

Siemens Healthineers AG

Annual financial statements as of September 30, 2021

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Combined Management Report

The Management Report of Siemens Healthineers AG has been combined with the Management Report of the Siemens Healthineers Group in accordance with Section 315 (5) together with Section 298 (2) of the German Commercial Code (Handelsgesetzbuch) and is published in the 2021 Annual Report of the Siemens Healthineers Group.

The Annual Financial Statements and the Combined Management Report of Siemens Healthineers AG for the fiscal year 2021 are filed with the operator of the German Federal Gazette and published in the German Federal Gazette.

The Annual Financial Statements of Siemens Healthineers AG as well as the Annual Report for the fiscal year 2021 are also available for download on the Internet at:

→ www.corporate.siemens-healthineers.com/investor-relations/presentations-financial-publications

A.

Annual financial statements

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A.1 Income Statement

(in millions of €)	Notes	Fiscal year	
		2021	2020
Revenue	1	16	16
Cost of sales		-15	-15
Gross profit		1	1
General administrative expenses		-123	-27
Other operating income	2	2	1
Other operating expenses	2	-30	-29
Income from operations		-150	-54
Income from investments	3	2,005	1,535
Interest income	4	-4	0
<i>thereof negative interest from financial investment</i>		-5	-
Interest expenses	4	-46	-18
Other financial income (expenses), net	5	-3	-1
Income from business activity		1,803	1,463
Income taxes	6	-450	-327
Income after taxes/Net income		1,353	1,135
Appropriation of net income			
Net income		1,353	1,135
Profit carried forward		538	259
Unappropriated net income		1,891	1,394

A.2 Balance Sheet

(in millions of €)	Notes	Sept. 30,	
		2021	2020
Assets			
Non-current assets	7	31,767	19,209
Property, plant and equipment		0	0
Financial assets		31,767	19,209
Current assets		2,185	1,583
<i>Receivables and other assets</i>	8	2,182	1,583
Receivables from affiliated companies		2,064	1,508
Other receivables and other assets		119	75
Cash and cash equivalents		3	0
Prepaid expenses	9	9	45
Active difference resulting from offsetting		0	0
Total assets		33,961	20,837
Shareholders' equity and liabilities			
Shareholders' equity	11	18,509	15,868
Subscribed capital ¹		1,128	1,075
Treasury shares		-5	-1
<i>Issued capital</i>		<i>1,123</i>	<i>1,074</i>
Capital reserve		15,496	13,400
Unappropriated net income		1,891	1,394
Provisions		180	217
Provision for pensions and similar obligations	12	27	22
Other provisions	13	153	195
Liabilities	14	15,181	4,752
Trade payables		3	7
Liabilities to affiliated companies		15,150	4,740
Other liabilities		28	5
Deferred income	9	91	-
Total shareholders' equity and liabilities		33,961	20,837

¹ Conditional capital as of September 30, 2021, in the amount of €107.5 million (previous year: €100.0 million).

A.3 Notes

A.3.1 General Disclosures

Siemens Healthineers AG has its registered office in Munich, Germany, where it is registered under number HRB 237558 in the register of the Munich Local Court.

The Company was formed in December 2017 and serves as the management holding company for the Siemens Healthineers Group, providing central administrative services.

Siemens Healthineers AG shares are traded on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under the ticker symbol SHL. The Company was listed on the DAX, the German stock index, in September 2021.

On April 15, 2021, Siemens Healthineers completed the acquisition of all of the shares of Varian Medical Systems, Inc. (hereinafter "Varian"), headquartered in Palo Alto/United States, for US\$ 16.4 billion (€ 13.9 billion). Siemens Healthineers AG did not itself acquire the shares of Varian. Instead, they were acquired by Munich-based Siemens Healthineers Holding I GmbH, which received the corresponding financial resources from Siemens Healthineers AG in the form of additional capital contributions. A capital increase was performed for purposes of partly financing this deal in March 2021. As a result, the interest in Siemens Healthineers AG held directly and indirectly by Siemens AG decreased from around 79% (as of September 30, 2020) to just over 75%.

The bridge facility arranged in fiscal year 2020 with Siemens Finance B.V., The Hague (Netherlands), in the course of financing this acquisition was not drawn down and was terminated entirely in March 2021. A commitment fee was required to be paid on the undrawn bridge facility. This fee and other remuneration were reported in interest expenses. The Varian acquisition was instead financed with seven loans from Siemens Finance B.V. with terms of up to 20 years totaling US\$ 10 billion, which were hedged with forward exchange contracts and currency swaps, along with one loan in the amount of €850 million.

In addition, Siemens Healthineers AG assumed a loan totaling US\$ 1,689 million plus the interest accruing up to the date of transfer from Siemens Healthineers Beteiligungen GmbH & Co. KG as part of debt assumption and discharge of transferor from all liability and ex ante waiver of recourse and also transferred the associated forward exchange contracts, which had a positive fair value. Since the fair value of the loan on the date of transfer exceeded its settlement amount, this gave rise to deferred income. The loan was originally made by Siemens Finance B.V. to Siemens Medical Solutions USA, Inc., Wilmington/United States.

The annual financial statements as of September 30, 2021, were prepared in accordance with Section 264 (1) of the German Commercial Code (Handelsgesetzbuch – HGB), in conjunction with Section 267 (3) and Section 264d of the HGB, on the basis of the provisions of the HGB governing financial reporting by large corporations as well as the provisions of the German Stock Corporation Act (Aktiengesetz – AktG). Amounts are generally presented in millions of euros (millions of €). Some figures may not add up precisely to the totals presented because of rounding.

The Income Statement was prepared using the cost of sales method.

A.3.2 Accounting policies and methods

Proceeds from management services for affiliated companies are recognized as *revenue*.

Distributions by other entities are presented as *income from investments* if they do not demonstrably relate to reserves arising prior to the acquisition of the investee or a repayment of previous capital increases or additional capital contributions.

Financial assets acquired by way of contributions in kind from shareholders are generally recognized in the amount issued according to the resolution to increase the share capital, up to a maximum of their fair value at the time of the contribution. Contributions in kind to other entities and shares in other entities acquired as part of exchanges are carried as acquisition costs either at their carrying amount or at the fair value of the asset contributed, up to a maximum of the fair value, on a case-by-case basis, exercising the option provided under the principles governing exchanges of assets. Grants made to affiliated companies without consideration are capitalized as acquisition costs only when the grant increases the intrinsic value of the equity investment. Distributions from other entities are recognized as repayment of capital or a reduction in acquisition costs to the extent to which distributions demonstrably relate to reserves arising prior to the acquisition of the investment and therefore included in the acquisition costs, or the distributions involve previously executed capital increases or additional capital contributions. Distributions of liquidity by partnerships are generally treated as repayment of capital. Impairment losses are recognized if the decline in value is presumed to be other than temporary. This applies when objective evidence, particularly events or changes in circumstances, indicate a significant or other than temporary decline in value. If relevant, the COVID-19 pandemic and the associated significant uncertainty was taken into account when measuring long-term financial assets. The COVID-19 pandemic did not lead to any need to adjust the carrying amounts of long-term financial assets in fiscal year 2021.

The Company exercises the option to recognize debt discounts as *prepaid expenses*.

Pensions and similar obligations: Siemens Healthineers AG measures its pension obligations using the necessary settlement amount calculated with the actuarial projected unit credit method on the basis of biometric probabilities. Entitlements resulting from plans based on asset returns are generally measured at the fair value of the underlying assets at the reporting date. If the performance of the underlying assets is lower than a guaranteed return, the pension obligation is measured by projecting forward the contributions at the guaranteed fixed return and discounting back to a present value. The discount rate used for discounting pension obligations corresponds to the average market interest rate for instruments with an assumed remaining maturity of 15 years as published by Deutsche Bundesbank. Siemens mortality tables (Siemens Bio 2017/2020) were applied in fiscal year 2021.

Other provisions are recognized in an appropriate and sufficient amount to cover individual obligations for all identifiable risks relating to uncertain liabilities, taking account of price and cost increases expected to arise in the future. Material provisions with a remaining term of more than one year are discounted using a discount rate which corresponds to the average market interest rate appropriate for the remaining term of the obligations, as calculated and published by Deutsche Bundesbank.

Foreign currency translation: Receivables, other assets, cash and cash equivalents, provisions and liabilities as well as commitments and contingencies denominated in foreign currency are generally translated applying the spot exchange rate on the balance sheet date.

The option of applying *hedge accounting* is exercised on a case by case basis. All derivative financial instruments in these annual financial statements were used for hedging purposes and combined with the hedged items into hedges. Hedges are recognized using the net hedge presentation method (Einfrierungsmethode). Derivative financial instruments for hedging against foreign currency risks such as forward exchange contracts and currency swaps are generally designated in full as hedging instruments. In this case, when hedge accounting is applied, the changes in the value of the hedged items and of the spot components of the derivative financial instruments are offset. Only a net negative amount from the ineffective portion of the change in fair value is recognized as a provision. The unrealized gains and losses from the effective portion offset each other and are not recognized either in the balance sheet or in the income statement. The forward component of derivative financial instruments for hedging against foreign currency risks at the moment when the forward exchange contracts are entered into, which are accounted for as a hedge against the risks of an interest-bearing liability, is recognized pro rata temporis over the term of the derivative financial instruments as an adjustment of interest expenses. If the forward component in this case results in a discount from the spot rate, this is reported under other assets provided that the presentation as a receivable from affiliated companies does not take precedent.

Deferred taxes are calculated for timing differences between the carrying amounts of assets, liabilities, prepaid expenses, and deferred income in the financial statements and their tax base. Any resulting tax liability is recognized as a deferred tax liability in the balance sheet. In the case of a tax benefit, the recognition option is not exercised and no deferred tax asset is recognized.

