

Siemens Healthineers AG

Annual financial statements as of September 30, 2020

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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 para. 5 together with Section 298 para. 2 of the German Commercial Code (Handelsgesetzbuch) and is published in the 2020 Annual Report of the Siemens Healthineers Group.

The Annual Financial Statements and the Combined Management Report of Siemens Healthineers AG for the fiscal year 2020 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 2020 are also available for download on the Internet at:

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

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Annual financial statements

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A.1 Income Statement

(in millions of €)	Notes	Fiscal year 2020	Fiscal year 2019
Revenue	1	16	14
Cost of Sales		-15	-13
Gross profit		1	1
General administrative expenses		-27	-23
Other operating income	2	1	6
Other operating expenses	2	-29	0
Income from operations		-54	-16
Income from investments	3	1,535	1,415
Interest income		0	0
Interest expenses	4	-18	-9
Other financial income (expenses), net	5	-1	-1
Income from business activity		1,463	1,389
Income taxes	6	-327	-356
Income after taxes / Net income		1,135	1,034
Appropriation of net income			
Net income		1,135	1,034
Profit carried forward		259	24
Unappropriated net income		1,394	1,057

A.2 Balance Sheet

(in millions of €)	Notes	Sept 30, 2020	Sept 30, 2019
Assets			
Non-current assets	7	19,209	16,185
Property, plant and equipment		0	0
Financial assets		19,209	16,185
Current assets		1,583	1,529
<i>Receivables and other assets</i>	8	1,583	1,524
Receivables from affiliated companies		1,508	1,428
Other receivables and other assets		75	96
Cash and cash equivalents		0	4
Prepaid expenses	9	45	33
Active difference resulting from offsetting		0	-
Total assets		20,837	17,747
Shareholders' equity and liabilities			
Shareholders' equity	11	15,868	12,811
Subscribed capital		1,075	1,000
Treasury shares		-1	-1
<i>Issued capital</i>		1,074	999
Capital reserve		13,400	10,754
Unappropriated net income		1,394	1,057
Provisions		217	162
Provision for pensions and similar commitments	12	22	19
Other provisions	13	195	143
Liabilities	14	4,752	4,774
Trade payables		7	0
Liabilities to affiliated companies		4,740	4,759
Other liabilities		5	15
Total shareholders' equity and liabilities		20,837	17,747

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. As of September 30, 2020, the Siemens Group held an interest of approximately 79% (previous year: 85%) in Siemens Healthineers AG. Siemens Healthineers AG shares are traded on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange under the ticker symbol SHL.

The annual financial statements as of September 30, 2020, 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.

In August 2020, Siemens Healthineers and Varian Medical Systems Inc., U.S.A. (“Varian”), a global company active in the field of oncology treatment, entered into an agreement under which Siemens Healthineers will acquire all shares of Varian for US\$177.50 per share in cash. This corresponds to a purchase price of approximately US\$16.4 billion (€14.0 billion as of September 30, 2020). The acquisition of Varian is expected to be closed in the first half of calendar year 2021, subject to approval by the relevant authorities, and other customary closing conditions. Siemens Healthineers AG will not itself acquire the shares of Varian. Instead, they will be acquired by Siemens Healthineers Holding I GmbH, Röttenbach, to which Siemens Healthineers AG has issued an unrestricted letter of support committing to provide the corresponding financial resources. In this context, Siemens Healthineers Holding I GmbH has entered into a deal contingent forward with Siemens AG in the notional amount of €7,500 million to hedge the foreign currency risk from part of the purchase price obligation for the planned acquisition of Varian. The costs of the hedging transaction are not expected to exceed €148 million.

A €15.2 billion credit facility agreement (bridge facility) was entered into with Siemens Finance B.V., The Hague/Netherlands, in the course of financing the acquisition of Varian. The credit facility (bridge facility) has now been reduced to €12.5 billion. Nonrecurring fees were incurred for this facility that will be amortized over the period until the expected refinancing and are presented as interest expense.

A capital increase amounting to 7.5% of subscribed capital was implemented in September 2020 as a step towards financing the acquisition of Varian. Shareholders’ preemptive rights were disapplied.

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 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 2020.

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 2020.

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). Forward exchange contracts 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 forward exchange contracts are offset. Only a net negative amount from the ineffective portion of the change in market 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 forward exchange contracts 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 forward exchange contracts 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: €14 million) resulted solely from providing management services to affiliated companies.

Revenue was generated entirely from affiliated companies in Germany.

Note 2 Other operating income and expenses

Other operating income included in particular reimbursements by Siemens AG in the amount of €1 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 2020, 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 financial year.

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 €1,459 million (previous year: €1,415 million) and to profit of €76 million (previous year: €0 million) withdrawn from Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach, and hence solely attributable to 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.

Note 4 Interest expenses

Interest expenses primarily included incidental financing costs of €5 million (previous year: €0 million) for the bridge facility referred to above and incurred in connection with the planned acquisition of Varian. Interest expenses were reduced by €36 million (previous year: €12 million) due to the recognition pro rata temporis of the forward components of forward exchange contracts included in hedges. Interest expenses 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 €1 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	
	01/10/2019	Additions	Disposals	30/09/2020	01/10/2019	Depreciation/ amortization	30/09/2020	30/09/2020	30/09/2019
Property, plant and equipment									
Other equipment, plant and office equipment	0	0	-	0	0	0	0	0	0
Summary	0	0	-	0	0	0	0	0	0
Financial assets									
Shares in affiliated companies	16,185	3,024	-	19,209	-	-	-	19,209	16,185
Loans	0	-	0	0	-	-	-	0	0
Summary	16,185	3,024	0	19,209	-	-	-	19,209	16,185

In order to establish an independent Siemens Healthineers Group structure, all companies that conduct Siemens Healthineers business were bundled under Siemens Healthineers AG and its subsidiaries in 2018. The Siemens Healthineers Group's business is conducted by Siemens Healthcare GmbH and Siemens Healthineers Beteiligungen GmbH & Co. KG together with their directly and indirectly controlled subsidiaries.

