2024 ANNUAL SHAREHOLDERS' MEETING
OF SIEMENS AG

GROWTH – WITH TECHNOLOGIES
THE WORLD NEEDS

Dr. Roland Busch

President and CEO of Siemens AG

Munich, February 8, 2024

Check against delivery.

I'd like to warmly welcome all of you to the Siemens Annual Shareholders' Meeting!

Today, I'll be introducing you to Danny. Danny supports my colleagues, can draw on decades of experience, is a strong communicator, is extremely helpful, listens carefully and responds extremely quickly. But Danny shows little emotion. As far as we know, he has no emotions. Because Danny isn't human. He's artificial intelligence, AI.

Today, we'll take a look at our figures for fiscal 2023. But first, I'd like to show you exactly how AI supports us.

But a short note in advance: Fiscal 2023 was a record year for Siemens. The third in a row.

Because Siemens stands for growth. Strong growth. Sustainable growth.

This growth also has to do with new technologies like AI. And that's exactly what brings us to Danny. Danny is the nickname for our AI Copilot, who supports us and our customers in – among other things – programming robots and getting them up and running.

And that's exactly what we're going to do now, live, right here at this Annual Shareholders' Meeting.

My colleague Armin Hadzalic has already made friends with Danny. Welcome.

> [While talking to Roland Busch, Armin Hadzalic explains how he'll program an industrial robot, live, during the speech, with the help of the Siemens Industrial Copilot.]

In fact, this is a huge lever for our customers and for Siemens. Sure, if Armin takes his time, he can get a robot up and running even without the help of AI. Armin can do that. But we all face a shortage of people like Armin: highly qualified specialists. With AI, with the help of Danny, colleagues with less experience will also be able to rebuild factories and set up robots in the future. They can talk to machines as if they were human beings.

This is an example of what makes us strong at Siemens: technology. Technology is the most powerful tool we have for transforming our everyday. But we also have to use it properly.

And this is our purpose: We create technology to transform the everyday, for everyone. Through more efficient machines and processes that help achieve more with fewer resources. Through innovations that help us save energy and combat climate change. Through sustainable infrastructure that makes it easier for us to get from A to B. And through faster, better and more affordable diagnoses of diseases.

And this is the way it's been from the very beginning. Siemens grew up together with a groundbreaking base technology: electrical engineering. Taming electricity, making it usable – that marked a great leap forward. We built on this development and have grown with this

for over 176 years: with electric trams, power plants, electric motors, household appliances, electrical circuits. All this has transformed the everyday for billions of people, everywhere. And the growth goes on.

Today, in 2024, the world has a new, groundbreaking basic technology at hand: AI. To be precise: generative AI. The start of a new growth curve, just the way it was with electrical engineering in its day. We've been using AI for a long time. But now, together with our customers, we're bringing this technology to factories, power grids, hospitals and trains on a large scale.

No company is as well positioned as we are when it comes to applying AI in the real world and making it useful. And in all our markets. Using AI correctly is the great opportunity for our generation and those to come. And it's a huge opportunity for Siemens.

Do you remember our strategy? Summed up in a single sentence: Siemens combines the real and the digital worlds. With AI, we can now do this even better. But a strategy must, of course, also translate into economic success. Into growth. Growth for you, the owners of Siemens. Here are the figures. As always, on a comparable basis.

Fiscal 2023 was another record year. The third in a row. We were more profitable than ever before.

- Our industrial businesses posted a profit of €11.4 billion and a profit margin of 15.4 percent. Stronger than ever before!
- Net income nearly doubled to €8.5 billion. That was also a record.
- Free cash flow exceeded €10 billion for the first time – 23 percent higher than in fiscal 2022.
- Revenue grew 11 percent. Since spinning off Siemens Energy, we've increased our revenue from €55 billion in 2020 to €78 billion.
- Orders were up 7 percent to €92 billion.
- And our order backlog grew to €111 billion – another record.

