

**2022 ANNUAL SHAREHOLDERS'
MEETING OF SIEMENS AG**

**“A VERY SUCCESSFUL START AS A
FOCUSED TECHNOLOGY COMPANY”**

Dr. Roland Busch

President and CEO of Siemens AG

Munich, February 10, 2022

Check against delivery.

Ladies and gentlemen,
esteemed shareholders,

welcome to our Annual Shareholders' Meeting.

Today, we're looking back together on an extraordinary fiscal year. An 11.5 percent increase in revenue and a new record for our free cash flow speak for themselves. It was Siemens' first year as a focused technology company. As a company that combines the real and digital worlds like no other.

That's possible, because we can do both hardware and software – and have mastered the interaction between the two. We work with our customers and partners in strong ecosystems.

And our transformation continues! A transformation guided by our four strategic priorities:

First: We help our customers accelerate their own sustainable and digital transformation. We're able to do this because we have profound domain knowhow, top technologies and a strong ecosystem.

Second: With these technologies, our customers can achieve more at a faster pace – and while using fewer resources. After all, only sustainable growth will enable us to improve the quality of life and transform the everyday for billions of people worldwide. A few examples I'll be pointing out today:

- sustainable automobile production of the future
- the accelerated production of a COVID-19 vaccine
- a city that is located in the desert but is green and sustainable while offering a high quality of life, and
- new technologies for helping in the fight against cancer.

Third: We encourage and enable people to take matters into their own hands. At Siemens, we call this “empowerment.”

And fourth: We're willing to change, learn from mistakes, constantly develop as individuals, and grow. At Siemens, we call this a “growth mindset.”

It's said that difficult times don't shape character, but rather reveal it. There was certainly no shortage of such challenges in fiscal 2021: The continuing pandemic. Delivery constraints. Political tensions. And strong, in some cases new, competitors.

I really like the character that Siemens revealed during this time!

Our colleagues worked with total dedication. They took personal responsibility and showed their willingness to embrace change. They protected the lives of others and kept our customers' operations up and running. They achieved extraordinary things.

And they tried out new things. One notable example comes from the German city of Marburg:

Remember the race to develop the first COVID-19 vaccine? Once the vaccine was finally available, there wasn't anywhere near enough of it. To meet this challenge, our partner and long-standing customer BioNTech decided to completely re-equip a factory in Marburg to set up a new production facility for their COVID-19 vaccine. And do it as quickly as possible.

Normally, a project like this takes around one to one-and-a-half years. Andreas Möhle and his colleagues accomplished the job together with the customer in just five months. Millions of people could then be vaccinated sooner. Their work helped save lives.

Five months instead of eighteen. How did he do it? Andreas and his team tried out new ways of thinking and working.

To appreciate what was accomplished, you need to know that complex pharmaceutical projects are usually handled sequentially – that is, one step after the other. And that simply takes time.

BioNTech didn't have time. That's why the team worked through the various tasks in parallel using agile methods wherever possible. In the end, by combining the real and digital worlds, production was ramped up in record time.

The success in Marburg is a good example of what we mean by growth mindset, by empowerment, by customer focus – and of how we're using our cutting-edge technology for the benefit of all.

It's my 300,000 colleagues who turn our strategic priorities into successes every single day. They create value for our customers. For society and for the environment. And for you, ladies and gentlemen, as the owners of our company. I'd like to thank all our employees for their dedication – also on behalf of the entire Managing Board!

Their performance was exceptional.

Thank you!

Our numbers reflect these successes:

Overall, we were able to adjust our guidance upward four times during fiscal 2021.

- We increased revenue 11.5 percent on a comparable basis – to €62.3 billion.
- Orders rose 21 percent to €71.4 billion.
- Net income climbed 59 percent to €6.7 billion.
- And we achieved the highest free cash flow in our company's history: €8.2 billion!

You, our shareholders, are benefiting from this outstanding result. Do you remember our promise to pursue a progressive dividend policy? Today, we're proposing to you a dividend of €4.00 per share – a significant increase of 50 cents per share!

