Annual Report 2024

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SIEMENS Healthineers

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A.
Combined management report

A.1 Business principles

A.1.1 Business description

Organization

Siemens Healthineers is a global provider of healthcare products, solutions and services, with activities in numerous countries around the world. Siemens Healthineers Group (hereinafter "Siemens Healthineers," the "company," "we," or the "Group") comprises the parent company Siemens Healthineers AG, a stock corporation under the laws of the Federal Republic of Germany, and its subsidiaries. Siemens Healthineers AG is registered in the commercial register in Munich, Germany. Siemens Healthineers had about 72,000 employees as of September 30, 2024 (September 30, 2023: about 71,000).

Siemens Healthineers has a strong presence and market position in growth markets and is directly represented in more than 70 countries worldwide. Our main production and development sites are in Germany, the United States, China, India, Great Britain, and Slovakia. With holistic system competence, we develop, manufacture, and sell a diverse range of innovative diagnostic and therapeutic products and services to healthcare providers in more than 180 countries. We also provide clinical consulting services as well as an extensive range of training and service offerings. This comprehensive portfolio supports customers along the entire care continuum, from prevention and early detection through to diagnosis, treatment, and follow-up care.

Delivering high-quality, affordable healthcare requires scalable solutions to meet the needs of a broad spectrum of healthcare providers and related organizations. Siemens Healthineers is strongly positioned relative to this spectrum, which ranges from public and private healthcare providers, including hospitals and hospital systems, public and private clinics and laboratories, universities, physicians/joint medical practices, public health agencies, public and private health insurers, through to pharmaceutical companies and clinical research institutes. We offer different solutions tailored to the customers' needs in all our markets.

Our business operations are divided into four segments: Imaging, Diagnostics, Varian, and Advanced Therapies. In all these segments we are one of the leading global providers.

Our Imaging segment provides imaging products, services and solutions, and digital offerings. Our most important products in this segment are devices for magnetic resonance imaging, computed tomography, X-ray, molecular imaging, and ultrasound. All our imaging and therapy systems are supported by shared software platforms. We offer a broad and scalable range of software solutions to support the reading and structured reporting of diagnostic images from different modalities. We generate a significant amount of recurring revenues from our customer services business (services and spare parts) due to a large installed base and long-term service relationships. These provide a stable business base.

The portfolio of our Diagnostics segment comprises in-vitro diagnostic products and services that we offer to healthcare providers in the fields of general laboratory, specialty laboratory, and point-of-care diagnostics. Serving a broad selection of diagnostic test settings – from centralized reference and hospital laboratories to critical care, emergency departments, and physician office laboratories – our comprehensive portfolio covers various testing disciplines, including immunochemistry, hematology, hemostasis, urinalysis, diabetes care, and blood gas, among others. Diagnostics' product range also includes efficient workflow solutions for laboratories and informatics products that are integrated with our offerings to improve the productivity of our customers. Diagnostics generates profits mainly from long-term contracts that include an initial instrument placement followed by ongoing reagent sales, which result in a predictable and resilient revenue stream.

The Varian segment offers a broad portfolio of innovative cancer care technologies and services that support oncology departments in hospitals and clinics throughout the world. Important needs of oncology patients in all stages of the treatment process are served with the aid of integrated equipment for high-precision, image-guided radiotherapy, as well as digital solutions for healthcare management, radiotherapy treatment planning, and patient engagement. With a large installed base, Varian generates recurring revenues from services and spare parts. It also provides customized support for cancer center operations by leveraging expertise, best practices, and digitally enabled solutions to help care providers implement optimized, personalized approaches to care. Varian's future-focused microwave, cryoablation, and embolization technologies are employed by interventional radiologists in the fight against cancer and other conditions. Oncology customers worldwide use Varian technologies for magnetic resonance imaging, computed tomography, and molecular imaging optimized for use in radiotherapy.

The portfolio of our Advanced Therapies segment consists of highly integrated products, services and solutions used in the treatment of diseases across multiple clinical fields. Our Advanced Therapies products are designed to support image-guided minimally invasive treatments, in areas such as cardiology, interventional radiology, and surgery. The most important products in this segment are angiography systems and mobile C-arms. In the field of endovascular robotics, we focus exclusively on the development of solutions used for neurovascular interventions. Advanced Therapies generates recurring revenues from its strong installed base and customer services business.

Within these four segments we provide comprehensive services all along the customer value chain. Our range of services includes essential technical customer service such as maintenance and repair, spare parts, medical equipment performance management, training, clinical education and e-learning, planning and design, financing, asset management, and managed departmental services for laboratories and healthcare facilities, as well as healthcare consulting, products, and services. We offer many of these services to our customers through Value Partnerships, which are comprehensive, long-term, performance-oriented customer relationships that enable sustainable operational and clinical improvements for our customers and actively address the most important trends such as consolidation and the shortage of skilled healthcare professionals among healthcare providers ➔ ***A.1.2 Business environment*** Because these relationships with customers last for several years, we generate recurring revenues on a regular basis.

Siemens Healthineers Strategy 2025

Against the backdrop of the healthcare trends described in ➔ ***A.1.2 Business environment*** Siemens Healthineers has defined strategic priorities to ensure its competitiveness beyond 2025. We have successfully completed the first two phases – named "Reinforcing" and "Upgrading" –and since fiscal year 2022 we embarked on the, "New Ambition" phase, which will be completed in fiscal year 2025. This phase will form the basis for our next strategy phase, in which we will seek to scale up the solutions developed during the New Ambition phase, among other objectives. The outlook for fiscal year 2025 is presented in the chapter➔ ***A.5.2 Expected business development***.

As one of the global healthcare leaders, our high-level focus in the New Ambition phase is to fight dangerous non-communicable diseases such as cancer, stroke, and heart attack worldwide, enable efficient workflows in hospitals, and improve access to modern medical care in low- or medium-income countries. The New Ambition phase focuses on five growth priorities or vectors (see below), and our segments and regions are executing the plans and programs they have developed for pursuing these priorities.

In the Cancer Care vector, we want to expand our leading position in oncology by addressing additional customer segments along the entire disease pathway. To this end, we will continue to bundle our expertise in the fields of diagnostics, imaging, and cancer therapy, accelerate our investments in growth and innovation, build a strong portfolio in interventional oncology, expand our multidisciplinary software solutions and technology-enabled services, and expand our cancer decision support for better therapy guidance.

In the Cardiovascular and Neurovascular Care vector, we focus on coronary heart disease and stroke. We are addressing this growth sector in three dimensions: the optimization of clinical pathways by providing, for example, comprehensive solutions to improve the clinical workflows of our customers; the improvement of the solution portfolio to enhance image guidance and automation with disease-specific functions and provide therapy solutions to meet previously unmet clinical needs; and the positioning of Siemens Healthineers as a preferred partner for clinical solutions as part of lighthouse projects.

The Networked Care & Digitally-enabled Services vector addresses the biggest operational challenges our customers are currently facing, such as staff shortages, rising labor costs, increasing demand, and rapid technological and scientific progress. The Networked Care sub-vector is dedicated to decentralized and ambulatory healthcare services generally delivered at facilities other than a central hospital or laboratory, as part of a network. Our ambition for Digitally-enabled Services is to put healthcare providers in position to provide more patients with better care by enabling them to improve and automate manual workflows that have previously drained significant resources and given rise to inefficiencies.

The China Healthcare growth vector concentrates on the Chinese market, which is one of our largest markets and is expected to be world's largest national market in medical technology by the year 2030 and to make a substantial growth contribution in the med-tech sector worldwide. As part of its 14th Five-Year Plan, China intends to adapt its own healthcare and medical technology sector to new economic and social developments. Our ambition is to strengthen our role as a trusted partner of the Chinese healthcare system and its patients by tackling the key societal challenges in healthcare, particularly in the fields of cancer therapy, digital healthcare, and diagnostics and by enabling new local business models.

In the Access to Care vector, we are focusing on the roughly four billion people worldwide who do not have access to adequate healthcare today. The main obstacles here are a lack of infrastructure, no affordable treatments, and a lack of health awareness. As non-communicable diseases become more prevalent in the coming years, affordable healthcare will need to cover a broader base than before. We have already initiated steps to address these problems, including the promotion of digitalization, improvement of financing, development of cooperation arrangements and strategic partnerships, and training of medical personnel. These steps will enable us to successfully implement our strategy in the coming years.

In alignment with the Siemens Healthineers Strategy 2025, we aim to enhance healthcare products, services, and solutions for the benefit of patients, medical professionals, and society as a whole. Our dedication to sustainability revolves around three main pillars, reinforcing our positive social impact and setting high benchmarks for our environmental aspirations. These three main pillars—Healthcare Access, Resource Preservation, and Diverse and Engaged Employees —mirror our commitment to the United Nations Sustainable Development Goals (SDGs), particularly SDG 3: Good Health and Well-Being, SDG 12: Responsible Consumption and Production, and SDG 5: Gender Equality. We are committed to making healthcare more accessible and affordable for patients worldwide. We evaluate our success based on patient touchpoints: the number of patients reached through our devices and solutions. This year, we have raised our ambitions and set the goal to achieve 3.3 billion patient touchpoints globally by 2030, including 1.25 billion patient touchpoints in low- and middle-income countries. In terms of resource preservation, we are advancing decarbonization and integrating circular economy principles into our processes across the entire value chain. Our diverse and dedicated workforce contributes to our efforts across all our sustainability pillars and enhances our workplace and community well-being. To emphasize our commitment and show how closely we tie sustainability to our strategy, sustainability is also embedded in our purpose: *We pioneer breakthroughs in healthcare. For everyone. Everywhere. Sustainably.*

Research and development

Our research and development ("R&D") activities are of crucial importance for the development of our products and solutions. They should enable us to offer our customers innovative and sustainable solutions for diagnostics and therapy, while also ensuring and enhancing our competitiveness as a company.

Artificial intelligence ("AI"), sensors, and robotics are focal points of our R&D activities. AI has been an integral part of key innovations developed by Siemens Healthineers for several years. In our portfolio of products and solutions, we employ AI successfully for data analysis and interpretation, decision-making, intelligent robot control, and automation. Further developing and applying the potential of the "digital patient twin" technology presents great opportunities in the field of healthcare. A growing proportion of our R&D activities is devoted to improving the sustainability of our products.

Our innovation activities in the Imaging segment are focused on optimizing image quality while simultaneously shortening scan times, and making further progress in AI-supported image reconstruction and automated analysis. We are also working on cross-modality innovations to further enhance the user-friendly operation and patient comfort of our systems. In the Diagnostics segment we are further focusing on clinical and technical innovations to meet current and future medical needs and harness the latest technology trends. We are focusing on critical areas such as neurology and emerging fields such as consumer-oriented healthcare, AI, and robotics with the aim of maximizing the impact of diagnostic testing on global health and wellness. At Varian, we are working to continuously optimize cancer treatment technologies and solutions, expand into adjacent medical fields, and at the same time drive integration with imaging solutions to enable even more precise cancer treatments. In the Advanced Therapies segment, we are working to develop innovations in clinical processes and imaging based on the smart combination of mechatronics and digitalization, in order to address previously unmet clinical requirements in fields such as cardiology, interventional radiology, and surgery. Another point of emphasis is the development of an endovascular robotics platform for neurovascular care.

Furthermore, the systems of Siemens Healthineers regularly receive extensive software releases to improve user friendliness, add innovative applications, and lengthen the service life of our equipment.

We are also continuing to develop technologies under our innovation platform "SHIFT", which entails collaborating with external partner enterprises, start-ups, and academic and clinical facilities to improve the quality of healthcare worldwide. Such collaborations are being pursued, among others, in Innovation Centers in Erlangen, Germany, Shanghai, China, and Bengaluru, India. Thus, Siemens Healthineers has created an infrastructure that facilitates collective innovation; promotes openness and collaboration in research, development, and production; and enables development that is oriented even more closely toward healthcare customers and markets.

In addition to expanding our portfolio, our R&D teams strive for continuous improvement of existing products and solutions. Our R&D workforce exceeds 13,000 employees at fiscal year-end 2024 and operates at a number of R&D sites around the world, mainly in Germany, the U.S., China, and India. The distribution of our R&D workforce across an international network of sites enables us to meet the needs of local markets and gives us access to local job markets, allowing us to hire the best employee for the respective job. We supplement our internal capabilities through our relationships with strategic partners.

In fiscal year 2024, we reported R&D expenses of €1,918 million (2023: €1,866 million). The resulting R&D intensity, defined as the ratio of R&D expenses to revenue, was 9% (2023: 9%). Additions to capitalized development expenses amounted to €151 million (2023: €244 million). Therefore, the ratio of capitalized development expenses to total R&D expenses was 8% (2023: 13%). The scheduled amortization of capitalized development expenses totaled €88 million (2023: €94 million).

As of September 30, 2024, we had about 25,000 technical intellectual property rights. This figure includes about 16,000 granted patents, slightly above the level of fiscal year 2023.

A.1.2 Business environment

We operate in growth markets characterized by long-term and sustainable stability, which are supported by the major trends described below. Within the market's long-term development, there may also be short term fluctuations arising from macroeconomic and health policy developments such as changes in health policy, regulation or reimbursement systems. Because a substantial portion of Siemens Healthineers' revenue stems from recurring business, we pursue our growth opportunities from a stable foundation of profit.

Healthcare market trends

Healthcare markets worldwide are influenced by four major, lasting trends, which have remained in effect despite the COVID-19 pandemic, inflation, and major geopolitical events. At the same time recent developments have strengthened some of these trends while also giving rise to new opportunities and challenges.