All this, of course, should pay off for you. We promised you a progressive dividend policy. We're keeping our word. We propose increasing the dividend by a good 10 percent, by €0.45, to €4.70. If you're pleased with all these results, you're not alone. Our shares are in high demand and reached an all-time high of €170 in December. Siemens is now one of the 100 most valuable companies in the world.

What makes me especially proud is that we achieved these strong results in a year that was anything but easy. An ongoing war in Europe. Inflation and interest rates still at relatively high

levels. Weak economies in Germany and China. And yet, Siemens is growing. Siemens is growing strongly. And Siemens is growing sustainably.

The success of Siemens is the success of my 320,000 colleagues. I'd like to thank you, all of you, from the bottom of my heart. You've achieved something quite special in a difficult year.

Siemens is well set up, diversified broadly – with different businesses, with customers in different industries and throughout the world. We use our technologies across the full breadth of our business. This approach is efficient. It strengthens us. It makes Siemens a solid and resilient company. And it boosts our growth.

The outlook: We're counting on profitable growth again this fiscal year. We expect to see revenue growth of 4 percent to 8 percent and an increase in basic earnings per share before effects from purchase price allocation accounting and excluding the Siemens Energy Investment in the range of €10.40 to €11.00 per share. And we've made a successful start to fiscal 2024 in the first quarter.

That means: Growth today. With technologies the world needs. But – what's just as important for you – growth tomorrow. With new technologies. In strongly growing markets.

Let's take the example of battery production: Last April, I was in Sweden and toured one of Northvolt's gigafactories. A truly enormous plant, one of the largest lithium-ion battery factories ever built. The factory is currently as big as 70 soccer fields – and it's continuing to grow. During the tour, the factory manager explained Northvolt's goal: the world's greenest battery. Northvolt has already succeeded in slashing the carbon footprint for many battery types by two-thirds.

Siemens supports Northvolt with a broad offering: Our digital twins help Northvolt design the batteries – and the factories. Our automation solutions control production. Our building technology ensure a good interior climate. Our fire protection technology helps prevent disasters. We're making sure the electricity keeps flowing. Our consulting teams are making systems and processes even more efficient. We've even invested in Northvolt. No other company can offer all of this from a single source. It's also why we're so strong in our business. Not only with Northvolt, but also with other major battery manufacturers in Asia and Europe.

The fact is: Siemens is much more than the sum of its parts. Siemens is not just a technology company. Siemens is one technology company. Working together, our businesses drive Siemens' success.

Another example is the market for data centers. This global market will grow by around 10 percent a year up to 2030. In Mesa, near Phoenix, around three dozen data centers are

currently being built. There, in the Arizona desert, among the cacti and coyotes, is where AI is "at work," so to speak. Because ChatGPT and all the other language models operate in the cloud. Decentralized in data centers. The numerous servers naturally need electricity. We supply complete electrical installations – including low- and medium-voltage systems, switchgear, power distribution systems and fire protection systems.

Here, we come full circle: Microsoft is our customer for particularly energy-efficient and fail-safe power supplies for data centers. And together with Microsoft, we build AI solutions – solutions that we and our customers use.

In October, I met Satya Nadella, CEO of Microsoft, in Berlin and spoke with him about our collaboration. Let's listen for a moment to what he said:

> [Video recording with German subtitles: "In fact, for us, if you look at all of this generative AI push, at the end of the day, the big constraint is always going to be green energy for our data centers. And so, in fact, we are big customers of yours and big partners there. So, we are really making sure that we have the right, for us, upstream supply chain that allows us to meet our commitments to be able to deliver what I think can be the biggest breakthroughs of productivity downstream when it comes back. So, it's sort of a circular side where you help us produce more AI with green supply chain so that you can then produce more industrial solutions."]

Siemens is one strong tech company – with strong partners. Our overall company performance is what counts, of course. Nevertheless, we've broken down the figures for you again into our individual businesses so you can track their progress from year to year.