In the course of fiscal year 2020, Siemens Healthineers AG acquired Siemens Healthineers Holding I GmbH for the purpose of conducting the acquisition of Varian. On the basis of the existing unrestricted letter of support, Siemens Healthineers AG was required to make an additional capital contribution of €24 million.

In addition, on the basis of the shareholder resolution of September 29, 2020, Siemens Healthineers AG made a commitment to Siemens Healthineers Beteiligungen GmbH & Co. KG, which was called by the subsidiary, to contribute €3,000 million to the latter's Capital Account II. This contribution can be

made by way of an additional cash payment, a contribution in kind, or a mixture of the two types of contributions.

Note 8 Receivables and other assets

As in the previous year, receivables from affiliated companies did not include any trade receivables. Instead, this item exclusively comprised other receivables and other assets and included receivables of €21 million (previous year: €12 million) with a remaining term of more than one year. Receivables from affiliated companies included receivables from shareholders amounting to €49 million (previous year: €13 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 Accruals and deferrals

Prepaid expenses included debt discounts of €21 million (previous year: €33 million). These 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 as the cost of the shares of the subsidiary, was below their settlement amount at which they were recognized as a liability. The debt discounts are being amortized over the respective terms of the loans, i.e., by September 2021 and 2023.

In conjunction with the bridge facility for securing the financing for the Varian acquisition mentioned in section → A.3.1 *General Disclosures*, nonrecurring fees were incurred in fiscal year 2020 for the closing and syndication. These nonrecurring fees are being amortized as expenses similar to interest expenses over the period until the expected refinancing of the bridge facility. This resulted in prepaid expenses of €24 million.

Note 10 Deferred tax assets

The calculation of deferred taxes yielded an excess of deferred tax assets, which was not recognized because the Company exercised the option under Section 274(1) sentence 2 of the German Commercial Code.

Note 11 Equity

(in millions of €)	01/10/2019	Share buybacks	Issuance of treasury shares under share-based payments	Dividend 2019	Capital increase	Net income	30/09/2020
Subscribed capital	1,000	-	-	-	75	-	1,075
Treasury shares	-1	-2	1	-	-	-	-1
Issued capital	999	-2	1	-	75	-	1,074
Capital reserve	10,754	-60	50	-	2,655	-	13,400
Unappropriated net income	1,057	-	-	-798	-	1,135	1,394
Shareholders' equity	12,811	-61	52	-798	2,730	1,135	15,868

Subscribed capital

As of September 30, 2020, the subscribed capital of Siemens Healthineers AG was composed of 1,075,000,000 registered no-par value shares with a notional value of €1.00 per share. The shares are fully paid up. Each share conveys one vote at the Annual Shareholders' Meeting and governs the shareholder's interest in the Company's net income after taxes. All shares carry the same rights and obligations.

A capital increase amounting to 7.5% of subscribed capital was implemented in September 2020. Shareholders' preemptive rights were disappplied. 75,000,000 new shares were placed, resulting in proceeds of €2.73 billion before commissions and costs. The funds received are planned to be used for the partial financing of the announced acquisition of Varian.

A tax rate of 29.20% was applied to the measurement of deferred taxes. Notwithstanding, for partnerships a tax rate of 15.83% was applied for temporary differences of assets, liabilities and prepaid/deferred items.

Two indirect subsidiaries were added to the consolidated income tax group in fiscal year 2020, with the result that their deferred taxes are recognized at Siemens Healthineers AG. 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 result 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.

Authorized capital

As of September 30, 2020, Siemens Healthineers AG had authorized capital of €425 million that may be used to issue a maximum of 425,000,000 new registered no-par value shares on one or more occasions on or before February 18, 2023, in return for contributions in cash and/or in kind (Authorized Capital 2018). The capital increase implemented in September used a part of the Authorized Capital 2018.

Conditional capital

Additionally, as of September 30, 2020, Siemens Healthineers AG had conditional capital of €100 million or 100,000,000 shares. This capital may be used to service convertible bonds or warrants from bonds with attached warrants issued on or before February 18, 2023 (Conditional Capital 2018).

Capital reserve

As of September 30, 2020, the capital reserves amounted to €13,400 million (previous year: €10,754 million).

Due to the capital increase, an inflow of €2,655 million was recognized within capital reserves in September 2020. The issuance of treasury shares in connection with employee share programs resulted in a further addition to the capital reserves totalling €50 million.

An amount of €60 million was withdrawn from distributable capital reserves for the repurchase of treasury shares.

As of September 30, 2020, €338 million of the capital reserves was distributable (previous year: €350 million) before consideration of amounts subject to restrictions on distribution.