The first trend is demographic developments, especially the world's growing and aging population. This trend poses major challenges for global healthcare systems, in developed as well emerging and developing economies. In many economies, combating COVID-19 increased healthcare costs unexpectedly, and the resulting debt created additional cost pressure and restricted the scope of new investments. At the same time, these challenges create an opportunity for healthcare providers who can meet the growing demand for cost-efficient healthcare solutions. The second trend is economic development in emerging countries, which is improving access to healthcare for many people. Nonetheless, more than four billion people, of the total world population of eight billion still lack adequate access to medical care. The COVID-19 pandemic cast further light on the extent of this problem, as especially vulnerable population groups were disproportionately affected by it. To address this problem, significant investments are being made to improve the healthcare systems of these countries, driving overall demand for healthcare products and services and hence market growth. The third trend is the increase in non-communicable diseases as a consequence of an aging population in combination with environmental and lifestyle-related changes. This trend results in far more patients with multiple morbidities, increasing the need for new ways to detect and treat diseases at an early stage. The fourth global trend that has a relevant impact on our business development is the transformation of healthcare providers such as hospitals and laboratories. A combination of societal changes and market factors is forcing such institutions to reimagine and redesign the way they deliver their services. This trend is driven by a host of factors, including burdens from chronic diseases, growing numbers of medical interventions, the shortage of skilled healthcare professionals, the rapid pace of scientific progress, society's increasing resistance to growing healthcare costs, and the growing professionalization of health insurance and governmental healthcare systems. The COVID-19-pandemic only increased the pressure to which healthcare providers were already exposed particularly by exacerbating the growing shortage of skilled workers, the higher incidence of staff absences, and rising labor costs. Digitally supported solutions, among other forms of technology, are being employed as a means of countering these challenges. Digitalization, automation of workflows, and artificial intelligence (AI) continue to play a crucial role in the quest to optimize a holistic patient experience, improve treatment outcomes, and lower treatment costs. The growing cost pressure will also continue to drive new remuneration models for healthcare services such as value-based reimbursement instead of treatment-based reimbursement. On the customer side, the trend of consolidation of healthcare providers into networks to address these factors continues; in fact, the COVID-19 pandemic and the associated increase in healthcare costs, as well as the changed economic environment caused by inflation and rising interest rates, have further bolstered this trend. The goal of these larger hospital and laboratory chains, which often operate internationally, and increasingly also in the manner of large corporations, is to systematically lower costs while improving the quality of medical care. This development has increased the demand for standardized and scalable systems and solutions, as well as new business models such as Managed Equipment Services (MES) as a customer-specific solution to manage all medical equipment in a hospital.

Developments in health policy

Driven by the need in many countries to deliver better treatment outcomes at lower costs, regulators are increasingly seeking to change their reimbursement models to place greater emphasis on the quality of healthcare. As a result, the reimbursement granted for healthcare services is no longer tied exclusively to the number of services rendered, but increasingly also granted on the basis of treatment outcomes. Most industrialized nations are exploring so-called value-based healthcare approaches and conducting pilot projects to test them.

The COVID-19 pandemic influenced regulatory systems and practices in the healthcare sector by confronting governments and healthcare providers with unprecedented challenges. These unusual circumstances required health systems to quickly adjust and further develop. For example, the governments of many countries, including the United States, China, and Germany, changed their reimbursement systems to allow for the use and payment of telemedicine and digital healthcare solutions. Other key aspects of this transformation involved the option to undergo remote medical treatments, as well as the introduction and development of electronic medical records. These developments also aimed to improve the quality of healthcare and make it easier for patients to access healthcare services.

In the coming years, three of our most important markets – the United States, China, and Europe – will face uncertainties when it comes to health policy and financing. Lawmakers in the United States continue to debate legislative changes to the healthcare system with the primary goals of increasing price transparency and lowering costs for patients, which have bipartisan support.

During the COVID-19 pandemic, the U.S. Congress did not enact any cuts to hospital reimbursement. In the United States, a continued shift toward outpatient care is expected, driven by the growing need for more accessible and cost-effective medical services. It is now considering proposals to equalize the reimbursements paid to hospital outpatient departments and freestanding medical centers.

In its 14th Five-Year Plan covering the years 2021 to 2025, China set the following priorities for its healthcare sector: innovation, industrial modernization, digitalization, and a "healthy China". China's tiered hospital system is one of the key points of focus of that country's healthcare reform, the main goal of which is to enhance the quality and efficiency of medical care. To even out social and geographic disparities in the provision of health services, the country should continue to build out and modernize primary care while expanding higher-quality medical centers. China intends to continue to ramp up its "dual-circulation" economic model with the aim of reducing external dependencies and expanding domestic consumption. On the one hand, China has said it wants to continue opening its markets in order to spur growth and make progress with globalization and integrative development. On the other hand, the government's support for the modernization of local manufacturing and an enhanced policy of local preferment should increase competition between multinationals and local providers. To achieve lower prices through a larger purchasing volume and thus lower healthcare costs, the centralized volume-based public procurement system is being expanded both geographically and with regard to specific products. Reform of the reimbursement system, flat-rate-per-case billing (known as Diagnosis-Related Groups or DRGs), and a new health insurance reimbursement method (known as Diagnosis Intervention Packet or DIP) should cover inpatient services in all relevant hospitals by the end of 2025. The procurement of new medical equipment by hospitals has been simplified by expanding the range of medical equipment that does not require government approval. This step should create growth potential in the coming years. In the summer of 2023, national authorities initiated an anti-corruption campaign in the healthcare sector to tighten regulatory compliance and controls on public hospitals throughout the country. The introduction of these measures caused considerable disruptions to tender processes, and corresponding delays in the delivery of products and service in fiscal year 2024. The campaign is expected to continue and become a new normal going forward. The ultimate recovery of procurement activities will depend on the duration and results of the corresponding controls. To stimulate consumption and drive industrial development, China initiated an extensive 3-year consumption trade-in and large-scale equipment renewal action program in the summer of 2024. Healthcare equipment is one of several key industries targeted by these measures. Overall impact of the program, which is expected to steer market back to growth momentum, is to be closely monitored.

The company's operating environment could also be affected in the medium term by an increasingly complex regulatory framework at the European level, including new laws on digitalization. The purpose of the EU Data Act that entered into force in January 2024 is to establish clear rules for accessing and utilizing data within the data economy of Europe. Among other things, it requires medical technology companies to share information with third parties. The effects cannot yet be definitively assessed at this time. Aside from regulations, external factors are also influencing the economic environment. The ongoing war in Ukraine and geopolitical tensions in other parts of the world have created uncertainties in some national economies in Europe. Additional pressure on publicly financed healthcare systems in large parts of Europe has been put on by, among other things, reallocation of resources from healthcare to national security.

Political and macroeconomic developments

The business environment for medical technology companies and healthcare providers is increasingly complex. Besides the various regulatory requirements affecting the sale of products and the provision of services, non-tariff barriers to trade such as localization demands, licensing requirements, and particularly economic protectionism have increased significant in the last few years. These trade barriers, which are being felt in all our segment markets, are creating additional financial burdens for commercial enterprises. The trade conflict between the United States and China continues to hamper the flow of goods between these countries and across the global economy. Global trade policy lead to new and increases of existing tariffs, and export restrictions. The impact could be especially evident in trade for critical economic sectors, such as raw materials, and for key technologies such as AI, and other high-tech segments. The war in Ukraine and the conflict in the Middle East have accelerated the fragmentation of the global geopolitical landscape. In this uncertain environment, Western companies may pursue risk prevention strategies by reducing their dependence on the countries involved by shifting operations to enhance their resilience of their production processes, supply chains, and logistics. To increase supply security it may also become necessary to diversify the pool of suppliers and maintain larger reserve stocks of critical components.

Besides these geopolitical challenges, macroeconomic developments are also impacting the global business environment by creating additional uncertainties. Political instability, such as rising tensions in the Middle East, the war in Ukraine, and concerns about the escalation of other conflicts, have kept energy prices at an elevated level. Although some central banks have already begun to lower them, interest rates remain elevated as a means to combat inflation. This has caused investment costs to rise and put pressure on the economic performance of industrialized nations. Consequently, medical equipment manufacturers and their customers still face elevated personnel expenses, production costs, and financing expenses. Global economic growth has stabilized at a low level. Healthcare has proved to be more resilient than other sectors in the face of business cycle fluctuations.

Segment markets

The Imaging market is experiencing several significant trends. Personalized precision medicine and an increased need for imaging in screening, non-invasive therapies, and new methods of treating disease are driving the broader application of imaging procedures and digitalization. This in turn is leading to increased demand for imaging systems. Furthermore, advancements in the fields of AI and machine learning will continue to be crucial for care delivery, productivity growth, and value creation in diagnostic imaging. A moderate level of consolidation is one of the key characteristic of the global imaging market. The top three main players are Siemens Healthineers, GE HealthCare, and Philips.

The burgeoning population in developing countries and the constantly rising demand for diagnostic tests are spurring growth of the Diagnostics market. A major influence on the growth of the Diagnostics market is, for example, the introduction of centralized, volume-based public procurement in China, which has intensified price pressure in the market. As in prior years, healthcare providers continue to consolidate their operations while also industrializing their testing processes to improve efficiency through automation and digitalization. Increased digitalization will further enhance laboratory productivity and enable better integration of diagnostic test results into clinical decision-making. Immunochemistry is one the largest and fastest growing segments of the Diagnostics market, spanning chronic disease, wellness, and infectious disease segments. In both acute and non-acute situations, point-of-care tests offer advantages such as the speediness of test results and improved access to healthcare, which can lead to better treatment outcomes for patients. Diagnostics is a fragmented market, with a variety of global, regional, and specialized providers competing with each other across market segments. Together with Roche Diagnostics and Abbott Laboratories, Siemens Healthineers is a major player in this market.

The market served by the Varian segment is influenced by many different growth factors. Long-term global demand for radiation oncology, advanced oncological services, and multi-modal imaging for radiotherapy is being driven by the rising number of cancer patients worldwide, increasing utilization of radiotherapy and radiosurgery, demand for multi-modal precision care pathways in cancer therapy, and the need for value-based care. New cancer incidences are projected to rise from about 20 million (in 2022) to 35 million annually by 2050. Faster growth of new incidences in low- and middle-income countries, which lack adequate infrastructure and human capital to address this growing cancer burden, is accelerating demand for cost-effective, high-quality cancer care modalities. Technological advances with optimized and automated clinical tools that improve accuracy in radiotherapy, including the advances that enable adaptive radiotherapy, are driving the worldwide demand for new medical equipment. Digital solutions and applications that can be used to treat a broader range of cases, reduce treatment time, and increase patient throughput are further drivers of demand. The shortage of trained clinical personnel in emerging markets and a focus on operational efficiencies and cost reduction in developed markets are driving demand for more automated products and services that can be integrated into clinical workflows to make treatments more rapid and cost-effective. The radiotherapy and radiosurgery markets are highly consolidated. They are mainly served by Siemens Healthineers, Elekta AB, and Accuray Inc.

One of the main factors driving growth in the market for Advanced Therapies is advancing innovation in clinical procedures. Minimally invasive procedures as well as the growing complexity of procedures that require sophisticated technological devices and advanced imaging are key market drivers. In particular, technological innovations in imaging, robotics, medical devices, and digitalization result in minimally invasive procedures with lower risks of complications, faster recovery times, less post-operative pain, shorter hospital stays, and lower costs. The global Advanced Therapies market can be described as consolidated, with three top players: Siemens Healthineers, Philips and GE HealthCare.

A.2 Financial performance system

Most significant financial key performance indicators

Comparable revenue growth

Comparable revenue growth is our most significant financial key performance indicator for managing and monitoring the growth of Siemens Healthineers. It shows the development of adjusted revenue, net of currency translation effects, which are beyond our control, and portfolio effects, which involve business activities that are either new to our business or no longer a part of it.

Currency translation effects are the difference between adjusted revenue for the current period calculated using the exchange rates of the current period and adjusted revenue for the current period calculated using the exchange rates of the comparison period. For calculating the percentage change year-over-year, this absolute difference is divided by adjusted revenue for the comparison period. A portfolio effect arises in the case of an acquisition or a disposition and is calculated as the change year-over-year in adjusted revenue related to the transaction. For calculating the percentage change, this absolute change is divided by adjusted revenue for the comparison period. Any portfolio effect is excluded for the 12 months following the relevant transaction after which both current and past reporting periods fully reflect the portfolio change.

For Siemens Healthineers, revenue is defined as consolidated revenue reported in the company's consolidated statements of income. Adjusted revenue, which is key to calculating comparable revenue growth, is adjusted for effects in line with the revaluation of contract liabilities from IFRS 3 purchase price allocations.

Adjusted basic earnings per share

Performance of Siemens Healthineers is measured using adjusted basic earnings per share (EPS). The following adjustments are made:

- expenses for mergers, acquisitions, disposals and other portfolio-related measures, in particular
  - amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments,
  - transaction, integration, retention and carve-out costs,
  - gains and losses from divestments,
- severance charges, and
- other expenses in connection with restructuring measures within the meaning of IAS 37 (as of fiscal year 2024).

The adjustments (including revenue) relate to income and expenses that do not reflect operating performance and therefore adversely affect the comparability of financial results between periods. For this reason, other restructuring expenses are also adjusted since fiscal year 2024.

The adjustments are made after tax. Accordingly, this includes the adjustment of material valuation effects on deferred taxes, which arise from changes in tax law and are associated with the above adjustment items.

Tax effects on the adjustments are determined based on the income tax rate for the reporting period. Determination of adjusted basic EPS is based on the average weighted number of outstanding shares in the reporting period.

Additional performance indicators

The most significant financial key performance indicators are supplemented by additional performance indicators, which are used in particular to manage the operating segments. Because they directly influence the most significant financial key performance indicators, the additional performance indicators are included as assumptions for the assessment of the expected development.

Comparable revenue growth

We also use comparable revenue growth as a performance indicator to manage and monitor the growth of the segments. It shows the development of total adjusted revenue. At the segment level, revenue is defined as total revenue and corresponds to the sum of external and intersegment revenue. Total adjusted revenue of the segments, which is key to calculating comparable revenue growth, is adjusted for effects in line with the revaluation of contract liabilities from IFRS 3 purchase price allocations.

Adjusted EBIT margin

We use adjusted EBIT (earnings before interest and taxes) margin for managing the operating performance. Adjusted EBIT is defined as income before income taxes, interest income and expenses, and other financial income, net, adjusted for non-operating items.

EBIT is adjusted for the following items:

- expenses for mergers, acquisitions, disposals and other portfolio-related measures, in particular
  - amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments,
  - transaction, integration, retention and carve-out costs,
  - gains and losses from divestments,
- severance charges,
- other expenses in connection with restructuring measures within the meaning of IAS 37 (as of fiscal year 2024), and
- centrally carried pension service and administration expenses.

The adjustments (including revenue) relate to income and expenses that do not reflect operating performance and therefore adversely affect the comparability of financial results between periods. For this reason, other restructuring expenses are also adjusted as of fiscal year 2024.

Adjusted EBIT margin is defined as the adjusted EBIT of the particular segment divided by its adjusted total revenue.

Dividend

We aim to provide an attractive return to our shareholders. Therefore, we intend to pay an annual dividend in the amount of 50% to 60% of the net income of the respective prior fiscal year. To this end, net income – the calculation basis for the dividend – may be adjusted for selected exceptional non-cash items.

A.3 Business development

A.3.1 Market development

Our addressable markets generally exhibited moderate growth worldwide on a revenue basis in fiscal year 2024. The global addressable market for the Imaging segment (equipment sales and product-related services) grew to slightly less than € 36 billion in fiscal year 2024. The relevant addressable global market for our Diagnostics segment (reagents, consumables, and product-related services) was approximately € 37 billion excluding point-of-care antigen rapid tests. The size of the global addressable market for the Varian segment (linear accelerators, radiotherapy imaging, and product-related services) was slightly less than € 6 billion in fiscal year 2024. The addressable market for Advanced Therapies (angiography systems, mobile C-arms, and product-related services) was slightly less than € 7 billion. Services generate the majority of recurring revenues for our markets.