Let's first take a look at Digital Industries: The business delivered three records: achieving 15 percent growth, a 22.6 percent profit margin and €4.2 billion in free cash flow. The transition to software-as-a-service is making progress. The latest figures: around 12,600 customers – including many small and medium-sized businesses – are now using these services.

Smart Infrastructure: 15 percent growth in revenue last year, with a 15.4 percent profit margin. Free cash flow at €2.9 billion. That's three records at Smart Infrastructure as well. Over the past 13 quarters, we've been able to increase the margin year-on-year every single time.

Strong figures at Mobility, too: Revenue was up 15 percent. The profit margin was at 8.4 percent – well above our competitors. Mobility increased its free cash flow by around 36 percent to over €1 billion. And its order intake exceeded €20 billion for the first time.

And where is this growth in our rail business coming from? From India, among other places. The state railway company ordered 1,200 electric locomotives from us for freight transport. It

was the largest locomotive order in our history – worth €3 billion. Over time, these locomotives can replace up to 800,000 trucks. In addition, the contract includes the service and maintenance of the locomotives for 35 years. We'll base this work on our Railigent X open digital platform – which naturally also uses AI. We'll certainly be talking more often about India in the coming years: 1.4 billion people, strong economic growth, huge investments in infrastructure. What can the country use from Siemens' portfolio? Practically everything.

Strong orders are also coming in from Germany. We'll build 90 trains for the Munich S-Bahn commuter rail system, for €2 billion. One exciting development: Updates to the trains' operational software will no longer have to be installed manually in the depot. Instead, they'll be made via the cloud. We've concluded a long-term software maintenance contract running up to 2034.

Siemens Healthineers: The company is and remains an innovation leader. It virtually reinvented magnetic resonance imaging, or MRI for short. The latest generation of scanners is now more compact, uses fewer resources, and is less expensive. This also makes the scanners affordable for emerging and developing countries.

Conventional scanners require 1,000 liters of liquid helium for cooling during operation – the coolant alone costs up to €50,000, and the cooling uses a considerable amount of electricity. The new design needs only one liter. And with its advanced algorithms and AI, the new MRI scanner produces images at the quality of those from a conventional device, with just a third of the magnetic field strength! That's why Germany's President Frank-Walter Steinmeier awarded my colleagues at Siemens Healthineers the German Future Prize. Congratulations!

Strong innovations. Strong figures. Revenue also grew at Siemens Healthineers. The business with COVID-19 rapid tests has been discontinued. So, to make the relevant revenue development comparable, we've excluded it from this analysis. Comparable revenue growth was over 8 percent, and the profit margin was 11.7 percent.

Four examples: Resource-saving, affordable MRI, locomotives in India, data centers in the U.S., and battery production in Sweden. Four examples of how Siemens is growing. Four examples of how we're creating technology to transform the everyday, for everyone.

But these four examples also show that Siemens is one strong team: You see how our businesses work together. You see how other world-class companies are building up partnerships with us – with Siemens as an equal partner. You see how our core competencies in digital technologies and AI benefit all our businesses.

You see that Siemens has the technologies the world needs. Today. And tomorrow. Hardware and software. Electrification and automation. Valuable data and AI. As well as the experience and domain knowhow to use new technologies correctly.

Siemens combines the real and the digital worlds. And this is exactly what our future growth will be about. We're gearing our entire company toward this future. How are we doing it? The answer: Siemens Xcelerator, our open digital business platform. Where our customers can find everything they need for their own digital transformation and for achieving their sustainability targets. This platform includes an open marketplace where our partners, too, can contribute their technologies, solutions and services.

We're also seeing this success reflected in our revenue: Our software and digital service business grew – with Siemens Xcelerator – across the entire portfolio. Revenue was €7.3 billion, an increase of 12 percent.

Naturally, we're also adapting our portfolio to our strategy. With Innomotics, we've launched a world-class champion for motors and large drives as a new brand. The company is now standing on its own two feet, and we want to take it public or find a new, better owner. One that fits the business very well. We further reduced our stake in Siemens Energy, and we'll continue this process.