Treasury Shares

(in numbers of shares)	Fiscal year 2020
Treasury shares, beginning of fiscal year	651,158
Share buyback	1,550,474
Issuance under share-based payments	-1,303,383
Treasury shares, end of fiscal year	898,249

The Extraordinary Shareholders' Meeting held on February 19, 2018, authorized the Managing Board to buy back treasury shares until February 18, 2023, 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 898,249 treasury shares held by Siemens Healthineers AG as of September 30, 2020, correspond to a notional amount of €898,249, or 0.08% of the share capital. During fiscal year 2020, Siemens Healthineers AG repurchased a total of 1,550,474 of its own shares under this share buyback program. This corresponds to a notional amount of €1,550,474, or 0.14% of the share capital. A total of €61 million (excluding incidental transaction costs) was spent for this purpose during this period; this represents a weighted average price of €38.88 per share. All of the shares were purchased during the reporting period on 50 Xetra trading days during the months of October to December 2019 and January 2020, by a bank instructed by Siemens Healthineers AG, on the electronic trading platform of the Frankfurt Stock Exchange (Xetra). The average trading volume on these trading days was about 498,433 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 2020, 1,186,962 shares were sold as investment shares to participants in employee share programs at a weighted average price of €38.27 per share; the purchase price was determined on the basis of the closing price in Xetra trading on

the transfer date of the shares. Siemens Healthineers AG received a total of €47 million from the sale of these shares. This amount was generally freely available to the Company and reduced liabilities to affiliated companies. The other 116,241 shares issued during the reporting period were bonus shares awarded as part of the base share program that were issued in February 2020.

Siemens Healthineers AG launched a new share buyback program in October 2020. It will run until February 2021 and has a volume of €160 million.

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 €2 million (previous year: €2 million).

The profit of €1,459 million (previous year: €1,415 million) transferred by Siemens Healthcare GmbH, as the tax group subsidiary, to the tax group parent company for the past fiscal year also included – pursuant to the wording of Section 301 of the AktG – the amount of €118 million (previous year: €124 million) that is subject to a restriction on distribution under Section 253(6) sentence 2 of the HGB.

The amounts subject to a restriction on distribution were countered by distributable capital reserves of €338 million (previous year: €350 million). Therefore, there was no restriction on distribution relating to the unappropriated net income of €1,394 million (previous year: €1,057 million).

Disclosures on holdings of the capital of Siemens Healthineers AG

As of September 30, 2019, 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 September 2020, the voting rights held by the Siemens Group dropped to approximately 79%. 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 generally 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 contributions and the related investment income, 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 €22 million as of the reporting date (previous year: €19 million). The actuarial valuation of the settlement amount was based substantially on the following parameters:

The 10-year average interest rate (2.41%) pursuant to Section 253(2) of the HGB was applied to the pension obligations. For the other obligations, the 7-year average interest rate (1.71%) 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 €2 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. Siemens mortality tables (Siemens Bio 2017/2020) were applied in fiscal year 2020.

Note 13 Other provisions

Other provisions included miscellaneous provisions of €17 million (previous year: €7 million) and tax provisions of €178 million (previous year: €136 million).

Miscellaneous provisions related primarily to provisions of €13 million for personnel expenses (previous year: €5 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, 2020	up to 1 year	1 year up to 5 years	thereof maturities more than 5 years	Sept. 30, 2019	up to 1 year	1 year up to 5 years	thereof maturities more than 5 years
Trade payables	7	7	-	-	0	0	-	-
Liabilities to affiliated companies	4,740	4,074	667	-	4,759	3,282	1,437	-
Other liabilities	5	5	-	-	15	15	-	-
therein from taxes	0	0	-	-	0	0	-	-
therein for social security	0	0	-	-	0	0	-	-
Liabilities	4,752	4,086	667	-	4,774	3,297	1,437	-

Tax liabilities as of September 30, 2020, amounted to €347 thousand (previous year: €340 thousand), and liabilities for social security amounted to €23 thousand (previous year: €22 thousand). Liabilities to affiliated companies related to liabilities of €195 million (previous year: €2,222 million) to Siemens Healthcare GmbH for cash pooling within the Siemens Healthineers Group, loans from Siemens Finance B.V. including interest liabilities amounting to €1,438 million (previous year: €1,438 million), the liability from the contribution to Capital Account II of Siemens Healthineers Beteiligungen GmbH & Co. KG pledged and called up in fiscal year 2020 amounting to €3,000 million (previous year: €1,000 million from the additional capital payment pledged and called up in fiscal year 2019), and other liabilities of €80 million

(previous year: €99 million) resulting from the consolidated value added tax group with several subsidiaries, and from amounts collected for subsidiaries. Furthermore, liabilities from the pledged and called up capital contribution to Siemens Healthineers Holding I GmbH amounting to €24 million were recognized for the first time as well as trade payables to Siemens Healthcare GmbH amounting to €3 million. The sharp decline of liabilities to affiliated companies from cash pooling is attributable to the capital increase in September 2020. The proceeds after deduction of fees withheld directly by the banks of €2,710 million were included in the regular cash pooling. However, these are invested with Siemens AG separately from the revolving multi-currency credit line between Siemens Healthcare GmbH and Siemens AG in order to ensure the availability of the proceeds for the acquisition of Varian.

A.3.5 Other disclosures

Note 15 Material expenses

(in millions of €)	Fiscal year 2020	Fiscal year 2019
Expenses for raw materials, supplies and purchased merchandise	-0.1	-0.2
Costs of purchased services	-10.4	-2.5
Material expenses	-10.6	-2.7

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 2020	Fiscal year 2019
Wages and salaries	-21	-22
Social security contributions and expenses for other employee benefits	-1	-1
Expenses for pensions	-2	-1
Personnel expenses	-24	-23

The Company had an average of 52 employees in fiscal year 2020, all of whom were engaged in administrative functions. The average percentage of women was 20%.

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, members of the senior management, and other eligible employees.

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

recognition in the first years of the vesting period before considering share price performance.

