group's numerous registrations will still exist or be renewed in the future. This may lead to revenue losses and, in the case of delayed product launches, to competitive disadvantages. In addition, registration requirements could become more stringent in future, also due in particular to increasing protectionist tendencies in various countries.

In order to be able to identify such developments in good time and respond appropriately, the Company monitors developments and approval procedures in this area very closely as part of its quality management system. This is especially the case right now with regard to the new EU medical devices directive, which entered into force in 2017. The validity of the transitional provisions has once again been extended. When problems arise in approval procedures, the Group relies on close communication with the regulatory authorities and works on the outstanding issues in a focused manner. Any residual risks that remain lie within the low-double-digit million euro range (prior year: single-digit). They are assigned a high likelihood of occurrence (prior year: medium likelihood).

Quality and product liability risk

There is a fundamental risk with some of the medical devices and system solutions and implants manufactured by the Company that, in spite of all reasonable measures being taken by the certified quality management system and compliance with all legal requirements, malfunctions may result in injury to or adverse effects for the patient. This may be due, among other things, to components and raw materials purchased from external suppliers not meeting the specified quality requirements. Although no significant product liability claims have been made against the Company to date, no assurance can be given that the Company will not be faced with such claims in the future. This may damage the Group's reputation in the long term and lead to considerable legal costs, irrespective of whether a claim for damages ultimately materializes. Risk liability claims can be particularly high, especially in the USA, not to mention the costly recall campaigns that may be required.

The Company covers itself against potential product liability claims by taking out product liability insurance. The possibility cannot be completely excluded that the Carl Zeiss Meditec Group's existing insurance coverage may not be sufficient to cover potential claims. In addition, the Company is focused on resolving any quality problems that arise in a customer-friendly manner and as quickly as possible. Any residual risks with a high likelihood of occurrence (prior year: medium) that remain are in the high-single-digit million euro range (prior year: mid).

Infrastructure risks

Uncontrollable environmental influences, such as natural disasters or terrorist attacks, may result in an interruption to business operations at the affected locations, and may prevent the Company from providing regular production, distribution and other services in these regions and generating the expected earnings. All business segments could be affected by this. It could also have adverse effects on customers domiciled in the affected region and on their willingness to invest, as well as the local suppliers there and their willingness to supply.

The Company's headquarters, with major research and development departments and other key Group functions, are located in Germany, a region with a comparatively low risk of natural disasters. A second major site is located in the Greater San Francisco area in the USA, a region with an increased risk of earthquakes. In order to minimize potential damage, the Carl Zeiss Meditec Group has set up a crisis management system, and has also developed local and central plans for maintaining the functionality of critical business processes (business continuity plans).

Risks from interruption of production may, in addition to the reasons already mentioned, also result from the failure of production facilities due to technical defects. The Carl Zeiss Meditec Group is trying to minimize the risk of such outages through regular maintenance, replacement of technically obsolete equipment and appropriate emergency management.

In the context of the war in Ukraine and the resulting conflicts between Germany and the European Union with Russia, Germany is switching its energy supply to energy sources which are independent of Russia. During this transition phase there may be shortages or outages in the supply of electricity, gas and oil which could lead to disruptions in the energy supply to the European locations of the Carl Zeiss Meditec Group or its suppliers in this region. The Group is working on counteracting potential outages of this kind through alternative energy and heat generation measures and by building up safety stocks of important consumables for customers.

Risks in this area remain at a low single-digit million euro amount. They are estimated to have a medium likelihood of occurrence.

Legal risks, patents and intellectual property

The Company's competitiveness depends on the protection of its technological innovations against exploitation by third parties. Violations of intellectual property and patent protection may compromise any technological lead and thus competitive advantages in all business segments. The expiry of property rights, particularly patents, as well as the geographical limitation of property rights could result in new or existing competitors exploiting the inventions of the Carl Zeiss Meditec Group to enter the market or strengthen their market position. Furthermore, in spite of the measures taken, third parties may still attempt to copy or partly copy products of the Company, since the unauthorized use of intellectual property is generally difficult to monitor and copyright laws only provide for limited protection.