Long-term market trends ➔ ***A.1.2 Business environment*** remained generally intact. They proved to be resilient in the face of geopolitical events and challenges in the macroeconomic environment, which continued to influence the global business environment in fiscal year 2024 ➔ ***A.1.2 Business environment***. Competition between the leading medical technology companies remained at high levels.

The Imaging segment's market experienced slight growth overall in fiscal year 2024, driven mainly by revenues from product-related services. These revenues were generated with the typical time lag that follows equipment sales, which were high in the prior year due to factors such as fulfilled pent-up demand and market normalization. The introduction of new technologies and the addition of new clinical applications in fields such as neurology and oncology also fueled market growth in large part.

The market for the Diagnostics segment experienced moderate growth overall in fiscal year 2024, thanks to a broad-based normalization of demand for routine tests. On the other hand, market growth was adversely affected by factors such as reduced cost reimbursement rates in certain larger markets (e.g., United States, China, Japan), increased inflation pressure on healthcare providers, and rising procurement requirement.

The global market for the Varian segment experienced slight growth. Especially in the United States and Western Europe, market growth was supported by the introduction of new products and innovations, the replacement of aging equipment, and growing sales of services. Continued improvements in access to radiotherapy for underserved population groups and regions, especially in the Asia-Pacific region and in low- and middle-income countries, boosted demand in these geographies.

The market for the Advanced Therapies segment exhibited moderate growth overall. Worldwide replacement purchases were a significant factor contributing to market growth, which was also supported by the continued shift of image-guided surgical and cardiological medical services to more efficient out-patient settings. Persistent staff shortages in the healthcare industry increased demand for cost-efficient technological innovations, including solutions supported by software and artificial intelligence.

Revenues in the Imaging segment's market rose strongly in the EMEA region. Earlier government spending under EU investment programs is now manifesting in revenues, especially from product-related services. The market for the Diagnostics segment also experienced strong growth in the EMEA region in fiscal year 2024, supported by factors such as normalized healthcare budgets, increased demand for laboratory tests, and investments to upgrade laboratory infrastructures (e.g. in the Middle East). Varian's market exhibited slight growth, thanks in part to replacement purchases in many countries of the region, which provided a solid revenue basis. However, the high levels of debt in many European countries led to short-term investment cuts, which damped market growth. Furthermore, geopolitical tensions in many parts of the EMEA region, including in Ukraine, Russia, the Middle East, and Africa, made for an unsettled market environment. The Advanced Therapies market again experienced very strong growth in the EMEA region. High order backlogs and government investment programs – which have since been discontinued - led to higher revenues from sales of both equipment and product-related services.

The healthcare industry in the United States, the largest market in the Americas region, is still burdened by severe shortages of clinical staff and by heightened inflation. Nonetheless, the Imaging market experienced strong growth in this region. Strong equipment sales driven by pent-up demand in the previous fiscal year fueled higher revenues on product-related services in the reporting period. Market growth was stimulated by the introduction of new product portfolios and volume purchasing. The market for the Diagnostics segment grew at a moderate rate in the Americas region. Market growth was supported by normalized demand for routine tests, as well as the continuing consolidation among healthcare providers to form networks, which led to an increase in bulk buys. Varian's market in the Americas region, especially in the United States, exhibited strong growth thanks to rising investments in product and service innovations and the adoption of advanced techniques including stereotactic treatments and adaptive radiotherapy. Market growth in the region was also supported by government programs in Latin America aimed at closing the radiotherapy access gap. The market for the Advanced Therapies segment in the region Americas grew slightly, supported by the growth of medical services in the more efficient outpatient sector in the United States. At the same time, market growth was also adversely impacted by the high level of construction and installation costs due to inflation.

The market in the Asia, Pacific, Japan region experienced slight growth in fiscal year 2024 in the Imaging segment, mainly thanks to growth in product-related services for large imaging devices. Market growth in Japan slowed due to the ongoing decrease in the number of hospitals resulting from healthcare sector reforms, and also due to longer product lifecycles. Market growth in the region's emerging-market countries was stimulated by the development of healthcare systems to counteract the growing cost of non-infectious diseases such as cancer. The Diagnostics segment's market grew at a moderate rate, supported mainly by emerging-market countries such as India. Varian's market in this region exhibited very strong growth. Market growth in this region is being driven by continuous improvement in access to radiotherapy. The growing importance and promotion of programs for early cancer detection in many emerging-market countries such as India led to an increase in the number of radiotherapy procedures. The Advanced Therapies market in the Asia, Pacific, Japan region exhibited slight growth thanks to growth in emerging-market countries such as India and Indonesia, which offset a decline in Japan.

In the China region, the Imaging and Advanced Therapy segment markets saw strong growth in fiscal year 2023, driven in part by a credit incentive program offered by the People's Republic of China to stimulate purchases of medical equipment. At the same time, the accelerated growth in China in fiscal year 2023 created a high basis of comparison for the two segments in fiscal year 2024. Market growth was held back by China's campaign against corruption in its healthcare sector. For that reason, the Imaging segment's market contracted slightly and Varian's market contracted sharply. The market for the Diagnostics segment grew at a modest rate in fiscal year 2024, although continued implementation of volume-based procurement, the government's price control policy, and rising import restrictions continued to have an adverse effect on pricing and market access in both the laboratory and the point-of-care market. The Chinese market for the Advanced Therapies segment experienced slight growth, mainly due to an increase in product-related services.

Our market development expectations are based on the market model of Siemens Healthineers, which is based on external sources (including Signify Research, IQVIA Ltd., KLAS, IMV, Clearstate, and The Lancet Oncology), market information from medical-technology industry associations (including COCIR, NEMA, JIRA, and MedTech Europe), and estimates of the Siemens Healthineers management. In the case of Varian, the forecasts are based in part on data from regulatory authorities (including ASTRO, ESTRO, the Global Task Force on Radiotherapy for Cancer Control (GTFRCC), which is part of the Union for International Cancer Control (UICC), the International Atomic Energy Agency (IAEA), and publicly available financial reports). All statements on market development refer to the actual data for the first three quarters of fiscal year 2024, because market data for the full fiscal year 2024 was not available as of the publication of the annual report. Market development in the fourth quarter is therefore included as a forecast. The market data are based on sales of products and product-related services.

A.3.2 Results of operations

A.3.2.1 Revenue by segment and region

(in millions of €)[1]	Fiscal year 2024	Fiscal year 2023	%-Change Act.	%-Change Comp.[2]
Siemens Healthineers	**22,363**	**21,680**	**3.1%**	**4.7%**
Therein:				
Imaging	12,267	11,842	3.6%	5.0%
Diagnostics	4,417	4,528	–2.5%	–0.6%
Varian	3,866	3,561	8.6%	9.5%
Advanced Therapies	2,075	2,019	2.7%	5.1%

[1] Siemens Healthineers: revenue according to IFRS; segments: total adjusted revenue.
[2] Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

Revenue by region (location of customer)

(in millions of €)	Fiscal year 2024	Fiscal year 2023	%-Change Act.	%-Change Comp.[1]
Europe, C.I.S., Africa, Middle East (EMEA)	7,440	6,988	6.5%	7.0%
Therein: Germany	1,150	1,062	8.3%	8.3%
Americas	9,428	8,863	6.4%	7.1%
Therein: United States	8,040	7,506	7.1%	7.6%
Asia Pacific Japan[2]	2,944	3,009	–2.2%	2.6%
China	2,550	2,821	–9.6%	–6.5%
Siemens Healthineers	**22,363**	**21,680**	**3.1%**	**4.7%**

[1] Year-over-year on a comparable basis, excluding currency translation and portfolio effects as well as effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.
[2] Including India.

Siemens Healthineers

On a comparable basis, revenue increased by 4.7% from the previous year. Excluding revenue from the rapid COVID-19 antigen test business, which ended in the fourth quarter of fiscal year 2023, comparable revenue growth was 5.2%. The increase over the previous year is particularly attributable to very strong growth in the Varian segment and strong growth in the Advanced Therapies and Imaging segments. In nominal terms, revenue rose by 3.1% to €22,363 million. Currency translation effects had a negative impact of around 2 percentage points on revenue growth. The equipment book-to-bill ratio[1] in fiscal year 2024 came to 1.11, a very good result that was slightly below the excellent prior-year ratio of 1.16[2].

Segments

On a comparable basis, the adjusted revenue of the Imaging segment increased by 5.0%. In particular, Molecular Imaging and Magnetic Resonance contributed with strong growth. Geographically, comparable revenue growth was very strong in the Americas and EMEA regions and moderate in the Asia Pacific Japan region. In the China region, revenue declined by a high single-digit percentage rate, compared to very strong revenue development in the previous year, due to currently delayed customer orders. In nominal terms, adjusted revenue rose by 3.6% to €12,267 million.

The Diagnostics segment showed a comparable revenue decline of 0.6%. Excluding the rapid COVID-19 antigen test business, which no longer generated revenue in fiscal year 2024 (prior year: €121 million), the segment’s adjusted revenue increased by 2.1% on a comparable basis. Comparable revenue grew strongly in the EMEA region and slightly in the China region. Revenue developments in these two regions were not affected by rapid antigen tests. Comparable revenue growth was flat in the Americas region. On a comparable basis, the Asia Pacific Japan region posted a sharp revenue decline against the previous year, which benefited from high revenues from rapid antigen tests; excluding rapid antigen tests, revenue was slightly below the prior year level on a comparable basis. In nominal terms, the segment’s adjusted revenue declined by 2.5% to €4,417 million.

On a comparable basis, Varian’s adjusted revenue rose by 9.5%. Comparable revenue growth was sharp in the Asia Pacific Japan region, significant in the Americas region, and strong in the EMEA region. In the China region, the segment’s revenue declined by a low double-digit percentage rate on a comparable basis due to currently delayed customer orders. The segment achieved adjusted revenue in the amount of €3,866 million, thus recording an 8.6% nominal increase over the previous year.

[1] The equipment-book-to-bill-ratio is defined as the ratio of equipment orders to equipment revenue, where equipment refers to all businesses except Diagnostics and product-based services.
[2] Comparable based on the definition of equipment in the Varian segment effective October 1, 2023.

The adjusted revenue of the Advanced Therapies segment rose by 5.1% on a comparable basis. Geographically, the Americas, EMEA, and Asia Pacific Japan regions posted very strong comparable revenue growth. Against the backdrop of the sharply positive revenue development of the previous year, and due to currently delayed customer orders, comparable revenue declined very strongly in the China region. In nominal terms, adjusted revenue rose by 2.7% to €2,075 million.

Regions

In the EMEA region, revenue increased by 7.0% on a comparable basis. Comparable revenue growth was very strong in the Imaging and Advanced Therapies segments and strong in the Varian and Diagnostics segments.
In Germany, Siemens Healthineers generated comparable revenue growth of 8.3% compared to the prior year. Whereas comparable revenue growth was flat in the Diagnostics segment, it was very strong in the Imaging segment. The Varian and Advanced Therapies segments showed significant growth.

The Americas region posted comparable revenue growth of 7.1%, driven by a significant increase in the Varian segment. Imaging and Advanced Therapies showed very strong comparable revenue growth in this region, while comparable growth at Diagnostics was flat.
In the United States, comparable revenue increased by 7.6%; here again Varian's significant revenue growth was a major driver. Whereas comparable revenue growth at Imaging and Advanced Therapies was very strong, revenue declined slightly at Diagnostics.

In the Asia Pacific Japan region, revenue increased by 2.6% on a comparable basis. Excluding the rapid COVID-19 antigen test business, which ended in the fourth quarter of fiscal year 2023, comparable revenue growth in this region was strong. The Varian segment in particular contributed to this development, with sharp growth. Advanced Therapies and Imaging posted very strong and moderate growth, respectively, compared to the previous year. Comparable revenue in the Diagnostics segment declined by a low double-digit percentage rate, impacted by the end of the rapid COVID-19 antigen test business in fiscal year 2023.

Revenue in the China region decreased by 6.5% on a comparable basis. This decline resulted mainly from currently delayed customer orders in China, which led to a decrease in comparable revenue by a low double-digit percentage rate in the Varian segment. Year over year, adjusted revenue in the Advanced Therapies and Imaging segments declined by a high single-digit percentage rate. Diagnostics generated slight comparable revenue growth in this region.

A.3.2.2 Adjusted EBIT

(Adjusted EBIT in millions of €, margin in %)	Fiscal year 2024	Fiscal year 2023
Adjusted EBIT Siemens Healthineers	**3,510**	**3.251[1]**
Therein:		
Imaging	2,584	2.576[1]
Diagnostics	235	35[1]
Varian	639	538
Advanced Therapies	338	311
Adjusted EBIT margin Siemens Healthineers	**15.7%**	**15,0%[1]**
Therein:		
Imaging	21.1%	21,8%[1]
Diagnostics	5.3%	0,8%[1]
Varian	16.5%	15.1%
Advanced Therapies	16.3%	15.4%

[1] Comparable based on the definition of adjustments effective October 1, 2023.

Siemens Healthineers

Adjusted EBIT in fiscal year 2024 rose 8% year-over-year to €3,510 million. The adjusted EBIT margin came to 15.7%, higher than the previous-year level of 15.0%. This increase was driven mainly by profit contributions from strong revenue growth, as well as cost reductions in connection with the transformation program of the Diagnostics business. Negative currency effects had an adverse influence compared to the previous year.

Adjusted EBIT was affected by the €71 million or nearly 4% increase in research and development expenses. Adjusted for currency translation, the increase was just under 5%.

Adjusted EBIT was affected by the €154 million or nearly 5% increase in selling and general administrative expenses. Adjusted for currency translation, these expenses were about 6% higher than in the previous year.

Segments

At 21.1%, the adjusted EBIT margin of the Imaging segment was below the previous year's level of 21.8% due to a less favorable business mix and negative currency effects. Adjusted EBIT rose to €2,584 million, supported by higher revenue.

At 5.3%, the adjusted EBIT margin of the Diagnostics segment was well above the previous year's margin of 0.8%. It was primarily supported by cost reductions in connection with the segment's transformation program. Additionally, the adjusted EBIT margin was positively influenced by the longer useful life of leased-out laboratory analyzers. This factor was largely offset by the end of contributions from the rapid COVID-19 antigen-test business and an increase in provisions for reimbursements for the medical technology industry in Italy from previous years. Adjusted EBIT rose to €235 million.

Against the backdrop of very strong revenue development, Varian's adjusted EBIT margin of 16.5% was clearly above the prior-year level of 15.1%. Currency effects had a negative impact. Adjusted EBIT rose to €639 million.