Classification of items in the annual financial statements: Siemens Healthineers AG aggregates individual line items in the income statement and in the balance sheet if the individual line item is not material for providing a true and fair view of the Company's financial position and if such an aggregation improves clarity of presentation. Siemens Healthineers AG discloses these items separately in the notes.

As in the previous year, the *list of shareholdings* generally discloses amounts from the annual financial statements of the company concerned in accordance with local GAAP.

A.3.3 Notes to the Income Statement

Note 1 Revenue

Revenue in the amount of €16 million (previous year: €16 million) resulted solely from providing management services to affiliated companies.

Revenue was generated both from affiliated companies in Germany (€12 million) as well as outside of Germany (€4 million).

Note 2 Other operating income and expenses

Other operating income included in particular reimbursements by Siemens AG in the amount of €2 million (previous year: €1 million) for the cost of share-based payments awarded to employees of Siemens Healthineers AG as part of the IPO Incentive. The associated expenses are presented as functional cost or personnel expenses.

In fiscal year 2021, other operating expenses related nearly exclusively to incidental transaction costs incurred in connection with the capital increase and the share buyback program completed in this fiscal year as well as taking up of the U.S. dollar loans from Siemens Finance B.V.

Note 3 Income from investments

Income from investments was attributable to the profit and loss transfer agreement with Siemens Healthcare GmbH, Munich, in the amount of €1,879 million (previous year: €1,459 million) and to income from investments of €126 million (previous year: €76 million) in connection with Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach. Income from investments therefore stemmed entirely from affiliated companies.

The profit and loss transfer agreement between Siemens Healthineers AG and Siemens Healthcare GmbH was entered into in February 2018 with effect from April 1, 2018, and for an indefinite duration. The agreement was entered in the Commercial Register on April 16, 2018, and may be terminated for convenience on three months' notice, but not earlier than the end of the day on September 30, 2023. It includes an obligation to assume the losses of Siemens Healthcare GmbH as provided in Section 302 of the German Stock Corporation Act as amended from time to time.

Note 4 Interest income and expenses

Interest income from affiliated companies included negative interest of €5 million (previous year: €0 million). Interest expenses primarily included incidental financing costs of €28 million (previous year: €5 million) for the bridge facility referred to above and incurred in connection with the April

2021 acquisition of Varian. Interest expenses were reduced by €118 million (previous year: €36 million) due to the recognition pro rata temporis of the forward components of forward exchange contracts and currency swaps included in hedges and by €18 million (previous year: €0 million) due to the reversal pro rata temporis of the deferred income from the loan assumed from Siemens Healthineers Beteiligungen GmbH & Co. KG in fiscal year 2021. Interest expenses from affiliated companies amounted to €46 million (previous year: €18 million) and did not include any positive interest due on borrowings.

Note 5 Other financial income (expenses), net

Other financial income/expenses, net, primarily included net interest expenses of €3 million (previous year: €1 million) from the measurement of pension provisions. The interest component of the change in pension provisions represents expenses from the discounting of provisions.

Note 6 Income taxes

Income taxes related solely to current income taxes resulting from corporate income tax and trade tax because the excess deferred tax assets were not recognized due to the exercise of the option under Section 274 (1) sentence 2 of the HGB.

A.3.4 Notes to the Balance Sheet

Note 7 Non-current assets

(in millions of €)	Acquisition costs			Accumulated Impairment			Carrying amount	
	Oct. 1, 2020	Additions	Disposals	Sept. 30, 2021	Oct. 1, 2020	Depreciation/amortization	Sept. 30, 2021	Sept. 30, 2020
Property, plant and equipment								
Other equipment, plant and office equipment	0	–	–	0	0	0	0	0
Total	0	–	–	0	0	0	0	0
Financial assets								
Shares in affiliated companies	19,209	27,314	–14,757	31,767	–	–	–	31,767
Loans	0	–	0	0	–	–	–	0
Total	19,209	27,314	–14,757	31,767	–	–	–	31,767

As described in → A.3.1 *General Disclosures* Siemens Healthineers AG assumed a loan from Siemens Healthineers Beteiligungen GmbH & Co. KG, including accrued interest payable, subject to debt assumption and discharge of transferor from all liability and ex ante waiver of recourse. This transaction was recognized as an additional contribution without an obligation to provide consideration, applying the principles for the accounting for contributions in kind as acquisition costs for the

investment in the amount of the fair value of the loan assumed. The transfer of the associated forward exchange contracts led to a pro rata disposal of the carrying amount in the ratio of the fair value of the forward exchange contracts transferred to the fair value of the investment. These transactions led to a total increase in the carrying amount of the investment by €1,509 million.

In the course of the acquisition of Varian, the financial resources required for the acquisition were made available to Siemens Healthineers Holding I GmbH by way of additional capital contributions in euros and U.S. dollars. The additional contributions increased financial assets by €13,984 million. The additional contribution in euros was necessary since a portion of the purchase price obligation for Siemens Healthineers Holding I GmbH was hedged with a conditional forward exchange contract.

In August and September 2021, a number of intra-group transactions were conducted to optimize the Group's structure after the Varian acquisition. Siemens Healthineers AG was involved in this series of transactions in that it sold shares of Siemens Healthineers Holding I GmbH to the same in return for all outstanding shares of an affiliated company which at this time held the interest in Varian Medical Systems, Inc. The shares acquired were immediately contributed to Siemens Healthineers Beteiligungen GmbH & Co. KG. This contribution fulfilled the contribution obligation dated September 29, 2020, and amounted to €3,000 million. The transactions were recognized at the carrying amount in accordance with the principles for accounting for exchanges and contributions in kind. As a result, these transactions led to an overall reduction in shares in affiliated companies by €3,000 million.

Moreover, an additional capital contribution of €65 million was pledged to and called up by Siemens Healthineers Holding I GmbH.

Note 8 Receivables and other assets

Receivables from affiliated companies mainly comprised other receivables and other assets and included receivables of €181 million (previous year: €21 million) with a remaining term of more than one year. Receivables from affiliated companies included receivables from shareholders amounting to €185 million (previous year: €49 million).

As in the previous year, all other receivables and other assets had a remaining term of less than one year at the reporting date.

Note 9 Prepaid expenses and deferred income

Last year, prepaid expenses included two debt discounts of €21 million. The debt discounts arose in the course of the assumption of two loans in 2019 from Siemens Healthineers Beteiligungen GmbH & Co. KG, because the fair value of the loans assumed, which was recognized at the cost of the shares of the subsidiary, was below their settlement amount at which they were recognized as a liability. As of September 2021, one debt discount was released in full upon maturity of the loan. As of September 30, 2021, the still existing discount was valued at €9 million. Its reversal is occurring over the term of the loan up to September 2023.

In conjunction with the bridge facility for securing the financing for the Varian acquisition mentioned in section → A.3.1 *General Disclosures*, last year's prepaid expenses figure included charges similar to interest totaling €24 million. These were released to income in the first half of fiscal year 2021 up to termination of the bridge facility.

The assumption of another loan from Siemens Healthineers Beteiligungen GmbH & Co. KG in October 2020 resulted in deferred income of €109 million, because the fair value of the loan assumed, which was recognized at the acquisition cost of the shares of the subsidiary, was higher than the settlement amount at which this was recognized as a liability. The deferred income has a term until 2026, and its carrying amount was €91 million as of September 30, 2021.

Note 10 Deferred tax assets

The calculation of deferred taxes yielded a surplus of deferred tax assets, which was not recognized, exercising the option under Section 274 (1) sentence 2 of the German Commercial Code.

A tax rate of 29.64% was applied for the measurement of deferred taxes. Deviating from this, for partnerships a tax rate of 15.83% was applied for temporary differences of assets, liabilities and prepaid/deferred items.

Because Siemens Healthineers AG is the group parent for income tax purposes, the deferred taxes of the tax group subsidiaries were recognized at the Company.

Taxable temporary differences resulted from intangible fixed assets, goodwill, shares in affiliated companies, investments, and plan assets offset against provisions of tax group subsidiaries of Siemens Healthineers AG. Deductible temporary differences resulted from the pension provisions of Siemens Healthineers AG and the tax group subsidiaries up to the amount of taxable temporary differences. Further deductible temporary differences related primarily to shares in affiliated companies of Siemens Healthineers AG and to other provisions, inventories, intangible fixed assets, and current liabilities of tax group subsidiaries.

Note 11 Equity

(in millions of €)	Oct. 1, 2020	Share buybacks	Issuance of treasury shares under share-based payments	Dividend 2020	Capital increase	Net income	Sept. 30, 2021
Subscribed capital	1,075	–	–	–	53	–	1,128
Treasury shares	–1	–6	2	–	–	–	–5
<i>Issued capital</i>	<i>1,074</i>	<i>–6</i>	<i>2</i>	<i>–</i>	<i>53</i>	<i>–</i>	<i>1,123</i>
Capital reserve	13,400	–258	69	–	2,284	–	15,496
Unappropriated net income	1,394	–	–	–856	–	1,353	1,891
Shareholders' equity	15,868	–264	71	–856	2,337	1,353	18,509

Subscribed capital

As of September 30, 2021, the subscribed capital of Siemens Healthineers AG was divided into 1,128,000,000 registered shares with no par value with a notional value of €1.00 per share. The shares are fully paid in. Each share confers one vote in the Shareholders' Meeting and defines the shareholder's interest in the Company's profit after taxes. All shares carry the same rights and obligations.