The Company employs a property rights strategy to protect its technologies and products. If ZEISS patent and brand rights are infringed by third parties, the Group takes legal steps to counter the associated high financial risk. Considering the importance of innovation for the Company, such cases can be expected in future, even though they have rarely arisen in the past. When developing products and technologies, the Carl Zeiss Meditec Group checks whether the rights of a third party could be affected, develops non-protected solutions if necessary, and acquires the requisite licenses and rights, or seeks other solutions by legal contract. Overall, the management does not expect risks in the area of patents and intellectual property to have any material effects on the Carl Zeiss Meditec Group's net assets, financial position or results of operations.

Legal risks may arise due, among other things, to changes in general legal conditions in the relevant markets and to legal disputes with competitors, business associates or customers. Furthermore, legal disputes may arise as a result of divergent views concerning the fulfillment of subsequent conditional purchase price components of earlier Company acquisitions. Pending litigation with a medium likelihood of occurrence continues to be assessed in the high single-digit million range and is not considered to be a substantial threat for the Carl Zeiss Meditec Group. Should it be necessary, the Carl Zeiss Meditec Group would set up adequate provisions as a precaution. Further details on litigation and arbitration proceedings involving the Carl Zeiss Meditec Group can be found in note "(22) Other provisions" in the accompanying notes to the consolidated financial statements.

As a listed medical technology company with global operations, the Carl Zeiss Meditec Group is subject, in the countries in which it operates, to a large number of laws, regulations and guidelines. In order to ensure compliance with these regulations, these are regularly analyzed for any changes, and internal processes and guidelines are adapted, if necessary. The Company has set out the basic principles of correct conduct in business activities in a Code of Conduct, which applies to all employees. In order to avoid breaches of compliance and minimize risks to the Group’s reputation, the Group has established a corporate-wide compliance organization. Regular training measures are also in place to familiarize the employees with internal guidelines and make them aware of the negative effects breaches could have.

As in the prior year, the management anticipates effects in the higher single-digit-million euro range on the net assets, financial position and results of operations of the Carl Zeiss Meditec Group, with a medium likelihood of occurrence.

Risks from acquisitions

Acquisitions or investments are made to give the Carl Zeiss Meditec Group the opportunity to expand its portfolio of expertise and technology, or to increase its access to regional markets. The acquisition of Preceyes B.V. in March 2022 will enable the Carl Zeiss Meditec Group to strengthen its technological position and product portfolio, particularly in the area of retinal surgery, by means of robotic technologies and implants. The acquisition of Katalyst Surgical LLC and Kogent Surgical LLC, both producers of surgical instruments, followed in April 2022. It is hoped that this acquisition will further expand the Group's position as a solution provider and generate additional recurring revenue in the medium term. The investment in Vibrosonic GmbH in January 2023 and the acquisition of Audioptics Medical Inc. in July 2023 expanded the Group’s portfolio in the new area of diagnosis and treatment of ear diseases. In April 2024, the Group acquired DORC, thus broadening its portfolio in the treatment of diseases of the posterior segment of the eye.

Acquisitions bear the entrepreneurial risk of the acquired company not performing as well economically as expected in the market, or of the revenue and earnings targets being pursued with its acquisition not being reached, or of intended synergy effects with the Carl Zeiss Meditec Group not being achievable. Risks in this area with a medium likelihood (prior year: low) of occurrence are estimated in the low single-digit million euro range. The Carl Zeiss Meditec Group tracks the associated risks and opportunities over time. A key element prior to execution of a transaction is a standardized process for mergers & acquisitions, including a due diligence review to assess the business development that can be expected.

The consolidated statement of financial position shows goodwill from acquisitions totaling €969.7m, which is tested annually for impairment in accordance with IAS 36. A total of €940.7m of this goodwill is attributable to the Ophthalmology SBU, and €29.0m to the Microsurgery SBU. The impairment tests carried out during the fiscal year under review did not give any indication of impairment of the goodwill-bearing cash-generating units (CGUs). Due to changes in general economic conditions and changes in business models, impairment losses on goodwill recognized cannot be ruled out.

