

next47

Standard presentation

In the digital age, the drivers of innovation are changing...



In the 21st century, innovation will come from a more flexible environment

Today, innovation requires:

- Rapid prototyping
- Decentralized networks and clusters
- Crowdsourcing
- Open knowledge exchange

With nearly 170 years' experience in innovation, Siemens is well positioned to make disruptive technologies a success

SIEMENS

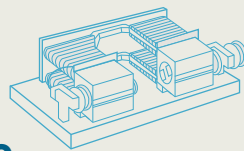
1816–1892

Company founder, visionary and inventor



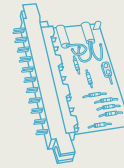
1866

The dynamo brings electricity to people's daily lives



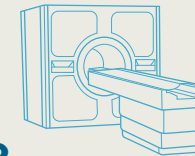
1959

SIMATIC takes Siemens' automation technology to the forefront



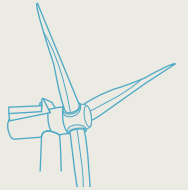
1983

The first Siemens magnetic resonance tomograph goes into service



2012

Field testing of the world's largest rotor starts at an offshore wind farm

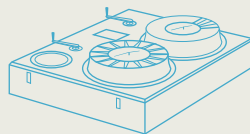


Werner von Siemens

Siemens' innovations from nearly 170 years

1847

The pointer telegraph lays the foundations for Siemens as a global player



1925

Siemens brings electricity to the Irish Free State with a hydro-electric power plant



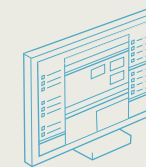
1975

Breakthrough in high-voltage direct-current (HVDC) transmission



2010

The TIA Portal initiates a new stage for automation



2015

Sinalytics takes industrial digital services to a new plane

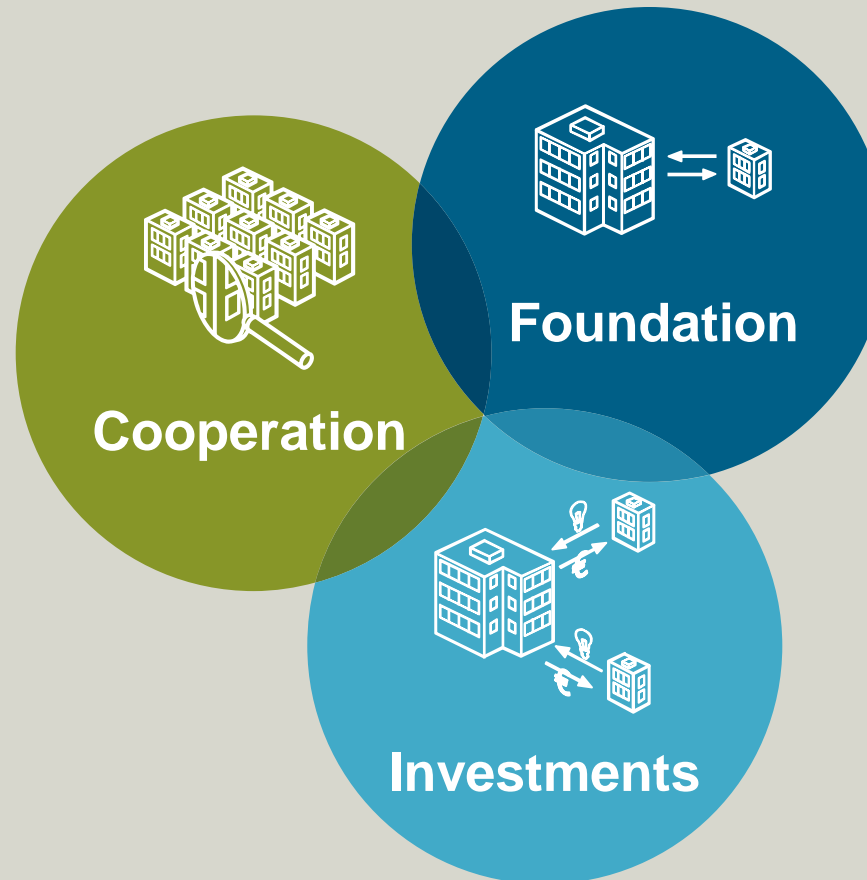


Siemens has a proven track record of about 20 years partnering start-ups

SIEMENS

Access to external innovators

- Contact established with more than 2,000 young companies per year
- More than 20 partnerships every year with start-ups worldwide



