Report of the Managing Board to the Annual Shareholders' Meeting on Agenda Item 7 in accordance with Section 186 (4) sentence 2 in conjunction with Section 221 (4) sentence 2 of the German Stock Corporation Act (AktG)

The Managing Board and the Supervisory Board propose under Agenda Item 7 to grant a new authorization to issue convertible bonds or warrant bonds ("Bonds"). According to the resolution proposal regarding Agenda Item 7, the Managing Board is to be authorized with the approval of the Supervisory Board to issue Bonds in the total nominal amount of up to EUR 6,000,000,000 up until February 14, 2027. The new authorization is to provide the Company with the greatest possible leeway for financing its activities and, in particular to enable the management to react quickly and flexibly to favorable conditions on the capital market. The shareholders are, in principle, entitled to a statutory subscription right for Bonds. It is intended to enable the issuance of Bonds under the new authorization, in certain cases, with exclusion of subscription rights. In accordance with Section 186 (4) sentence 2 of the German Stock Corporation Act (AktG) in conjunction with Section 221 (4) sentence 2 of the German Stock Corporation Act (AktG), the Managing Board must submit a written report on the reasons for the authorization to exclude the subscription rights proposed under Agenda Item 7. The report will be available on the internet at → ***siemens-healthineers.com/asm*** as of the date notice of the Annual Shareholders' Meeting has been given and is published as follows:

The Managing Board is to be authorized, with the approval of the Supervisory Board, to entirely exclude the shareholders' subscription rights where the Bonds are issued in return for cash payment at an issue price that is not substantially below the market value of the Bonds. This enables the Company to seize favorable market opportunities very quickly on a short-term basis and, by determining the conditions in accordance with prevailing market terms, to achieve better terms and conditions for the Bonds. If the subscription rights were not excluded, any such market-oriented determination of the terms and conditions and smooth placement would not be possible. Pursuant to Section 186 (2) sentence 2 of the German Stock Corporation Act (AktG), the subscription price (and thus the terms of the Bonds) must be published no later than three days before expiry of the subscription period. There would then be the risk that market conditions change in this period and that the terms and conditions of the Bonds are therefore no longer conform with market conditions. That risk would have to be countered, by way of precaution, by applying discounts to the interest rate or the issue price of the Bonds. Therefore, the Bonds would ultimately not be placed at optimal market conditions. Also, the granting of a subscription right could jeopardize any successful placement with third parties, or result in additional expenses, due to the uncertainty of the exercise thereof (subscription behavior). Finally, if the Company grants subscription rights, it cannot react swiftly to favorable or unfavorable market conditions due to the length of the subscription period. In the case of exclusion of the subscription rights when issuing Bonds against cash payment as provided for herein, the provision of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) applies mutatis mutandis pursuant to Section 221 (4) sentence 2 of the German Stock Corporation Act (AktG). Accordingly, the option of excluding the subscription rights may only be used for Bonds with a pro rata amount of up to 10% of the capital stock. Applicable in this case is the amount of the capital stock at the time the authorization becomes effective or, if this amount is lower, the amount of the capital stock at the time when the authorization is used. When calculating the afore-mentioned 10% limit, the pro rata amount of the capital stock will be taken into account which is attributable to new shares that have been issued or disposed of during the term of this authorization with exclusion of subscription rights pursuant to or in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG). This includes both the shares issued from authorized capital with exclusion of shareholders' subscription rights pursuant to Section 203 (1) of the German Stock Corporation Act (AktG) in conjunction with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) and treasury shares that are sold during the term of the authorization under an authorization with exclusion of shareholders' subscription rights. Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) provides for the case of issuance of shares with exclusion of subscription rights that the issue price of the shares must not significantly fall below the stock exchange price. This is to prevent a material economic dilution of the value of the shares and to enable the shareholders to maintain their proportionate shareholding in the Company's capital stock by purchasing additional shares via the stock exchange on almost identical terms. Whether or not there will be such a dilutive effect in connection with the issuance of Bonds with exclusion of subscription rights can be determined by calculating the hypothetical stock exchange price (market value) of the Bonds based on recognized methods, particularly those of financial mathematics, and comparing that value to the issue price. If, according to the Managing Board's due review, such issue price is only insignificantly lower than the hypothetical stock exchange price (market value) at the time of issue of the Bonds, the notional market value of a subscription right would decrease to almost zero. Given that the shareholders will then not suffer any material economic disadvantage on account of the exclusion of their subscription rights because of the only insignificant discount, the exclusion of subscription rights is permissible in accordance with the intent and purpose of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

Regardless of this review by the Managing Board, it is ensured that conditions are set on market terms and that thereby a dilution is prevented if the bookbuilding procedure is implemented. In the bookbuilding procedure, the terms of the Bonds will be set on the basis of purchase orders of investors, thereby enabling that the total value of the Bonds is determined on market terms.

Moreover, the Managing Board is to be authorized to exclude the shareholders' subscription rights if the Bonds are to be issued against contributions or consideration in kind. This authorization is intended to enhance the Company's position in the international competition for attractive acquisition targets and to enable it to react in a quick and flexible manner to the opportunities that arise. Using this authorization may also help to achieve an optimal financing structure. Under the authorization, the Company may issue Bonds against contributions in kind, in particular in the context of mergers of companies or for the purpose of acquiring (also indirectly) companies, establishments, parts of companies, interests or other assets or claims for the acquisition of assets, including amounts receivable from the Company or its affiliates. The Managing Board will in each case examine carefully whether it will make use of the authorization to issue Bonds with option or conversion rights or obligations against consideration in kind with exclusion of subscription rights. The Managing Board will only make use of this authorization if this is in the interest of the Company and thus also in the interest of its shareholders. This will not put the Company at a disadvantage because the issue of the Bonds against contributions in kind is subject to the condition that the value of such consideration in kind is reasonably proportionate to the value of the new Bonds issued in exchange. When determining the value of the Bonds granted as consideration, the Managing Board will, in principle, use the theoretical market value of the Bonds calculated based on recognized financial mathematical methods, derived from the stock exchange price of the shares of Siemens Healthineers AG, or on the market value of the Bonds determined using a recognized market-oriented procedure.

In addition, an authorization to exclude the subscription rights for fractional amounts is to be granted. This is to ensure a practicable subscription ratio regarding the amount of the respective issue. Without the exclusion of subscription rights for fractional amounts, the technical execution of the capital increase and the exercise of subscription rights would be significantly more difficult, particularly for Bond issuances of round sums.

Finally, it is possible under the aspect of anti-dilution protection to exclude the subscription rights in favor of the holders of Bonds already issued since, as a rule, such Bond holders are entitled to such protection. In order to facilitate the placement, anti-dilution protection often provides, in addition to the possibility of reducing the conversion or option price, that the holders or creditors of the Bonds or warrants are granted a subscription right to new shares also for a subsequent issue of further Bonds, equivalent to the subscription rights of the shareholders. They are thus put in the same position as if they were already shareholders. The granting of a subscription right offers the possibility to prevent that the conversion or option price of Bonds previously issued has to be reduced. This ensures a higher issue price of the shares that are issued when implementing the conversion or exercising the option. In order to grant subscription rights as anti-dilution protection to the holders of Bonds previously issued, the shareholders' subscription rights to the new Bonds used for this purpose must be excluded.

The Managing Board will carefully consider on a case-by-case basis whether use of the authorization would be in the interests of the Company and its shareholders.

Munich, November 23, 2021

Siemens Healthineers AG
The Managing Board