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

(in number of shares)	Fiscal year 2020
Non-vested, beginning of fiscal year	596,224
Granted	412,576
Forfeited	-152,580
Settled	-10,618
Non-vested, end of fiscal year	845,602

The pro rata intrinsic value of all stock awards issued to beneficiaries of Siemens Healthineers AG amounted to €9 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 base 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 (= price of Siemens Healthineers AG shares) at the reporting date.

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

(in number of shares)	Fiscal year 2020
Outstanding, beginning of fiscal year	8,467
Granted	8,927
Forfeited	-304
Settled	-165
Outstanding, end of fiscal year	16,925

The pro rata intrinsic value of all matching shares issued to beneficiaries of Siemens Healthineers AG was €0 million at the balance sheet date.

Note 18 Guarantees and other commitments

Under the terms of an unrestricted letter of support issued in favor of Siemens Healthineers Holding I GmbH, Siemens Healthineers AG has agreed to be responsible for all existing and future liabilities of that subsidiary in connection with the acquisition of Varian by providing that subsidiary with equity in the corresponding amount ("Einstands- und Ausstattungspflicht"). This obligation also extends to ensuring the fulfillment of obligations under the agreement to acquire Varian and obligations under a derivative instrument entered into for the purpose of hedging currency effects. As a result, Siemens Healthineers AG is indirectly required to pay the purchase price of US\$16.4 billion (€14.0 billion) and to finance the repayment of all amounts outstanding under an existing credit agreement of Varian, which has a maximum volume of US\$1.2 billion (€1.0 billion). The acquisition of Varian is considered to be highly probable. In the unlikely event that the acquisition of Varian does not happen, contractual penalties of US\$450 million, up to a maximum of US\$925 million may be incurred, which Siemens Healthineers AG is also obliged to pay indirectly. Under the terms of the letter of support, Siemens Healthineers AG has also agreed to contribute sufficient equity to Siemens Healthineers Holding I GmbH to ensure that it does not incur any deficit not covered by equity.

Additionally, Siemens Healthineers AG issued a guarantee to Siemens AG in the form of an independent payment obligation relating to payments that Siemens Healthineers Holding I GmbH is required to make under the terms of the deal contingent forward. The nominal amount of the deal contingent forward to be paid amounts to €7.5 billion.

Further, as of September 30, 2020, there is 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 €27 million as of September 30, 2020. An indemnity agreement existing in the previous year 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.

Additionally delivery-related guarantee obligations amounting to €306 million were issued, including utilized bank guarantees in the amount of €20 million.

Siemens Healthineers AG enters into contingent liabilities only after careful consideration of the risks concerned. The Company currently assumes that, with the exception of Siemens Healthineers Holding I GmbH, 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. With the exception of the letter of support issued in favor of Siemens Healthineers Holding I GmbH, the Company therefore regards as unlikely the risk of claims being

asserted in relation to the contingent liabilities described above. Because the closing of the acquisition of Varian is estimated to be highly probable, we consider as highly likely the utilization of the above mentioned obligation to be responsible for all existing and future liabilities of Siemens Healthineers Holding I GmbH and to provide that subsidiary with equity in the corresponding amount. Furthermore it is possible that Siemens Healthineers AG will have to make further additional capital payments to Siemens Healthineers Holding I GmbH under the letter of support in order to compensate any deficit not covered by equity.

Note 19 Financial payment obligations under leasing and rental arrangements

At the balance sheet date, leasing and rental agreements resulted in payment obligations of €0.3 million (previous year: €0.0 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

As in the previous year, Siemens Healthineers AG was exposed to significant foreign currency risk from the loan liabilities to Siemens Finance B.V. assumed from Siemens Healthineers Beteiligungen GmbH & Co. KG in fiscal year 2019 because these loans are denominated in U.S. dollars. Since the loans carry fixed rates of interest, there is no interest rate risk. Siemens Healthineers AG has entered into forward exchange contracts with Siemens AG to hedge this foreign currency risk.

As of September 30, 2020, the Company held forward exchange contracts with a notional volume of €1,383 million and a positive fair value of €19 million. The notional volume equals the total value of the contracts. The fair value of the forward exchange contracts 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 2020, i.e., the risk resulting from a single hedged item is hedged by a single derivative financial instrument. For this assessment, changes in the spot component of the forward exchange contracts were compared with changes in the value or cash flows of the hedged items from exchange rate movements. The forward component is recognized pro rata temporis over the term of the relevant forward exchange contracts 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 payment due for the loan liabilities. The hedges for the loan liabilities have terms up to September 15, 2021, or September 15, 2023. Based on the interest period of six months, the hedges for the interest payments had a term of between 5.5 months up to a maximum of 11.5 months or 35.5 months, respectively, as of the balance sheet date.

(in millions of US\$)	Sep 30, 2020
Foreign currency risk from liabilities	1,603
Foreign currency risk from firm commitments and forecast transactions	65
Net foreign currency position (before hedging)	1,668
Foreign currency exchange contracts with affiliated companies	1,668
Net foreign currency position (after hedging)	0

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, only the forward component of forward exchange contracts not yet due that was recognized pro rata temporis was reflected in the balance sheet. Its carrying amount was €47 million as of September 30, 2020, 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 2020 amounting to €1,394 million be appropriated as follows: Distribution of a dividend of €0.80 per no-par value share entitled to the dividend, and carry-forward of the remaining amount. The 75 million new no-par value shares issued due to the capital increase are entitled to a dividend as of October 1, 2019.

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 €3.3 million. The fair value of share-based payments granted in fiscal year 2020 amounted to €3.0 million for 139,006 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 €1.1 million.

The total remuneration and other benefits granted to members of the Managing Board therefore amounted to €7.4 million.