Quick and flexible testing of ideas for new businesses

- More than a dozen start-ups founded

Investing in innovative start-ups

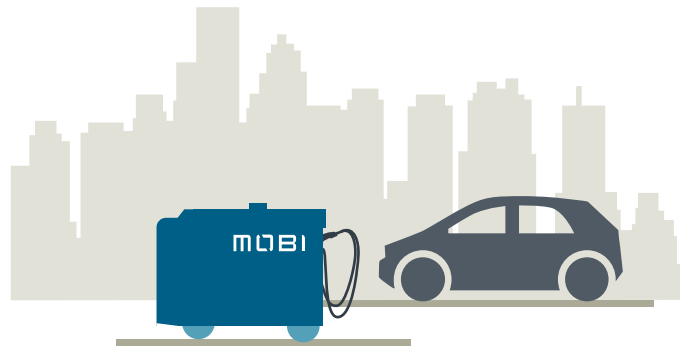
- More than €800 million invested in over 180 start-ups

Selected success stories prove the concept of cooperating with, founding and investing in start-ups

SIEMENS

Cooperation

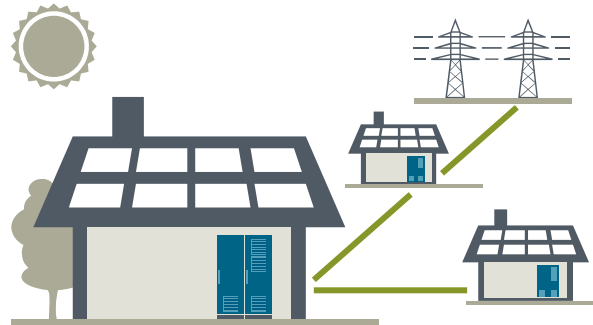
freeWire



Brings the electricity to the electric car – not vice versa

Foundation

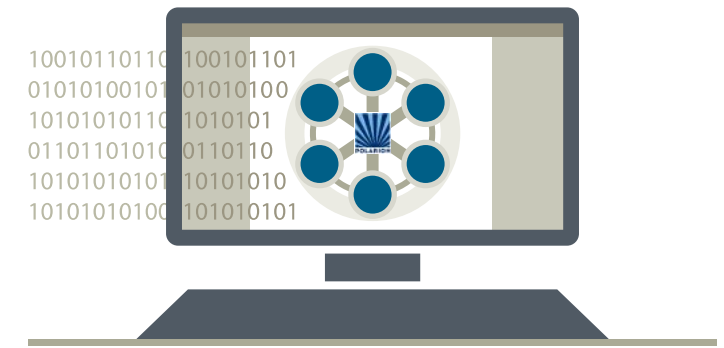
Caterva



Provides a revolutionary energy storage management system

Investment

Polarion



Our investment was the 1st step into the important ALM space

Developing new ideas and new businesses – a win-win situation for start-ups and Siemens

SIEMENS

- As a vision of the future
- As a way of accessing innovative technologies
- For testing ideas for new businesses outside the Siemens organization

**Start-ups are
IMPORTANT for Siemens**

As a close partner that provides access

- To industry expertise
- To customers
- To technology and manufacturing expertise

