

Speech text

Dr. Markus Weber, President and CEO

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**Ladies and Gentlemen,
Shareholders,
Members of the Supervisory Board,
Guests, Friends of the Company,**

A warm welcome to the Annual General Meeting of Carl Zeiss Meditec AG. My name is Markus Weber. Over a year ago you entrusted me with the task of leading the company as CEO.

I am often asked what has fascinated me most in this first year. The answer, I think, is easy. It is the boldness of spirit shown by our employees, and their willingness to take new paths. It is their enthusiasm and curiosity that enables us to develop innovative technologies, digital solutions and applications specifically designed to improve the workflows of clinics and practices.

ZEISS products and solutions enable doctors to maintain their patients' eyesight into old age and to combat brain tumors. The fact that our actions have a direct impact on people's well-being is what motivates us and strengthens us in our collaborative effort each and every day.

Fiscal year 2021/22 was not an easy year. It was a dynamic year, fraught with many geopolitical uncertainties. The pandemic gave rise to global supply chain bottlenecks – a situation that was exacerbated by the war against Ukraine and the lengthy lockdowns in China. In retrospect, we can say that the year was marked by challenges – but also by growth and extraordinary success. Posting revenue of more than 1.9 billion euros, we were able to close the financial year with a further record result. A result in which you, too, will share in the form of the dividend. More on that later.

The success of Carl Zeiss Meditec AG is rooted in our long-term growth strategy. Today, our company is no longer "just" a provider of technologically outstanding medical products. Further key elements of our business include the development of innovative and customer-oriented workflow solutions for ophthalmology and microsurgery.

The extensive product portfolio and the focus on workflow solutions made a decisive contribution to the company's success in the year under review. Recurring sales – including consumables, implants and services – also played a significant role. Their share of total revenue rose to 46 percent in the last fiscal year.

A long-term view and a keen sense regarding future technologies are crucial to our business success. Innovations, customer solutions and services are the cornerstones of our long-term corporate strategy – a strategy which addresses the megatrends of the healthcare sector and aims for profitable long-term growth.

Our growth ambitions are underpinned by extensive strategic investment in our own research and development. In the year under review, this amounted to more than 15 percent of revenue. We also invest in inorganic growth. Last year, we strengthened our presence in important markets through cooperation and partnerships and invested in future technologies – such as robotically assisted technologies for ophthalmology.

Acquisition of the two US companies Kogent and Catalyst Surgical has significantly expanded our portfolio of surgical instruments for ophthalmology and microsurgery. Following FDA approval for the MTLawton® product line, we have already celebrated the market launch of our first surgical instrument from this acquisition. This is a new generation of bipolar forceps for electrosurgery.

Bipolar forceps are used to stop bleeding and to separate tissue during minimally invasive procedures. MTLawton has developed its own special copper-based alloy: the improved material dissipates heat more quickly, potentially reducing tissue adhesion.

Technology acquisitions complement our workflow solutions and strengthen our market position in ophthalmology and microsurgery. We will continue to use the resources available to us in a targeted and strategic manner in the future.

Our specific workflow solutions for a wide variety of customer groups are an example of the holistic approach we take to addressing customer needs and to making a significant contribution to the digital transformation of the healthcare system.

ZEISS workflow solutions are already facilitating more efficient working in surgeries and clinics.¹

In ophthalmology, the ZEISS Cataract Workflow offers seamless integration and an efficient work sequence – from the treatment room to the operating room – by linking together devices, data and applications. A clinical study published recently highlights the significant time savings and economic success that practices and clinics can achieve with the ZEISS Cataract Workflow components.

Our workflow solutions are supported by the development of innovative top-of-the-line products. Yet a further specific aim here is to develop and establish solutions which can be used to handle healthcare data securely and effectively, to automate workflows more efficiently and to apply intelligent algorithms such as machine learning or artificial intelligence.

In medicine, imaging procedures generate huge amounts of data that can be combined, analyzed and used more effectively with the aid of artificial intelligence. One such application in the field of microsurgery is the ZEISS CONVIVO. The system seamlessly integrates cell imaging into the surgical workflow as part of the ZEISS Tumor Workflow. It enables the high-resolution visualization of cellular and structural tissue features. It does this intraoperatively – i.e., during the neurosurgical procedure itself. Artificial intelligence, or AI, is used to issue the recorded image data. In doing so it makes a preselection from the existing recordings. Images of sufficient quality are displayed for pathological evaluation. This reduces the workload of the medical team and increases the efficiency of the daily work routine. The AI used in the CONVIVO is an example of the successful collaboration among our global team – colleagues from Munich and Oberkochen in Germany,

from Bangalore in India and from Dublin in the USA were involved in its development and approval.

