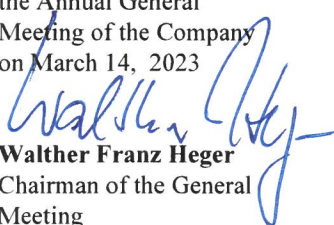

Carl Zeiss A/S

Bregnerødvej 133, DK-3460 Birkerød

Annual Report for 1 October 2021 - 30 September 2022

CVR- nr. 84 78 62 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company
on March 14, 2023


Walther Franz Heger
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Carl Zeiss A/S for the financial year 1 October 2021 - 30 September 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 30 September 2022 of the Company and of the results of the Company's operations for 2021/22.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

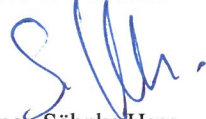
We recommend that the Annual Report be adopted at the Annual General Meeting.

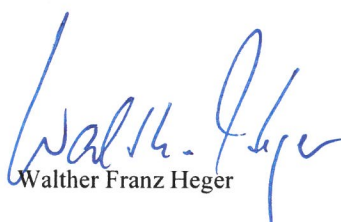
Birkerød, March 14, 2023


Executive Board

Walther Franz Heger

Board of Directors


Simon Söhnke Hees,
Chairman


Walther Franz Heger


Vibeke Gram Oxholm

Independent Auditor's Report

To the Shareholder of Carl Zeiss A/S

Opinion

We have audited the Financial statements of Carl Zeiss A/S for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements"). The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, 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 opinion. 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 over-ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. 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 continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, March 14, 2023

EY

Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28



Peter Jensen
State Authorised Public Accountant
Mne33246

Company Information

The Company

Carl Zeiss A/S
Bregnerødvej 133
DK-3460 Birkerød

CVR No: 84 78 62 17

Financial period: 1 October - 30 September
Municipality of reg. office: Rudersdal

Board of Directors

Simon Söhnke Hees, Chairman
Walther Franz Heger
Vibeke Gram Oxholm

Executive Board

Walther Franz Heger

Auditors

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Financial Highlights

Seen over a 5-year period, the development of the Company is described by means of the following financial highlights:

	2021/22	2020/21	2019/20	2018/19	2017/18
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Profit/loss before financial income and expenses	7.265	7.772	6.675	2.048	8.003
Net financials	-1	2.723	109	-34	-134
Net profit/loss for the year	5.658	8.858	5.275	2.305	6.677
Balance sheet					
Balance sheet total	65.366	54.495	51.860	46.143	60.801
Equity	25.476	27.554	25.455	29.456	27.151
Investment in property, plant and equipment	0	1.223	5.747	1.059	1.848
Number of employees	36	37	33	36	36
Financial ratios					
Gross margin	28,7 %	29,7 %	32,4 %	28,8 %	31,7 %
Profit margin	5,6 %	6,1 %	6,8 %	2,0 %	7,4 %
Solvency ratio	39,0 %	50,6 %	49,1 %	63,8 %	44,7 %
Return on equity	21,3 %	33,4 %	19,2 %	8,1 %	28,0 %

Management's Review

Key activities

Carl Zeiss A/S sells and markets high-tech products in medical technology, microscopy, industrial measurement technology as well as binoculars and binocular sights. The company handles sales, service, consulting and marketing of ZEISS products in Denmark and Iceland.

Carl Zeiss A/S is a 100% owned subsidiary of Carl Zeiss Beteiligungs GmbH based in Oberkochen, Germany. Consolidated financial statements are prepared in the Group's parent company Carl Zeiss AG, HRB 501555, headquartered in Oberkochen, Germany. The international ZEISS Group is a market leader globally in optics, precision mechanics and instruments. The Group has its own production in 30 locations and conducts research and development in 27 locations around the world and has 60 sales offices globally.

Development in the year

The income statement of the Company for 2021/22 shows a profit of TDKK 5.658, and at 30 September 2022 the balance sheet of the Company shows equity of TDKK 25.476.

Dividends of TDKK 7.873 were paid during the financial year.

Dividend proposal for the fiscal year 2021/22 is TDKK 9.404

The past year and follow-up on development expectations from last year

The beginning of the year was still partly impacted by the Corona pandemic, but the restrictions and countermeasures eased as the year progressed. Rather, the year has been marked by the effects of the security situation and the increased economic and political uncertainty in the outside world.

However, the company had a continued positive development with increase in sales vs previous year by 3%, driven by business unit industrial measurement technology. For business units microscopy and sports optics sales decreased somewhat, while for medical technology sales were in line with previous year. Profit margin were at 5.6%, somewhat (0.5%) down vs previous year and mid of expected range.

Strategy and objectives

The company will follow its strategy and will focus on the current business portfolio and the products developed and produced by the ZEISS Group.