A capital increase was carried out in March 2021 for the purpose of financing the Varian acquisition. Shareholders' preemptive rights were disappplied. The increase amounted to 4.9% of the subscribed capital. A total of 53,000,000 new shares were placed, resulting in proceeds of €2.34 billion before commissions and costs.

Authorized capital

Authorized Capital 2018 was cancelled by resolution of the Shareholders' Meeting on February 12, 2021. At the same time, this resolution of the Shareholders' Meeting authorized the Managing Board, with the approval of the Supervisory Board, to increase the share capital in the period up to February 11, 2026, once or several times, in whole or in part, by up to no more than €537.5 million by way of the issue of up to 537,500,000 new registered no-par value shares in return for contributions in cash and/or in kind (Authorized Capital 2021). Moreover, the Managing Board was authorized, with the approval of the Supervisory Board, to disapply the preemptive rights of shareholders. Siemens Healthineers AG's authorized capital as of September 30, 2021, amounted to €484.5 million.

Conditional capital

Conditional Capital 2018 and the authorization to issue convertible bonds or warrants from bonds with attached warrants issued on February 19, 2018, was cancelled by resolution of the Shareholders' Meeting on February 12, 2021. At the same time, the share capital was increased conditionally by €107.5 million (107,500,000 shares) (Conditional Capital 2021), and the authorization of the Managing Board to issue convertible bonds and/or bonds with warrants was renewed.

Capital reserve

As of September 30, 2021, the capital reserves amounted to €15,496 million (previous year: €13,400 million).

Due to the capital increase, an inflow of €2,284 million was recognized within capital reserves in March 2021. A further addition to the capital reserve resulted from the release of treasury shares in connection with the employee share programs totaling €69 million.

An amount of €258 million was withdrawn from distributable capital reserves for the repurchase of treasury shares.

As of September 30, 2021, €135 million of the capital reserves was distributable (previous year: €338 million) before consideration of amounts subject to restrictions on distribution.

Treasury shares

(in numbers of shares)	Fiscal year 2021
Treasury shares, beginning of fiscal year	898,249
Share buyback	5,982,699
Issuance under share-based payments	–1,551,983
Treasury shares, end of fiscal year	5,328,965

By resolution of the Shareholders' Meeting on February 12, 2021, the authorization for the acquisition and use of treasury shares dated February 19, 2018, was cancelled. At the same time, the Managing Board was authorized to buy back treasury shares until February 11, 2026, equal to up to 10% of the share capital at the date of the resolution, or at the date of the exercise of the authorization if that value is lower, for any permissible purpose.

The 5,328,965 shares held by Siemens Healthineers AG as of September 30, 2021, correspond to a nominal value of €5,328,965, or 0.47% of the share capital. During fiscal year 2021, Siemens Healthineers AG repurchased a total of 5,982,699 of its own shares under this share buyback program. This corresponds to a notional amount of €5,982,699, or 0.53% of the share capital. A

total of €264 million (excluding incidental transaction costs) was spent for this purpose during this period; this represents a weighted average price of €44.67 per share. All of the shares were purchased during the reporting period on 107 Xetra trading days during the months of October 2020 to September 2021 by a bank instructed by Siemens Healthineers AG, exclusively on the electronic trading platform of the Frankfurt Stock Exchange (Xetra). The average trading volume on these trading days was about 748,038 shares. In each of these transactions, the purchase price per repurchased share (excluding incidental transaction costs) could not exceed the price of Siemens Healthineers shares, as determined in the opening auction in Xetra trading on the trade date, by more than 10% or be more than 20% below that price.

In fiscal year 2021, 1,024,347 shares were sold as investment shares to participants in employee share programs at a weighted average price of €39.25 per share; the purchase price was determined on the basis of the closing price in Xetra trading on the transfer date of the shares. A total of €48 million accrued to Siemens Healthineers AG from these sales. This amount was generally freely available to the Company and reduced the amount of liabilities to affiliated companies. The other 527,636 shares released during the reporting period were bonus shares awarded as part of the basic share program, which were issued in February 2021, and stock awards as part of the Performance-oriented Stock Awards and the IPO Incentive, which were issued during the year.

Information on amounts subject to restrictions on distribution

The difference between the carrying amount of provisions for post-retirement benefit obligations in line with the corresponding average market interest rate over the preceding ten years and the corresponding rate over the preceding seven years, which is subject to a restriction on distribution under Section 253 (6) sentence 2 of the HGB, amounted to €1 million (previous year: €2 million).

The profit of €1,879 million (previous year: €1.459 million) transferred from Siemens Healthcare GmbH (the controlled company) to the parent company for the past fiscal year also included – as provided in Section 301 of the Stock Corporation Act – the amount of €106 million (previous year: €118 million) that is subject to dividend payout restrictions under Section 253 (6) sentence 2 of the German Commercial Code.

The amounts subject to a restriction on distribution were countered by distributable capital reserves of €135 million (previous year: €338 million). Therefore, there was no restriction on distribution relating to the unappropriated net income of €1,891 million (previous year: €1,394 million).

Disclosures on holdings of the capital of Siemens Healthineers AG

As of September 30, 2021, the following information on shareholdings subject to reporting requirements was available to the Company pursuant to Section 160 (1) no. 8 of the AktG:

Siemens AG notified us on March 20, 2018, because of the first admission of Siemens Healthineers AG stock for trading on an organized market, that the percentage of voting rights in Siemens Healthineers AG that it held either directly or indirectly on March 15, 2018, amounted to 85.00% of the voting rights (850,000,000 voting rights). At that time, moreover, there was a claim for redelivery under a securities loan, as a result of the Greenshoe option for Siemens Beteiligungsverwaltung GmbH & Co. OHG with reference to 19,565,217 voting rights, or 1.96%.

As neither Siemens AG nor any of its affiliated companies participated in the capital increase in March 2021, the voting rights held by the Siemens Group dropped to just over 75%. As the voting rights did not fall below any reporting threshold, there was therefore no requirement to file a new notification about the holding in Siemens Healthineers AG.

Note 12 Provisions for pensions and similar obligations

In Germany, Siemens Healthineers AG provides pension benefits through the Siemens Healthineers BSAV (Beitragsorientierte Siemens Altersvorsorge) defined contribution plan, frozen legacy plans, and deferred compensation plans. The majority of the Company's active employees participate in the Siemens Healthineers BSAV. The benefits from this plan are predominantly based on notional company contributions and investment income on the assets underlying this plan, whereby the Company guarantees a minimum return. For benefits provided under the frozen legacy plans, the effects of compensation increases were substantially eliminated, so that valuation assumptions for salary and pension increases, including career trends, are no longer of material significance for the pension obligations of Siemens Healthineers AG.

The settlement amount of the provisions for pensions and similar obligations was €27 million as of the reporting date (previous year: €22 million). The actuarial valuation of the settlement amount was based substantially on the following parameters:

The 10-year average interest rate (1.98%) pursuant to Section 253 (2) of the HGB was applied to the pension obligations. For the other obligations, the 7-year average interest rate (1.39%) was used. The measurement difference under Section 253 (6) of the German Commercial Code from discounting pension provisions at the 10-year average interest rate and the 7-year average interest rate was €1 million at the reporting date (previous year: €2 million). A pension progression rate of 1.50% per year and an income progression rate of 2.25% per year were applied to the pension obligations. The mortality tables applied (Siemens Bio 2017/2021) are based primarily on data from the German Siemens population and a set of generally accepted actuarial formulae.

Note 13 Other provisions

Other provisions included miscellaneous provisions of €33 million (previous year: €17 million) and tax provisions of €119 million (previous year: €178 million).

Miscellaneous provisions related primarily to provisions of €29 million for personnel expenses (previous year: €13 million).

For information about the method used to measure the provision for stock awards, please refer to the disclosures in → Note 17 Share-based payment.

Note 14 Liabilities

(in millions of €)	Sept. 30, 2021	up to 1 year	1 year up to 5 years	thereof maturities more than 5 years	Sept. 30, 2020	up to 1 year	1 year up to 5 years	thereof maturities more than 5 years
Trade payables	3	3	–	–	7	7	–	–
Liabilities to affiliated companies	15,150	4,708	5,260	5,183	4,740	4,074	667	–
Other liabilities	28	28	–	–	5	5	–	–
therein from taxes	0	0	–	–	0	0	–	–
therein for social security	0	0	–	–	0	0	–	–
Liabilities	15,181	4,739	5,260	5,183	4,752	4,086	667	–

Liabilities to affiliated companies pertained to loans from Siemens Finance B.V., including accrued interest payable, amounting to €11,318 million (previous year: €1,438 million), liabilities of €3,642 million (previous year: €195 million) to Siemens Healthcare GmbH for cash pooling within the Siemens Healthineers Group, and other liabilities of €126 million (previous year: €80 million) resulting from the consolidated value added tax group with several subsidiaries, and from amounts collected for subsidiaries. In addition, a liability from an additional capital contribution pledged to and called up by Siemens Healthineers Holding I GmbH amounted to €65 million (previous year: €24 million). Tax liabilities as of September 30, 2021, came to €390 thousand (previous year: €347 thousand), and liabilities for social security came to €25 thousand (previous year: €23 thousand).

The significant increase in liabilities to affiliated companies was due mainly to the financing agreements for the Varian acquisition. The Company obtained seven U.S. dollar-denominated loans with various terms ranging from two to 20 years totaling US\$ 9,954 million (€8,341 million) and an additional loan of €850 million from Siemens Finance B.V. for this purpose.

As described in → A.3.1 General Disclosures, Siemens Healthineers AG assumed a loan from Siemens Healthineers Beteiligungen GmbH & Co. KG, including accrued interest payable, totaling US\$ 1,689 million (€1,435 million) in October 2020. The loan, which has a term until October 15, 2026, was originally made by Siemens Finance B.V.