With the acquisition of Heliox, we're strengthening our e-mobility portfolio. Heliox is the technology leader in fast-charging solutions for electric buses and trucks. BuntPlanet is another of our acquisitions. The company offers AI-powered solutions for water utilities. Combining them together with our hardware, our customers can detect water losses in their networks even earlier and further reduce them.

Siemens is growing. Siemens is growing strongly. Siemens is growing sustainably. Record results for the last three years. You're probably asking: What's next? What counts for the share price, for the value of your company, is future growth – not yesterday's growth. Where will this growth come from? And how will the world we live in continue to develop? This year will – once again – be unusually difficult for investors. New technologies, like AI, are getting people interested in investing. Yet, global political conflicts and higher interest rates are dampening optimism. What now? Give gas? Step on the brakes? Or both?

When I look at Siemens – at our history and our current position in the market – I'm confident. We seize the good times. And we successfully weather the storms. We have a diversified setup – and it strengthens us when the global economy isn't doing so well. We have strong cash flows. We have strong, long-standing customer relationships. And we have a robust, global team.

Siemens will be growing over the long term because we've geared our portfolio toward the long-term trends: Climate change, urbanization, demographic change, glocalization. And a trend that's accelerating everything: digitalization.

We have the technologies the world needs. To keep it that way, we're investing heavily in research and development: €6.2 billion in the past fiscal year. More than 1,500 AI experts work at Siemens. And when it comes to patents for machine learning and AI, we're on a par with the largest tech companies worldwide, such as Microsoft and Alphabet. We publish around ten times as many patents in this area as our traditional industrial competitors. Ten times as many! And now it's all about what we do with them. How we turn these good ideas into products, into solutions, into real added value for our customers.

This growth also requires investments in the real world. Where markets are growing, where new opportunities are emerging. That's why we announced huge investments last year. More than €2 billion. For innovation centers, for training centers, for digital factories and for resilient and profitable growth. Among other things, we're building a factory for high-tech automation in Singapore, and we're expanding a plant in China. In the U.S., we're building a plant for locomotives as well as a factory for high-tech products for electrical infrastructure. This one to fulfill the orders for the new data centers in Arizona.

And we're also placing our bets on Germany as a business location. Yes, Germany faces challenges. But the country also has a lot to offer. There are established, successful ecosystems here, such as in automotive, chemicals, pharmaceuticals and very strong small- and medium-sized enterprises. We invest in Germany because we believe in the country's innovative strength and inventive spirit.

And I'd like to state loud and clear: extremism of any kind hurts this country. Prosperity is based on progress and innovation, on exchanges and openness, on diversity and dependability – and above all on creative and committed people. And this naturally includes all those who come to Germany and want to contribute themselves and their skills.

Siemens is investing €1 billion in Germany, including a new high-tech campus in Erlangen. Incidentally, numerous teams are also working there on the industrial metaverse. We're hearing this term more and more often. What exactly is the industrial metaverse? It's a place for industrial innovations. It combines the real and the digital worlds. A virtual, photorealistic space where people – and AI – can work together in real time to solve real problems.

With generative AI and the industrial metaverse, building and using technology becomes easier and faster. A fantastic vision? The fact is, we've long had the most important building blocks needed for the industrial metaverse. You can find them on Siemens Xcelerator: Digital

twins, software-defined automation, and data and AI. Let's take a closer look at these three important building blocks. One by one.

First: What exactly is a digital twin? Digital twins depict the real world. Not only shapes and colors, but also physical reality. How does an object behave when the temperature rises? What happens when I shake it? But also: How does an entire factory and all its machines respond when I upload a software update? With the help of digital twins, I can test all these things – before changing anything in the real world.

This all sounds rather abstract. To make it clearer, I've invited Velia Janetzky to join us today. She works for us in Erlangen, where she builds pilot applications for the industrial metaverse. Welcome, Velia.