Aggregate benefits of former members of the Managing Board

The Managing Board member who stepped down at 2019 fiscal year-end was awarded a severance payment of €2.4 million in fiscal year 2019 that was paid in fiscal year 2020. Besides, 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 €37 thousand in fiscal year 2020.

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 €1.2 million, including meeting fees, in fiscal year 2020.

Information about the individual remuneration of the members of the Managing Board and Supervisory Board is disclosed in the Compensation Report, which is part of the Combined Management Report (Section A.8).

Note 24 Declaration of Compliance with the German Corporate Governance Code

As of September 30, 2020, 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 Events after the balance sheet date

The following event of particular significance occurred after the balance sheet date:

On October 6, 2020, Siemens Healthineers AG assumed a loan from Siemens Healthineers Beteiligungen GmbH & Co. KG subject to debt assumption and discharge of transferor from all liability and ex ante waiver of any recourse claims. This related to another loan liability to Siemens Finance B.V., in the amount of US\$1,689 million (€1,544 million). The loan, which has a term until October 15, 2026, was originally made to Siemens Medical Solutions USA, Inc., Wilmington/United States. Accrued interest payable of €17 million (US\$20 million) was transferred together with the loan. Interest payments outstanding up to the end of the term amounted to US\$275 million. Siemens Healthineers AG also assumed the related forward exchange contracts from Siemens Healthineers Beteiligungen GmbH & Co. KG at their fair value of €62 million on the same day.

Note 27 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 2020 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, 2020)	Group company positions (as of September 30, 2020)
Dr. Bernhard Montag Chief Executive Officer	1969	2018	2026	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 nine 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 2020:

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, 2020)
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 Gas and Power Management GmbH • Siemens Healthcare GmbH (Chairman) 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 (since 02/12/2020)	Member of the Managing Board of Siemens Aktiengesellschaft (Deputy Chief Executive Officer)	1964	2020	German positions: • ESMT European School of Management and Technology GmbH • Siemens Mobility GmbH (Chairman) Positions outside Germany: • Arabia Electric Ltd. (Equipment), Saudi Arabia • Siemens Ltd., Saudi Arabia • Siemens W.L.L., Qatar
Dr. Marion Helmes	Supervisory board member	1965	2018	German positions: • ProSiebenSat.1 Media SE (Vice Chairwoman) 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
Michael Sen (until 02/12/2020) as of 02/12/2020	Member of the Managing Board of Siemens Aktiengesellschaft	1968	2018	Positions outside Germany: • Siemens Gamesa Renewable Energy, S.A., Spain
Dr. Nathalie von Siemens	Supervisory board member	1971	2018	German positions: • Messer Group GmbH • Siemens Aktiengesellschaft • Siemens Healthcare GmbH • TÜV SÜD AG
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	Positions outside Germany: • Fusion Healthcare Staffing, LLC, USA • Invicro, LLC, USA • DFP Healthcare Acquisitions Corp., USA
Karl-Heinz Streibich	President of acatech – Deutsche Akademie der Technikwissenschaften	1952	2018	German positions: • Deutsche Telekom AG • Münchener Rückversicherungs-Gesellschaft AG • Software AG (Chairman)

Prof. Dr. Ralf P. Thomas

- stepped down from his Supervisory Board appointment at Siemens Aktiengesellschaft Österreich, Austria, as of 12/17/2019.
- stepped down from his Supervisory Board appointment at Siemens Gamesa Renewable Energy, S.A., Spain, as of 11/27/2019.
- assumed a Supervisory Board appointment at Siemens Energy AG on 09/25/2020.
- assumed a Supervisory Board appointment at Siemens Gas and Power Management GmbH on 09/25/2020.
- assumed a Supervisory Board appointment at Siemens Proprietary Ltd., South Africa, on 03/01/2020.

Dr. Norbert Gaus

- stepped down from his Supervisory Board appointment at evosoft GmbH as of 12/01/2019.
- stepped down from his Supervisory Board appointment at evosoft kft, Hungary, as of 12/01/2019.
- assumed a Supervisory Board appointment at Siemens Healthcare GmbH on 11/27/2019.

Dr. Roland Busch

- stepped down from his Supervisory Board appointment at OSRAM GmbH as of 07/28/2020.
- stepped down from his Supervisory Board appointment at OSRAM Licht AG as of 07/28/2020.
- stepped down from his Supervisory Board appointment at Siemens Postal, Parcel & Airport Logistics GmbH, as of 05/01/2020.
- stepped down from his Supervisory Board appointment at ISCOA Industries and Maintenance Ltd., Saudi Arabia, as of 09/25/2020.
- stepped down from his Supervisory Board appointment at VA TECH T&D Co. Ltd., Saudi Arabia, as of 09/25/2020.

Dr. Marion Helmes stepped down from her Supervisory Board appointment at Uniper SE as of 04/03/2020.

Dr. Andreas C. Hoffmann

- assumed a Supervisory Board appointment at Siemens Healthcare GmbH on 11/27/2019.
- assumed a Supervisory Board appointment at Siemens Gas and Power Management GmbH on 03/17/2020 and stepped down on 09/25/2020.
- assumed a Supervisory Board appointment at Siemens Gamesa Renewable Energy, S.A., Spain, on 11/27/2019 and stepped down on 09/28/2020.

Dr. Philipp Rösler

- stepped down from his Supervisory Board appointment at Arabesque S-Ray GmbH as of 06/30/2020.
- assumed a Supervisory Board appointment at Brainloop AG on 07/01/2020.
- assumed a Supervisory Board appointment at Loc Troi Group, Vietnam, on 07/01/2020.

Michael Sen stepped down from his Supervisory Board appointment at Siemens Healthcare GmbH as of 11/27/2019.