At 16.3%, the adjusted EBIT margin of Advanced Therapies was well above the prior-year level of 15.4%. The increase was mainly due to earnings contributions from revenue growth. Negative currency effects were more than offset by positive effects from focusing the endovascular robotics solution exclusively on neurovascular interventions. Adjusted EBIT rose to €338 million.

Reconciliation to consolidated financial statements

The reconciliation from adjusted EBIT to net income is shown in the following table:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Adjusted EBIT	**3,510**	3,251[1]
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	–375	–393
Transaction, integration, retention and carve-out costs	–24	–37
Gains and losses from divestments	–1	-
Severance charges	–104	–167
Expenses for other portfolio-related measures	-	–349[2]
Other restructuring expenses	–199	–170[1]
Total adjustments	–703	–1,116[1]
EBIT	**2,807**	2,135
Financial income, net	–283	–207
Income before income taxes	**2,523**	1,928
Income tax expenses	–564	–403
Net income	**1,959**	1,525

[1] Comparable based on the definition of adjustments effective October 1, 2023.
[2] Including expenses for impairments of other intangible assets in the amount of €244 million.

Year over year, the line item amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments fell by €18 million to €375 million.

The personnel restructuring expenses of €104 million were below the prior-year level, mainly as a result of lower personnel restructuring expenses in the Diagnostics segment.

In fiscal year 2024, there were no expenses for other portfolio-related measures. In the prior year, expenses for other portfolio-related measures of €349 million had a negative effect. This was due to focusing the endovascular robotics solution exclusively on neurovascular interventions in the Advanced Therapies segment.

Other restructuring expenses rose by €29 million to €199 million. As in the previous year, these expenses were mainly related to the transformation of the Diagnostics business.

Financial income, net decreased by €77 million to a negative €283 million. Higher interest expenses were partially offset by a positive change in the fair market valuation of an investment in a listed company, that has since been sold.

Income tax expenses increased by €161 million to €564 million. The effective income tax rate came to 22.4% in fiscal year 2024, higher than the previous year's rate of 20.9%, which had been positively influenced by the release of tax provisions and other positive tax effects, including from new insights and assessments of discrete items. Please refer to ➔ ***Note 4 Income taxes*** in the notes to the consolidated financial statements for additional information on this subject.

Based on the effects described above, net income rose by 28% to €1,959 million.

(in €)	Fiscal year 2024	Fiscal year 2023
Basic earnings per share	**1.74**	**1.35**
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	0.34	0.35
Transaction, integration, retention and carve-out costs	0.02	0.03
Gains and losses from divestments	0.00	–0.00
Severance charges	0.09	0.15
Expenses for other portfolio-related measures	-	0.31
Other restructuring expenses	0.18	0.15
Transaction-related costs within financial income	-	-
Tax effects on adjustments[1]	–0.14	–0.21
Adjusted basic earnings per share	**2.23**	**2.14**

[1] Calculated based on the income tax rate of the respective reporting period.

Adjusted basic earnings per share in fiscal year 2024 came to €2.23, which was well above the prior-year figure of €2.14. Adjusted for currency effects and contributions from rapid COVID-19 antigen tests, adjusted basic earnings per share rose by around 12%. Increased earnings contributions from the operating business more than compensated for the higher tax expenses and higher financing costs compared to the previous year.

A.3.3 Net assets and financial position

A.3.3.1 Net assets and capital structure

Net assets and capital structure are described by the following line items, which can be reconciled to the consolidated statements of financial position, as shown in the table:

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Operating net working capital	4,803	4,598
Remaining current assets	1,161	1,115
Remaining non-current assets	30,751	31,516
Net debt (including pensions)	–13,235	–13,667
Remaining current liabilities	–3,045	–3,116
Remaining non-current liabilities	–2,188	–2,313
Total equity	**18,248**	**18,133**

Operating net working capital

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Trade and other receivables	4,478	4,492
Contract assets	1,891	1,629
Inventories	4,179	4,294
Trade payables	–2,126	–2,203
Contract liabilities	–3,628	–3,627
Receivables from and payables to the Siemens Group from operating activities	8	12
Operating net working capital	**4,803**	**4,598**

Operating net working capital increased in fiscal year 2024 by €205 million to €4,803 million. In particular, this increase resulted from revenue growth in the fiscal year. Net negative currency translation effects had an offsetting effect.

Remaining current assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Other current financial assets[1]	213	224
Current income tax assets	260	244
Other current assets	684	645
Remaining current receivables from the Siemens Group	4	2
Remaining current assets	**1,161**	**1,115**

[1] Excluding fair value of forwards for hedging of foreign currency liabilities from financing activities.

Remaining non-current assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Goodwill	17,662	18,118
Other intangible assets	7,062	7,726
Property, plant and equipment	4,476	4,210
Investments accounted for using the equity method	30	35
Other financial assets[1]	514	530
Deferred tax assets	476	416
Other non-current assets	530	480
Remaining non-current assets	**30,751**	**31,516**

[1] Excluding fair value of forwards for hedging of foreign currency liabilities from financing activities.

Remaining non-current assets decreased by €765 million, to €30,751 million. Therein, currency translation effects had a negative impact, particularly in the line items goodwill and other intangible assets. Furthermore, other intangible assets decreased due to scheduled amortization which exceeded additions in fiscal year 2024. In addition, deferred tax assets increased by €60 million, mainly due to decreased netting of deferred tax assets and deferred tax liabilities.

Net debt (including pensions)

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Cash and cash equivalents[1]	–2,683	–2,247
Current receivables from the Siemens Group from non-operating activities[1]	–5	–16
Non-current receivables from the Siemens Group from non-operating activities	-	–2
Current liabilities to the Siemens Group from financing activities	2,485	4,197
Non-current liabilities to the Siemens Group from financing activities	12,941	11,821
Fair value of forwards for hedging of foreign currency liabilities from financing activities	–877	–1,260
Short-term financial debt and current maturities of long-term financial debt	268	198
Long-term financial debt	514	437
Net debt	**12,643**	**13,128**
Provisions for pensions and similar obligations	592	539
Net debt (including pensions)	**13,235**	**13,667**

[1] Prior-year values include retrospective adjustments due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies*** in the notes to the consolidated financial statements.

Net debt

The line items cash and cash equivalents and current liabilities to the Siemens Group from financing activities particularly include Siemens Healthineers’ cash pooling with the Siemens Group, along with short-term loan liabilities. Changes were attributable to income and expenses from operations and to short-term investment or borrowing of cash and cash equivalents. Together with the credit facilities, these line items collectively make up the company’s funds available at short notice.

As of September 30, 2024, net debt amounted to €13,235 million, a decrease of €433 million compared to the prior year.

Cash and cash equivalents increased by €437 million to €2,683 million, in particular due to increased Free Cashflow. For further information, please refer to ➔ ***A.3.3.2 Cash flows***.

Along with currency translation effects related to U.S. dollar loans, the changes in current and non-current liabilities to the Siemens Group from financing activities resulted particularly from the following activities:

- One loan granted by the Siemens Group in the amount of €0.7 billion maturing in fiscal year 2025 was reclassified as short term.
- Two loans granted by the Siemens Group in the total amount of US$2.5 billion were settled in fiscal year 2024. In return, the Siemens Group provided four new fixed-interest loans totaling €2.4 billion, maturing in fiscal years 2028, 2029, 2030 and 2032.
- Furthermore, the Siemens Group provided a short-term, fixed-interest loan in the amount of €0.5 billion, maturing in fiscal year 2025.
- As of September 30, 2024, the credit facilities granted by the Siemens Group were not utilized (September 30, 2023: €1,267 million).

Furthermore, the positive fair value of forward contracts for hedging of foreign currency liabilities from financing activities decreased by about €383 million as a result of the exchange rate development between U.S. dollar and the Euro and the maturity of the hedging instruments of the settled loans. These derivatives were entered into to hedge the foreign currency risks of loans denominated in U.S. dollars. For further information regarding derivatives, please refer to ➔ ***Note 25 Financial instruments and hedging activities*** in the notes to the consolidated financial statements.

Financing management

Overall, loans with the Siemens Group were mainly denominated in U.S. dollars and euros. As of September 30, 2024 and 2023, the structure of the loans was as follows:

			Current liabilities[1]		**Non-current liabilities**	
(in millions of €)	**Maturity (fiscal year)**	**Contractual interest rate**	**Sept 30, 2024**	**Sept 30, 2023**	**Sept 30, 2024**	**Sept 30, 2023**
Loan (US$998 million)	2024	0.57%+SOFR CMP	-	942	-	-
Loan (US$1,497 million)	2024	0.80%	-	1,413	-	-
Loan (US$1,742 million)	2026	1.38%	-	-	1,556	1,644
Loan (US$1,689 million)	2027	2.51%	-	-	1,508	1,594
Loan (US$1,243 million)	2028	1.87%	-	-	1,110	1,173
Loan (US$1,740 million)	2031	2.30%	-	-	1,554	1,642
Loan (US$1,486 million)	2041	3.03%	-	-	1,327	1,403
Loan (US$990 million)	2046	3.44%	-	-	884	934
Loan (€700 million)	2025	0.46%+EURIBOR 1M	700	-	-	700
Loan (€500 million)	2025	3.73%	500	-	-	-
Loan (€300 million)	2026	3.70%	-	-	300	300
Loan (€500 million)	2028	2.96%	-	-	500	-
Loan (€850 million)	2029	3.58%	-	-	850	850
Loan (€600 million)	2029	3.20%	-	-	600	-
Loan (€700 million)	2030	3.59%	-	-	700	700
Loan (€500 million)	2030	3.21%	-	-	500	-
Loan (€700 million)	2032	3.80%	-	-	700	700
Loan (€750 million)	2032	3.40%	-	-	750	-
Other loans			164	112	81	156
Total liabilities to the Siemens Group from loans			**1,364**	**2,467**	**12,921**	**11,797**

[1] Excluding interest payables.

In addition to the described current liabilities in the amount of €1,364 million, as of September 30, 2024, there are short-term deposits maturing within three months with the Siemens Group in the amount of €1,019 million (September30, 2023: €338 million).

Except for the loan maturing in fiscal year 2046, which was held by a U.S. entity, the U.S. dollar-denominated loans were held by an entity located in Germany. The resulting foreign currency risks were hedged by forward exchange contracts and by foreign exchange swaps. As a result, the loans with fixed interest rates were effectively converted into synthetic euro-denominated loans, and actual interest expenses decreased due to positive forward elements of the forward exchange contracts and foreign exchange swaps. In total, the actual current volume-weighted average interest rate of the U.S. dollar-denominated loans amounts to approximately 0.5%.

As of September 30, 2024, Siemens Healthineers continued to participate in the cash pooling of the Siemens Group, which included the short-term investment of excess liquidity and the borrowing of short-term funds within the Siemens Group.

In addition, local bank facilities are in place to ensure the funding needs of some Siemens Healthineers entities that have no access to direct funding within Siemens Healthineers.

As of September 30, 2024, financing arrangements with Siemens AG consisted of a multicurrency revolving credit facility of up to €2.5 billion (September 30, 2023: €2.5 billion), which serves to finance net working capital and as a short-term credit facility, as well as a multicurrency revolving credit facility of up to €2.0 billion (September 30, 2023: €2.0 billion) as a backup facility. As of the reporting date, these credit facilities were not utilized as described above (September 30, 2023: €1,267 million).

Please refer to ➔ ***Note 15 Financial debt*** in the notes to the consolidated financial statements for further information on financial debt. For more information on financial risk management responsibilities and objectives, please refer to ➔ ***Note 26 Financial risk management*** in the notes to the consolidated financial statements.

Remaining current liabilities

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Other current financial liabilities[1]	242	252
Current provisions	413	409
Current income tax liabilities	391	462
Other current liabilities	1,995	1,990
Remaining current liabilities to the Siemens Group	4	2
Remaining current liabilities	**3,045**	**3,116**

[1] Excluding fair value of forwards for hedging of foreign currency liabilities from financing activities.

Remaining current liabilities decreased by €71 million to €3,045 million. This resulted particularly from a €71 million decrease of current income tax liabilities in connection with payment of income taxes in Germany from the prior fiscal year.

Remaining non-current liabilities

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Deferred tax liabilities	1,510	1,663
Non-current provisions	176	172
Other non-current financial liabilities[1]	34	29
Other non-current liabilities	469	450
Remaining non-current liabilities	**2,188**	**2,313**

[1] Excluding fair value of forwards for hedging of foreign currency liabilities from financing activities.

Remaining non-current liabilities decreased by €125 million to €2,188 million. In particular, deferred tax liabilities decreased by €153 million, due to amortization of intangible assets and currency translation effects, partly offset by a lower netting of deferred tax assets and deferred tax liabilities.

Total equity

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Issued capital	1,128	1,128
Capital reserve	15,872	15,839
Retained earnings	2,154	1,381
Other components of equity	–521	339
Treasury shares	–433	–607
Total equity attributable to shareholders of Siemens Healthineers AG	**18,199**	**18,081**
Non-controlling interests	49	52
Total equity	**18,248**	**18,133**

Equity increased by €115 million to €18,248 million. Retained earnings increased by €772 million, mainly due to net income of €1,959 million for fiscal year 2024. This was partly offset by dividend payments of €1.063 million. Other components of equity decreased by €861 million, in particular, due to currency translation differences. An increase in the cost of hedging reserve associated with foreign currency loans had an offsetting effect. To fulfill share-based payment programs based on shares of Siemens Healthineers AG, treasury shares were transferred to plan participants in fiscal year 2024, while no treasury shares were repurchased because the share buyback program was fully completed in fiscal year 2023. Thus, treasury shares decreased by €174 million to €433 million.

Please refer to ➔ ***Note 23 Equity*** in the notes to the consolidated financial statements for further information regarding equity.

A.3.3.2 Cash flows

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Net income	1,959	1,525
Change in operating net working capital	–357	–1,105
Other reconciling items to cash flows from operating activities	1,224	1,699
Cash flows from operating activities	**2,826**	**2,119**
Cash flows from investing activities	**–666**	**–1,069**
Cash flows from financing activities[1]	**–1,657**	**–730**

[1] Prior-year values include retrospective adjustments due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies*** in the notes to the consolidated financial statements.

Operating activities

Cash flows from operating activities increased by €707 million to €2,826 million. The change in operating net working capital had a negative impact of €357 million on cash flows from operating activities, €748 million less than in the previous fiscal year. This includes, in particular, a reduced build-up of trade and other receivables as well as a decrease of inventories compared to the prior fiscal year. Other reconciling items to cash flows from operating activities decreased by €474 million, due in particular to changes in other assets and liabilities. In addition, amortization of intangible assets decreased, mainly related to an impairment in connection with the focusing of the endovascular robotics solution exclusively on vascular interventions in neurology and the associated withdrawal from the endovascular cardiology business in the prior fiscal year.