The share price has also developed very satisfactorily since the spin-off of Siemens Energy. The increase in the value of our company was well above the comparable industry indices. Your total shareholder return for one year with the new Siemens: up 45 percent!

All our Businesses and Regions contributed to this success!

In our key markets, in particular, we grew massively year-over-year. In India, revenue on a comparable basis rose 31 percent; in China, 21 percent; in Germany, 16 percent; and in the U.S., 9 percent.

Revenue across all Businesses is clearly higher today than before the pandemic broke out – up 5 percent to 6 percent on a comparable basis from the fiscal 2019 level. At Siemens Healthineers, the increase was even 19 percent.

And we've not only increased our revenue, but also our profitability.

The profit margin, which is the adjusted margin for earnings before interest, taxes and amortization – or the adjusted EBITA margin – was 15 percent in the Industrial Businesses. This means that, adjusted for special gains from fiscal 2020, the profit margin improved by 2.4 percentage points! Specifically, these special gains were the sale of HUBA Control and the gain from our stake in Bentley.

Let's look briefly at the individual Businesses:

At Digital Industries, we increased revenue by almost 13 percent – thus even exceeding our growth target. We boosted the profit margin to 20.4 percent from 16.6 percent, adjusted for the special gain from Bentley.

At Smart Infrastructure, revenue grew 8 percent. Its adjusted EBITA margin climbed to 11.6 percent from 8 percent. Here, too, adjusted for the extraordinary gain from the sale of HUBA in fiscal 2020.

Mobility grew 3 percent in a difficult market environment. We're extremely pleased with its order intake. Here, with orders of €12.7 billion, we achieved an increase of 41 percent! Posting an adjusted EBITA margin of 9.3 percent for the year, Mobility nearly met its ambitious margin target. We defended our top global position in profitability and technology. One major competitor plans to reach the margins we're achieving today – but its plans are for 2024 – 2025.

Siemens Healthineers can also look back on a very successful year. Revenue rose 19 percent and reached a new record of €18 billion. The completely new business with rapid COVID-19 antigen tests made a significant contribution – starting at zero and climbing to €1.1 billion. Yet even without the rapid tests, revenue would have increased by an impressive 12 percent.

Siemens Healthineers also boosted its adjusted EBITA margin by 0.7 percentage points to 15.8 percent.

You can find out more about those figures at the Siemens Healthineers Annual Shareholders' Meeting.

Our customers trust us. We see this trust in our strong performance, and customer surveys confirm it. The percentage of our customers who recommend Siemens to others has risen. This increase is also reflected in our orders, which were 15 percent higher than revenue in fiscal 2021, resulting in a book-to-bill ratio of 1.15.

Now it's a matter of processing these orders. Due to the pandemic, supply chains worldwide have been weakened and, in some cases, they've even collapsed. We're working intensively – in close cooperation with all our customers and suppliers – to overcome the ongoing delays.

But for our customers, we're more than just a supplier. Siemens is a partner. We help our customers

- accelerate their own digital and sustainable transformation, and
- reinvent their companies and entire industries.
- And we help them strengthen their competitive position.

What does this mean specifically? What exactly are we doing to lead industry, infrastructure, transportation, and healthcare into a new era? And how is our work creating sustainable value?

Let's take Siemens Healthineers as an example. The company is working on digital twins for individual organs. These virtual "doppelgangers" make diagnoses and treatments easier. Initial solutions are already on the market.

Or take our Mobility Business: Transportation service providers throughout the world buy our trains because they're especially ecofriendly and climate friendly, and because we ensure extremely high availability with digital technologies, artificial intelligence, and predictive maintenance. Amtrak in the U.S., for instance, has ordered 73 trains from us for US\$3.4 billion. Compared to its previous fleet, these trains will reduce CO2 emissions by 70 percent.

The order we received from Egypt is even more comprehensive. In this project, we'll build an entirely new rail network, a figurative "Suez Canal on tracks." All in all, the country is planning to build over 1,800 kilometers of new rail lines with us. We'll be delivering high-speed and regional trains, locomotives, and railway infrastructure, and we'll also provide maintenance for the trains. The contracts for an initial 660-kilometer route have been signed. That's an order worth US\$3 billion.