Financial risks

Due to the tense economic situation, there is a latent credit risk concerning business banks at which the Carl Zeiss Meditec Group holds deposits. However, the Company has taken various measures to mitigate risks. For example, it has introduced a procedure to monitor the current situation in the capital markets. The Company has categorized its financial risks as moderate. The

basis for this categorization is the sound financing structure with an equity ratio of 62.5%, the reserve of cash and cash equivalents, and strong cash flows from operating activities. Cash and cash equivalents at the Carl Zeiss Meditec Group are kept in reserve based on a rolling monthly cash forecast within a fixed planning period, and are managed as part of a Group-wide ZEISS cash pool, which carries an insignificant credit risk

The financial risks also include liquidity risks, price fluctuation risks for financial instruments and risks associated with fluctuations in cash flows. These risks and their management are described in note "26 Financial instruments and risk management" in the accompanying notes to the consolidated financial statements. There are no further significant risks beyond the risks already taken into account in the statement of financial position.

Risks relating to the Group accounting process

The main risks associated with the accounting process are that the financial statements may not provide a true and fair view of the net assets, financial position and results of operations as a result of unintentional errors or willful actions, or that there is a delay in publishing these. The accounting would not present a true and fair view of the Company in this case. Deviations are classified as significant if they could individually or collectively influence the economic decisions taken by the recipients of the financial statements based on the financial statements.

In the area of accounting and Group accounting, processes ensure the completeness and accuracy of the financial statements with regularly reviewed, integrated, preventive and detective controls. All of the Group's internal accounting and valuation guidelines are collated in an accounting manual, which is available via the Group's intranet to all of the relevant organizational units and all of the Company's employees, along with the Group-wide financial reporting calendar. In addition, supplementary procedures, standardized reporting formats, IT systems and IT-assisted reporting and consolidation processes support the process for uniform and proper consolidated accounting.

The operative, timely implementation of the systemic requirements is effected by the affected areas of Carl Zeiss Meditec AG and its subsidiaries. These are supported and monitored by the Carl Zeiss Meditec Group Finance department. The Group Finance department is responsible for consolidated reporting, including Group-wide financial and management information, forecasts, budgets and risk reporting. Acts of law, accounting standards and other pronouncements are continuously analyzed with regard to their relevance for and impact on the consolidated and annual financial statements.

Additional disclosures pursuant to Section 289 (2) No. 1 HGB, Section 315 (2) No. 1 HGB

In principle, price fluctuation risks cannot be ruled out. However, the Carl Zeiss Meditec Group counters these risks by focusing on product innovations and optimizing its production costs through cost-cutting and efficiency-enhancing measures. Potential risks of default on trade receivables – particularly given the worsening global debt situation and a potential risk of bad debt losses as a result – are minimized by means of an active credit control system. The Carl Zeiss Meditec Group also regularly sets aside adequate provisions to cover such risks. On the whole, however, we consider this to be a limited risk. The ratio of valuation allowances on trade receivables to consolidated revenue was 0.3% in the fiscal year under review (prior year: 0.3%).

For further information on own shares in equity please refer to note “(20) Equity” in the notes to the consolidated financial statements.

The Carl Zeiss Meditec Group's financial situation can be considered sound. Cash and cash equivalents amounted to €27.3m as of the end of the reporting period 30 September 2025. Added to this are credit balances recognized as receivables from the treasury of Carl Zeiss AG, in the amount of €129.0m. The Group also generated cash flows from operating activities of €209.9m in the fiscal year under review. From a current perspective there are therefore no significant liquidity risks.

All cash and cash equivalents, including the balances with the Group treasury of Carl Zeiss AG, are deposited at banks. Should it come to a loss of individual banks – due in particular to an increasingly unstable macroeconomic situation – the balances held there may be endangered. The Carl Zeiss Meditec Group counters this risk by continuously monitoring the solvency of the banks with which it has a business relationship, and by spreading its assets among several banks via the treasury of Carl Zeiss AG.