Fulfillment of the contribution obligation of €3,000 million in respect of Siemens Healthineers Beteiligungen GmbH & Co. KG on September 29, 2020, by way of an in-kind contribution and the repayment of a loan to Siemens Finance B.V. amounting to US\$ 859 million had the opposite effect.

A.3.5 Other disclosures

Note 15 Material expenses

(in millions of €)	Fiscal year	
	2021	2020
Expenses for raw materials, supplies and purchased merchandise	–0.1	–0.1
Costs of purchased services	–25.8	–10.4
Material expenses	–25.9	–10.6

Note 16 Personnel expenses

Personnel expenses did not include the expense from unwinding the discount on provisions for pensions and personnel expenses, which is reported in other financial income/expenses, net.

(in millions of €)	Fiscal year	
	2021	2020
Wages and salaries	–43	–21
Social security contributions and expenses for other employee benefits	–1	–1
Expenses for pensions	–3	–2
Personnel expenses	–47	–24

The Company had an average of 51 employees in fiscal year 2021, all of whom were engaged in administrative functions. The average percentage of women was 22%.

Note 17 Share-based payments

Siemens Healthineers AG allows employees and members of the Managing Board to participate in share-based payment programs. For the purpose of servicing share-based payment programs, Siemens Healthineers AG also delivers Siemens Healthineers shares that have been granted by affiliated companies.

Stock awards

Siemens Healthineers AG grants stock awards to members of the Managing Board and members of the senior management.

Stock awards to beneficiaries of Siemens Healthineers AG are expensed as incurred over the vesting period and are measured at the intrinsic value (= share price of Siemens Healthineers AG stock) on a pro rata basis for the proportion of the vesting period expired considering the estimated target attainment at the balance sheet date. In addition, stock awards are also granted without any performance conditions, i.e., with a service condition only, one quarter of which vests annually. This generally results in a higher expense recognition in the initial years of the vesting period before considering share price performance.

The following table shows the changes in the stock awards held by members of the Managing Board and senior management of Siemens Healthineers AG:

(in number of shares)	Fiscal year 2021
Non-vested, beginning of fiscal year	845,602
Granted	331,018
Vested and fulfilled	-79,529
Forfeited	-59,540
Non-vested, end of fiscal year	1,037,551

The pro rata intrinsic value of all stock awards issued to beneficiaries of Siemens Healthineers AG amounted to €26 million at the balance sheet date.

Share Matching program

The employees of Siemens Healthineers AG have several options for participating in the Share Matching program: the basic share program and the share matching plan. Plan participants have the right to receive one Siemens Healthineers share without payment of consideration (matching share) for every three investment shares held over the vesting period. Matching shares awarded to beneficiaries of Siemens Healthineers AG are expensed as incurred over the vesting period and are measured on a pro rata basis for the proportion of the vesting period expired at the intrinsic value (= share price of Siemens Healthineers AG stock) at the balance sheet date.

The following table shows the changes in entitlements of beneficiaries of Siemens Healthineers AG to matching shares:

(in number of shares)	Fiscal year 2021
Outstanding, beginning of fiscal year	16,925
Granted	4,280
Forfeited	-324
Outstanding, end of fiscal year	20,881

The pro rata intrinsic value of all matching shares issued to beneficiaries of Siemens Healthineers AG was €1 million at the balance sheet date.

Note 18 Guarantees and other commitments

(in millions of €)	Sept 30, 2021
Obligations from guarantees	96
Warranty obligations	7,214
thereof relating to financing of affiliated companies	6,733
thereof relating to performance guarantees on behalf of affiliated companies	443
thereof Others	38
Guarantees and other commitments	7,310

For one domestic subsidiary, Siemens Healthineers AG undertook under an unrestricted letter of comfort to be responsible for all liabilities recognized in this subsidiary's Annual Financial Statements for fiscal year 2021, within the meaning of Section 264 (3) sentence 1 No. 2 of the German Commercial Code, that were undertaken by this subsidiary up to the reporting date of September 30, 2021. These liabilities comprise the liabilities and provisions recognized in the Balance Sheet of this subsidiary's Annual Financial Statements as of September 30, 2021, as well as the off-balance-sheet contingent liabilities and liabilities from pending transactions. However, since the precise amount was not available at the time of preparation of Siemens Healthineers AG's Annual Financial Statements, these obligations are not included in the above table. The letter of comfort and the associated obligation will end at the end of the fiscal year following fiscal year 2021.

Further, as of September 30, 2021, there was an indemnity agreement for an unlimited amount and indefinite term entered into with an affiliated company to take advantage of disclosure simplification options abroad. This affiliated company reported liabilities in the amount of €26 million as of September 30, 2021. The obligation is included in the above table. An indemnity agreement existing in 2019 that was entered into with an affiliated company to take advantage of disclosure simplifications option abroad was terminated in fiscal year 2020. Claims under the terminated indemnity agreement will expire by 2025.

Indemnity obligations included obligations by Siemens Healthineers AG to affiliated companies amounting to €6,753 million. A total of €5,890 million related to an intra-group purchase price obligation and €837 million to loans issued by Siemens AG to affiliated companies.

Siemens Healthineers AG enters into contingent liabilities only after careful consideration of the risks concerned. The Company currently assumes that the subsidiaries concerned can fulfill their obligations from their own resources. This assessment is based on a continuous evaluation of the risk situation relating to the contingent liabilities it has entered into and reflects insights gained up to the date of the preparation of these financial statements. The Company therefore regards as unlikely the risk of claims being asserted in relation to the contingent liabilities described above.

Note 19 Financial payment obligations under leasing and rental arrangements

At the balance sheet date, leasing and rental agreements resulted in payment obligations of €0.2 million (previous year: €0.3 million) to an affiliated company.

Note 20 Other financial obligations

There were no other financial obligations at the balance sheet date.

Note 21 Derivative financial instruments and hedge accounting

Siemens Healthineers AG is exposed to significant foreign currency risk in respect of Siemens Finance B.V., because most loans are denominated in U.S. dollars. One of these loans carries a variable rate of interest. The foreign currency risk arising from the loans, except for the interest payments on the variable-rate loan, was hedged with forward exchange contracts and currency swaps arranged with Siemens AG. Interest rate risk stemming from the variable-rate loan obtained from Siemens Finance B.V. in fiscal year 2021 was not hedged.

As of September 30, 2021, the Company held forward exchange contracts and currency swaps with a nominal amount of €12,272 million and a positive fair value of €504 million. The nominal amount equals the total value of the contracts at the reporting date. The fair value of the forward exchange contracts and currency swaps is measured on the basis of exchange rate movements.

If the conditions are met and a decision has been made to exercise this option, derivative financial instruments are combined with the hedged items to form hedges. Hedge effectiveness was assessed both prospectively as well as retrospectively, based on the critical terms match method, because the Company only had micro hedges in fiscal year 2021, i.e., the risk resulting from a single hedged item is hedged by a single derivative financial instrument. The forward component is recognized pro rata temporis over the term of the relevant forward exchange contracts or currency swaps and reported as an adjustment to interest expenses.

Hedge accounting for currency risks

In accordance with the Company's policy, each Siemens Healthineers unit is responsible for documenting, measuring, and monitoring its foreign currency risk exposure. The net foreign currency position of each unit serves as the key performance indicator and must be hedged in a range of no less than 75% but no more than 100%, generally with corporate Treasury of Siemens Group.

A separate hedge was designated for each hedged payment due for the loan liabilities. Depending on the loan, the hedges for the loan liabilities have terms ending March 2023 (shortest) to March 2041 (longest). Based on the interest period, the hedges for the interest payments had a term of between 0.5 months up to nearly 20 years as of the balance sheet date.

(in millions of US\$)	Sept 30, 2021
Foreign currency risk from liabilities	12,386
Foreign currency risk from firm commitments and forecast transactions	1,838
Net foreign currency position (before hedging)	14,223
Foreign currency exchange contracts with affiliated companies	14,210
Net foreign currency position (after hedging)	14

In fiscal 2021, hedges were designated for the purpose of hedging changes in value between the loan liabilities and the receivables from intra-group cash pooling for the period between disbursement of the U.S. dollar-denominated loans and their hedging with derivative financial instruments. The nominal amounts totaled between US\$ 2,983 million and US\$ 7,782 million.

Immediately after expiration of the aforementioned hedges, the receivables from intra-group cash pooling were each combined into a hedge with the additional capital contribution in U.S. dollars to Siemens Healthineers Holding I GmbH, which was highly probable at the time the hedges were designated, for the purpose of hedging against cash flow changes. These hedges expired at the time of payment of the additional capital contribution and increased the carrying amount of the investment in Siemens Healthineers Holding I GmbH by €23 million.

No provisions for contingent losses were recognized because no hedge ineffectiveness was determined for the hedged foreign currency risks.

Carrying amounts of derivative financial instruments required to be recognized

Because there was no requirement to recognize provisions for contingent losses for derivative financial instruments, only the forward component of forward exchange contracts and currency swaps not yet due that were recognized pro rata temporis and the carrying amount of the forward exchange contracts transferred from Siemens Healthineers Beteiligungen GmbH & Co. KG in October were reflected in the balance sheet. Its carrying amount totaled €183 million as of September 30, 2021, and was reported in receivables from affiliated companies.