Dr. Nathalie von Siemens assumed a Supervisory Board appointment at TÜV SÜD AG on 07/10/2020.

Dr. Gregory Sorensen

- stepped down from his Supervisory Board appointment at DFB Healthcare Acquisitions Corp. as of 11/07/2019.
- assumed a Supervisory Board appointment at DFP Healthcare Acquisitions Corp. on 03/10/2020.

Karl-Heinz Streibich

- stepped down from his Supervisory Board appointment at Dürr AG as of 05/28/2020.
- assumed a Supervisory Board appointment at Software AG on 06/26/2020.

Note 28 List of subsidiaries and associated companies of Siemens Healthineers AG pursuant to Section 285 para. 11 of the German Commercial Code

September 30, 2020	Net income in millions of €¹	Equity in millions of €¹	Equity interest in %
Germany (13 companies)			
Befund24 GmbH, Erlangen / Germany	-1	1	85
Dade Behring Grundstücks GmbH, Kemnath / Germany	1	21	94
MeVis BreastCare GmbH & Co. KG, Bremen / Germany	0	3	49
NEO New Oncology GmbH, Cologne / Germany	131	667	100
Siemens Healthcare Diagnostics Products GmbH, Marburg / Germany	- ¹³	89 ¹³	100
Siemens Healthcare GmbH, Munich / Germany	- ¹³	2,710 ¹³	100
Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach / Germany	113	13,551	100
Siemens Healthineers Holding I GmbH, Röttenbach / Germany	-24 ¹¹	0 ¹¹	100
Siemens Healthineers Innovation GmbH & Co. KG, Röttenbach / Germany	22 ¹²	22 ¹²	100
Siemens Medical Solutions Health Services GmbH, Grünwald / Germany	1	31	100
Siemens Real Estate GmbH & Co. KG, Kemnath / Germany	16	91	94
Zeleni Holding GmbH, Kemnath / Germany	0 ⁵	5 ⁵	100
Zeleni Real Estate GmbH & Co. KG, Kemnath / Germany	0 ⁶	5 ⁶	100
Europe, Commonwealth of Independent States (C. I. S.), Africa, Middle East (EMEA) (without Germany) (53 companies)			
Fast Track Diagnostics Ltd, Sliema / Malta	25	33	100
FAST TRACK DIAGNOSTICS LUXEMBOURG S.à r.l., Esch-sur-Alzette / Luxembourg	1	4	100
FTD Europe Ltd, Sliema / Malta	0	1	100
Impilo Consortium (Pty.) Ltd., La Lucia / South Africa	-10	47	31
ITH icoserve technology for healthcare GmbH, Innsbruck / Austria	0	1	69
Medical Systems S.p.A., Genoa / Italy	1 ⁴	110 ⁴	45
PETNET Solutions SAS, Lisses / France	2	0	100
Screenpoint Medical B.V., Nijmegen / Netherlands	-2 ⁴	1 ⁴	21
Siemens Healthcare (Private) Limited, Lahore / Pakistan	-1	-2	100
Siemens Healthcare A/S, Ballerup / Denmark	3 ⁸	8 ⁸	100
Siemens Healthcare AB, Solna / Sweden	6	9	100
Siemens Healthcare AG, Zurich / Switzerland	11	80	100
Siemens Healthcare AS, Oslo / Norway	3	13	100
Siemens Healthcare d.o.o. Beograd, Belgrade / Serbia	1	1	100
Siemens Healthcare d.o.o., Ljubljana / Slovenia	1	2	100
Siemens Healthcare d.o.o., Zagreb / Croatia	2	4	100
Siemens Healthcare Diagnostics GmbH, Vienna / Austria	2	39	100
Siemens Healthcare Diagnostics Ltd., Frimley, Surrey / United Kingdom	4	38	100
Siemens Healthcare Diagnostics Manufacturing Limited, Swords, County Dublin / Ireland	-4	0	100
Siemens Healthcare Diagnostics Manufacturing Ltd, Frimley, Surrey / United Kingdom	6	26	100
Siemens Healthcare Diagnostics Products Ltd, Frimley, Surrey / United Kingdom	4	46	100
Siemens Healthcare EOOD, Sofia / Bulgaria	1 ⁴	4 ⁴	100
Siemens Healthcare FZ LLC, Dubai / United Arab Emirates	3	21	100
SIEMENS HEALTHCARE INDUSTRIAL AND COMMERCIAL SINGLE MEMBER SOCIETE ANONYME, Chalandri / Greece	4	18	100
Siemens Healthcare Kft., Budapest / Hungary	2	4	100
Siemens Healthcare L.L.C., Dubai / United Arab Emirates	9	56	49
SIEMENS HEALTHCARE LIMITED LIABILITY COMPANY, Kiev / Ukraine	2 ⁴	0 ⁴	100