Investing activities

Cash outflows from investing activities decreased by €402 million to €666 million. The decrease was due to lower payments for acquisitions of businesses. In addition, cash flows increased due to a disposal of an investment in a listed company.

Financing activities

Cash outflows from financing activities amounted to €1,657 million and were thus €927 million above the level of prior year. This was mainly a result of reduced utilization of credit facilities provided by the Siemens Group. There was an offsetting effect from the decrease of €421 million in payouts for the repurchase of treasury shares to fulfill share-based payment programs.

Free cash flow

Siemens Healthineers reports free cash flow as a supplemental liquidity measure:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Cash flows from operating activities	**2,826**	**2,119**
Additions to intangible assets and property, plant and equipment	–696	–838
Free cash flow	**2,130**	**1,281**

A.3.3.3 Additions to intangible assets and property, plant and equipment

Siemens Healthineers' investments were aimed mainly at enhancing competitiveness and innovation capability. The main capital expenditures were for additions to intangible assets, including capitalized development expenses, as well as for replacements and enhancements of property, plant and equipment in the ordinary course of business. The investments were made also to adress aspects of climate protection and the continuous improvement of the sustainability of our sites. Investments in our sites related amongst others to the construction of a new plant for the development and production of superconducting magnets in Oxford, the innovation center in Bengaluru, and the factory to grow crystals for semiconductor production in Forchheim.

The segments' additions to intangible assets and property, plant and equipment focused especially on the following:

Imaging: In fiscal year 2024, additions mainly included capacity expansions, acquisition of special tooling and machinery, and automation solutions.

Diagnostics: In fiscal year 2024, additions to intangible assets were primarily attributable to product developments within the Atellica and Clinitek product lines, and in the RapidPoint and RapidLab blood gas systems. Additions to property, plant and equipment mainly related to production facilities in the United States and Ireland.

Varian: In fiscal year 2024, additions mainly comprised capacity increases and business expansion as well as replacements.

Advanced Therapies: In fiscal year 2024, additions were made primarily to new testing and demonstration systems for mobile C-arms and the equipment for a new testing center in Forchheim.

Siemens Healthineers had contractual obligations as of September 30, 2024, to purchase property, plant and equipment totaling €175 million (September 30, 2023: €160 million). These are mainly future payments related to real estate and will be financed mainly through the cash pooling of the Siemens Group.

As of the reporting date, purchase price obligations for planned acquisitions amounted to €208 million. These resulted in particular from the share and asset purchase agreement entered into on September 25, 2024 with Advanced Accelerator Applications SA, Advanced Accelerator Applications International SA and Novartis AG to acquire their diagnostic molecular imaging radiopharmaceutical business.

A.3.4 Overall assessment of the economic position

With respect to our outlook and underlying assumptions for the segments provided in the Annual Report 2023, we expected for fiscal year 2024:

- For Siemens Healthineers: comparable revenue growth of between 4.5% and 6.5% and adjusted basic earnings per share between €2.10 and €2.30.
- For the Imaging segment: comparable revenue growth of between 6.0% and 8.0% and an adjusted EBIT margin of between 21.0% and 22.5%.
- For the Diagnostics segment: comparable revenue approximately on a par with the prior fiscal year[3] and an adjusted EBIT margin of between 2.5% and 4.5%.
- For the Varian segment: comparable revenue growth of between 8.0% and 10.0% and an adjusted EBIT margin of between 15.0% and 17.0%.
- For the Advanced Therapies segment: comparable revenue growth of between 5.0% and 8.0% and an adjusted EBIT margin of between 15.0% and 17.0%.

We updated the segment-level assumptions for Diagnostics communicated in the Annual Report 2023 at half-year stage and for Imaging after the third quarter (see the table below). With respect to Diagnostics, the adjustment was due to a positive effect from the longer useful life of leased-out laboratory analyzers. With respect to Imaging, it was due to due to currently delayed customer orders. The comments below refer to the last updated outlook.

In the outlook updated after the third quarter of fiscal year 2024 (hereinafter "the outlook Q3 2024"), we expected comparable revenue growth of between 4.5% and 6.5% relative to fiscal year 2023 and adjusted basic earnings per share of between €2.10 and €2.30, both unchanged from the Annual Report 2023.

The comparable revenue growth of Siemens Healthineers in fiscal year 2024 was 4.7%, and therefore within the range we had anticipated.

[3] Excluding rapid COVID-19 antigen tests, we assumed comparable revenue growth for Diagnostics of between 2.0% and 4.0%.

On a comparable basis, the total adjusted revenue of Varian increased by 9.5% and that of Advanced Therapies by 5.1%, both fulfilling our assumptions for comparable revenue growth in these segments. The comparable revenue growth of Imaging was likewise within the corridor of assumptions of the outlook Q3 2024, at 5.0%. At Diagnostics, comparable revenue growth was -0.6% and therefore also on the level of assumed revenue growth in this segment[4].

The adjusted EBIT margin for Imaging was 21.1%, within the assumed range. At Varian and Advanced Therapies, the adjusted EBIT margins of 16.5% and 16.3%, respectively, were both at the upper end of the target corridors of assumptions for these two segments. The adjusted EBIT margin of 5.3% at Diagnostics also fulfilled Q3 2024 outlook assumptions.

Net income increased by 28% to €1,959 million, mainly as a result of higher EBIT. Higher net income led to a 4% increase in adjusted basic earnings per share, to €2.23. Thus, adjusted basic earnings per share came out at the upper end of the target corridor we had anticipated, despite additional negative currency effects of €0.09 relative to the assumptions of the outlook in the Annual Report 2023.

Overall, we fulfilled our outlook at group level for Siemens Healthineers in fiscal year 2024.

The Managing Board and the Supervisory Board will propose to the Annual Shareholders' Meeting the distribution of a dividend of €0.95 per share entitled to the dividend. This amount, which is the same as in the prior year, corresponds to an expected total payout of approximately €1,060 million. This corresponds to a dividend payout percentage of approximately 54%.

		Development of outlook FY 2024			
		Annual Report 2023	**Half Year Financial Report**	**Quarterly Statement Q3**	**Results FY 2024**
Siemens Healthineers	Comparable revenue growth	4.5% to 6.5%	4.5% to 6.5%	4.5% to 6.5%	4.7%
	Adjusted basic earnings per share	€2.10 to €2.30	€2.10 to €2.30	€2.10 to €2.30	€2.23

		Development underlying assumptions for segments			
		Annual Report 2023	**Half Year Financial Report**	**Quarterly Statement Q3**	**Results FY 2024**
Imaging	Comparable revenue growth	6% to 8%	6% to 8%	4.5% to 5.5%	5.0%
	Adjusted EBIT margin	21% to 22.5%	21% to 22.5%	21% to 22.5%	21.1%
Diagnostics	Comparable revenue growth	~0%	~0%	~0%	-0.6%
	Adjusted EBIT margin	2.5% to 4.5%	4% to 6%	4% to 6%	5.3%
Varian	Comparable revenue growth	8% to 10%	8% to 10%	8% to 10%	9.5%
	Adjusted EBIT margin	15% to 17%	15% to 17%	15% to 17%	16.5%
Advanced Therapies	Comparable revenue growth	5% to 8%	5% to 8%	5% to 8%	5.1%
	Adjusted EBIT margin	15% to 17%	15% to 17%	15% to 17%	16.3%

[4] Excluding the rapid COVID-19 antigen-test business, comparable revenue growth of Diagnostics was at 2.1%, also within the assumed corridor for comparable revenue growth.

A.4 Nonfinancial matters

Siemens Healthineers is exempted from submitting the nonfinancial group declaration pursuant to Section 315b para. 2 of the German Commercial Code (hereinafter "HGB") and refers to the combined nonfinancial group declaration, which is integrated in the combined management report of the annual report of Siemens Group for fiscal year 2024. Siemens Group's annual report will be published on the Internet at ➔ ***www.siemens.com/investor/en/publications_calendar.php***.

A.5 Report on expected developments

A.5.1 Expected market development

We assume that the healthcare market trends described in Chapter ➔ ***A.1.2 Business environment*** will remain intact. Nonetheless, the market environment in all our segments is influenced by geopolitical and macroeconomic factors such as the continued instability and uncertainty in Ukraine, the escalating crisis in the Middle East, and further developments in the trade conflict between the United States and China, all of which could have adverse impacts on the medical technology sector. We are following the developments in these areas very closely, particularly to assess the potential effects on monetary policy, energy prices, and our markets. We assume that inflation will continue to weaken.

In fiscal year 2025, we anticipate moderate growth in our imaging markets overall. New, innovative products for clinical applications, including neurology and oncology, are assumed to stimulate customer demand, among other factors. Digital growth fields such as AI-supported clinical decision-making and telemedicine offer further growth potential. These fields are becoming increasingly relevant as workflow automation and technologies such as the remote operation of imaging equipment are being employed as a means of countering persistent personnel shortages in the healthcare sector.

We anticipate slight growth in the Diagnostics market in fiscal year 2025. The slight decrease in the pace of global growth is attributable to the assumption of slower market growth in China, where the continuing, staggered roll-out of volume-based procurement across all market segments and the government's ongoing price control measures are assumed to have an adverse impact on the healthcare market.

Very strong growth is assumed in the market for the Varian segment, supported, among other factors, by rising customer demand for new products as well as the introduction of progressive therapies and solutions for the treatment of cancer, which are assumed to boost market growth in developed nations. In developing markets, measures aimed at improving access to equipment for radiotherapy and services will make a significant contribution to growth.

Moderate growth is assumed in the market for the Advanced Therapies segment in fiscal year 2025. The main drivers of growth in this segment include, among other factors, continuing investments in surgery and cardiology, which promote the rising number of outpatient centers for surgical applications and the need for new equipment associated with them, thereby driving market growth.

Our market development assumptions are derived from the market model of Siemens Healthineers, which is based on external sources (including Signify Research, IQVIA Ltd., KLAS, IMV, EIU Clearstate, and The Lancet Oncology), market information from medical-technology industry associations (including COCIR, NEMA, JIRA, and MedTech Europe), and estimates of the Siemens Healthineers management. In the case of Varian, the forecasts are based in part on data from regulatory authorities (including ASTRO, ESTRO, the Global Task Force on Radiotherapy for Cancer Control (GTFRCC), which is part of the Union for International Cancer Control (UICC) of the International Atomic Energy Agency (IAEA)), and publicly available financial reports. Nonetheless, effects of the above-mentioned geopolitical and macroeconomic risks on our addressable markets and on our ability to reliably assess the future development of our markets remain challenging.

A.5.2 Expected business development

In fiscal year 2025, as in the prior year, we will use comparable revenue growth and adjusted basic earnings per share for purposes of management control for Siemens Healthineers. Comparable revenue growth and adjusted EBIT margin of the segments directly influence these most significant financial key performance indicators used to monitor and control Siemens Healthineers.

Development in the Imaging segment will be based primarily on recent and planned launches of new products and platforms along with sales of imaging products, digital solutions, and services from our existing portfolio. In fiscal year 2025, we assume comparable revenue growth of a mid-single-digits percentage rate in the Imaging segment. In addition, we assume an expansion of the adjusted EBIT margin by a low to mid double-digit amount of basis points compared with fiscal year 2024.

Our growth assumptions for the Diagnostics segment are based on new products and an improvement in diagnostic techniques as well as an anticipated increased demand from emerging markets. In fiscal year 2025, we assume a low single-digits comparable revenue growth for the Diagnostics segment and an expansion of the adjusted EBIT margin of between 200 and 400 basis points compared with fiscal year 2024.

Development in the Varian segment will be determined by sales of comprehensive multi-modality cancer care technologies, services, and digital solutions and applications. Continued portfolio expansion will support our growth assumptions. In fiscal year 2025, we assume a high single-digits comparable revenue growth in the Varian segment and an expansion of the adjusted EBIT margin of between 50 and 150 basis points compared with fiscal year 2024.

Our growth assumptions for the Advanced Therapies segment are based on a sustainable development of the business environment in all addressed clinical areas and the megatrend of minimally invasive interventions. In fiscal year 2025, we assume comparable revenue growth of a mid-single-digits percentage rate in the Advanced Therapies segment. In addition, we assume the adjusted EBIT margin to expand by a low to mid double-digit amount of basis points compared with fiscal year 2024.

A.5.3 Overall assessment of the expected development

Based on the aforementioned assumptions about development of the segments, we expect comparable revenue growth for fiscal year 2025 to be in the range of 5% to 6% compared with fiscal year 2024. We expect adjusted basic earnings per share to be between €2.35 and €2.50.

We are exposed to exchange rate effects, particularly involving the U. S. dollar, the Japanese yen, the Chinese yuan and the currencies of emerging markets. We assume volatility in global currency markets to continue in fiscal year 2025. Siemens Healthineers is still a net exporter from the euro zone into the rest of the world, which means that in terms of absolute values a weak euro is generally favorable for our business and a strong euro is in principle unfavorable. We use derivative financial instruments to hedge currency risks in our business. We expect this measure to help us limit effects on income related to exchange rate fluctuations in fiscal year 2025.

Additionally, the outlook is based on further assumptions: This includes the assumption that the current macroeconomic environment, including the current level of interest rates, will remain largely unchanged. In addition, the outlook is based on assumptions about exchange rate developments, which currently lead to no material currency effect on the expected adjusted basic earnings per share for fiscal year 2025 compared with fiscal year 2024. Furthermore, this outlook excludes potential portfolio measures. In addition, the outlook is based on the assumption that developments related to the war in Ukraine and conflicts in the Middle East will not have a material impact on our business activities. The outlook is based on the number of shares outstanding at the end of fiscal year 2024. This outlook also excludes charges from legal, tax and regulatory issues and framework conditions.

The actual development for Siemens Healthineers and the segments may vary, positively or negatively, from our outlook due to the opportunities and risks described in the following chapter or if our expectations and assumptions do not materialize.

A.6 Report on material risks and opportunities

A.6.1 Risk management

Basic principles of risk management

For us, diligent handling of risks and opportunities is part of responsible corporate governance and supports our pursuit of sustainable growth and thereby increased company value. It is essential to manage risks and opportunities appropriately. Our risk management is therefore an integral part of the planning and implementation of our business strategies. The risk management policy is set by the Managing Board. In accordance with our organizational and accountability structure, the respective management of a business, region or function is obliged to implement a comprehensive risk management system. This is tailored to their specific unit and its responsibilities, while at the same time being consistent with the overall policy.