Note 22 Proposal for the appropriation of net income

The Supervisory Board and the Managing Board propose that the unappropriated net income of Siemens Healthineers AG for the past fiscal year 2021 amounting to €1,891 million be appropriated as follows: Distribution of a dividend of €0.85 per no-par value share entitled to the dividend, and carry-forward of the remaining amount. The 53 million new no-par value shares issued due to the capital increase are entitled to a dividend as of October 1, 2020

Note 23 Remuneration of the members of the Managing Board and the Supervisory Board

Remuneration of the members of the Managing Board

Members of the Managing Board received cash compensation of €7.9 million. The fair value of share-based payments granted in fiscal year 2021 amounted to €5.4 million for 242,642 stock awards. The Company granted contributions (including non-recurring special contributions) to the Siemens Healthineers BSAV pension plan to members of the Managing Board amounting to €1.5 million.

The total remuneration and other benefits granted to members of the Managing Board therefore amounted to €14.8 million.

Aggregate benefits of former members of the Managing Board

Former Managing Board members and their surviving dependents received total benefits within the meaning of Section 285 (1) no. 9 lit. b HGB in the amount of €20 thousand in fiscal year 2021.

Siemens Healthineers AG has not recognized any pension provisions for pension commitments to former Managing Board members. There are only non-forfeitable commitments of a subsidiary for which this subsidiary recognized a pension provision.

Remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board comprises a basic compensation and additional compensation for committee work, and totaled €1.3 million, including meeting fees, in fiscal year 2021.

Note 24 Declaration of Compliance with the German Corporate Governance Code

As of September 30, 2021, the Managing Board and the Supervisory Board of Siemens Healthineers AG issued the mandatory statement pursuant to Section 161 of the AktG, and made it accessible to the public on the Company's website at → www.corporate.siemens-healthineers.com/investor-relations/corporate-governance.

Note 25 Group affiliation

Siemens Healthineers AG itself prepares consolidated financial statements for the smallest group of consolidated companies to which it belongs. Pursuant to Section 290 (1) of the HGB, it is also included in the consolidated financial statements of its parent company, Siemens AG (registered offices in Munich and Berlin, Munich Local Court HRB 6684 and Berlin Charlottenburg Local Court HRB 12300), which are the consolidated financial statements for the largest group of consolidated companies Siemens Healthineers AG belongs to.

The consolidated financial statements are both published in the German Federal Gazette.

Note 26 Members of the Supervisory Board and Managing Board and their mandates

Members of the Managing Board

The Managing Board had the following members in fiscal year 2021 and in the period up to the preparation of these annual financial statements:

Name	Year of birth	First appointed	Term expires	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
				External positions (as of September 30, 2021)	Group company positions (as of September 30, 2021)
Dr. Bernhard Montag Chief Executive Officer	1969	2018	2026	None	None
Darleen Caron Chief Human Resources Officer (since February 1, 2021)	1964	2021	2024	None	None
Dr. Jochen Schmitz Chief Financial Officer	1966	2018	2026	German positions: • Universitätsklinikum Augsburg	None
Dr. Christoph Zindel Member of the Managing Board	1961	2019	2022	None	None

Members of the Supervisory Board

The Supervisory Board of Siemens Healthineers AG has ten members. All members were appointed by the Annual Shareholders' Meeting and represent the shareholders. Under the German rules for employee co-determination in companies, Siemens Healthineers AG is not required to appoint a Supervisory Board that includes employee representatives, as

Siemens Healthineers AG has fewer than the required number of employees. In line with the German requirements governing employee co-determination in companies, employees at other entities of the Group are not attributed to Siemens Healthineers AG.

The Supervisory Board had the following members in fiscal year 2021:

Name	Occupation	Year of birth	Member since	Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises
				(as of September 30, 2021)
Prof. Dr. Ralf P. Thomas Chairman	Member of the Managing Board of Siemens Aktiengesellschaft (Chief Financial Officer)	1961	2018	German positions: • Siemens Energy AG • Siemens Energy Management GmbH • Siemens Healthcare GmbH (Chair) Positions outside Germany: • Siemens Proprietary Ltd., South Africa
Dr. Norbert Gaus Deputy Chairman	Executive Vice President Corporate Technology of Siemens Aktiengesellschaft	1961	2018	German positions: • Siemens Healthcare GmbH
Dr. Roland Busch	President and Chief Executive Officer of Siemens Aktiengesellschaft	1964	2020	German positions: • Siemens Mobility GmbH (Chair)
Dr. Marion Helmes	Supervisory board member	1965	2018	German positions: • ProSiebenSat.1 Media SE (Deputy Chair) Positions outside Germany: • British American Tobacco p.l.c., United Kingdom • Heineken N.V., The Netherlands
Dr. Andreas C. Hoffmann	General Counsel of Siemens Aktiengesellschaft	1964	2018	German positions: • Siemens Healthcare GmbH Positions outside Germany: • Siemens Ltd., China
Dr. Philipp Rösler	Supervisory board member	1973	2018	German positions: • Brainloop AG Positions outside Germany: • Fortum Corporation, Finland • Loc Troi Group, Vietnam
Peer M. Schatz (since March 23, 2021)	Managing Director of PS Capital Management GmbH	1965	2021	German positions: • Resolve BioSciences GmbH (Chair) Positions outside Germany: • CENTOGENE N.V., The Netherlands (Chair)
Dr. Nathalie von Siemens	Supervisory board member	1971	2018	German positions: • Messer Group GmbH • Siemens Aktiengesellschaft • Siemens Healthcare GmbH • TÜV SÜD AG Positions outside Germany: • EssilorLuxottica S.A., France
Dr. Gregory Sorensen	Founder and CEO of DeepHealth, Inc. (artificial intelligence division of RadNet, Inc.) and Executive Chairman of IMRIS (Deerfield Imaging, Inc.)	1962	2018	German positions: • Fresenius Medical Care AG & Co. KGaA • Fresenius Medical Care Management AG Positions outside Germany: • DFP Healthcare Acquisitions Corp., USA • Invicro, LLC, USA
Karl-Heinz Streibich	President of acatech – Deutsche Akademie der Technikwissenschaften	1952	2018	German positions: • Deutsche Telekom AG • Münchener Rückversicherungs-Gesellschaft AG • Software AG (Chair)

Dr. Roland Busch stepped down from his Supervisory Board appointment at

- ESMT European School of Management and Technology GmbH on September 30, 2020.
- Arabia Electric Ltd. (Equipment), Saudi Arabia, on March 1, 2021.
- Siemens Ltd., Saudi Arabia, on March 1, 2021.
- Siemens W.L.L., Qatar, on December 21, 2020.

Peer M. Schatz assumed a Supervisory Board appointment at Resolve BioSciences GmbH on December 10, 2020.

Dr. Nathalie von Siemens assumed a Supervisory Board appointment at EssilorLuxottica S.A., France, on May 21, 2021.

Dr. Gregory Sorensen assumed a Supervisory Board appointment at

- Fresenius Medical Care AG & Co KGaA on May 20, 2021 and
- Fresenius Medical Care Management AG on May 20, 2021 and
- stepped down from his Supervisory Board appointment at Fusion Healthcare Staffing, LLC, USA, on September 29, 2021.

Note 27 List of subsidiaries and associated companies of Siemens Healthineers AG pursuant to Section 285 (11) of the German Commercial Code

September 30, 2021	Net income in millions of € ¹	Equity in millions of € ¹	Equity interest in %
Germany (18 companies)			
BEFUND24 GmbH, Erlangen/Germany	0	1	85
Dade Behring Grundstücks GmbH, Kemnath/Germany	1	22	94
MeVis BreastCare GmbH & Co. KG, Bremen/Germany	0	3	49
NEO New Oncology GmbH, Cologne/Germany	– 2 ¹	566 ²¹	100
Siemens Healthcare Diagnostics Products GmbH, Marburg/Germany	– 2 ¹	89 ²¹	100
Siemens Healthcare GmbH, Munich/Germany	– 2 ¹	2,710 ²¹	100
Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach/Germany	116	16,591	100
Siemens Healthineers Holding I GmbH, Munich/Germany	– 24 ¹⁷	0 ¹⁷	100
Siemens Healthineers Innovation GmbH & Co. KG, Röttenbach/Germany	22 ¹⁸	22 ¹⁸	100
Siemens Medical Solutions Health Services GmbH, Grünwald/Germany	1	32	100
Siemens Real Estate GmbH & Co. KG, Kemnath/Germany	16	91	94
Varian Medical Systems Deutschland GmbH & Co. KG, Darmstadt/Germany	– 2 ¹	4 ²¹	100
Varian Medical Systems Haan GmbH, Haan/Germany	– 2 ¹	2 ²¹	100
Varian Medical Systems München GmbH, Munich/Germany	– 11, ²¹	– 1 ^{11,21}	100
Varian Medical Systems Particle Therapy GmbH & Co. KG, Troisdorf/Germany	– 7, ²¹	45 ^{7,21}	100
VMS Deutschland Holdings GmbH, Darmstadt/Germany	– 32 ⁸	249 ⁸	100
Zeleni Holding GmbH, Kemnath/Germany	0	22	100
Zeleni Real Estate GmbH & Co. KG, Kemnath/Germany	– 1	4	100
Europe, Commonwealth of Independent States (C.I.S.), Africa, Middle East (EMEA) (without Germany) (78 companies)			
CTSI (Mauritius) Ltd., Ebene/Mauritius	0 ⁹	1 ⁹	100
FAST TRACK DIAGNOSTICS LUXEMBOURG S.à r.l., Esch-sur-Alzette/Luxembourg	37	19	100
FTD Europe Ltd, Sliema/Malta	21	1	100
Impilo Consortium (Pty.) Ltd., La Lucia/South Africa	– 10	48	31
ITH icoserve technology for healthcare GmbH, Innsbruck/Austria	1	1	69
Medical Systems S.p.A., Genoa/Italy	12 ¹⁴	122 ¹⁴	45
PETNET Solutions SAS, Lisses/France	1	1	100
Screenpoint Medical B.V., Nijmegen/Netherlands	– 3 ¹⁴	– 2 ¹⁴	17
Siemens Healthcare (Private) Limited, Lahore/Pakistan	0	1	100
Siemens Healthcare A/S, Ballerup/Denmark	3	8	100
Siemens Healthcare AB, Solna/Sweden	6	11	100
Siemens Healthcare AG, Zurich/Switzerland	12	92	100
Siemens Healthcare AS, Oslo/Norway	3	14	100
Siemens Healthcare d.o.o. Beograd, Belgrade/Serbia	0	1	100
Siemens Healthcare d.o.o., Ljubljana/Slovenia	1	3	100
Siemens Healthcare d.o.o., Zagreb/Croatia	1	4	100
Siemens Healthcare Diagnostics GmbH, Vienna/Austria	27	38	100
Siemens Healthcare Diagnostics Ltd, Frimley, Surrey/United Kingdom	– 2	33	100
Siemens Healthcare Diagnostics Manufacturing Limited, Swords, County Dublin/Ireland	4	– 87	100
Siemens Healthcare Diagnostics Manufacturing Ltd, Frimley, Surrey/United Kingdom	7	29	100
Siemens Healthcare Diagnostics Products Ltd, Frimley, Surrey/United Kingdom	4	49	100
Siemens Healthcare EOOD, Sofia/Bulgaria	1 ¹⁴	4 ¹⁴	100
Siemens Healthcare FZ LLC, Dubai/United Arab Emirates	4	22	100
SIEMENS HEALTHCARE INDUSTRIAL AND COMMERCIAL SINGLE MEMBER SOCIETE ANONYME, Chalandri/Greece	3	21	100
Siemens Healthcare Kft., Budapest/Hungary	2	4	100
Siemens Healthcare L.L.C., Dubai/United Arab Emirates	7	53	49 ³
SIEMENS HEALTHCARE LIMITED LIABILITY COMPANY, Kiev/Ukraine	2 ¹⁴	6 ¹⁴	100
Siemens Healthcare Limited Liability Company, Moscow/Russian Federation	19 ¹⁴	23 ¹⁴	100
Siemens Healthcare Limited Liability Partnership, Almaty/Kazakhstan	1 ¹⁴	3 ¹⁴	100

