

Report of the Managing Board

on Agenda Item 11 of the Annual Shareholders' Meeting
of Siemens AG on February 13, 2025



SIEMENS

Siemens Aktiengesellschaft

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In connection with the repurchase of Siemens shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Company should be authorized to use certain derivatives in addition to the possibilities for repurchasing Siemens shares set down under Agenda Item 10. This authorization will grant the Company greater flexibility in the design of its repurchase strategies and programs. The use of put options, call options and forward purchases or a combination of these instruments (hereinafter "derivatives") may – also in combination with other legally admissible transactions not covered by this authorization – be advantageous compared to direct purchases or, for example, may offer advantages for optimizing the purchase strategy in financial terms and serve to improve the repurchase of Siemens shares. The authorization shall be used by Siemens AG or any of its consolidated subsidiaries, or by third parties acting on behalf of Siemens AG or any of its consolidated subsidiaries. The authorization proposed under Agenda Item 11 does not result in an extension of the maximum limit (provided for in Agenda Item 10) for the repurchase of Siemens shares of up to 10% of the capital stock existing at the time of the resolution or the capital stock existing as of the date on which the authorization is exercised – if the latter amount is lower. It merely opens up additional repurchase modalities within the envisaged additional upper limit of a maximum of 5% of the capital stock.

The derivative contracts are to be entered into with an independent credit institution or an enterprise operating under Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or Section 53b (7) of the German Banking Act (KWG) or a consortium of such credit institutions or enterprises. The term of the derivatives must be chosen in such a way that the repurchase of Siemens shares pursuant to the terms and conditions of the derivatives takes place no later than February 12, 2030. This is to ensure that the Company will not acquire any more Siemens shares after expiry, on February 12, 2030, of the authorization to repurchase Siemens shares under this authorization. Furthermore, the maturity of a derivative is limited to a maximum of 18 months.

When selling put options, the purchaser is given the right to sell Siemens shares to the Company at a price specified in the put option contract ("strike price"). In return, the Company receives an option premium which corresponds to the value of the disposal right taking into consideration, among other things, the strike price, the term of the option, and the volatility of the Siemens share. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total consideration paid by the Company for the acquisition of the share. As a rule, the exercise of the put option makes economic sense for the option holder if the price of Siemens shares, at the time of exercise, is lower than the strike price, because the option holder can then sell the Siemens share at the higher strike price. From the Company's perspective, the use of put options in share repurchases may have the advantage that the strike price is already determined at the date of entering into the option contract, while liquidity will not flow out until the date the option is exercised. If the option holder does not exercise the option because the share price on the date of exercise exceeds the strike price, the Company, although unable to acquire any Siemens shares in this way, still keeps the option premium received.

When purchasing call options, the Company acquires, in exchange for payment of a premium, the right to buy a predetermined number of Siemens shares at a predetermined exercise price ("strike price") from the seller (or writer) of the option. The authorization enables the

Company to conclude and exercise such options. For the Company, exercise of the call option makes economic sense if the price of Siemens shares is higher than the strike price, because it can then buy the shares from the option writer at the lower strike price. In addition, the Company's liquidity will not be adversely impacted by the predetermined strike price until the agreed price for the shares is to be paid upon exercise of the call option.

In the case of a forward purchase contract, the Company agrees to purchase from the forward seller the shares at a fixed future date and at a predetermined price that is agreed by the parties at the time the contract is entered into. It can be expedient for the Company to enter into forward purchase contracts if it wants to ensure that it can satisfy its need for Siemens shares on the forward settlement date at a specific price level.

The conditions governing the structure of these derivatives that are contained in the authorization are designed to ensure that, also in the event of such derivative contracts being used, the principle of equal treatment is observed and economic disadvantages for the shareholders are ruled out.

The premium paid by the Company for derivatives shall not be significantly higher, and the premium received by the Company for derivatives shall not be significantly lower, than the theoretical market price of the respective derivative calculated in accordance with generally accepted actuarial methods. Among other factors, the predetermined strike price shall be taken into account when determining the theoretical market price.

The determination of both option premium and strike price/premium paid in the manner described above, and the commitment to be included in the terms and conditions of the derivatives to satisfy the exercise of options or the fulfillment of forward purchases by utilizing only Siemens shares that were previously acquired, for example on the stock exchange, in compliance with the principle of equal treatment, are designed to rule out economic disadvantages for existing shareholders from such a repurchase of Siemens shares. Since the Company receives or pays a fair market price, the shareholders not involved in the derivative transactions do not suffer any substantial loss in value. In this respect, this is comparable to the position of shareholders in the case of a share repurchase on the stock exchange, where in fact not all shareholders are likewise able to sell shares to the Company. Both the regulations governing the structure of the derivatives and the regulations governing the shares suitable for delivery ensure that full account is also taken of the principle of equal treatment of shareholders in this form of purchase. Therefore it is justifiable, also in accordance with the legal basis underlying Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), that shareholders shall have no right to enter into such derivative contracts with the Company. Besides, without the exclusion of shareholders' subscription and tender rights, it would make hardly any economic sense to conclude derivative contracts at short notice or with suitable counterparties for such derivatives.

If Siemens shares are repurchased using derivatives, shareholders shall have a right to tender their Siemens shares only insofar as the Company is obligated to take delivery of such shares pursuant to the terms and conditions of the derivatives. Otherwise the use of derivatives in share repurchases would not be possible, and the Company would not be able to reap the benefits associated therewith. Having carefully weighed the interest of the Company and the interest of its shareholders, and given the advantages to the Company resulting from the use of derivatives, the Managing Board considers the nongranteeing of, or the restriction on, the shareholders' right to tender their shares to be justified.

The Managing Board will inform the Annual Shareholders' Meeting of the use of the authorization.

Munich, December 2, 2024

[signed]
(Dr. Busch)

[signed]
(Bienert)

[signed]
(Dr. Körte)

[signed]
(Neike)

[signed]
(Rebellius)

[signed]
(Prof. Dr. Thomas)

[signed]
(Wiese)

This version of the Report of the Managing Board on Agenda Item 11 of the Annual Shareholders' Meeting on February 13, 2025 prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.

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