As an investor

- Sends a positive signal to other investors

**Siemens is
ATTRACTIVE for start-ups**

**We are now beginning the next chapter in our partnership with start-ups:
the establishment of next47**

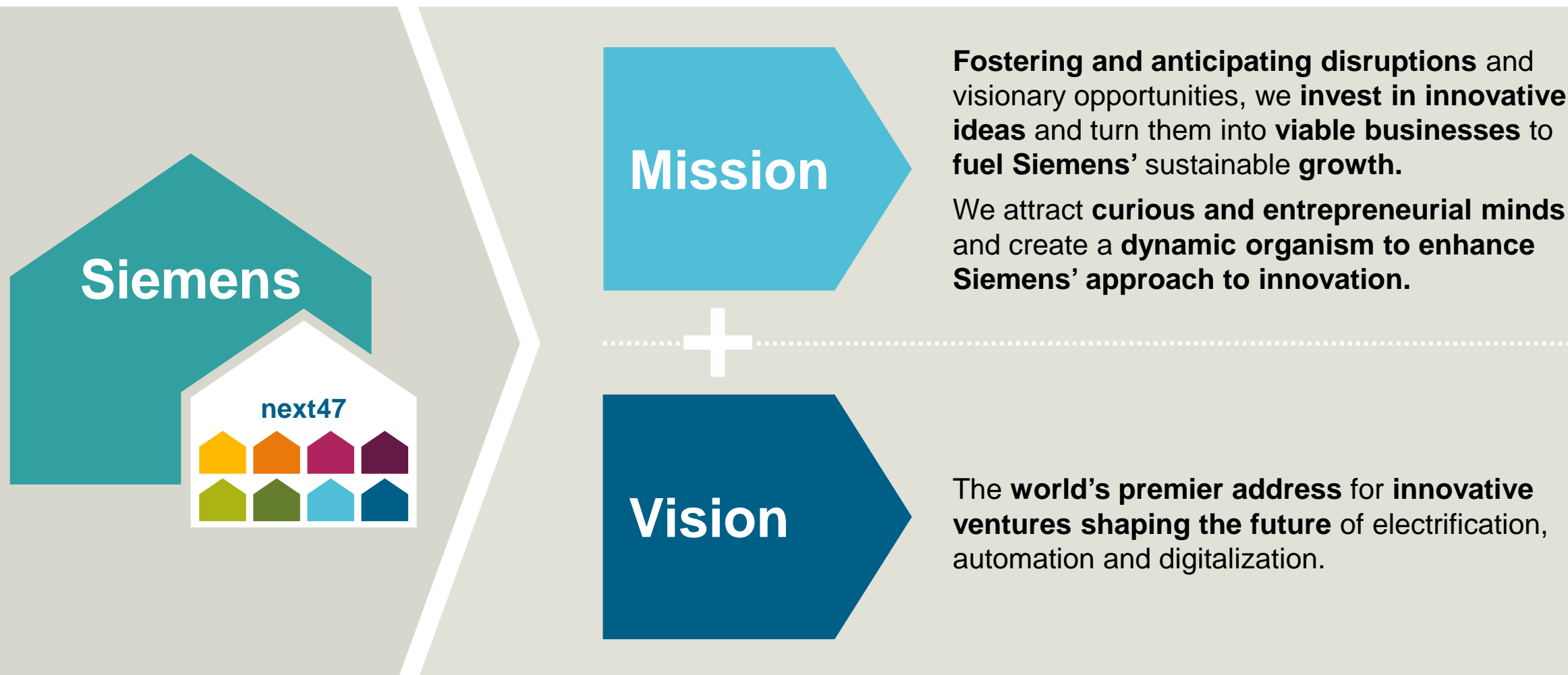
SIEMENS



To turn more ideas into viable businesses, we are creating an optimal environment in which to push forward the next generation of innovations

= next47

With next47 we will turn even more ideas into viable business



next47 will have a significant
funding volume of approx. €1 billion

SIEMENS

Funding volume

App. **€1 billion**
in funds over
5 years



Funding will be primarily used for investing in,
partnering and founding start-ups in selected
innovation fields¹