September 30, 2021	Net income in millions of € ¹	Equity in millions of € ¹	Equity interest in %
Siemens Healthcare Limited, Frimley, Surrey/United Kingdom	17	195	100
Siemens Healthcare Limited, Riyadh/Saudi Arabia	17	42	51
Siemens Healthcare Logistics LLC, Cairo/Egypt	0	0	100
Siemens HealthCare Ltd., Rosh HaAyin/Israel	1	4	100
Siemens Healthcare Medical Solutions Limited, Swords, County Dublin/Ireland	1	5	100
Siemens Healthcare NV, Beersel/Belgium	6	21	100
Siemens Healthcare Oy, Espoo/Finland	1	25	100
Siemens Healthcare Proprietary Limited, Halfway House/South Africa	2	21	90
Siemens Healthcare S.A.E., Cairo/Egypt	7	15	100
Siemens Healthcare S.R.L., Bucharest/Romania	0	8	100
Siemens Healthcare S.r.l., Milan/Italy	11	74	100
Siemens Healthcare s.r.o., Bratislava/Slovakia	4	7	100
Siemens Healthcare Saglik Anonim Sirketi, Istanbul/Turkey	1	36	100
Siemens Healthcare SARL, Casablanca/Morocco	-1	2	100
Siemens Healthcare SAS, Saint-Denis/France	13	69	100
Siemens Healthcare Sp. z o.o., Warsaw/Poland	4	22	100
SIEMENS HEALTHCARE, S.L.U., Getafe/Spain	0	146	100
Siemens Healthcare, s.r.o., Prague/Czech Republic	0	38	100
SIEMENS HEALTHCARE, UNIPESOAL, LDA, Amadora/Portugal	3	29	100
Siemens Healthineers Holding III B.V., The Hague/Netherlands	102	5,008	100
Siemens Healthineers Holding IV B.V., The Hague/Netherlands	N/A ^{6,23}	N/A ^{6,23}	100
Siemens Healthineers Nederland B.V., The Hague/Netherlands	-3	779	100
Siemens Medicina d.o.o., Sarajevo/Bosnia and Herzegovina	0	1	100
Steiermärkische Medizinarchiv GesmbH, Graz/Austria	2	2	52
TRIXELL SAS, Moirans/France	16 ¹⁴	31 ¹⁴	25
V.O.S.S. Varinak Onkoloji Sistemleri Satis Ve Servis Anonim Sirketi, Istanbul/Turkey	-2 ¹⁴	9 ¹⁴	100
Varian Medical Systems (RUS) Limited Liability Company, Moscow/Russian Federation	4 ¹⁴	9 ¹⁴	0 ⁴
Varian Medical Systems Africa (Pty) Ltd., Midrand/South Africa	0 ⁷	0 ⁷	100
Varian Medical Systems Algeria Spa., Hydra/Algeria	1 ¹⁴	6 ¹⁴	49 ²
Varian Medical Systems Arabia Commercial Limited, Riyadh/Saudi Arabia	0 ¹⁰	16 ¹⁰	75
Varian Medical Systems Belgium NV, Machelen/Belgium	2	4	100
Varian Medical Systems Finland OY, Helsinki/Finland	4	7	100
Varian Medical Systems France SARL, Le Plessis-Robinson/France	7	14	100
Varian Medical Systems Gesellschaft mbH, Brunn am Gebirge/Austria	2	2	100
Varian Medical Systems Hungary Kft., Budapest/Hungary	2	5	100
Varian Medical Systems Iberica SL, Alcobendas/Spain	6	22	100
Varian Medical Systems Imaging Laboratory G.m.b.H., Dättwil/Switzerland	14 ¹³	17 ¹³	100
Varian Medical Systems International AG, Steinhausen/Switzerland	60 ¹³	369 ¹³	100
Varian Medical Systems Italy SpA, Segrate/Italy	8 ¹³	25 ¹³	100
Varian Medical Systems Mauritius Ltd., Ebene/Mauritius	0	1	100
Varian Medical Systems Nederland B.V., Houten/Netherlands	125 ¹⁰	902 ¹⁰	100
Varian Medical Systems Nederland Finance B.V., Houten/Netherlands	0	2	100
Varian Medical Systems Poland Sp. z o.o., Warsaw/Poland	4	15	100
Varian Medical Systems Scandinavia AS, Herlev/Denmark	4	6	100
Varian Medical Systems UK Holdings Limited, Crawley, West Sussex/United Kingdom	0 ¹³	3 ¹³	100
Varian Medical Systems UK Limited, Crawley, West Sussex/United Kingdom	7 ¹³	26 ¹³	100
Varinak Bulgaria EOOD, Sofia/Bulgaria	1 ¹⁴	8 ¹⁴	100
Varinak Europe SRL (Romania), Pantelimon/Romania	-8 ¹⁴	-6 ¹⁴	100
VMS Kenya, Ltd, Nairobi/Kenya	0 ^{5,20}	0 ^{5,20}	100
Americas (50 companies)			
ABK Biomedical Incorporated, Halifax/Canada	N/A ^{22,23}	N/A ^{22,23}	14
Babson Diagnostics, Inc., Dover, DE/United States	-4 ¹⁴	7 ¹⁴	20
Berkeley Lights, Inc., Dover, DE/United States	-36 ¹⁴	211 ¹⁴	0
Corindus, Inc., Wilmington, DE/United States	-48 ^{5,19}	530 ^{5,19}	100
D3 Oncology Inc., Wilmington, DE/United States	-1 ^{5,20}	-1 ^{5,20}	100
Dade Behring Hong Kong Holdings Corporation, Tortola/British Virgin Islands	98 ^{5,19}	42 ^{5,19}	100
Dedicated2Imaging LLC, Wilmington, DE/United States	-1 ^{5,19}	-3 ^{5,19}	80
ECG Acquisition, Inc., Wilmington, DE/United States	0 ^{5,19}	169 ^{5,19}	100