Or take a look at the United Arab Emirates, specifically at EXPO 2020. We've linked together 130 buildings on the EXPO site – with more than 200,000 data points – on our IoT platform, in other words, via the Internet of Things. Using this approach, our partner can, among other things, monitor and reduce energy and water consumption. And the Emirate's very first storage facility for green hydrogen came from Siemens Energy.

For these reasons, I was very happy when I was invited to open the gates to the world exhibition on behalf of Siemens. But the real “door openers” here are my Siemens colleagues on site. People like Emily Feavel.

Emily joined Siemens after studying economics. She helped coordinate the contributions from the Siemens businesses, and she negotiated with the EXPO team. Looking back, she recalls: “We had a clear goal: proving that sustainable cities are possible, in the desert and anywhere in the world.” That was the motivation.

Such a goal could be achieved only in partnerships – partnerships with the EXPO, with other companies, and through the interplay among the different Siemens businesses.

That’s also the recipe for success in other major projects – for instance, with Mercedes-Benz. Together, we’re working to develop the automobile production of the future. Digital Industries, Smart Infrastructure, and Siemens Advanta are contributing their respective strengths here.

But let’s just hear what Ola Källenius, CEO of the Mercedes-Benz Group, said at our Capital Market Day about this cooperation:

[Video: We have been cooperating for more than 120 years. But looking ahead, this partnership will gain in importance as we work on some of the most fundamental transformations of our business. These include our new partnership in Berlin, where we plan to advance digital manufacturing and efficient automation in our car production, using more sustainable and more energy-efficient production methods in our Mercedes Benz plants. One thing is certain: Having Siemens as a partner at our side is an important asset in becoming an even better, fully digital and holistically sustainable company.]

One of the oldest Mercedes plants is located in Marienfelde, a locality in Berlin. We’re working together to transform this plant into one of the most modern facilities. Our colleagues are helping improve the carbon footprint of the factory buildings. They’re digitalizing the production processes. And they’re helping to upskill the workforce. Mercedes is getting all this from a single source – from Siemens.

All these examples show how the world is becoming increasingly digitalized and sustainable. And how Siemens is benefiting from this transformation. We identified these megatrends at an early stage and positioned ourselves strategically.

Since 2007, we’ve invested €12 billion in purchasing software companies as bolt-on acquisitions that perfectly complement our offerings. They’ve strengthened our position as a technology leader for industrial software.

And early on, we started offering our customers solutions that they can use to reduce emissions and conserve resources. More on that in a moment.

The important thing is: We've put our money on the right trends, and we're accelerating our high-value growth with

- bolt-on acquisitions that complement our offerings,
- new technologies and business models, plus
- strong partnerships in our ecosystem.

Let's look first at our targeted acquisitions:

Supplyframe operates a digital marketplace that aligns supply and demand for electronic components. Manufacturers, suppliers and buyers work together in this digital ecosystem to optimize their development, procurement and marketing. This acquisition strengthens our strategy for a digital marketplace.

By acquiring Sqills, we've been supporting Siemens Mobility's digital strategy. Sqills enables rail and bus operators to replace their existing systems with a single digital booking system.

We've also generated additional value with two minority stakes. Fluence Energy, a leading energy storage company that provides applications for power grids. And Thoughtworks, a company that offers consulting services for the Internet of Things. Both companies successfully went public last year.

Finally, the successful conclusion of Siemens Healthineers' acquisition of Varian marked a huge step. At US\$16.4 billion, it was the largest acquisition in Siemens' history! This move has created a global leader in cancer therapy. The combined company offers a unique, highly integrated portfolio of imaging systems, laboratory diagnostics, artificial intelligence, and treatments.

To date, our markets have had a volume of around €440 billion. With the acquisitions just mentioned and new offerings, we're tapping additional adjacent markets – in particular, markets with highly attractive growth rates, such as the market for digital transformation consulting services. These additional markets have a total volume of around €120 billion.