Distributed
electrification



Artificial
intelligence



Connected
(e-)mobility



Block-chain
applications



Autonomous
machines

...



eAircraft

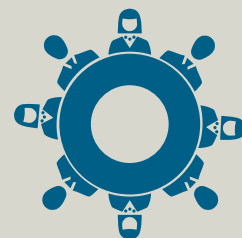
¹ Subject to constant review

The next47 strategy is based on four pillars

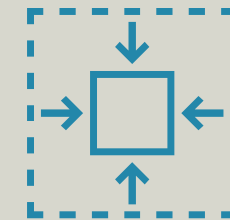


Strategy

We combine a diverse team of **partners** with the best of the **Siemens ecosystem**



We use the lenses of **EAD**, **paradigm shift**, **market disruption**, and **scalability** to scout trends, select ideas and pursue ventures



EAD: Siemens' overall strategy "Electrification, Automation, Digitalization"

We invest by applying the **full range of investment options**; we nurture and develop innovative ideas and ventures with entrepreneurs



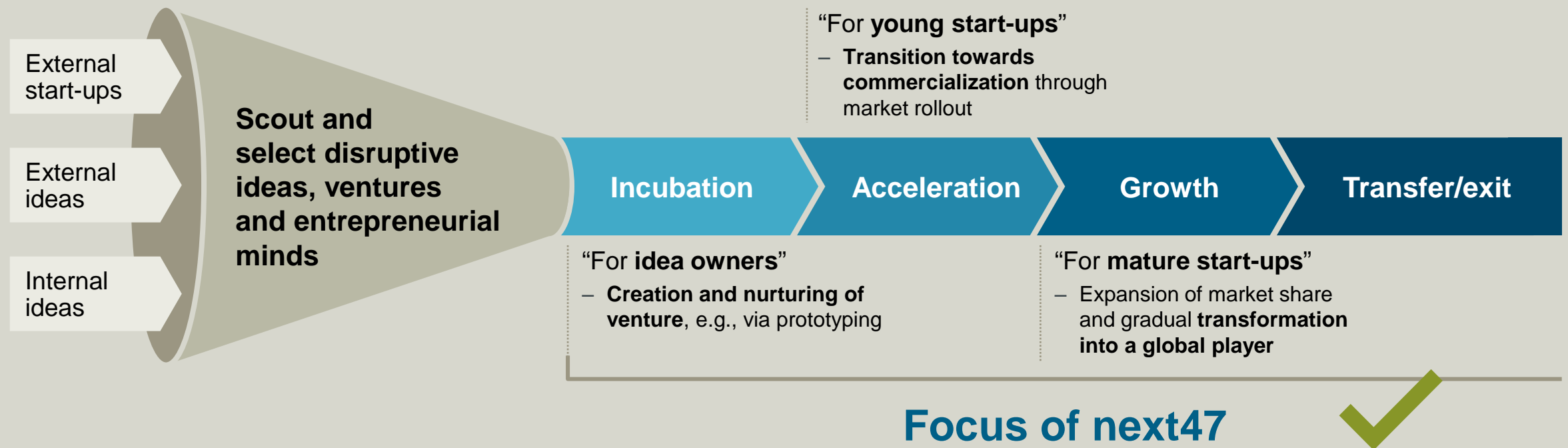
We act within a start-up environment (e.g., rapid prototyping, fast failing / short-cycle learning, staged funding); protected yet not isolated



Venturing approach of next47

“next47 will be established as an independent entity which offers freedom to experiment, to innovate and to grow in an early stage of the market development.”

Joe Kaeser, President and
Chief Executive Officer of Siemens AG



Through next47, start-ups can benefit from the best of the Siemens ecosystem

SIEMENS

next47

Ensures a flexible and agile environment

More than
32,000
researchers in
global R&D



17,500 software engineers

A team of **experienced mentors and entrepreneurs**

A team of **investors/venture capitalists**

Support functions
such as marketing,
legal advisory, etc.

