

**ANNUAL SHAREHOLDERS' MEETING
OF SIEMENS AG**

ON FEBRUARY 10, 2022

**MAIN FOCAL POINTS
OF THE SPEECH OF THE
PRESIDENT AND CEO,
DR. ROLAND BUSCH
(FOR ADVANCE PUBLICATION)**

Check against delivery.

A successful start as a focused technology company

- 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: a company that combines the real and digital worlds like no other.
- It's the 300,000 colleagues who turn our strategic priorities into success 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.

Extraordinary business results

- 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. I'm sure 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. Your total shareholder return for one year with the new Siemens: up 45 percent.
- All our Businesses and Regions contributed to this success!
- And we've not only increased our revenue, but also our profitability. The profit margin, or adjusted EBITA margin, was 15 percent in the Industrial Businesses. Adjusted for special gains in fiscal 2020, the profit margin improved 2.4 percentage points!

Customer impact is a strategic priority

- Our customers trust us. The percentage of our customers who recommend Siemens to others has risen, and this increase is also reflected in our orders, which were 15 percent higher than revenue in fiscal 2021. Now it's a matter of processing these orders.
- For our customers, we're more than just a supplier. Siemens is a partner. We help them accelerate their own digital and sustainable transformation.

Siemens continues to expand on its strong position

- The world is becoming increasingly digitalized and sustainable. We identified these megatrends at an early stage and invested strategically. Since 2007, we've invested €12 billion in purchasing software companies as bolt-on acquisitions that perfectly complement our offerings. This has 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.
- We've invested in the right trends and are accelerating our high-value growth with bolt-on acquisitions that complement our offerings, with new technologies and business models and with strong partnerships in our ecosystem.
- We strengthened our company in fiscal 2021 with tailored bolt-on acquisitions and created additional value.
- To date, our markets have had a volume of around €440 billion. With acquisitions, but also with new offerings for consulting and implementing digital transformation, we're also tapping new, adjacent markets. In particular, markets with highly attractive growth rates. 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 divested some businesses. Businesses that were no longer a good match for us and which, conversely, can benefit from having a more suitable owner. This is another way we've increased the value of our company.
- 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. For fiscal 2022, we're planning around €5.5 billion in R&D investments – a figure that would correspond to about 8 percent of our revenue.
- We currently hold around 43,000 patents. We submitted 2,500 new patent applications in fiscal 2021 alone. Every working day, our colleagues report 20 new inventions internally.
- We're transitioning large parts of our software business to a new business model. Instead of buying a software license, our customers can now use many programs online, via the cloud, like a subscription. We call this model Software-as-a-Service (SaaS). It gives our customers greater flexibility and is especially interesting for new customers, particularly smaller companies. This makes it easier for them to use our offerings. Without high barriers to entry, they can see for themselves that the software works well, use only the functions they need and then pay for those functions only.

- There's strong interest in these offerings. Everything is going as planned. A key indicator for our success with SaaS is annual recurring revenue, or ARR. This indicator grew 10 percent in fiscal 2021 to €2.9 billion. We're on a very good trajectory.
- We've set ourselves ambitious growth 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. Initially at a somewhat slower rate because of the transition of our business model to SaaS. Then, after fiscal 2023, we expect ever-faster growth.
- In the age of digitalization, no one can reach their goal alone. In an ecosystem with other strong players we can bring innovations quickly to our customers.

Siemens is driving advances in sustainability

- We need growth – also 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 88 million tons of CO₂ in fiscal 2021 alone.
- 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 new and comprehensive sustainability framework for our company. We call this framework DEGREE.¹
- At Siemens, we act responsibly and with integrity. And we support this behavior with, among other things, a strong and comprehensive compliance system.
- We stand by our values – always and everywhere. We take our responsibility seriously, and we put all our suppliers under obligation to commit to our code of conduct. We systematically monitor compliance with this code.
- Siemens will be climate-neutral – by 2030 at the latest. Not only are we switching to renewable energy as quickly as possible, but 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.

¹ DEGREE: Decarbonization, Ethics, Governance, Resource efficiency, Equity and Employability

- We'll reduce emissions in our supply chain by at least 20 percent by 2030.
- By 2030, we also want to evolve in the direction of a circular economy and aim to stop disposing of waste in landfills.

We strengthen the people at our company

- Worldwide, we're eliminating the previous rigid performance evaluations for employees. Instead, we now have individualized and regular talks on professional and personal development. I'm especially pleased that, with the great support of the workers' council, 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. An investment that flowed, among other things, into over six million digital learning hours. An increase by a quarter over fiscal 2020.
- Siemens must continue to have the courage to change. We must continue to encourage and empower people to take personal responsibility. We must be flexible if we want to remain attractive to top talent. One example of how we're pursuing these goals is our New Working Model. We were one of the first companies worldwide to place its bets on of a new and more flexible work culture for the long term.

This is Siemens today

- Today, Siemens is a focused technology company. We combine the real and the digital worlds like no other company. Customers all over the world trust us to accelerate their digital and sustainable transformation. We're realizing our potential. We're continuing to grow.
- For you as shareholders, this means sustainable growth. We're tapping new markets – and intend to grow, on a comparable basis, 5 percent to 7 percent annually over the business cycle.
- And for you, it also means profitability – and results with higher cash flow and higher returns. We're continuing to expand our business portfolio in profitable markets. We're offering new, digital business models with recurring revenues and higher margins. And by taking these steps, we're leveraging higher growth in our highly attractive product and service businesses.

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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 in the Combined Management Report of the Siemens Report ([siemens.com/siemensreport](https://www.siemens.com/siemensreport)). Should one or more of these risks or uncertainties materialize, should decisions, assessments or requirements of regulatory authorities deviate from our expectations, should 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.

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