Of course, it's not just about growth and size alone, but also about focus. That's why we parted with some businesses. Businesses that were no longer a good match for us and which, conversely, benefit from having a more suitable owner. This is another way we've increased the value of our company.

One strong example here is the sale of Flender. In recent years, we put this business on a growth trajectory, invested in innovations, and increased its profitability. Now we've found a new owner that wants to continue on this course. We gained €2 billion from the sale.

Allow me to give you a brief look at the current year: We intend to sell our road-traffic business, Yunex Traffic, to Atlantia. We're also selling our post and parcel business to Körber AG and our 50 percent stake in "Valeo Siemens eAutomotive" to Valeo. In this way, these businesses are also finding suitable owners.

So, this means growth and value creation: First, growth through acquisitions and a sharper focus.

Second, growth through new technologies – technologies that solve real problems.

To reach this goal, we invested €4.9 billion in research and development in fiscal 2021. This amount corresponds to 7.8 percent of our revenue – a higher proportion than any of our direct competitors have. For fiscal 2022, we're planning around €5.5 billion in R&D investments. That would even be about 8 percent of our expected revenue.

What exactly are we spending the money on? And how do these investments support our businesses?

A few examples:

In fiscal 2021, we launched our first industrial 5G router on the market. Because the Internet of Things only works when we can quickly and reliably convey large amounts of data.

We also made a big leap in power electronics. We doubled the power density of our converters, enabling us to make drive systems for machines and trains more compact and efficient.

In fiscal 2021, we also presented a new and powerful charging station that can charge up to five electric vehicles at the same time.

In Hamburg, we put the world's first automated light-rail train into service. The system enables the city to operate with up to 30 percent more capacity on the "S-Bahn" commuter-rail routes while reducing delays by 15 percent. It's a solution that can be rolled out on many more routes and for other fleets. The technology has already been officially approved. Operators worldwide can deploy it immediately for all types of trains.

We're also proud of an innovation from Siemens Healthineers: The first photon-counting computed tomography scanner. It makes a quantum leap in image quality. Imagine a screen from the early days of television – pixelated and full of signal noise. Then compare that screen with a high-definition, ultra-sharp television from 2022. This invention was one of the three that were nominated in 2021 for the German Future Prize presented by the president of Germany.

More than 42,000 colleagues have been working on these and many other inventions. Among these people is De-Niang Maria Peymandar. She develops hydrogen-powered drive systems for railways.

[Video: My name is De-Niang Maria Peymandar, I have a doctorate in chemistry and work as a design manager at Siemens Mobility in Krefeld. In the project with Deutsche Bahn, we are testing the use of hydrogen for rail for the first time. In concrete terms, the aim is to test a completely new overall concept, consisting of a hydrogen-powered train and a newly designed filling station. At Deutsche Bahn, we are testing the interaction between hydrogen and battery components in order to achieve the longest possible range from this.]

People like De-Niang Maria make Siemens one of the most innovative companies in the world. By the way, nearly two-thirds of our colleagues working in research and development are focusing on digital technologies. We currently hold around 43,000 patents, and the number is growing. On average, 20 new inventions are reported internally at our company every working day.

We're developing new technologies, and we're working intensively on giving customers faster and easier access to these innovations.

That's why we are, for example, transitioning large parts of our software business to a new business model. Today, instead of buying a software license, our customers can use many programs online, via the cloud, like a subscription. With this business model, they can also access new applications and innovations immediately. This type of offering is called Software-as-a-Service (SaaS).

SaaS gives our customers greater flexibility and is especially interesting for new customers, particularly smaller companies.

Like Rurok, a company that builds mountain bikes that must withstand extreme loads – during professional races, for example. Rurok's teams are distributed across different locations in the U.S. and Asia, and they use Siemens design software as a service.

Instead of sending technical drawings per e-mail as they once did, they can now enter modifications into the design software using a laptop while they're on a racecourse in the Philippine jungle. And their team in Las Vegas, Nevada, can see their proposals in real time and react immediately.

The company can flexibly add or remove more complex software functionality. Exactly as needed. And instead of having to put down a large sum of money all at once for a software license, Rurok pays us a monthly service fee.