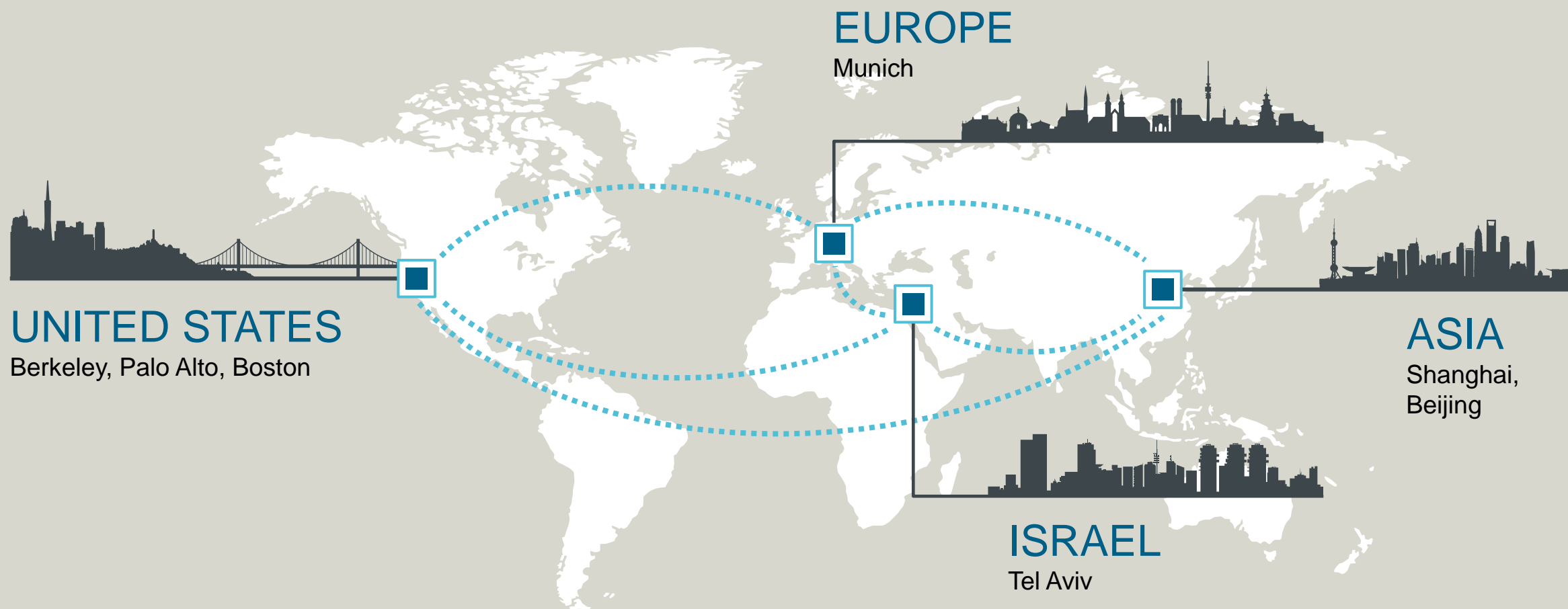
Real data to test your **algorithms**

The real **business/markets**
to test the ideas

**Fast
prototyping**

next47 will have offices in all
of the world's innovation hotspots

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For nearly 170 years, innovations have been the foundation of our success – now we are taking the next step

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Siemens' innovations from nearly 170 years

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2016

Start of next47



2016

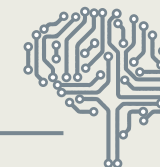
First project of next47: eAircraft



Autonomous machines



Connected (e-)mobility



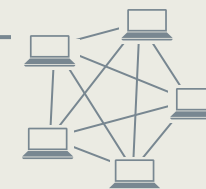
Artificial intelligence

Future Siemens innovations ...