September 30, 2020	Net income in millions of € ⁴	Equity in millions of € ⁴	Equity interest in %
Siemens Healthcare Limited Liability Company, Moscow / Russian Federation	8	11	100
Siemens Healthcare Limited Liability Partnership, Almaty / Kazakhstan	1 ⁴	2 ⁴	100
Siemens Healthcare Limited, Frimley, Surrey / United Kingdom	30	212	100
Siemens Healthcare Limited, Riyadh / Saudi Arabia	15	35	51
Siemens Healthcare Logistics LLC, Cairo / Egypt	0	0	100
Siemens HealthCare Ltd., Rosh HaAyin / Israel	0	3	100
Siemens Healthcare Medical Solutions Limited, Swords, County Dublin / Ireland	3	6	100
Siemens Healthcare NV, Beersel / Belgium	6	19	100
Siemens Healthcare Oy, Espoo / Finland	4	24	100
Siemens Healthcare Proprietary Limited, Halfway House / South Africa	3	20	75
Siemens Healthcare S.A.E., Cairo / Egypt	5	9	100
Siemens Healthcare S.R.L., Bucharest / Romania	1	8	100
Siemens Healthcare S.r.l., Milan / Italy	6	68	100
Siemens Healthcare s.r.o., Bratislava / Slovakia	1	4	100
Siemens Healthcare Saglik Anonim Sirketi, Istanbul / Turkey	-3	40	100
Siemens Healthcare SARL, Casablanca / Morocco	0	3	100
Siemens Healthcare SAS, Saint-Denis / France	11	65	100
Siemens Healthcare Sp. z o.o., Warsaw / Poland	5	24	100
SIEMENS HEALTHCARE, S.L.U., Getafe / Spain	-1	146	100
Siemens Healthcare, s.r.o., Prague / Czech Republic	3	9	100
SIEMENS HEALTHCARE, UNIPESOAL, LDA, Amadora / Portugal	3	27	100
Siemens Healthineers Holding III B.V., The Hague / Netherlands	88	4,994	100
Siemens Healthineers Nederland B.V., The Hague / Netherlands	-14	1,046	100
Siemens Medicina d.o.o., Sarajevo / Bosnia and Herzegovina	0	0	100
Steiermärkische Medizinararchiv GesmbH, Graz / Austria	1	2	52
TRIXELL SAS, Moirans / France	16 ⁴	31 ⁴	25
Americas (28 companies)			
Corindus, Inc., Wilmington, DE / United States	-46 ^{3,9}	571 ^{3,9}	100
Dade Behring Hong Kong Holdings Corporation, Tortola / Virgin Islands, British	3 ^{3,8}	41 ^{3,8}	100
Dedicated2Imaging LLC, Wilmington, DE / United States	-4 ^{3,8}	-2 ^{3,8}	80
ECG Acquisition, Inc., Wilmington, DE / United States	5 ^{3,8}	167 ^{3,8}	100
ECG TopCo Holdings, LLC, Wilmington, DE / United States	-28 ^{3,8}	144 ^{3,8}	75
EPOCAL INC., Toronto / Canada	1	86	100
Executive Consulting Group, LLC, Wilmington, DE / United States	3 ^{3,8}	26 ^{3,8}	100
Imricor Medical Systems, Inc., Dover, DE / United States	-11 ⁴	6 ⁴	7
P.E.T.NET Houston, LLC, Austin, TX / United States	3 ^{3,8}	8 ^{3,8}	51
PETNET Indiana, LLC, Indianapolis, IN / United States	0 ^{3,8}	3 ^{3,8}	50 ²
PETNET Solutions Cleveland, LLC, Wilmington, DE / United States	1 ^{3,8}	2 ^{3,8}	63
PETNET Solutions, Inc., Knoxville, TN / United States	17 ^{3,8}	179 ^{3,8}	100
PhSiTh LLC, New Castle, DE / United States	N/A ^{14,15}	N/A ^{14,15}	33
Siemens Healthcare Diagnósticos Ltda., São Paulo / Brazil	23	47	100
Siemens Healthcare Diagnostics Inc., Los Angeles, CA / United States	-81 ^{3,8}	7,093 ^{3,8}	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	4 ⁴	30 ⁴	100
Siemens Healthcare Equipos Médicos Sociedad por Acciones, Santiago de Chile / Chile	1	12	100
Siemens Healthcare Laboratory, LLC, Wilmington, DE / United States	0	6 ^{3,8}	100
Siemens Healthcare Limited, Oakville / Canada	7	166	100

September 30, 2020	Net income in millions of € ¹	Equity in millions of € ¹	Equity interest in %
Siemens Healthcare S.A., Buenos Aires / Argentina	-5	6	100
Siemens Healthcare S.A.C., Surquillo / Peru	0 ⁴	1 ⁴	100
Siemens Healthcare S.A.S., Tenjo / Colombia	-2 ⁴	7 ⁴	100
Siemens Healthcare Servicios S. de R.L. de C.V., Mexico City / Mexico	1 ⁴	3 ⁴	100
Siemens Healthcare, Sociedad Anonima, Antiguo Cuscatlán / El Salvador	1 ⁴	2 ⁴	100
Siemens Medical Solutions USA, Inc., Wilmington, DE / United States	123 ^{3,8}	9,968 ^{3,8}	100
Siemens S.A., Montevideo / Uruguay	0	1	100
Siemens-Healthcare Cia. Ltda., Quito / Ecuador	0 ⁴	3 ⁴	100
Asia, Australia (26 companies)			
AcroRad Co., Ltd., Okinawa / Japan	2	20	96
PETNET Radiopharmaceutical Solutions Pvt. Ltd., Mumbai / India	0	3	100
PT Siemens Healthineers Indonesia, Jakarta / Indonesia	0 ^{3,8}	13 ^{3,8}	100
Siemens Healthcare Diagnostics K.K., Tokyo / Japan	1	63	100
Siemens Healthcare Diagnostics Manufacturing Ltd., Shanghai, Shanghai / China	-7 ⁴	41 ⁴	100
Siemens Healthcare Inc., Manila / Philippines	0	21	100
Siemens Healthcare K.K., Tokyo / Japan	37	207	100
Siemens Healthcare Limited, Auckland / New Zealand	-2	7	100
Siemens Healthcare Limited, Bangkok / Thailand	-1	6	100
Siemens Healthcare Limited, Ho Chi Minh City / Viet Nam	1	3	100
Siemens Healthcare Limited, Hong Kong / Hong Kong	5	9	100
Siemens Healthcare Limited, Taipei / Taiwan, Province of China	4	21	100
Siemens Healthcare Ltd., Dhaka / Bangladesh	0 ⁸	3 ⁸	100
Siemens Healthcare Private Limited, Mumbai / India	17 ⁷	-7 ⁷	100
Siemens Healthcare Pte. Ltd., Singapore / Singapore	2	21	100
Siemens Healthcare Pty. Ltd., Melbourne / Australia	4	77	100
Siemens Healthcare Sdn. Bhd., Petaling Jaya / Malaysia	3	9	100
Siemens Healthineers Diagnostics (Shanghai) Co., Ltd., Shanghai / China	37 ⁴	330 ⁴	100
Siemens Healthineers Digital Technology (Shanghai) Co., Ltd., Shanghai / China	-1 ^{3,8}	6 ^{3,8}	100
Siemens Healthineers India LLP, Bangalore / India	0 ¹⁰	3 ¹⁰	100
Siemens Healthineers Ltd., Seoul / Korea, Republic of	12	61	100
Siemens Healthineers Ltd., Shanghai / China	96 ⁴	148 ⁴	100
Siemens Shanghai Medical Equipment Ltd., Shanghai / China	71 ⁴	112 ⁴	100
Siemens Shenzhen Magnetic Resonance Ltd., Shenzhen / China	76 ⁴	105 ⁴	100
Siemens Technology Development Co., Ltd. of Beijing, Beijing / China	3 ⁴	4 ⁴	90
Siemens X-Ray Vacuum Technology Ltd., Wuxi, Wuxi / China	3	23 ⁴	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, 2018, to September 30, 2019.