A good 500 companies have already switched to Software as a Service. Smaller businesses like Rurok – and large enterprises like Liebherr AG. As a result, everything is going as planned with the transition of our business.

The same holds true for revenue: With Software as a Service, annual recurring revenue, or ARR, is particularly important. This indicator grew 10 percent in fiscal 2021 to €2.9 billion.

We've set ourselves ambitious targets for our entire digital business portfolio. Starting from a base of €5.3 billion in fiscal 2020, we intend to grow by an average of 10 percent a year over the next five years. In this way, new technology is creating value – and is also doing so for you as Siemens shareholders.

The third key part of our growth strategy – in addition to technology and selective acquisitions – is our ability to forge partnerships.

This is important because the world has become more complex. In the age of digitalization, no one can reach their goal alone. In an ecosystem with other strong players, we bring innovations to our customers more quickly – and deliver what really helps them make progress.

This is the way we work with SAP and Accenture, with Amazon Web Services and Google, with Alibaba and Microsoft – but also with small and medium-sized companies, with startups, with universities, and with research institutions.

One good example for success in ecosystems is Mendix, our platform for web developers. With Mendix, developers can build new applications faster without having to learn a complex programming language. As a result, a new ordering portal for external customers or an internal portal for travel expenses, for instance, can be created very quickly.

With the aid of Mendix, the automotive supplier Continental reprogrammed its ordering process for machines and capital goods. These internal queries used to take up to an hour. Today, it takes minutes. The new system worked, and ran stably, right from the start.

In the past three years, Mendix has grown a phenomenal 200 percent. That's due in part to the lively ecosystem. More than 250,000 users not only develop their software with the aid of Mendix, but also share information in open forums –a social network for developers. In a strong ecosystem, there are many winners.

We're talking a lot about growth today. And that's a good thing because we need growth – in part, to enable more people around the world to have a better life. But growth must be sustainable. We want to achieve more while using fewer resources. That's possible – but only with the help of new technologies.

Thanks to our technologies, our customers abated nearly 90 million tons of CO2 in fiscal 2021 alone. That's one-and-a-half times Germany's total emissions from industrial processes! Sustainability is good business for Siemens. But even more important: a good business is sustainable. That's why we invest in our own sustainability. In fiscal 2021, we established a comprehensive new framework for our company – with ambitious targets in the environmental, social and governance areas. We call this framework DEGREE.

With DEGREE, we've established sustainability as a key criterion for all our investment decisions. We stand by our values. Always and everywhere. We take our responsibility seriously – and we obligate all our business partners and suppliers to commit to our code of conduct. We systematically monitor compliance with this code.

And something else that's a given for us: We act responsibly and with integrity. And we support this behavior with, among other things, a strong and comprehensive compliance system.

One of the most important sustainability goals, of course, is that Siemens will be climate-neutral – by 2030 at the latest. We pledged this in 2015 as one of the first major companies worldwide to do so. And since then, we've slashed our CO2 emissions by more than half.

How are we doing this? We're switching to renewable sources of energy as quickly as possible. And we're using our own technologies to become more efficient.

A total of 32 of our factories are now completely carbon neutral. Nearly twice as many as in fiscal 2021.

And we're also helping our suppliers cut their CO2 emissions. By 2030, we'll reduce emissions in our supply chain by at least 20 percent.

Our colleagues in China, for example, are working with more than 500 key suppliers and over 10,000 customers to improve their energy efficiency.

By 2030, we also want to evolve in the direction of a circular economy and aim to stop disposing of waste in landfills.

In this way, Siemens is setting standards, and we're not the only ones to say so: We've held one of the top rankings in our industry in the Dow Jones Sustainability Index for 21 years. Currently, we are – again – ranked No. 1.

At Siemens, we create benefits for our customers, sustainable growth for society and the environment – and value for you, our shareholders.

Three hundred thousand colleagues around the world are working to achieve these results.

People who want to continue to develop and continue to grow. People who are being encouraged and empowered to take responsibility.

People like Sara Elkady.

