

Munich, August 2, 2020

Siemens AG welcomes acquisition of Varian by Siemens Healthineers

- **Transformational milestone in execution of Siemens' Vision 2020+ strategy**
- **Siemens Healthineers intends to acquire 100 percent stake in U.S. healthcare company at a purchase price of around \$16.4 billion**
- **Acquisition to create global leader in cancer research and therapeutics and support Siemens Healthineers' equity story**
- **Mixed financing through a capital increase at Siemens Healthineers AG and intra-Group loans to Siemens Healthineers**
- **Siemens AG's stake in Siemens Healthineers AG to decline to about 72 percent from 85 percent**
- **Siemens AG to remain long-term majority shareholder in Siemens Healthineers**
- **Siemens AG aims to maintain its current A+ / A1 rating**

Siemens AG is continuing to rigorously execute its Vision 2020+ strategy and therefore expressly welcomes Siemens Healthineers AG's acquisition of a 100 percent stake in Varian Medical Systems, Inc. (NYSE: VAR), a U.S. company active in the area of cancer research and therapy. Payment of the purchase price of around \$16.4 billion is to be enabled by mixed financing from the issuance of new Siemens Healthineers shares and the issuance of bonds. The proceeds from the bonds are to be transferred within the Group to Siemens Healthineers under customary market conditions.

This transaction will enable Siemens to strengthen the competitiveness and independence of Siemens Healthineers. At the same time, Siemens will remain a strong majority shareholder and thus profit from the company's considerably expanded setup. The transaction is expected to close in the first half of calendar

year 2021, subject to approval by Varian shareholders, receipt of regulatory approvals and other customary closing conditions.

“As the first of the three companies in our new Siemens Ecosystem, we gave Siemens Healthineers an independent, focused setup. This approach is the core of our Vision 2020+ strategy, which we’re rigorously executing – even in the time of COVID-19. Therefore, we expressly welcome and support this acquisition since it will be a powerful driver for Siemens Healthineers. A transformational step of this kind wouldn’t have been possible in the conglomerate structure of the old Siemens AG,” said Joe Kaeser, President and CEO of Siemens AG.

“The acquisition of Varian will create a world-leading company in the area of cancer therapy – a company in which Siemens AG will participate as a strong and long-term majority shareholder,” explained Roland Busch, Deputy CEO of Siemens AG. “Siemens Healthineers is excellently positioned in an attractive growth market in the global battle against cancer. The acquisition will benefit everyone – above all patients, but also the shareholders of both companies.”

Transaction conditions

The transaction underscores the financial strength of the Siemens Group and will be financed by a combination of equity and debt financing. Siemens AG will not participate in the planned equity increase at Siemens Healthineers AG. The additional debt capital is to be borrowed externally by Siemens in the form of bonds and transferred to Siemens Healthineers via intra-Group loans under customary market conditions. Siemens AG aims to maintain its current A+ / A1 rating.

Due to the planned capital increase at Siemens Healthineers AG, in which Siemens AG will not participate, Siemens AG’s stake in Siemens Healthineers AG will decline to about 72 percent from 85 percent. The related increase in the free float of Siemens Healthineers AG will further underscore the company’s independence.

About Varian

Varian is a global leader in the area of cancer care, offering innovative solutions, primarily in radiation therapy and related software. In fiscal 2019, the company generated revenue of \$3.2 billion with an adjusted operating margin of approximately 17 percent. Headquartered in Palo Alto, California, Varian currently has around 10,000 employees worldwide. Taking a holistic approach to cancer care, the company is making increasing use of technologies such as artificial intelligence, machine learning and data analytics in order to further improve cancer treatment and expand access to care. The progress that Varian has made for decades in the development and use of multidisciplinary, integrated cancer treatment has made it an innovation leader for over 70 years.

This press release is available at <https://sie.ag/2D1gXYD>

Contact for journalists

Florian Martens

Phone: +49 89 636 22804; e-mail: florian.martens@siemens.com

Follow us on Twitter: www.twitter.com/siemens_press

Siemens AG (Berlin and Munich) is a global technology powerhouse that has stood for engineering excellence, innovation, quality, reliability and internationality for more than 170 years. The company is active around the globe, focusing on the areas of intelligent infrastructure for buildings and distributed energy systems, and automation and digitalization in the process and manufacturing industries. Through the separately managed companies Siemens Energy, the global energy business of Siemens, and Siemens Mobility, a leading supplier of smart mobility solutions for rail and road transport, Siemens is shaping the energy systems of today and tomorrow as well as the world market for passenger and freight services. Due to its majority stakes in the publicly listed companies Siemens Healthineers AG and Siemens Gamesa Renewable Energy (as part of Siemens Energy), Siemens is also a world-leading supplier of medical technology and digital healthcare services as well as environmentally friendly solutions for onshore and offshore wind power generation. In fiscal 2019, which ended on September 30, 2019, Siemens generated revenue of €36.8 billion and net income of €5.6 billion. At the end of September 2019, the company had around 385,000 employees worldwide. Further information is available on the Internet www.siemens.com.

Disclaimer

This document contains statements related to our future business and financial performance and future events or developments involving Siemens that may constitute forward-looking statements. These statements may be identified by words such as “expect,” “look forward to,” “anticipate” “intend,” “plan,” “believe,” “seek,” “estimate,” “will,” “project” or words of similar meaning. We may also make forward looking statements in other reports, in prospectuses, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the

current expectations and certain assumptions of Siemens' management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Report on expected developments and associated material opportunities and risks of the Annual Report and in the Half-year Financial Report, which should be read in conjunction with the Annual Report. Should one or more of these risks or uncertainties materialize, events of force majeure, such as pandemics, occur or should underlying expectations including future events occur at a later date or not at all or assumptions prove incorrect, actual results, performance or achievements of Siemens may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.