> [While talking to Roland Busch, Velia Janetzky explains how the industrial metaverse works with digital twins at the Siemens "F80" location in Erlangen, Germany, and how she's developed personally in the process.]

It's hard to believe how much we can achieve with simulations and digital twins. But in the end, it's all about transforming the real world. Whatever we develop, we must also be able to produce it.

This brings us to the second aspect of the industrial metaverse: software-defined automation. This also sounds abstract, but it has a huge impact in the real world.

Worldwide, one out of three machines are run with Siemens controllers, so-called PLCs: little boxes filled with software and hardware. Mini brains, so to speak, that are distributed throughout a factory. They tell the machines what to do, millisecond by millisecond.

We're now virtualizing these controllers, these mini brains. What does this mean in concrete terms? We separate the hardware from the software. We combine the many mini brains. We remove them from the machines themselves and bring them together in a small, local cloud, a central computing room. This room could be located ten kilometers away – and production can still be controlled in real time, millisecond by millisecond.

This approach has many advantages for our customers. Need to ramp up production? With just a couple of mouse clicks, our customers will be able to add virtual controllers. Software updates? No problem. Rather than updating each of the machines and systems separately, it can be done remotely. Want to reprogram your machines? In the future, you won't even have to learn a special programming language or leave the computing room. Our customer Audi has already been working with the innovative virtual PLCs for several weeks.

These controllers are not just needed in factories, but everywhere machines are used: in power grids, office buildings, trains. In the future, customers from all these sectors will be

able to order and set up controllers online. Where? Naturally via the Siemens Xcelerator marketplace, which also has offerings that make setup and operation easier with the help of AI.

And that brings us to the third important aspect of the industrial metaverse: AI, in particular, generative AI, and data.

We aren't building the industrial metaverse on our own. After all, the internet wasn't created by a single company either. Partnerships are crucial for our success in this regard. We're part of ecosystems: We give, we take, we grow with our partners and with our customers. Velia did a great job of explaining this earlier.

We're working with NVIDIA, for example, on photorealistic visualizations for the industrial metaverse. Together with Amazon Web Services, we're making it even easier to incorporate AI into computer programs and apps. With our partner Esri, we're building digital twins of power grids. Esri has the geodata; we contribute the simulation software from Siemens Xcelerator. This combination makes it easier for our customers to plan, operate and maintain their grids and integrate renewable energies. Together with Microsoft, we designed and built the Industrial Copilot that Armin is working with at the moment.

The industrial metaverse is not just a vision. We're building it – today. And our customers are already using many of its components.

HEINEKEN, for example, uses digital twins to reduce CO_2 emissions in its production. CO_2 belongs in beer, of course: the gas makes it fizzy and frothy. But we want CO_2 in the glass – not in the atmosphere. Siemens is extensively supporting HEINEKEN's decarbonization program. The goal is to cut CO_2 emissions by half at more than 15 production sites next year. With the help of a digital twin, we simulated the production sites' energy flows. As a result, it quickly became clear which changes would bring the most benefit: for example, using heat pumps.

Investments in digital transformation. Investments in sustainability: More than 90 percent of our business enables our customers to achieve positive sustainability impacts.

Hydrogen-powered trains are another example. This year, we'll be delivering nine trains. The main market is Europe, where around 15,000 diesel-powered trains are currently in service. They will be replaced by hydrogen and battery trains by 2040. We offer both. There's potential for strong growth here.

Our customers don't just want to reduce their own CO_2 emissions. They're now taking a much closer look at upstream products – that is, at emissions across the entire supply chain. Last year, I presented our solution for monitoring all this data – SiGREEN. We've already

gained more than 300 customers. Together for Sustainability – a sustainability initiative in the chemical industry – has opted for a pilot project with SiGREEN. Fifty-one companies are taking part in this initiative. Last year, we founded the joint venture Cofinity-X with numerous automotive companies and suppliers. Cofinity-X builds a platform on which data can be shared securely and efficiently. It also uses SiGREEN. BMW, Mercedes, Volkswagen, SAP, BASF, Henkel, ZF and Schaeffler – among other companies – are part of this joint venture.