Targets and expectations for the year ahead

Overall, the company expects a strong sales growth of approx. 10-15% and profit margin to remain within the range 3-8%. The outlook is however increasingly uncertain due to the economic and political situation in Denmark, Europa and rest of the world. It is the economic situation that affects the demand for the company's products and services, purchasing costs and thus also the company's margins.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 October - 30 September

	Note	2021/22	2020/21
		TDKK	TDKK
Revenue		130.091	126.673
Other operating income	1	8.650	7.876
Expenses for products and consumables		-71.165	-71.671
Other external expenses		-30.238	-25.207
Gross profit/loss		37.338	37.671
Staff expenses	2	-28.846	-28.580
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-1.226	-1.319
Profit/loss before financial income and expenses		7.266	7.772
Income from investments in associates	4	0	3.120
Financial income	5	443	69
Financial expenses	6	-444	-466
Profit/loss before tax		7.265	10.495
Tax on profit/loss for the year	7	-1.607	-1.637
Net profit/loss for the year		5.658	8.858

Balance Sheet 30 September

Assets

	Note	2021/22	2020/21
		TDKK	TDKK
Acquired intangible assets	8	0	0
Intangible assets		0	0
Other fixtures and fittings, tools and equipment	9	5.253	6.752
Property, plant and equipment		5.253	6.752
Other receivables	10	289	289
Fixed asset investments		289	289
Fixed assets		5.542	7.041
Inventories		6.186	3.464
Trade receivables		34.993	25.708
Receivables from group enterprises		16.576	11.944
Deferred tax assets	11	237	65
Prepayments	12	1.559	973
Receivables		53.365	38.690
Cash at bank and in hand		273	5.300
Current assets		59.824	47.454
Assets		65.366	54.495

Balance Sheet 30 September

Liabilities and equity

	Note	2021/22	2020/21
		TDKK	TDKK
Share capital	13	2.900	2.900
Retained earnings		13.172	16.781
Proposed dividend for the year		9.404	7.873
Equity		25.476	27.554
Other provisions	15	1.720	1.542
Provisions		1.720	1.542
Trade payables		4.070	5.657
Payables to group enterprises		10.331	4.252
Payables to group enterprises relating to corporation tax		4.296	2.518
Other payables	16	9.134	6.738
Deferred income	17	10.339	6.234
Short term debt		38.170	25.399
Debt		38.170	25.399
Liabilities and equity		65.366	54.495

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 October	2.900	16.781	7.873	27.554
Ordinary dividend paid	0	0	-7.873	-7.873
Reversal of provisions - Impairment of receivables	0	137	0	137
Retained Earnings	0	-3.746	0	-3.746
Proposed dividend	0	0	9.404	9.404
Equity at 30 September	2.900	13.172	9.404	25.476

Notes to the Financial Statements

	2021/22	2020/21
	TDKK	TDKK
1 Other operating income		
Recharged expenses intercompany	8.234	7.454
Other income	416	390
Government support/aid regarding salary compensation	0	32
	8.650	7.876
2 Staff expenses		
Wages and Salaries	25.199	25.202
Pensions	2.538	2.641
Other social security expenses	164	193
Other staff expenses	945	544
	28.846	28.580
Average number of employees	36	37
Pursuant to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	0	1
Depreciation of property, plant and equipment	1.226	1.308
Gain and loss on disposal	0	10
	1.226	1.319
4 Special items		
Income from liquidation of associated companies	0	3.120
	0	3.120

Notes to the Financial Statements

	2021/22 TDKK	2020/21 TDKK
5 Financial income		
Other financial income	0	1
Exchange gains	443	68
	443	69
6 Financial expenses		
Interest paid to group enterprises	0	35
Other financial expenses	142	135
Exchange loss	302	296
	444	466
7 Tax on profit/loss for the year		
Current tax for the year	1.779	1.352
Deferred tax for the year	-172	288
Adjustment of tax concerning previous years	0	-3
	1.607	1.637
8 Intangible assets		Acquired intangible assets TDKK
Cost at 1 October		4.129
Cost at 30 September		4.129
Impairment losses and amortisation at 1 October		4.129
Amortisation for the year		0
Impairment losses and amortisation at 30 September		4.129
Carrying amount at 30 September		0

Notes to the Financial Statements

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 October	10.666
Additions for the year	0
Disposals for the year	-606
Cost at 30 September	<u>10.060</u>
Impairment losses and depreciation at 1 October	3.914
Depreciation for the year	1.226
Reversal of impairment and depreciation of sold assets	-333
Impairment losses and depreciation at 30 September	<u>4.807</u>
Carrying amount at 30 September	<u>5.253</u>

10 Other fixed asset investments

	Other receivables
	TDKK
Cost at 1 October	289
Additions for the year	0
Cost at 30 September	<u>289</u>
Carrying amount at 30 September	<u>289</u>

11 Deferred tax asset

	2021/22	2020/21
	TDKK	TDKK
Deferred tax asset at 1 October	65	353
Amounts recognised in the income statement for the year	172	-288
Deferred tax asset at 30 September	<u>237</u>	<u>65</u>

12 Prepayments

Prepayments consist of prepaid expenses mainly concerning prepaid rent and insurance.