September 30, 2021	Net income in millions of € ¹	Equity in millions of € ¹	Equity interest in %
ECG TopCo Holdings, LLC, Wilmington, DE/United States	-22 ^{5,19}	128 ^{5,19}	73
EPOCAL INC., Toronto/Canada	21	113	100
Executive Consulting Group, LLC, Wilmington, DE/United States	14 ^{5,19}	41 ^{5,19}	100
HistoSonics, Inc., Dover, DE/United States	N/A ^{22,23}	N/A ^{22,23}	14
Imricor Medical Systems, Inc., Dover, DE/United States	-11 ¹⁴	25 ¹⁴	7
J. Restrepo Equiphos S.A.S, Bogotá/Colombia	1 ¹⁴	2 ¹⁴	100
Mansfield Insurance Company, Burlington, VT/United States	0 ^{5,20}	3 ^{5,20}	100
Monarch Capital, Limited, Grand Cayman/Cayman Islands	0 ^{5,20}	9 ^{5,20}	100
P.E.T.NET Houston, LLC, Austin, TX/United States	3 ^{5,19}	8 ^{5,19}	51
Page Mill Corporation, Boston, MA/United States	0 ^{5,20}	3 ^{5,20}	100
PETNET Indiana, LLC, Indianapolis, IN/United States	0 ^{5,19}	3 ^{5,19}	50 ²
PETNET Solutions Cleveland, LLC, Wilmington, DE/United States	1 ^{5,19}	3 ^{5,19}	63
PETNET Solutions, Inc., Knoxville, TN/United States	29 ^{5,19}	158 ^{5,19}	100
PhSiTh LLC, New Castle, DE/United States	N/A ^{22,23}	N/A ^{22,23}	33
Siemens Healthcare Diagnósticos Ltda., São Paulo/Brazil	1	90	100
Siemens Healthcare Diagnostics Inc., Los Angeles, CA/United States	-13 ^{5,19}	7,176 ^{5,19}	100
Siemens Healthcare Diagnostics S.A., San José/Costa Rica	0	2	100
Siemens Healthcare Diagnostics, S. de R.L. de C.V., Mexico City/Mexico	5 ¹⁴	35 ¹⁴	100
Siemens Healthcare Equipos Médicos Sociedad por Acciones, Santiago de Chile/Chile	2	14	100
Siemens Healthcare Laboratory, LLC, Wilmington, DE/United States	2 ^{5,19}	7 ^{5,19}	100
Siemens Healthcare Limited, Oakville/Canada	2	177	100
Siemens Healthcare S.A., Buenos Aires/Argentina	-1	16	100
Siemens Healthcare S.A.C., Surquillo/Peru	0 ¹⁴	1 ¹⁴	100
Siemens Healthcare S.A.S., Tenjo/Colombia	0 ¹⁴	7 ¹⁴	100
Siemens Healthcare, Sociedad Anonima, Antiguo Cuscatlán/El Salvador	0 ¹⁴	2 ¹⁴	100
Siemens Healthineers Holdings, LLC, Wilmington, DE/United States	N/A ^{6,23}	N/A ^{6,23}	100
Siemens Medical Solutions USA, Inc., Wilmington, DE/United States	169 ^{5,19}	17,774 ^{5,19}	100
Siemens S.A., Montevideo/Uruguay	0	0	100
Siemens-Healthcare Cia. Ltda., Quito/Ecuador	0 ¹⁴	3 ¹⁴	100
Talent Choice Investment Limited, George Town/Cayman Islands	0 ^{5,20}	11 ^{5,20}	100
Varian BioSynergy, Inc., Wilmington, DE/United States	0 ^{5,20}	0 ^{5,20}	100
Varian Medical Systems Africa Holdings, Inc., Wilmington, DE/United States	0 ^{5,20}	4 ^{5,20}	100
Varian Medical Systems Brasil Ltda., São Paulo/Brazil	-4 ¹⁴	10 ¹⁴	100
Varian Medical Systems Canada Holdings, Inc., Wilmington, DE/United States	0 ^{5,20}	0 ^{5,20}	100
Varian Medical Systems Canada, Inc., Ottawa/Canada	-1 ^{5,20}	-1 ^{5,20}	100
Varian Medical Systems India Private Limited, Wilmington, DE/United States	0 ^{5,20}	1 ^{5,20}	100
Varian Medical Systems International Holdings, Inc., Wilmington, DE/United States	6,747 ^{5,20}	7,572 ^{5,20}	100
Varian Medical Systems Latin America, Ltd., Wilmington, DE/United States	0 ^{5,20}	2 ^{5,20}	100
Varian Medical Systems Netherlands Holdings, Inc., Wilmington, DE/United States	220 ^{5,20}	423 ^{5,20}	100
Varian Medical Systems Pacific, Inc., Wilmington, DE/United States	0 ^{5,20}	13 ^{5,20}	100
Varian Medical Systems Puerto Rico, LLC, Guaynabo/Puerto Rico	0 ^{5,20}	0 ^{5,20}	100
Varian Medical Systems, Inc., Wilmington, DE/United States	250 ^{5,20}	8,661 ^{5,20}	100
Asia, Australia (47 companies)			
AcroRad Co., Ltd., Okinawa/Japan	1	20	96
American Institute of Pathology and Laboratory Sciences Private Limited, Hyderabad/India	-1 ¹²	3 ¹²	100
Artmed Healthcare Private Limited, Hyderabad/India	-1 ¹²	11 ¹²	100
Asiri A O I Cancer Centre (Private) Limited, Colombo/Sri Lanka	0 ¹²	0 ¹²	50
Cancer Treatment Services Hyderabad Private Limited, Hyderabad/India	-8 ¹²	35 ¹²	100
Fang Chi Health Management Co., Ltd, Taipei/Taiwan, Province of China	2 ¹³	7 ¹³	100
Hangzhou Aicon Pharm Sci & Tec Co., Ltd., Hangzhou/China	4 ¹⁴	27 ¹⁴	100
Hong Tai Health Management Co. Ltd., Taipei/Taiwan, Province of China	0 ¹³	2 ¹³	100
New Century Technology Co. Ltd., Taipei/Taiwan, Province of China	1 ¹³	4 ¹³	100
PETNET Radiopharmaceutical Solutions Pvt. Ltd., Mumbai/India	0	3	100
PT Siemens Healthineers Indonesia, Jakarta/Indonesia	0	12	100
Scion Medical Limited, Hong Kong/Hong Kong	0 ¹⁴	5 ¹⁴	100
Scion Medical Technologies (Shanghai) Ltd., Shanghai/China	-3 ¹⁴	-4 ¹⁴	100
Siemens Healthcare Diagnostics K.K., Tokyo/Japan	1	62	100
Siemens Healthcare Diagnostics Manufacturing Ltd., Shanghai, Shanghai/China	-7 ¹⁴	36 ¹⁴	100

September 30, 2021	Net income in millions of € ¹	Equity in millions of € ¹	Equity interest in %
Siemens Healthcare Inc., Manila/Philippines	4	24	100
Siemens Healthcare K.K., Tokyo/Japan	39	159	100
Siemens Healthcare Limited, Auckland/New Zealand	0	8	100
Siemens Healthcare Limited, Bangkok/Thailand	1	7	100
Siemens Healthcare Limited, Ho Chi Minh City/Viet Nam	3	6	100
Siemens Healthcare Limited, Hong Kong/Hong Kong	5	11	100
Siemens Healthcare Limited, Taipei/Taiwan, Province of China	9	28	100
Siemens Healthcare Ltd., Dhaka/Bangladesh	0	6	100
Siemens Healthcare Private Limited, Mumbai/India	21 ¹⁶	13 ¹⁶	100
Siemens Healthcare Pte. Ltd., Singapore/Singapore	2	22	100
Siemens Healthcare Pty. Ltd., Melbourne/Australia	12	87	100
Siemens Healthcare Sdn. Bhd., Petaling Jaya/Malaysia	6	13	100
Siemens Healthineers Diagnostics (Shanghai) Co., Ltd., Shanghai/China	26 ¹⁴	373 ¹⁴	100
Siemens Healthineers Digital Technology (Shanghai) Co., Ltd., Shanghai/China	-3 ¹⁵	4 ¹⁵	100
Siemens Healthineers India LLP, Bangalore/India	1 ¹⁶	4 ¹⁶	100
Siemens Healthineers Ltd., Seoul/Korea, Republic of	13	76	100
Siemens Healthineers Ltd., Shanghai/China	128 ¹⁴	184 ¹⁴	100
Siemens Shanghai Medical Equipment Ltd., Shanghai/China	101 ¹⁴	145 ¹⁴	100
Siemens Shenzhen Magnetic Resonance Ltd., Shenzhen/China	64 ¹⁴	117 ¹⁴	100
Siemens Technology Development Co., Ltd. of Beijing, Beijing/China	2 ¹⁴	4 ¹⁴	90
Siemens X-Ray Vacuum Technology Ltd., Wuxi, Wuxi/China	4 ¹⁴	26 ¹⁴	100
Varian Medical Systems Australasia Pty Ltd., Belrose/Australia	6 ¹³	16 ¹³	100
Varian Medical Systems China Co., Ltd., Beijing/China	7 ¹⁴	52 ¹⁴	100
Varian Medical Systems International (India) Private Limited, Mumbai/India	2 ¹²	17 ¹²	100
Varian Medical Systems K.K., Tokyo/Japan	24	73	100
Varian Medical Systems Korea, Inc., Seoul/Korea, Republic of	1	1	100
Varian Medical Systems Malaysia Sdn Bhd, Kuala Lumpur/Malaysia	1	2	100
Varian Medical Systems Philippines, Inc., City of Pasig/Philippines	0 ¹⁰	0 ¹⁰	100
Varian Medical Systems Taiwan Co., Ltd., Taipei/Taiwan, Province of China	6 ¹³	26 ¹³	100
Varian Medical Systems Trading (Beijing) Co., Ltd., Beijing/China	3 ¹⁴	33 ¹⁴	100
Varian Medical Systems Vietnam Co Ltd, Ho Chi Minh City/Viet Nam	0	0	100
Vertice Investment Limited, Hong Kong/Hong Kong	0 ¹⁴	4 ¹⁴	100

¹ The financial data essentially corresponds to the figures in the annual financial statements after profit transfer, if any, prepared according to locally applicable accounting rules for the fiscal year from October 1, 2019, to September 30, 2020.

² Control due to a majority of voting rights.

³ Control due to rights to appoint, reassign or remove members of the key management personnel.

⁴ Control due to contractual arrangements to determine the direction of the relevant activities.

⁵ The values correspond to the annual financial statements according to the consolidated IFRS-closing.

⁶ No annual financial statements available due to founding in fiscal year 2021.

⁷ Financial data for the fiscal year October 1, 2017 – September 30, 2018.

⁸ Financial data for the fiscal year January 1, 2018 – December 31, 2018.

⁹ Financial data for the fiscal year April 1, 2018 – March 31, 2019.

¹⁰ Financial data for the fiscal year October 1, 2018 – September 30, 2019.