² Control due to a majority of voting rights.

³ The values correspond to the annual financial statements according to the consolidated IFRS-closing.

⁴ Financial data for the fiscal year January 1, 2019 – December 31, 2019.

⁵ Financial data for the short fiscal year January 23, 2019 – September 30, 2019.

⁶ Financial data for the short fiscal year February 12, 2019 – September 30, 2019.

⁷ Financial data for the fiscal year April 1, 2019 – March 31, 2020.

⁸ Financial data for the fiscal year October 1, 2019 – September 30, 2020.

⁹ Financial data for the short fiscal year October 29, 2019 – September 30, 2020.

¹⁰ Financial data for the short fiscal year December 31, 2019 – March 31, 2020.

¹¹ Financial data for the short fiscal year July 10, 2020 – September 30, 2020.

¹² Financial data for the short fiscal year August 24, 2020 – September 30, 2020.

¹³ A profit transfer agreement was in place in the fiscal year listed.

¹⁴ Usage of the exemption in accordance with Section 286 para. 3 sentence 2 German Commercial Code.

¹⁵ N/A = No data available.

B.

Additional information

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B.1 Responsibility Statement

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B.2 Independent Auditor's
Report

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B.3 Further Information

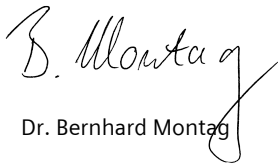
B.1 Responsibility Statement

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.

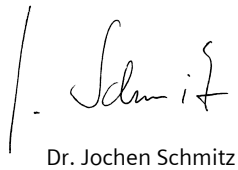
Munich, November 19, 2020

Siemens Healthineers AG

The Managing Board



Dr. Bernhard Montag



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, which comprise the income statement for the fiscal year from October 1, 2019 to September 30, 2020, the balance sheet as of September 30, 2020 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, 2019 to September 30, 2020. 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.4.2 “Corporate Governance statement pursuant to Sections 289f and 315d of the German Commercial Code” of the Annual Report 2020 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, 2020 and of its financial performance for the fiscal year from October 1, 2019 to September 30, 2020 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, 2019 to September 30, 2020. 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:

Impairment 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 significant 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, especially 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, 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 impairment of non-current financial assets.

Reference to related disclosures: With regard to the recognition and measurement policies applied for the impairment 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 2020. In all other respects, management is responsible for the other information.

The other information, of which we received a version prior to issuing this auditor’s report, includes:

- the Responsibility Statement according to Sec. 264 (2) Sentence 3 and Sec. 289 (1) Sentence 5 HGB in chapter B.1 “Responsibility Statement” of the report “Annual financial statements as of September 30, 2020”,
- the notes in chapter B.3 “Further Information” of the report “Annual financial statements as of September 30, 2020”,
- the Responsibility Statement in chapter C.1 “Responsibility statement” of the Annual Report 2020,
- the Report of the Supervisory Board in chapter C.3 “Report of the Supervisory Board” in the Annual Report 2020,
- Corporate Governance in chapter C.4 “Corporate Governance” of the Annual Report 2020, and
- Notes and forward-looking statements in chapter C.5 “Notes and forward-looking statements” of the Annual Report 2020.

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, it 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

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

We were elected as auditor by the Annual Shareholders' Meeting on February 12, 2020. We were engaged by the Supervisory Board on March 3, 2020. 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 being integrated into the audit and project-accompanying IT audits.


Other attestation services include primarily attestation services required by law, contractually agreed or requested on a voluntary basis.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Thomas Spannagl.

Munich, November 19, 2020

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft



Spannagl
Wirtschaftsprüfer
[German Public Auditor]



Tropschug
Wirtschaftsprüferin
[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.

To facilitate readability mainly the masculine form is used in this report. However, this always relates to male and female persons alike.

Internet: www.siemens-healthineers.com

Press: www.siemens-healthineers.com/press-room

Investor Relations: www.corporate.siemens-healthineers.com/investor-relations

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