Notes to the Financial Statements

13 Equity

The share capital is distributed as follows:

	Number	Nominal value TDKK
A-shares	322	322
B-Shares	2.578	2.578
	2.900	2.900

14 Proposed distribution of profit

	2021/22 TDKK	2020/21 TDKK
Distributed extraordinary dividend	0	0
Proposed dividend for the year	9.404	7.873
Retained earnings	(3.746)	985
	5.658	8.858

15 Other provisions

Other provisions	1.720	1.542
	1.720	1.542

Other provisions comprises provisions for warranties relating to sales.

Notes to the Financial Statements

16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK
Other payables		
Between 1 and 5 years	0	0
Long-term part	<u>0</u>	<u>0</u>
Other short-term payables	<u>9.134</u>	<u>6.738</u>
	9.134	6.738

17 Deferred income

Deferred income primarily consists of income related to service contracts.

<u>2021/22</u>	<u>2020/21</u>
TDKK	TDKK

18 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rent and lease obligations	4.060	4.684
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Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income and Danish withholding taxes on dividend, royalties and interest. The total tax liability appears in the annual report of Carl Zeiss Vision A/S, which acts as the administrative company of the joint taxation.

19 Related parties

	<u>Basis</u>
Controlling interest	
Carl Zeiss Beteiligungs GmbH, Tyskland/Germany	Parent company
Carl Zeiss AG, Tyskland/Germany	Ultimate parent company

Notes to the Financial Statements

Transactions

Carl Zeiss A/S has had the following transactions with related parties:

Sale of goods and other current assets TDKK 3.661 (TDKK 11.578 in FY2020/21)

Purchase of goods and current assets TDKK 71.560 (TDKK 80.646 in FY2020/21)

Income from services and allocated expenses TDKK 8.650 (TDKK 7.670 in FY2020/21)

Expenses from services and allocated expenses TDKK 15.074 (TKK 11.531 in FY2020/21)

Receivables from group enterprises TDKK 16.576 (TDKK 11.944 in FY2020/21)

Payables to group enterprises TDKK 10.331 (TDKK 4.252 in FY2020/21)

Consolidated Financial Statements

The Company is included in the Group Annual Report of the ultimate Parent Company:

<u>Name</u>	<u>Place of registered office</u>
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Carl Zeiss AG	Germany
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The Group Annual Report of Carl Zeiss AG may be obtained at the following web address:

<https://www.zeiss.com/corporate/annual-report/home.html>

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Carl Zeiss A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Carl Zeiss AG, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognised in the income statement over the term of the lease.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

20 Accounting Policies

Income Statement

Revenue

Revenue is recognized either at a point in time or over time when the customer obtains control of the asset.

For service/maintenance contracts, revenue is recognized pro rata temporis (over time) over the term of the contract, which means that revenue equals the selling price of the contract completed for the year. This method is applied when total revenue and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefit, including payments, will flow to the Company.

For sale of goods and other services, revenue is recognized at the time when the delivery or service has been completed and the risk has been transferred to the customer, the revenue can be measured reliably, and it is probable that the economic benefit, including payments, will flow to the Company.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Expenses for products and consumables

Expenses for products and consumables comprise the products and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise payroll and other staff related expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Notes to the Financial Statements

20 Accounting Policies

Impairment of fixed assets

Intangible assets and property, plant and equipment and investments in subsidiaries are reviewed for impairment on an annual basis. Where there is indication of impairment, each individual asset or group of assets generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss is first allocated to goodwill and then to the other assets on a pro rata basis.

Other fixed asset investments

Other fixed asset investments consist of deposits and prepaid expenses.

Inventories

Inventories are measured at the lower cost of weighted average and net realisable value.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

Prepayments

Prepayments comprise prepaid expenses concerning subsequent financial reporting years.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Notes to the Financial Statements

20 Accounting Policies

Deferred tax assets and liabilities

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable in-come for the year adjusted for tax on taxable in-comes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the in-come statement in financial income and expenses.

Liabilities

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank balances.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross Profit X 100}}{\text{Revenue}}$
Profit Margin	$\frac{\text{Profit/loss before financials X 100}}{\text{Revenue}}$
Solvency Ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on Equity	$\frac{\text{Net Profit for the year X 100}}{\text{Average equity}}$