¹¹ Financial data for the short fiscal year January 1, 2019 – September 30, 2019.

¹² Financial data for the fiscal year April 1, 2019 – March 31, 2020.

¹³ Financial data for the fiscal year September 28, 2019 – October 02, 2020.

¹⁴ Financial data for the fiscal year January 1, 2020 – December 31, 2020.

¹⁵ Financial data for the short fiscal year January 15, 2020 – December 31, 2020.

¹⁶ Financial data for the fiscal year April 1, 2020 – March 31, 2021.

¹⁷ Financial data for the short fiscal year July 10, 2020 – September 30, 2020.

¹⁸ Financial data for the short fiscal year August 24, 2020 – September 30, 2020.

¹⁹ Financial data for the fiscal year October 1, 2020 – September 30, 2021.

²⁰ Financial data as of initial consolidation from April, 15, 2021 – September 30, 2021.

²¹ A profit transfer agreement was in place in the fiscal year listed.

²² Usage of the exemption in accordance with Section 286 (3) sentence 2 German Commercial Code.

²³ N/A = No data available.

B.

Additional information

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B.1 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, financial position, and results of operations of the Company, and the Management Report of Siemens Healthineers AG, which has been combined with the Group Management Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Munich, November 23, 2021

Siemens Healthineers AG

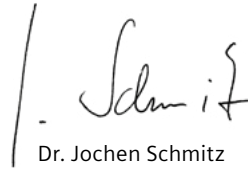
The Managing Board



Dr. Bernhard Montag



Darleen Caron



Dr. Jochen Schmitz



Dr. Christoph Zindel

B.2 Independent Auditor's Report

To Siemens Healthineers AG, Munich

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Siemens Healthineers AG, Munich, (the Company) which comprise the income statement for the fiscal year from October 1, 2020 to September 30, 2021, the balance sheet as of September 30, 2021 and the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Siemens Healthineers AG, which is combined with the group management report for the fiscal year from October 1, 2020 to September 30, 2021. In accordance with the German legal requirements we have not audited the content of chapter A.7.4 "Corporate Governance statement" of the Combined Management Report, including chapter C.4 "Corporate Governance statement" of the Annual Report 2021 referred to in chapter A.7.4 "Corporate Governance statement".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of September 30, 2021 and of its financial performance for the fiscal year from October 1, 2020 to September 30, 2021 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the Corporate Governance Statement referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB ["Handelsgesetzbuch": German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). In conducting the audit of the annual financial statements we also complied with International Standards on Auditing (ISA). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from October 1, 2020 to September 30, 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Accounting for the acquisition of Varian Medical Systems, Inc.

Reasons why the matter was determined to be a key audit matter:

On April 15, 2021, Siemens Healthineers Holding I GmbH, Munich, a subsidiary of Siemens Healthineers AG, acquired all shares in Varian Medical Systems, Inc., USA (Varian) for USD 16.4 billion (EUR 13.9 billion). To partially finance the acquisition, Siemens Healthineers AG carried out a further capital increase in fiscal 2021. In addition, Siemens Group granted several USD and EUR loans. These funds were used to grant Siemens Healthineers Holding I GmbH additional capital contributions. To hedge foreign currency risks in connection with the acquisition and its financing, Siemens Healthineers AG entered into hedging transactions with Siemens Group. These hedging transactions were designated as hedging instruments in hedging relationships in accordance with Sec. 254 HGB. The accounting for the acquisition, including the financing and hedging of foreign currency risks, was one of the most significant audit matters in our audit due to the overall material impact on the company's assets, liabilities, financial position and financial performance, the complexity of the transactions and the associated risk of material misstatement.

Auditor's response: As part of our audit of the accounting for the capital increase, we compared the change in equity with the underlying resolutions of the Managing Board and the Supervisory Board, the register entries as well as other contractual agreements with third parties. Regarding USD and EUR loans with the Siemens Group, we have compared the balance sheet amounts with the underlying contractual agreements. Furthermore, we have compared the increases in the carrying amount of the investment in Siemens Healthineers Holding I GmbH with the respective shareholder resolutions for the capital contributions.

With regard to the accounting for hedging relationships, we assessed whether the requirements for hedge accounting in accordance with Sec. 254 HGB were satisfied based on the documentation prepared by Siemens Healthineers and the underlying contractual agreements. We also assessed the accounting for hedging relationships and reconciled the amounts with the respective line items of the balance sheet and the income statement. In this context, we further assessed the methodology applied to determine the fair values of hedging instruments and the clerical accuracy of the respective calculations.

Our audit procedures did not lead to any reservations relating to the accounting for the acquisition of Varian.

Reference to related disclosures: For a description of the acquisition, please refer to chapter A.3.1 "General Disclosures" in the notes to the financial statements. The recognition and measurement policies applied in connection with the acquisition are summarized in chapter A.3.2 "Accounting policies and methods". Further explanations can be found in chapter A.3.4 "Notes to the balance sheet" under section 7 "Non-current assets", section 11 "Equity" and section 14 "Liabilities" of the notes to financial statements.

Recoverability of non-current financial assets

Reasons why the matter was determined to be a key audit matter:

The impairment test of non-current financial assets was a key audit matter, as in particular shares in affiliated companies entail a higher risk of material misstatement due to the materiality of these assets as well as the judgment involved in assessing whether there is objective evidence to indicate a lower net realizable value and permanent impairment. The valuations of non-current financial assets also depend to a large extent on the assessment of future cash inflows, also considering potential impacts from the COVID-19 pandemic, and the discount rate applied.

Auditor's response: In order to assess the recoverability of non-current financial assets, we examined the processes related to the planning of future cash flows and the determination of net realizable values of shares in affiliated companies. We assessed the underlying valuation models for the determination of net realizable value in terms of methodology and reperformed the calculations with the assistance of internal valuation specialists. We further obtained explanations from management regarding material value drivers of the planning, including the potential impact of the COVID-19 pandemic, on a sample basis and examined whether the budget reflects general and industry-specific market expectations.

Forecast accuracy was assessed on a sample basis using budget-to-actual comparisons of historically forecast data with the actual results. The parameters used to estimate net realizable value such as the estimated growth rates and the weighted average cost of capital rates were assessed by comparing them to publicly available market data and considering changes in significant assumptions, including future market conditions. We also performed sensitivity analyses to assess the impairment risk in case of changes in significant assumptions.

Our audit procedures did not lead to any reservations relating to the recoverability of non-current financial assets.

Reference to related disclosures: With regard to the accounting policies applied for the measurement of non-current financial assets, refer to chapter A.3.2 "Accounting policies and methods" in the notes to the financial statements.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board in the Annual Report 2021. Management and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the Corporate Governance Code, which is part of the Corporate Governance Statement. In all other respects, management is responsible for the other information. The other information comprises the Corporate Governance Statement referred to above.

In addition, the other information comprises parts to be included in the Annual Report and the report "Annual financial statements as of September 30, 2021", of which we received a version prior to issuing this auditor's report, in particular:

- the Responsibility Statement (for the annual financial statements and the management report, which is combined with the group management report), in chapter B.1 "Responsibility Statement" of the report "Annual financial statements as of September 30, 2021",
- the notes in chapter B.3 "Further Information" of the report "Annual financial statements as of September 30, 2021",
- the Responsibility Statement (for the consolidated financial statements and group management report) in chapter C.1 "Responsibility statement" of the Annual Report 2021,
- the Report of the Supervisory Board in chapter C.3 "Report of the Supervisory Board" in the Annual Report 2021,
- Notes and forward-looking statements in chapter C.5 "Notes and forward-looking statements" of the Annual Report 2021,

but not the consolidated financial statements and the annual financial statements, not the disclosures of the combined management report whose content is audited and not our auditor's reports thereon.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Supervisory Board for the annual financial statements and the management report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as it, in accordance with German legally required accounting principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, management is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as management has considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation as well as in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW and in supplementary compliance with ISA will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in file „siemenshealthineers-2021-09-30-de.zip" (SHA-256 checksum: 17b8662c77c76d8ec2c34c6d3871c62971b86b1c08d4c8a286cf10040e732ff3) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates

neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from October 1, 2020 to September 30, 2021 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: "Requirements for Quality Management in the Audit Firm (IDW QS 1)".

Responsibilities of management and the Supervisory Board for the ESEF documents

Management is responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, management is responsible for such internal control as it has determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual Shareholders' Meeting on February 12, 2021. We were engaged by the Supervisory Board on March 8, 2021. We have been the auditor of Siemens Healthineers AG without interruption since the short fiscal year from December 1, 2017 to September 30, 2018.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report:

In addition to auditing the statutory financial statements of Siemens Healthineers AG, we performed the statutory audit of the Siemens Healthineers' consolidated financial statements, audits of financial statements of subsidiaries of Siemens Healthineers AG, reviews of interim financial statements integrated in the audit and project-based IT audits.

Other attestation services included mainly other attestation services required by law, contractually agreed or requested on a voluntary basis.

Other matter – use of the auditor’s report

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Bundesanzeiger [German Federal Gazette] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Siegfried Keller.

Munich, November 23, 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller
Wirtschaftsprüfer
[German Public Auditor]

Dr. Eisele
Wirtschaftsprüfer
[German Public Auditor]

B.3 Further Information

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

This document is an English translation of the German financial report. In the case of discrepancies, the German document prevails.

For technical reasons, there may be differences in formatting between the accounting records appearing in this document and those published pursuant to legal requirements.

Internet:

→ www.siemens-healthineers.com

Press:

→ www.siemens-healthineers.com/press

Investor Relations:

→ www.corporate.siemens-healthineers.com/investor-relations

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