Distributed electrification



Block-chain applications





next47

Messages and storyline

next47 – At a glance

SIEMENS

- next47 **pursues innovative ideas** that have the potential to shape the future of **electrification, automation** and **digitalization** and turns them into viable businesses.
- Following a **three-pronged strategy**, next47 **founds, partners** and **invests** in start-ups, thus acting as a venture capitalist, coach and advisor to founders and start-ups.
- next47 **combines a flexible start-up environment** with **independent investment decisions** and the **best of the Siemens ecosystem**.
- Established as a **wholly owned Siemens subsidiary** in 2016, next47 is endowed with a funding volume of approx. €1 billion in funds over five years.
- next47 will operate major offices in all major innovation hotspots around the globe, e.g., Munich, Silicon Valley, Shanghai and Tel Aviv.

Global locations



Funding volume

Approx.
€1 billion
in funds over 5 years

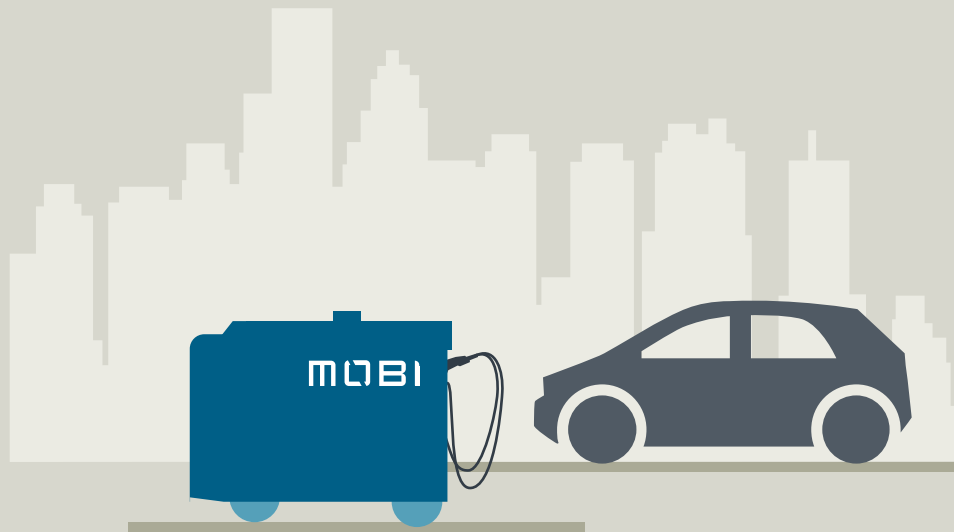


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Backup

Success story 1: Cooperating with start-ups freeWire brings electricity to the electric car

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- Instead of the car going to the charging station, the Mobi Charger™ brings electricity to the car.
- Mobile charging makes stationary charging stations obsolete, is flexible and reduces the burden on the power grid.
- Siemens' charging stations and software are integrated in the Mobi Charger.™
- freeWire and Siemens are testing mobile charging at LinkedIn's Silicon Valley campus.