For nearly two years, Sara has been leading our business for maintaining and servicing trains in the Middle East and Africa. When she heard that Siemens wanted to build a new railway network in her home country of Egypt, she absolutely wanted to be part of the project. In part, for personal reasons:

After finishing school, she was initially uncertain about what to study. Her father gave her some advice: "Think about the future and the coming decades. What can you achieve with your life? You're good at math and can quickly solve tricky problems. As an engineer, you could help transform Egypt someday."

Sara chose to take on a key role in this project. She quickly familiarized herself with the material, learned new things, negotiated with our customers – and witnessed the contract being signed on September 1, 2021.

This success was only possible because her managers had encouraged her. And because a great team backed her and took on her day-to-day duties. This way, Sara's own team members also grew as they took on new challenges.

Taking matters into your own hands, continuing to grow, learning, strengthening and empowering one another. We promote and support this culture, this attitude, at our company. For colleagues working on machines and on the factory floor, as well as for those working on computers or directly with customers.

Worldwide, we're doing away with the previous rigid performance evaluations for our colleagues. Instead, we now have individualized and regular talks on professional and personal development. I'm especially pleased that, with the great support of the works councils, we can also quickly introduce this new approach in Germany, too.

In fiscal 2021, we invested more than €300 million in training and continuing education for our employees. Our colleagues have made intensive use of the learning opportunities: more than six million learning hours. An increase by one quarter compared to fiscal 2020.

We don't leave the future of our colleagues to chance. Above all, in our factories – because we need new technology. But we also need the people who have mastered this technology.

Like Tobias Wühr. He was an apprentice in Amberg, Germany. He continued his education and became a mechanical-engineering technician and worked in the workshop at our Amberg factory. In his free time, Tobias experimented with 3D printers. He had the idea of printing spare parts for the machines used at the factory so they could be put back into operation faster. Tobias convinced his boss to invest in a metal 3D printer. Today, spare parts are printed overnight, and machines can be repaired the next day.

Tobias says: "People who have the will to continue their education can really achieve things at our company."

Continuing education is important – and the culture that defines how we work is important, too.

The way we work is changing. Due to the pandemic, the pace of this change has become even faster. We were one of the first major companies worldwide to place its bets on a more flexible work culture. Wherever possible, our colleagues can work on a mobile basis two to three days a week. After all, it's about what you accomplish – not about how long you sit at your desk!

The fact that we at Siemens are living and embodying this new culture together – with our managers, our works councils, our colleagues – makes me very proud.

Remember my colleague Emily Feavel, who worked on the EXPO project in Dubai? After successfully completing her studies, all the career doors were open to her. She chose Siemens. What made her decide to do so? Her answer:

“I lived in a place that didn't have a stable supply of electricity. I want my work to make a concrete contribution toward improving people's everyday lives. That's why I chose Siemens.”

Siemens was founded nearly 175 years ago – an anniversary we'll be celebrating this year.

At the beginning, we were a modest “garage-based business” in a back courtyard in Berlin. A tech startup, as people would call it today.

The Siemens that you own a part of today is a focused technology company:

- We combine the real and the digital worlds like no other company.
- Customers all over the world trust us.
- We help them to accelerate their digital and sustainable transformation.
- We're leveraging our potential.
- We're continuing to grow.

In this way, we're creating long-term value and benefits for our customers, for the environment and society, for the people who work for Siemens.

And, of course, for you as our shareholders.

But what does this mean for you in concrete terms?

Growth. Sustainable growth. We're tapping new markets – and we intend to grow, on a comparable basis, 5 percent to 7 percent annually over the business cycle.

It also means higher profitability – and results with higher cash flow as well as higher returns. Because we're continuing to expand our business portfolio in profitable markets. We're opening up new, digital business models with recurring revenue and higher margins. And by taking these steps, we're leveraging higher growth in our highly attractive product and service businesses.

And how are we achieving all this?

With the right strategy. The right technologies. At the right time.

And naturally with the right team. With people like Emily Feavel, Andreas Möhle, Sara Elkady, De Niang Maria Peymandar, Tobias Wühr – and their 300,000 colleagues.

Thank you.

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