Report of the Managing Board

on Agenda Item 8 of the Annual Shareholders' Meeting
of Siemens AG on February 8, 2024

SIEMENS

Siemens Aktiengesellschaft

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It will be proposed at the Annual Shareholders' Meeting that an Authorized Capital 2024 of in total up to €480,000,000 through the issuance of up to 160,000,000 shares of no par value registered in the names of the holders be created. The new Authorized Capital 2024 shall be available for capital increases against contributions in cash and/or contributions in kind and can be used once or several times and also in installments, whereby the total amount must not be exceeded. The new Authorized Capital 2024 is designed to replace the Authorized Capital 2019 that will expire on January 29, 2024, and has so far not been utilized by the Company. It is intended to enable the Company to act quickly and flexibly without the need to wait for the Annual Shareholders' Meeting or for an extraordinary shareholders' meeting to be convened. If this new authorization were utilized to the full, the proposed amount of the new Authorized Capital 2024 of up to 160,000,000 new shares would result in a 20% increase in the current capital stock.

If the Authorized Capital 2024 is utilized, shareholders shall generally be entitled to subscription rights. In order to facilitate ease of handling, the new shares shall also be able to be assumed by credit institutions and other issuing houses in accordance with Section 186 (5) sentence 1 of the German Stock Corporation Act (AktG) with the obligation that they must be offered to the shareholders for subscription (indirect subscription right). In particular in the cases referred to in the proposed authorization, however, the Managing Board shall also be authorized to exclude the subscription rights with the approval of the Supervisory Board.

In the event of capital increases against contributions in kind, shareholders' subscription rights are to be able to be excluded, with the approval of the Supervisory Board, to enable the Company in turn to use Siemens shares quickly and flexibly, particularly in connection with business combinations or the direct or indirect acquisition of companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries, without having to take recourse to the capital market. Siemens AG is faced with global competition and must be able at all times to act quickly and flexibly on the international and regional markets in the interests of its shareholders. This also includes the acquisition at short notice of companies, businesses, parts of companies, participations or other assets or rights to acquire assets, including receivables against the Company or its consolidated subsidiaries, in order to improve its competitive position. Siemens shares may serve as an appropriate or even necessary consideration for conserving liquidity or meeting sellers' expectations. The proposed exclusion of shareholders' subscription rights in the event of capital increases against contributions in kind takes account of this objective. The dilution caused by the exclusion of subscription rights is offset by the fact that the business expansion is financed by third parties by way of strengthening equity and the existing shareholders – albeit with a lower percentage stake and proportion of voting rights than before – participate in growth of the Company which they would have had to finance from their own funds if subscription rights were granted. The stock market listing also gives every shareholder in general the opportunity to increase their percentage stake again by acquiring additional shares.

The Managing Board shall be able to exclude subscription rights, with the approval of the Supervisory Board, in the event of capital increases against contributions in cash if the new shares are issued at a price that is not significantly lower than the stock market price of the Siemens shares already listed. When determining the final selling price, Management shall keep any possible discount on the quoted stock market price as low as possible at that time, taking into account current market conditions. This authorization enables the Company to leverage market opportunities quickly and flexibly and cover capital requirements at short notice. The Company should be in a position, for example, to issue new shares to one or more institutional investors or to enlarge its investor base, including what are known as anchor investors. By excluding shareholders' subscription rights, it is possible to place the shares close to the stock market price, i.e. the discount normally associated with rights issues is eliminated. The part of the capital stock mathematically attributable to the shares issued under this kind of facilitated exclusion of subscription rights must not exceed 10% of the capital stock at the time the authorization takes effect or, if this amount is lower, at the time at which it is used. This meets the shareholders' interest in being protected against dilution of their percentage ownership in the Company. Furthermore, shareholders may in principle purchase shares on the market under comparable terms and conditions if they want to maintain their percentage stake in the Company. The 10% limit includes shares issued or disposed of by direct or mutatis mutandis application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) during the term of this authorization up to the time of it being exercised. It also includes shares that have been issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorization by way of facilitated exclusion of shareholders' subscription rights in accordance with this provision.

In addition, the proposed authorization provides that the Managing Board may exclude, with the approval of the Supervisory Board, shareholders' subscription rights with regard to fractional amounts. The reasonable and market-conforming exclusion of shareholders' subscription rights with regard to such fractional amounts, if any, is intended to allow the authorization to be used for round amounts and thus facilitate ease of handling. Due to the restriction to fractional amounts, the potential dilutive effect is usually very low.

Moreover, with the approval of the Supervisory Board, it is possible to exclude subscription rights in order to grant holders/creditors of conversion or option rights on Siemens shares or of respective conversion or option obligations from bonds issued or guaranteed by Siemens AG or any of its consolidated subsidiaries subscription rights as compensation against effects of dilution to the extent to which they would be entitled after exercise of such conversion or option rights or fulfillment of such conversion or option obligations. This enables a means of dilution protection accepted in the market to be granted to the holders and creditors of these instruments. They are then treated as if they were already shareholders. In order to protect the bonds from dilution, shareholders' rights to subscribe to such shares must be excluded.

The part of the capital stock attributable to the shares issued in accordance with this authorization against contributions in cash and in kind, with subscription rights excluded, must not exceed in total an amount of 10% of the capital stock at the time this authorization takes effect. This limit shall include shares that (i) have been issued from conditional capital, or (ii) are to be issued or granted, on the basis of a convertible bond or warrant bond issued during the term of this authorization, with subscription rights excluded. As a result of these provisions on a capital limit, the authorization to exclude subscription rights when the Authorized Capital 2024 is utilized is further restricted in addition to the provisions on the facilitated exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) and in this respect the shareholders are once again afforded particular protection against dilution of their shareholding.

The Managing Board will carefully consider on a case-by-case basis whether utilization of the Authorized Capital 2024 and in particular an exclusion of subscription rights would be in the interests of the Company and its shareholders. It shall take such action only if, in the appraisal of the Managing Board and the Supervisory Board, that is in the interests of the Company and therefore of its shareholders. The Managing Board will report to the Annual Shareholders' Meeting on utilization of the Authorized Capital 2024.

Munich, December 4, 2023

[signed]
(Dr. Busch)

[signed]
(Neike)

[signed]
(Rebellius)

[signed]
(Prof. Dr. Thomas)

[signed]
(Wiese)

This version of the Report of the Managing Board on Agenda Item 8 of the Annual Shareholders' Meeting on February 8, 2024 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.

Address Siemens AG
Werner-von-Siemens-Str. 1
80333 Munich
Germany
Internet www.siemens.com
Phone +49 (0) 89 7805-33443 (Media Relations)
+49 (0) 89 7805-32474 (Investor Relations)
Fax +49 (0) 89 7805-32475 (Investor Relations)
E-mail press@siemens.com
investorrelations@siemens.com