The main advantage of **fully integrated digital and networked clinical environments** lies not only in efficient workflows; physicians also see great potential in this for improving patient treatment outcomes. This is because networked clinical environments in conjunction with intelligent systems will make a decisive contribution to customized treatments in the future and improve treatment options, especially for chronic diseases. Our ZEISS Medical Ecosystem is already providing a networked clinical environment for our specific workflow solutions – resulting in continuous improvements in patient outcomes.

We will continue to prioritize the development of digital solutions, as we are convinced that combining data-based insights with integrated workflow solutions which incorporate artificial intelligence creates added value in managing disease progression and optimizing clinical practice.

Ladies and Gentlemen, the last fiscal year was another record year for the company, with growth of 15.5 percent. Earnings before interest and taxes increased to 397 million euros, corresponding to an EBIT margin of 20.9 percent. Both strategic business units and all regions contributed to this result. The slide here shows the individual figures.

It is a remarkable success because – as I already mentioned – the past fiscal year was very dynamic and dominated by external challenges that we addressed within the company by setting up dedicated task forces. We worked intensively on creating sustainable solutions to secure our long-term supply capability. The fact that we were able to close the year with a record result despite the tense situation is testimony to the tireless commitment and willpower of our global teams. On behalf of the entire management team, I would like to express my sincere thanks to all employees for their willingness to go above and beyond the call of duty.

The strong result is also a management success. My special thanks go to Dr. Ludwin Monz, whom I had the pleasure of shadowing during the first three months of the fiscal year and from whom I took over the position of CEO of Carl Zeiss Meditec AG on 1 January 2022. I would also like to express my sincere gratitude to Jan Willem de Cler, who resigned from the Management Board at the end of the last fiscal year. Both men showed exceptionally high levels of commitment which helped the company achieve decisive successes in recent years. They have invested a great deal of passion in shaping our corporate culture.

Special thanks also go to my fellow Management Board member, Justus Felix Wehmer, and to our Supervisory Board members, who have shown great commitment to our company.

Ladies and Gentlemen, I would like to turn now to an important aspect of the Annual General Meeting – the dividend. The dividend policy we pursue is results-oriented and consistent. The Management Board and Supervisory Board strive for a distribution ratio of approximately one third of consolidated profit after non-controlling interests. The proposed distribution ratio to be resolved today for fiscal year 2021/22 is 33 percent.

Specifically, the Management Board and Supervisory Board propose the distribution of a dividend of €1.10 per share.

Our long-term dividend policy ensures that the Company will continue to be solidly financed in the future and that we can continue to invest in growth to increase the value of the Company on a sustained basis. We intend to hold to this policy in the future, too.

We would like to see the success of Carl Zeiss Meditec AG continue in the current fiscal year. We are pleased to report a positive start to the year, with double-digit percentage growth compared to the previous year, despite the ongoing external challenges. In China – one of our most important markets – the start to the new fiscal year was overshadowed by lockdowns and a major wave of infections. The situation in our supply chains also remains tense. Added to this, inflation is putting our company under pressure. We are seeing rising costs, but we will invest prudently and strategically in order to be secure further growth.

All these challenges have put our EBIT margin under more pressure at the start of the fiscal year compared to last year.

These are challenging times that have once again highlighted how uncertain, complex and ambiguous the world we live in is. Our answer to this is to increase our resilience which, in turn, allows us to respond quickly to dynamic change. Our global teams are committed to stabilizing our supply chains over the long term. We remain confident that this will enable us to achieve our goals in the course of the year.

Our organizational structure and our processes are also crucial to our future success. We have been working hard in recent years to ensure these keep step with our growth. Our standardized processes, and our corporate and leadership culture that defines clear roles and responsibilities and promotes empowerment will ensure our ongoing success in the future.

Ladies and Gentlemen, on behalf of the Management Board and the whole management team I would like to thank you for your ongoing trust in Carl Zeiss Meditec AG. Your trust gives us underlying security and strengthens us in our daily work.

Medical technology is a growth industry, driven by megatrends such as demographic change and, of course, digitalization and sustainability. Together with the ZEISS Group, we are working toward our goal of making our own operations carbon neutral worldwide by 2025. We want to shape the future in sustainable ways by providing our markets with highly efficient solutions. With you by their side, our employees and management team will continue to develop successful customer- and market-oriented innovations that improve patients' lives.

We can look with optimism to the future because we are in a strong position to seize the opportunities in our markets.