Company-wide risk management process and organization (Enterprise Risk Management Process)

We make use of a coordinated set of risk management and control systems. These support us in the early recognition of developments that could jeopardize the continuity of our business. The most important of these systems include our company-wide procedures for strategic planning and management reporting. Strategic planning is intended to support us in assessing potential risks and opportunities well in advance of major business decisions. Management reporting is intended to enable us to monitor such risks more closely as our business progresses. Our risk management and its contributing elements are regularly subject to audit activities by our internal audit function. Accordingly, if deficits are detected, it is possible to adopt appropriate measures to eliminate them. This coordination of processes and procedures is intended to help ensure that the Managing Board and the Supervisory Board are fully informed about significant risks in a timely manner.

Risk management at Siemens Healthineers builds on a comprehensive, interactive and management-oriented Enterprise Risk Management (ERM) approach. This approach is integrated into the organization and addresses both risks and opportunities. It is based on the globally accepted COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework "Enterprise Risk Management – Integrating with Strategy and Performance" (2017) as well as the ISO (International Organization for Standardization) Standard 31000 (2018), and is adapted to Siemens Healthineers' requirements. The frameworks connect the ERM process with our financial reporting process, our internal control system and compliance management system. They consider the company's strategy, the efficiency and effectiveness of its business operations, the reliability of its financial reporting and compliance with relevant laws and regulations to be equally important. The aim of risk management is also to promote a risk culture that is characterized by a strong awareness of risks and opportunities. Regular trainings support the continuous improvement of this culture and strengthens the risk and opportunity understanding throughout the entire company.

Our ERM process aims for early identification and evaluation of, and response to, risks and opportunities that could materially affect the achievement of our strategic, operational, financial and compliance objectives. The time horizon within the ERM approach is, as a standard, three years, and is based on a net approach which addresses risks and opportunities remaining after execution of existing and effective control measures. If risks or opportunities have already been considered in plans, budgets, forecasts or the financial statements (for example as a provision or risk contingency), they have been incorporated, with their financial impact, in the entity's business objectives. As a consequence, only additional risks or opportunities arising from the same subject (for example deviations from business objectives, different impact perspectives) should be considered for the ERM. In order to provide a comprehensive view of our business activities, we identify risks and opportunities, including social and environmental factors, in a structured procedure. This combines elements of both top-down and bottom-up approaches. While reporting generally follows a quarterly cycle, this regular reporting process is complemented by an ad hoc reporting process that aims to escalate critical issues in a timely manner. Relevant risks and opportunities are evaluated in terms of impact and likelihood, considering different perspectives, including business objectives, reputation and regulatory matters. The bottom-up identification and prioritization process is supplemented by workshops with the respective management of the Siemens Healthineers businesses and regions. This top-down element ensures that potential new risks and opportunities are discussed at the management level and are included in the subsequent reporting process, if found to be relevant. Reported risks and opportunities are analyzed for their potential cumulative effects and are aggregated within and for each of the organizational levels mentioned above.

Responsibilities are assigned for all relevant risks and opportunities. The hierarchical assignment of responsibility depends on the significance of the risk or opportunity. In a first step, assuming responsibility involves choosing one of our general response strategies. The general response strategies with respect to risks are to avoid, transfer, reduce, retain or watch the relevant risk. The general response strategy for opportunities is to pursue the opportunity concerned. In a second step, responsibilities involve developing, initiating and monitoring appropriate response measures according to the chosen response strategy, within an appropriate time frame. To allow for effective risk management, these response measures must be specifically tailored to relevant circumstances. Accordingly, we have developed a variety of response measures.

To oversee the ERM process and to further drive the integration and harmonization of existing control activities to align with legal and operational requirements, the Managing Board established a Risk Management and Internal Control Organization, led by the Head of Assurance. In order to allow for a meaningful discussion at the Company level, this organization aggregates individual risks and opportunities of similar cause-and-effect nature into risk and opportunity themes. This aggregation naturally results in a mixture of risks, including those with a primarily qualitative assessment and those with a primarily quantitative assessment. Accordingly, we do not adopt a purely quantitative assessment of risk themes. This also applies for opportunities. The company-wide risk and opportunity situation is systematically evaluated on a quarterly basis and reported to a dedicated committee, including the managing board, addressing the risks and opportunities of the company. Additionally, a risk-bearing capacity assessment is conducted twice a year. For this purpose, the development of the overall risk situation is compared to selected financial indicators. The Assurance Function assists the Managing Board with the operation and oversight of the risk and internal control system and with reporting to the Audit Committee of the Supervisory Board.

A.6.2 Risks

Hereafter we describe risks that could have a material adverse effect on our business objectives, net assets, financial position (including effects on assets, liabilities and cash flows), results of operations and reputation. The order in which the risks are presented in each of the four categories (strategic, operational, financial and compliance) reflects the current assessment of the relative risk exposure for Siemens Healthineers and thus provides an indication of the risks' current importance to us. Additional risks not known to us or that we currently consider immaterial may also negatively impact our business objectives and operations. Unless otherwise stated, the risks described below relate to all our segments.

A.6.2.1 Strategic risks

Economic, Political and Geopolitical Developments

We operate production, development and service facilities in a number of countries and market our products, solutions and services worldwide. Global or regional economic, political and geopolitical instability as well as continuing uncertainties and challenging conditions in some markets may result in significant adverse business impacts including non-sustainable business development, diverted management attention or less competitive strength. There is an increase in governmental protectionism in recent years due to shifts in the geopolitical landscape, weakness of the World Trade Organization (WTO) and growing populism, among other things. We could be confronted with increasing protectionist trade policies and barriers such as import and export controls, tariffs, environmental taxes, and non-refundable taxes on foreign value added. Other protectionist measures could include the imposition of localization requirements or local ownership and shareholder regulations as well as other regulatory burdens. Those policies and measures could negatively affect our business and market share. They could also reduce our profits if we cannot pass additional costs along to customers. In addition, we might be exposed to penalties and sanctions or have a worse competitive position in bidding processes. Furthermore, the United States and China are important markets, and the trade conflict between the two countries burdens our business. In addition to punitive tariffs, the trade conflict also carries the risk that free market access will be impaired. Additional governmental influences and regulations in key countries, such as China's five-year plans, could negatively affect our development in such countries and result in a loss of market share. Further risks stem from geopolitical tensions (for example concerning China and Taiwan) and intensifying regional conflicts. Especially the war in Ukraine and its broad geopolitical and macroeconomic consequences could continue to adversely impact our business. The same holds true for the conflict in the Middle East. We also see some uncertainty regarding the current European political environment and growth of populism across European countries. This affects unity in foreign policy, stability of fiscal policy and further debates regarding national independence. Besides, both a slowdown in global macroeconomic growth and an actual decline in economic activity could have adverse effects on our business. Healthcare markets, especially in emerging countries, might not achieve the growth we anticipated. In addition, we might face higher costs for the sourcing of materials, parts and components if inflation increases again. We might not be able to successfully adapt our production and cost structure to changes in our markets which could result in margin erosion. If we do not meet market requirements, we might experience declining demand for our products and lose market share to our competitors. In some sectors in which we operate, consolidation on the customer side is increasing. If our customers combine through mergers and acquisitions, join group purchasing organizations or otherwise collectively enter our markets, it could result in lower sales volumes and higher price pressure. To counter these risks and identify critical cases, we constantly monitor economic, political and geopolitical developments and their indicators. Based on this we adapt our processes and business model to possible changes arising from protectionism, ensure compliance with legal requirements, and educate our organization about these changes. In addition, we set up dedicated task forces and coordinate local response plans where necessary. We also maintain an exchange of information within industrial associations and take advantage of opportunities to engage in discussions with local authorities. Other measures include strategic and sales push initiatives, the implementation of productivity measures, projects to achieve target costs, optimization of our product portfolio or price increases. Siemens Healthineers' global setup, with operations in almost all relevant economies, together with the variety of our products and services, can contribute to offset the impact of an unfavorable development in a single market. Due to the volatile situation and uncertainty of the full extent of current developments the worldwide effects and consequences cannot be fully anticipated. We continue to observe these on an ongoing basis in order to quickly identify changes, evaluate potential impacts, assess risks, adjust our measures accordingly and strengthen our resilience.

Competitive Environment

The worldwide markets for our products, solutions and services are highly competitive in terms of pricing, product and service quality, product development and introduction time, customer service and financing terms. Market demand might vary, partly due to rapid and significant changes resulting from the introduction of innovative and disruptive technologies. There could be increasing competition from existing competitors that want to expand their business with new portfolio elements, introduce new business models, or expand their global presence. Especially the global footprint of our Chinese competitor has grown and could further increase. Against the backdrop of rapid technological progress, new companies previously outside the industry, such as IT companies or AI start-ups, could become competitors for our digital portfolio. Besides that, there could also be new competitors such as medical technology companies in the low-price segment or in niche markets, as well as independent service organizations. Some of our competitors may have more experience or greater resources in certain fields. Moreover, some of our products address markets that are still developing and characterized by rapidly evolving technology, varying degrees of market acceptance, and pricing pressure. We are also impacted by the pricing decisions of our competitors, the timing of their product introductions, and the rate of market penetration by competitive products, which could render our products less competitive. If we cannot successfully provide technically superior, proven products that deliver more precise, cost-effective, high-quality clinical capabilities, in a complete package of products and services, ahead of our competitors, we might lose market share and be forced to adapt our prices. New competitors may also delay the purchasing decisions of customers if they decide to evaluate the products of such competitors along with ours, potentially extending our sales cycle and adversely affecting our orders and revenues. Furthermore, some of our competitors may not be subject to the same standards, regulatory and/or other legal requirements that we are subject to, and thus, they could have a competitive advantage in developing, manufacturing and marketing products and services while we might be slower to the market and face reduced sales. Competing companies could receive preferential treatment in the countries in which they are domiciled. In addition, new regulations such as the EU Data Act may enable competitors who are able to use the regulations to their advantage to undermine our competitive position, resulting in increased price pressure and loss of market share. We counter these risks by constantly monitoring existing competitors, known potential competitors, and barriers to market entry, as well as by adapting our strategies and measures accordingly. Other measures include benchmarking, strategic initiatives, sales push initiatives, lobbying and the implementation of productivity measures and projects to achieve target costs. We achieve this for instance by adjustment of operational structures, outsourcing, mergers and establishment of joint ventures, as well as by exporting from low-cost countries to price-sensitive markets and optimizing our product portfolio.

Diagnostics Transformation

This transformation program, announced in November 2022, focuses on optimizing the existing product portfolio and footprint, as well as further organizational and functional optimization in the Diagnostics segment. It carries an execution risk due to the complexity of the undertaking and its ambitious timeline. We rely on continued execution of product launches of strategically relevant analyzers to subsequently be able to reduce the total number of active platforms, thereby establishing a healthy product portfolio and related, optimized go-to-market approach. Necessary rightsizing of our organization and footprint is conducted in partnership with the respective codetermination councils in order to implement them swiftly and minimize disruption to our business. While in most cases this is agreed directly between the company and local codetermination councils, in some countries, such as Germany, the severance of employees takes place on a voluntary basis. This entails the risk that personnel and associated site adjustments may take longer than planned. Additionally, in connection with the set-up of a leaner organization and the verticalization of customer-facing operations in the individual regions, there is a risk of losing institutional and procedural knowledge if we do not manage to accompany this with successful change management. To manage the risks of the transformation, we have implemented a number of measures. Systematic knowledge transfer and continued development of our corporate culture is supported by internal experts in collaboration with external consultants, and a clear execution plan for major transformations, such as organizational changes. Moreover, the execution of the portfolio transformation is driven in a structured and cross-functional effort across all geographies to ensure a seamless transition for our customers and an efficient internal shift for our functions to the new products. Additionally, to maintain the necessary focus on the transformation, we will continue with our established status reviews covering the transformation savings, leading performance indicators and detailed execution progress of key initiatives. In addition, we apply the learnings of the transformation and expand the scope towards a new way of working, driving continuous improvement to further support our top and bottom line.

A.6.2.2 Operational Risks

Cybersecurity

Cybersecurity threats and the sophistication in cybercrime remain at a high level in the healthcare industry, intensified by ongoing geopolitical crises. With our business in healthcare, the products, solutions, and services of Siemens Healthineers are therefore exposed to a particularly high cyber risk. Disruption of our critical information systems, significant cyberattacks or security breaches of our products may adversely affect our business and customer relations. As an example, ransomware attacks against healthcare providers have major impacts on the provision of healthcare services and continue to be a significant risk to healthcare providers, threatening both patient treatment and the security of sensitive patient data. There are increasingly large volumes of information, including patient data, being generated that need to be securely processed and stored by the healthcare organizations involved. In the event of cyber-attacks, the security of the data and the privacy of the patients treated with the help of our products and solutions could be at risk. In addition, in the event of an attack our supply chains could also be at risk and interruptions could have a negative impact on our business. Although we have implemented effective security measures to protect our hardware and software products from unauthorized access, we cannot completely rule out the possibility of cyberattacks, particularly because techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until they are launched against a target. A security breach could have serious negative consequences, including regulatory action, fines, penalties and damages, reduced demand for our products and solutions, an unwillingness of our customers to use our products and solutions, and harm to our reputation and brand. The number and criticality of attacks against Siemens Healthineers, however, have not changed significantly during the observation period. Besides that, we operate across different jurisdictions and observe an increasing number of cybersecurity regulations. Amongst other regulations the NIS2 (Network and Information Security) directive may amplify actions by regulatory bodies regarding data privacy and cybersecurity. To address the risk, we have a global cybersecurity organization which engages all relevant areas of our company and integrates cybersecurity resources, expertise, and competence. The cybersecurity organization is governed and supported by a central team which is responsible for cybersecurity strategy, governance, and assurance. Our cybersecurity management system is certified under ISO 27001 and 27701 standards. In addition, we are committed to security and privacy by design and default, for both products and internal operations. Besides our established technical and organizational controls, we continuously strengthen the awareness of our employees so they can detect attacks at an early stage and respond even more effectively. This is particularly important as the number of employees working remotely is expected to remain on a high level. Moreover, we support business resilience with a focus on expanding, adapting and improving established security controls across the organization and the supply chain. Cybersecurity has a strategic relevance for sustainable business which is why it is an essential part of our sustainability program. Furthermore, cybersecurity is a shared responsibility of all involved parties, and therefore we are also continually developing our ability to support our customers to protect themselves from cyberattacks. We have expanded our collaborations with healthcare providers, industry, partners, regulators and security researchers in line with the Charter of Trust principles for a secure digital world, through customer advisory boards, development of internal standards and exchanges of threat intelligence.