As a company with global operations, the Carl Zeiss Meditec Group is exposed to the effects of exchange rate fluctuations. In order to hedge against this currency risk, the Carl Zeiss Meditec Group concludes currency forward contracts based on planned transactions in foreign currency. These contracts generally span a period of up to one year. Based on current exchange rate fluctuations, currency effects may continue to impact the financial result depending on the extent of the fluctuations. The notes to the financial statements contain further details on currency forward contracts.

Overall assertion of the Company's risk and opportunity situation

At the time of preparation of this report, there were no discernible risks that could jeopardize the continued existence of the Carl Zeiss Meditec Group. Risk-bearing capacity is not at risk. Compared to the prior year, the overall risk situation is only deemed slightly higher, due in particular to the US tariffs. The Management Board continues to see a solid foundation for further development of the Group and uses a systematic strategy and planning process to provide the necessary resources to exploit any opportunities that arise. The risk management system, with its risk reporting and early detection components, internal control system and compliance management system, was assessed as appropriate and effective in the past fiscal year.

DISCLOSURES PURSUANT TO SECTION 289 A AND 315 A HGB

Carl Zeiss Meditec AG's subscribed capital amounts to €89,440,570.00 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 per no-par value share. Each share entitles the bearer to one voting right and an equal share in Company profits.

Other shares or shares with special rights that grant supervisory powers do not exist. Nor are there restrictions on the part of Carl Zeiss Meditec AG concerning the voting rights or transfer of shares. Furthermore, the Management Board is not aware of any other agreements concluded, for example, between individual shareholders.

Carl Zeiss Meditec AG is aware of the following direct and indirect holdings in the capital of Carl Zeiss Meditec AG that exceed ten percent of the voting rights. Carl Zeiss AG, Oberkochen, Germany, holds, both directly and indirectly, a total of 59.1% of the voting rights in Carl Zeiss Meditec AG. This corresponds to 52,893,270 no-par value shares. These include 6.8% of the voting rights or 6,074,256 no-par value shares in Carl Zeiss Meditec AG, which Carl Zeiss AG holds indirectly via its wholly owned subsidiary Carl Zeiss Inc., White Plains, USA.

Employees of Carl Zeiss Meditec AG or its affiliated companies pursuant to Section 15 et seqq. AktG, who participated in the Company via employee share plans concerning the share capital of Carl Zeiss Meditec AG in prior years, exercise their control rights directly like all other shareholders of the Company.

Pursuant to Section 179 and Section 133 AktG, an amendment to the Articles of Association requires a resolution by the Annual General Meeting which, in turn, requires a simple majority of the votes cast and a majority comprising at least three quarters of the share capital represented at the time the resolution is passed. The Articles of Association may specify a different capital majority; in the case of an amendment to the purpose of the Company, however, only a larger capital majority may be specified. Art. 25 of Carl Zeiss Meditec AG's Articles of Association states that in cases for which the law requires a majority of the share capital represented at the time of resolution, a simple majority of the share capital represented is sufficient, provided that a greater majority is not mandatory by law. Pursuant to Art. 28 of the Articles of Association of Carl Zeiss Meditec AG, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect the version. This complies with Section 179 (1) Sentence 2 AktG.

The legal provisions concerning the appointment and dismissal of members of the Management Board are set forth in Section 84 and Section 85 AktG. In compliance with this, Art. 6 (2) of the Articles of Association of Carl Zeiss Meditec AG stipulates that the Supervisory Board shall be responsible for appointing and dismissing the members of the Management Board. Pursuant to statutory provisions, a member of the Management Board may only be dismissed for compelling reasons.

Pursuant to Art. 4 (5) of the Articles of Association of Carl Zeiss Meditec AG, the Company has an Authorized Capital. Accordingly, the Management Board is authorized, subject to the approval of the Supervisory Board, 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 (Authorized Capital 2022). New no-par value bearer shares may be issued against cash and/or contributions in kind for this. The Management Board is authorized, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of shareholders 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.