We use SiGREEN – among other things – for a new Siemens product we're currently developing: the digital battery passport. As of 2027, all new electric vehicles sold in the EU will require such a passport. Where does the battery come from? How much recycled material does it contain? Can it be recycled? How much CO2 was emitted during its production?

By the way, you can also find SiGREEN directly in the Siemens Xcelerator marketplace. That's also where you can find the Siemens Industrial Copilot that Armin is currently working with. It's high time to pay him and Danny a visit.

> [While talking to Roland Busch, Armin Hadzalic shows how the robot works after it has been successfully programmed and how to communicate with it in natural language. He's joined by Stefan Gahabka from Schaeffler – a Siemens customer – who explains the benefits of the Siemens Industrial Copilot for the automotive and industrial supplier and how exactly it's used.]

Really impressive what the team has achieved together with Schaeffler. But Danny is also asking quite a bit from us as well. We have to overcome a hurdle, conquer our fear: Will AI take away our work? Armin and Stefan have shown us that AI helps us solve difficult tasks. It supports us with our further development. It helps us grow.

At Siemens, we call this the growth mindset. With the help of AI, Velia and Armin, my colleagues, can achieve more and learn new things. Everyone learns at Siemens. Every day. In fiscal 2023, we invested more than €400 million in training and continuing education for our colleagues. Around 40,000 of them took part in AI training, for example. This is a topic that affects every one of us – whether we work in a factory or in an office. In the end, our colleagues are asking similar questions. What does AI mean for me? How does AI help me in my work? How do I deal responsibly with the risks? In particular, the colleagues in our factories make increasing use of our training and learning opportunities. In fiscal 2023, the share of participants nearly doubled year-over-year.

So, it's not just revenue and profit that are growing at Siemens; people are growing here as well.

And, by the way, we're investing in future talents, even if they aren't yet working for us. Take Khady Diouf, for example. She is 21 years old and is about to complete her computer science studies. She lives in Dakar, Senegal, and is taking part in the African Girls Can Code program. Six hundred young women from the region can choose from different offerings, which include computer animation, robotics, 3D printing and programming. Siemens provided almost €800,000 in funding as well as laptops for the program. One of them went to Khady. She says: "This is a huge opportunity for me. With the help of Siemens, I'm currently learning even more about cybersecurity. It will help me when I start working."

This is the growth I mean. We must never forget that economic growth is not an end in itself. Growth serves us humans.

Growth is healthy when it conserves and protects the environment. Growth is healthy when it helps us transform the everyday, for everyone. Growth is healthy when we achieve it sensibly and honestly.

These are the benchmarks by which we measure ourselves at Siemens. High ethical standards. High compliance standards. High demands for our own sustainability. And there are no half-hearted compromises. I've talked to you about our DEGREE sustainability framework over the past few years: It sets clear, quantifiable goals.

Two strong successes: We've already increased the share of women in top management positions to over 30 percent – and have done so two years ahead of schedule. We've already cut our own CO_2 emissions by half since 2019. We expect to reach 90 percent by 2030. In recognition of this success, the Carbon Disclosure Project (CDP) – an independent climate protection program – awarded us its top rating just a few days ago.

Today, you met Velia, Armin, Stefan and Khady. All of them stand for growth: Khady is preparing for her career. Velia is using new technologies with a sharpened focus on benefits and profit. Armin and Stefan are helping their colleagues do things that previously required years of training. And, by the way, Danny is also growing: the AI Copilot is learning something with each new task. But only when humans guide it.

Growth. This is what Siemens stands for. Healthy growth. Strong growth. Sustainable growth. Growth today with our record performance. And growth tomorrow with technologies the world needs.

Thank you.

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