Supply Chain Management (SCM)

We purchase parts, components, materials, services and infrastructure from third parties, contract manufacturers and service providers all over the world. Therefore, we may be exposed to the risk of delays and interruptions in the supply chain as a consequence of global economic and geopolitical dynamics, extreme events (including for example extreme weather and pandemics), cyber incidents or suppliers' financial difficulties, particularly if we are unable to establish alternative sources of supply or means of transportation in a timely manner or at all. In addition, we rely upon the supplies of certain resources such as raw materials and energy. Worldwide demand, availability and pricing of these resources have been volatile recently, and we expect that they will continue to fluctuate in the future. Changes in customer demand and market fluctuations for critical parts and components might lead to difficulties in meeting our quality requirements while also purchasing in sufficient quantities at competitive market prices. Delays, restrictions, shortages or unavailability of supplies of important resources could lead to unanticipated price increases and could constrain our production of affected products, which could in turn reduce our profit margins or otherwise adversely affect our performance. If we are not able to offset increased prices for certain materials and components, reduce reliance on them, or find suitable alternatives, this could result in additional costs and affect our customer relationships. Some parts, components, materials, services and infrastructure are obtained from a limited group of suppliers or from a sole-source supplier. We are also dependent on our own production and distribution sites. If a supplier's operations are disrupted, if we lose a critical supplier, or if one of them no longer meets performance or quality specifications, we may be required to obtain and qualify one or more replacement suppliers. Such an event may then also lead to business disruptions or require us to redesign or modify our products to incorporate new parts and/or further require us to obtain clearance, qualification, certification or other applicable regulatory approvals of these products. Events such as these could significantly increase costs for the affected product and cause material delays in delivery of our products, which could have an adverse effect on our financial position and results of operations. To counter these risks, we address them at an early stage of the product life cycle when developing new products. Besides that, we work closely with reliable and competent suppliers to ensure consistent supplies and minimize disruptions to our supply chain. We also conduct screenings and audits of our suppliers with regard to delivery capabilities, among other things, in order to proactively establish relevant measures. In addition, we retain certain safety stocks and qualify second-source suppliers for essential components. We also manage procurement and pricing through measures such as long-term contracts and hedging as well as bundling of demands across units within our company and the

Siemens Group. Moreover, we actively monitor price developments to be able to react early to market changes. Furthermore, we review and adjust our footprint and design our value-added structures to be more resilient and agile.

Product Development and Introduction

We develop, produce and sell a comprehensive portfolio of products, solutions and services (including accessories and software products) to a wide range of healthcare providers. With many of our products, solutions and services we are an industry-wide technology leader. Our results of operations depend to a significant extent on our technological leadership, as well as our ability to anticipate changes in our markets and to adapt the costs of producing our products to those changes. Our products, solutions, services and their enhancements often have long cycles of development and government approval. As a result, this requires us to maintain early and accurate anticipation of relevant changes in the marketplace, in technology and in customer demands. Introducing new products and technologies requires a significant commitment to research and development. We may need to spend more time and money than anticipated to develop and introduce new products, product enhancements or services, and may not be able to recover all or a meaningful part of our investments. Our results of operations could be negatively impacted if we invest in technologies that do not operate as expected or cannot be integrated as planned, or that do not find the expected market acceptance. The same applies if our products, solutions or services are not introduced to the market at the targeted margins or in a timely manner, particularly compared to our competitors, or even become obsolete. If we are not able to meet clinical needs and provide operational as well as financial benefits to customers, we might not achieve anticipated growth and cash flows. This might lead to negative financial impacts such as the potential recognition of an impairment loss. Furthermore, errors in the design of our products or operational disruptions in our value chain could result in quality problems or potential product, labor safety, regulatory or environmental risks. The correction of errors could lead to unforeseen costs, at the same time resulting in guarantee or warranty claims, and, moreover, adversely impact our reputation. Our patents and other intellectual property rights may not prevent competitors from independently developing or selling products and services that resemble or replicate our own. If we are unable to protect or effectively enforce our intellectual property rights against third parties, we might lose our technological leadership position and market share which could result in negative financial impact, loss of reputation or loss of customers. To counter these risks, we continuously initiate and implement measures for quality improvement, project risk management and claim prevention that contribute to the mitigation of existing risks. In addition, we closely monitor market developments and are in regular exchange with customers and governments in order to identify and react to new demands early on, for example by jointly co-creating solutions with them especially in the area of digitalization. We constantly apply for new patents and actively manage our intellectual property portfolio to safeguard our leading technological position.

A.6.2.3 Financial risks

Risks from Pension Obligations

Siemens Healthineers provides post-employment benefits for the majority of its employees, partly resulting in provisions for pensions. An increase of provisions for pensions due to an adverse development of plan assets or the defined benefit obligation is considered a significant risk. The funded status can be affected by changes in actuarial assumptions, primarily the discount rate, as well as by movements in financial markets. In order to comply with local pension regulations in selected foreign countries, we may face increasing cash outflows to reduce an underfunding of our pension plans in these countries. Regular asset liability studies are performed for major pension plans to implement an investment strategy to reduce liability risks and funded status volatility.

Market Price Risks

We are exposed to fluctuations in exchange rates, especially between the U.S. dollar (and other currencies whose movements are positively correlated with the U.S. dollar) and the euro. Depending on our hedging activities, devaluation of the U.S. dollar against the euro may result in material adverse effects on our profit. Other currencies of significance from the viewpoint of foreign currency effects include the Chinese yuan, Japanese yen, Swiss franc and British pound. In addition, increasing exchange rate fluctuations may result in significant volatility risk for earnings and cash flows. We are also exposed to risks resulting from fluctuations in interest rates. In order to optimize the allocation of financial resources across our segments and entities, as well as to achieve our objectives, we identify, analyze and manage the associated financial market risks. We seek to manage and control these risks primarily through our regular operating and financing activities and use derivative financial instruments when deemed appropriate.

Tax Risks

Siemens Healthineers has global operations in a number of countries and is thus subject to multiple national tax regimes. At most Siemens Healthineers entities, the tax authorities in the respective jurisdictions carry out regular tax audits. Tax risks can arise from legal interpretations by tax authorities that diverge from ours, and from changes in legal provisions as well as in case law and their implementation, especially in cross-border transactions involving various jurisdictions. This can result in additional tax expenses and additional tax payments, double taxation and the imposition of penalties and interest payments, which would have a negative impact on the company’s profit and cash flow. In addition, there might be tax increases in certain countries which could negatively affect our financial position and results of operations. Tax-related risks are identified, regularly monitored and assessed by the tax department, and necessary measures are taken.

Liquidity and Financing Risk

Our treasury and financing activities could face negative developments related to financial markets, such as limited availability of funds and hedging instruments, a change in assessment of our solvency or of our ESG performance (Environmental, Social, Governance), particularly from rating agencies, impacts arising from more restrictive regulation of the financial sector, central bank policy or financial instruments, termination of financing from Siemens AG or other Siemens Group entities or a deterioration in the financial situation of our main financial partner, Siemens AG. Widening credit spreads due to uncertainty and risk aversion in the financial markets might lead to adverse changes in the fair values of our financial assets and liabilities, particularly our derivative financial instruments.

For further information related to the financial risks described above, especially derivative financial instruments and hedging activities, financial risk management, provisions for pensions and similar obligations and income taxes, please see ➔ ***Note 25 Financial instruments and hedging activities,*** ➔ ***Note 26 Financial risk management,*** ➔ ***Note 21 Provisions for pensions and similar obligations*** and ➔ ***Note 4 Income taxes*** in the notes to the Consolidated Financial Statements.

A.6.2.4 Compliance risks

Regulatory Environment

As a globally operating and diversified medical technology company, we are exposed to various and increasingly complex product- and country-specific regulations, laws and policies that influence our business activities and processes. A failure to comply with existing, new or changed regulatory requirements could result in governmental fines and other sanctions, temporary or permanent shutdown of production facilities, third-party claims, import restrictions and negative publicity. This could affect our ability to deliver, our time to market for certain products or product life cycles and thus lead to unforeseen costs and have a negative impact on our financial position. Further, our business may be affected by new laws and regulations, in particular by those that may govern innovative products and business activities, including services and solutions, such as the use of artificial intelligence (for example the AI Act of the European Union). For emerging subject areas, regulatory requirements are often not yet defined, or they may undergo future changes whose effects cannot yet be estimated. Regulatory authorities that are especially relevant for the commercialization of our products and services include the Food and Drug Administration (FDA) and the Nuclear Regulatory Commission (NRC) in the United States, the National Medical Product Administration (NMPA) in China and regulations including the Medical Device Regulation (MDR) and In-Vitro Diagnostics Regulation (IVDR) in Europe. However, there are numerous other regulatory schemes in practically all jurisdictions worldwide to which we are subject. Risks could also arise from effects of regulations in the area of product-related environmental protection including the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and other sustainability regulations. We need to comply with and safeguard requirements that will ensure product safety and regulatory market access. To counter the risks mentioned above, we monitor the political and regulatory landscape in all our key markets to anticipate potential problem areas with the objective of quickly adjusting our business activities and processes to changed conditions. Furthermore, we issue internal regulations and guidance, conduct continuous training and communication as well as synchronized implementation actions. In addition, internal and external audits of compliance with laws and regulations are performed.

Compliance with Laws

In connection with our global business activities, we must ensure compliance with anti-corruption legislation, antitrust and competition law, data protection regulations and other laws. We have established compliance and risk management systems to ensure compliance with requirements. Nevertheless, there is no guarantee that these systems will enable us to avoid all risks in every jurisdiction. In our business environment, there are risks regarding antitrust or corruption law violations and other violations of law. Consequences of violations of the law could under certain circumstances affect us also if they relate to violations by our indirect sales channels or business partners. In addition, a significant portion of our business involves governments and companies with public shareholders. We are also involved in various projects funded by government agencies and intergovernmental and supranational organizations. This may pose risks from a compliance perspective. Moreover, we may face compliance risks in connection with acquired companies that are still in the integration process. There could also be risks related to violations of other laws and legislation such as export control and embargo regulations and intellectual property rights. Additionally, risks may arise, for instance, in the form of data breaches when processing the personal data of our employees, customers, customers' patients, or other business partners. Furthermore, compliance risks may exist in connection with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) and comparable human rights-related laws. These laws regulate, among other things, the responsibility of companies to respect human rights in their business activities and in their global supply chains. Furthermore, compliance with the relevant anti-money laundering laws is crucial to prevent illegal activities and ensure the integrity of our business activities. All these risks could result in violations of law with severe consequences and can have a negative impact on our business, net assets, financial position, and results of operations. They could also result in claims for damages, fines or penalties, the exclusion of direct or indirect participation in certain types of transactions and public tenders, and reputational damage. Consequently, we are constantly countering these risks with targeted measures. The foundation for our governance framework is provided by our globally applicable directives. In addition to measures such as general compliance training, our Antitrust Compliance Program, requirements of our Business Conduct Guidelines and Data Protection Program, we have established a global compliance organization. This organization conducts, among other things, audits to identify compliance risks at an early stage. Moreover, by providing whistleblower hotlines and establishing internal and external points of contact, we enable the timely reporting of potential deficiencies or violations to us, authorities or other stakeholders as appropriate. With regard to our business partners, we have established a global business partner management system. This includes, among other measures, a careful selection process, a structured onboarding process as well as training, monitoring and a close exchange during our visits to the customer's site as well as regular audits with consistent implementation and monitoring of measures taken. To meet the legal and internal requirements for data protection, we have implemented an information security and data protection management system whose mechanisms meet the high requirements of the ISO/IEC 27001:2022 standard, extended by ISO/IEC 27701:2019, under to which we are certified.

Assessment of the overall risk situation

The risks were listed in descending order of relevance in each of the four risk categories: strategic, operational, financial and compliance. Some of the assessments of individual risks have changed during fiscal year 2024 due to developments in the external environment, changes in our business portfolio, effects of our own mitigation measures and the revision of our risk assessment. The most significant risks we are currently exposed to are ➔ ***Economic, Political and Geopolitical Developments***, ➔ ***Cybersecurity*** and ➔ ***Competitive Environment***. As in the prior year, ➔ ***Economic, Political and Geopolitical Developments*** constitutes the most significant risk. Compared to the previous year, and as already described in the half-year financial report, ➔ ***Competitive Environment*** has slightly increased due to the continued global expansion of our Chinese competitor, making it now one of the most significant risks. We consider all other risks mentioned above not as high as the three most significant risks. At present, no risks have been identified that in their known form either individually or in combination could endanger our ability to continue as a going concern.

A.6.3 Opportunities

Within our ERM we regularly identify, evaluate and respond to opportunities that present themselves in our various fields of activity. Below we describe our significant opportunities. Unless indicated otherwise, the opportunities described below relate to all our segments. The order in which the opportunities are presented reflects the currently estimated relative exposure for Siemens Healthineers associated with these opportunities and thus provides an indication of the opportunities' current importance to us. Additional opportunities not known to us or that we currently consider immaterial may also positively impact our business objectives and operations. In addition, our assessment of opportunities is subject to change because the Company, our markets and technologies are constantly advancing. It is also possible that opportunities we see today will never materialize.

Growth Fields

Innovation, digital offerings and new business models form the core of our company in shaping the future of the healthcare industry. We invest significantly in research and development in order to develop innovative offerings for our customers. In doing so, we aim at the same time to safeguard our competitiveness. Our goal is to enable healthcare providers to create added value by expanding precision medicine, transforming care delivery and improving patient experience by leveraging digital technologies. We expect to be able to meet future demands arising from fundamental trends. These trends include demographic change and global population growth as well as the increasing burden of chronic diseases. In addition, the provision of funds by aid organizations such as the World Health Organization (WHO) or the EU as well as the provision of national funds, for example in the form of subsidies, could further increase. This could expand investment and spending in hospitals, for example in the Middle East and Africa, Asia and Europe. This in turn could generate additional growth in these markets, especially for standard and basic products and services. Moreover, we aim to expand our business through sales growth programs. Higher reimbursement for innovative products might allow us to leverage additional sales opportunities. Greater sales coverage and improved identification of untapped market opportunities or underserved markets can help us win larger deals as well as prolonged contracts which can generate additional revenue. Furthermore, additional business opportunities could also arise from long-term value partnerships with healthcare providers, supporting our customers in setting up centers of excellence and jointly co-creating on solutions. Expanding our portfolio through the right business partner matching, innovative business models and further inclusion of technology enabled services (digital assets) could result in an increase of market share. Moreover, we experience a growing demand for consulting services among healthcare provider, which we could address leveraging our extensive expertise in the medical field. This in turn could contribute to additional sales volume and increase the attractiveness for long-term value partnerships. Furthermore, we see the opportunity to achieve additional sales volume and profit from new and innovative digital products, services and solutions, including additional cybersecurity for our customers, preventive maintenance, AI integration and data analytics. Moreover, strategic alliances and partnerships could enable us to expand our business in established markets, open up new markets for existing portfolio elements and strengthen our installed base to gain higher market shares and improved profitability.