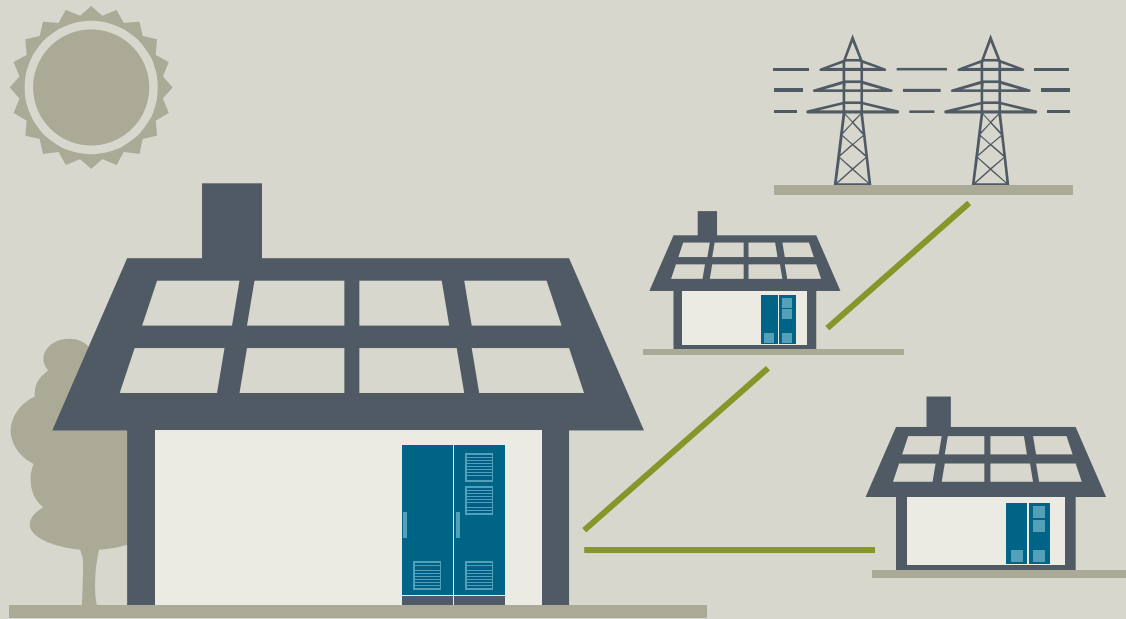
— *freeWire*
Energy Delivered

Founded in San Leandro, California, in 2014

Success story 2: Founding start-ups

Caterva – parking electricity, a key technology for the energy transition

SIEMENS



- Caterva has invented a revolutionary energy management system.
- Using Caterva, households with photovoltaic systems can rent out a portion of their storage battery to power grid operators as an “electricity parking spot”.
- This way, power grid operators can “park” surplus electricity from renewable sources in an environmentally friendly manner and stabilize their grids.
- By establishing Caterva, Siemens gained new insights into decentralization of the energy landscape

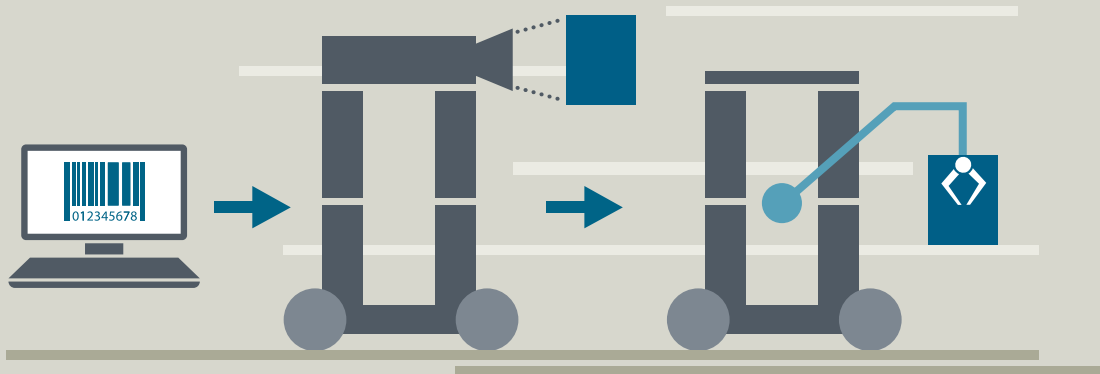


Founded in Pullach (near Munich) in 2013

Success story 3: Investing in start-ups

Magazino supplies perfect merchandise logistics for Industry 4.0

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- Previously, only entire pallets and crates, not individual objects, could be removed automatically from warehouses.
- Thanks to revolutionary technology, the Magazino robot can automatically transport individual objects from the warehouse to the workbench or packing station.
- Siemens purchased an equity stake in Magazino in 2015 in order to participate in the development of this innovation from an early stage.



Founded in Munich in 2014

Advantages for next47 and Siemens