Efficiency Gains

Our comprehensive approach to our internal digital transformation and related investments could potentially support our growth, improve our cost position and increase our attractiveness as employer. The leverage of our digital skills, infrastructure, tools and data could enable us to achieve a significant increase in our economic performance across the entire value chain of the company. Further investments into efficiency measures could potentially drive additional improvements in our processes and cost structures. Increased harmonization, collaboration and transparency throughout the entire organization could create synergies, lead to faster decision-making processes and reduce redundant efforts. In supply chain management and product lifecycle management, opportunities for improvement could arise from further implementing an integrated digital tool landscape. Improvements could also include further efficiency gains from using standardized platform elements across multiple applications. Utilizing these synergies could further increase our flexibility and speed in adjusting our innovative solution portfolio to the needs of the market while optimizing product lifecycle costs and reducing internal complexity. The evaluation of certain internal processes and systems can help us to identify potential for productivity and operational excellence. We realize this potential by consolidating and reducing the complexity of existing processes and by streamlining and modernizing them.

Sustainability related opportunities

Favorable shifts in the political and regulatory landscape towards a carbon-neutral economy are encouraging our suppliers to invest in carbon-neutral solutions and our customers to establish and pursue greenhouse gas-reduction targets. In addition to minimizing CO_2 emissions in our own operations, this increased attention on resource conservation could potentially ease the path to achieve sustainability goals along the value chain. Improving environmental performance is also a key consideration in product design and manufacturing at Siemens Healthineers. We are continuously improving the energy efficiency of our systems and working on holistic approaches to bundle our systems with service offerings, including digitalization, to support our customers in lowering their greenhouse gas emissions. Furthermore, we are building up sustainability-related consultancy skills and offerings to meet these evolving demands. These developments could give us an opportunity to generate additional revenue and profit. We have a solid foundation of existing circularity practices, where we potentially can accelerate the expansion in scope and impact, to help us with our sustainability efforts. The intensified reuse of returned materials can have benefits such as increased resilience against supply shortages, reduced dependency on raw material consumption and optimized cost in the end-to-end lifecycle of parts. Additionally, we are addressing a lack of access to affordable and timely healthcare services. We do so by driving healthcare breakthroughs, expanding collaborations and strategic partnerships and empowering healthcare workforce. Besides the anticipated benefits already incorporated into our business plans, this could open up additional opportunities, such as overachieving our sustainability goals regarding patient touchpoints and healthcare workforce training hours. This could further increase our appeal compared to our competitors and thus lead to a higher market relevance.

Assessment of the overall opportunity situation

The order in which the opportunities are presented reflects the currently estimated relative exposure for Siemens Healthineers associated with these opportunities and thus provides an indication of the opportunities' current importance to us. Some assessments of individual opportunities have changed during fiscal year 2024 due to developments in the external environment, changes in our business portfolio, our endeavors to profit from them and revision of our financial plans. Compared to the previous year, and as already described in the half-year financial report, we have identified a new opportunity that arises in connection with developments related to the topic of sustainability.

A.6.4 Significant characteristics of the internal control and risk management system

A.6.4.1 Internal Control and Risk Management System

Our Internal Control System (ICS) and Enterprise Risk Management (ERM) are based on the principles, guidelines and measures introduced by the Managing Board, which are aimed at the organizational implementation of the Managing Board's decisions. Our ICS and ERM include the management of risks and opportunities relating to the achievement of business goals, the correctness and reliability of internal and external accounting, and compliance with the laws and regulations relevant to Siemens Healthineers. Sustainability aspects are covered as well and are continuously developed based on the regulatory requirements.

Our ICS and ERM are based on the globally accepted COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). Our ERM approach is based on the COSO Standard "Enterprise Risk Management - Integrating with Strategy and Performance" (2017) and the ISO (International Organization for Standardization) Standard 31000 (2018), and is adapted to Siemens Healthineers requirements. Our ICS is based on the internationally recognized "Internal Control – Integrated Framework" (2013) also developed by COSO. The framework defines the elements of a control system and sets the standard for assessing the adequacy and effectiveness of the ICS. The frameworks connect the ERM process with our financial reporting process and our ICS, both systems are complementary.

All Siemens Healthineers entities are part of our ICS and ERM. The scope of activities to be performed by each entity is different, depending, among others, on the entity's impact on the Consolidated Financial Statements and the specific risks associated with the entity. The management of each entity is obliged to implement an adequate and effective ICS and ERM within their area of responsibility, based on the group-wide mandatory methodology.

Overall responsibility for our ICS and ERM lies with the Managing Board. The Siemens Healthineers Risk and Internal Control (RIC) organization bundles and integrates the internal control and ERM processes and supports the Managing Board in designing and maintaining adequate and effective processes for implementing, monitoring and reporting on internal control and ERM activities. It consists of the central RIC departments and those responsible in the businesses, regions and functions. The central RIC departments are responsible for coordinating and monitoring the entire processes in order to ensure an adequate and effective ICS and ERM within the Group.

We have an overarching, integrated ICS and ERM methodology (RIC methodology) with a standardized procedure under which necessary controls are defined, documented in accordance with uniform standards, and tested regularly for their adequacy and effectiveness. For more information on ERM, see chapter ➔ ***A.6.1 Risk management***.

Our ICS and ERM and their contributing elements are regularly subject to audit activities by our internal audit function. These are carried out either as part of the risk-based annual audit plan or as part of audits scheduled during the year upon request.

At the end of each fiscal year, our Managing Board performs an evaluation of the adequacy and effectiveness of the ICS and ERM. This evaluation is based primarily on the Siemens Healthineers "In Control" Statement and quarterly Managing Board meetings. The purpose of the "In Control" Statement is to provide an overview of the key elements of the ICS and ERM of Siemens Healthineers AG and its affiliated companies at the end of the fiscal year, to summarize the activities undertaken to review its adequacy and effectiveness and report any critical control weaknesses identified as part of these activities. The information contained in this statement is provided to the Audit Committee of the Supervisory Board of Siemens Healthineers AG to report on the effectiveness of the ICS and ERM. The Siemens Healthineers "In Control" Statement is supported by certifications at various corporate levels and by all affiliated companies. In the quarterly Managing Board meetings, the company-wide risk and opportunity situation is evaluated, the results of the internal control process are explained and once a year an overall conclusion is made about the adequacy and effectiveness of our ICS and ERM. Based on this, the Managing Board has no indication that our ICS or ERM in their respective wholes have not been adequate or effective as of September 30, 2024.

Nevertheless, there are inherent limitations on the effectiveness of any risk management and control system. For example, and no system, – even if deemed to be adequate and effective – can guarantee that all risks that will actually occur will be identified in advance or that any process violations will be ruled out under all circumstances.

The Audit Committee is systematically integrated into our control system. In particular, it oversees the accounting and accounting process as well as the adequacy and effectiveness of the ICS and ERM and the internal audit system. Furthermore, we have set up a disclosure committee which is responsible for reviewing certain financial and nonfinancial information prior to publication.

A.6.4.2 Compliance Management System

The ICS and ERM are supplemented by a Compliance Management System (CMS) geared to the company's risk situation. Our CMS is based on three pillars: prevent, detect and respond and includes the legal risk areas of corruption, antitrust law, data protection, money laundering, export controls and respect for human rights. It is based on an extensive internal set of rules: The Siemens Healthineers Business Conduct Guidelines ("BCG") define the basic principles and standards of behavior that must be observed by all employees in the company units and in relation to customers, external partners and the public. In addition, there are extensive internal compliance regulations, including associated controls, which oblige all Siemens Healthineers employees to ensure the implementation of the CMS. They contain topic-specific implementation regulations for the individual risk areas with regard to compliance processes and tools as well as additional guidelines and information. The compliance operating model contains binding specifications for the employees of the compliance organization and describes responsibilities and how the CMS works.

Compliance risk management and compliance reviews as part of the CMS aim to identify compliance risks at an early stage and to take appropriate and effective measures to avoid or minimize risks. The risk assessment is also integrated into individual business processes and tools in order to initiate appropriate risk minimization measures. The results of compliance risk management that are relevant to the Group are taken into account as part of the company-wide ERM.

The Compliance Control Program aims to ensure compliance and implementation of the CMS and processes used worldwide. It is part of the ICS and is continuously being further developed and adapted to the current Siemens Healthineers guidelines. In addition, current compliance issues are discussed at management level on a regular basis.

The entire CMS is continually adapted to business-specific risks and various local legal requirements. The findings from compliance risk management and compliance controls and audits are used to derive measures for further development of the CMS.

A.6.4.3 Significant characteristics of the accounting-related ICS and ERM

The overarching objective of our accounting-related ICS and ERM as part of the overarching ICS and ERM is to ensure that financial reporting is conducted in a proper manner, such that the Consolidated Financial Statements and the Combined Management Report of Siemens Healthineers as well as the Annual Financial Statements of Siemens Healthineers AG as a parent company are prepared in accordance with all relevant regulations.

Our ICS and ERM are based on the globally recognized COSO framework (Committee of Sponsoring Organizations of the Treadway Commission), for further information see ➔ ***A.6.4.1 Internal Control and Risk Management System***.

At the end of each fiscal year, our management performs an evaluation of the effectiveness of the accounting-related ICS. Siemens Healthineers has a standardized procedure under which necessary controls are defined, documented in accordance with uniform standards, and tested regularly for their effectiveness. Nevertheless, there are inherent limitations on the effectiveness of any control system, and no control system, including one determined to be effective, may prevent or detect all misstatements.

Our Consolidated Financial Statements according to IFRS are prepared on the basis of a centrally provided conceptual framework which primarily consists of uniform financial reporting guidelines and a chart of accounts. They are issued centrally by the Siemens Group and complemented by additional Siemens Healthineers guidelines for business-specific financial reporting topics. Siemens Healthineers AG and other entities within Siemens Healthineers are required to prepare financial statements in accordance with the German Commercial Code; the conceptual framework is complemented by mandatory regulations specific to the German Commercial Code. The need for adjustments in the conceptual framework due to regulatory changes is analyzed on an ongoing basis. Accounting departments are informed regularly about current topics and deadlines from an accounting and closing process perspective.

The base data used in preparing our financial statements consist of the closing data reported by Siemens Healthineers AG and its subsidiaries. Governance and monitoring activities relating to accounting activities are usually bundled on a regional level. In particular cases, such as valuations relating to post-employment benefits, we engage external service providers. The reported closing data are used to prepare the financial statements in the consolidation system. The steps necessary to prepare the financial statements are subject to both manual and automated controls.

Qualification of employees involved in the accounting process is ensured through appropriate selection processes and regular training. As a fundamental principle, based on materiality considerations, the “four eyes” principle applies and specific procedures must be adhered to for data authorization. Additional control mechanisms include target-performance comparisons and analyses of the composition of and changes in individual line items, both in the closing data submitted by reporting units and in the Consolidated Financial Statements. In line with our information security requirements, accounting-related IT systems contain defined access rules protecting them from unauthorized access. An internal certification process is executed on a quarterly basis. Management at different levels of our organization, supported by confirmations by managements of entities under their responsibility, confirms the accuracy of the financial data that have been reported to Siemens Healthineers’ headquarters and reports on the effectiveness of the related control systems.

Our internal audit function systematically reviews our financial reporting integrity as well as our accounting-related ICS and ERM. The Audit Committee is integrated into our accounting-related ICS. In particular, it oversees the accounting and the accounting process as well as the adequacy and effectiveness of the associated ICS, the ERM and the internal audit system. Furthermore, we have set up a disclosure committee which is responsible for reviewing certain financial and non-financial information prior to publication.

A.7 Siemens Healthineers AG

The Annual Financial Statements of Siemens Healthineers AG were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, "HGB") and the German Stock Corporation Act (Aktiengesetz, "AktG").

Siemens Healthineers AG is the parent company of Siemens Healthineers. It acts as a management holding company providing administration and intercompany financing services. It also performs a headquarters function with research and development, production, and sales. Siemens Healthineers AG generates most of its revenue from the sale of products, solutions, and services primarily from the Imaging and Advanced Therapies segments to affiliated companies, which are mainly composed of the worldwide sales subsidiaries of Siemens Healthineers. In addition, revenue is generated on sales of products, solutions, and services to customers primarily domiciled in Germany and from the provision of management services to affiliated companies. Siemens Healthineers AG, which has its registered head office in Munich, maintains two central sites for administration, production, and development in Forchheim and Erlangen. It also operates smaller sites and various regional sales offices in Germany. Siemens Healthineers AG had 14,528 employees as of September 30, 2024.

The developments described in the chapters ➔ ***A.3.1 Market development*** and ➔ ***A.3.2 Results of operations*** influence the business activities of Siemens Healthineers AG and its direct and indirect subsidiaries. The business performance of Siemens Healthineers AG is significantly influenced by its directly or indirectly owned subsidiaries and is therefore directly or indirectly subject to the same risks and opportunities as the Group. Due to these interrelationships between Siemens Healthineers AG and its subsidiaries, the outlook of the Group also reflects our expectations for Siemens Healthineers AG. For this reason, the above mentioned comments for Siemens Healthineers also apply to Siemens Healthineers AG and no own key performance indicators have been defined for Siemens Healthineers AG. In addition, Siemens Healthineers AG is exposed to the risk of impairments of its equity investments in subsidiaries. The impairment tests of the equity investments held in subsidiaries are generally based on a discounted cash flow model. The results of the impairment tests are influenced by the development and success of the subsidiaries and the companies in which equity interests are held. Consequently, adverse effects on subsidiaries or companies in which equity interests are indirectly held may lead to an impairment of equity investments in the Annual Financial Statements of Siemens Healthineers AG. Impairments would reduce the net income that can be distributed to owners. Given that equity investments in subsidiaries represent around 80% of total assets, which is a significant proportion, this risk is of great importance for Siemens Healthineers AG. Net income (loss) from equity investments significantly influences the net income of Siemens Healthineers AG.

Siemens Healthineers AG and Siemens Healthcare GmbH entered into a spin-off and transfer agreement on August 18, 2023. Under this agreement, Siemens Healthcare GmbH transferred its entire operating activities and nearly all its assets and liabilities to Siemens Healthineers AG. The objective of the agreement was to simplify the Group's corporate governance structure. In particular, this created the requirements for the formation of a co-determined Supervisory Board in Siemens Healthineers AG. The spun-off assets were transferred with effect as of October 1, 2023. This transaction had the effect of increasing the total assets of Siemens Healthineers AG by €3,878 million. Thereby, shares in affiliated companies increased by €2,054 million. The carrying amounts of the equity investments transferred under the spin-off and takeover agreement amounted to €3,890 million. In contrast, the carrying amount of the equity investment in Siemens Healthcare GmbH decreased by €1,835 million. In addition, a spin-off gain of €582 million resulted from this transaction. It corresponds to the difference between the carrying amounts of the net assets transferred and the partial derecognized carrying amount of the equity investment in Siemens Healthcare GmbH. It was recognized in the line item other operating income. The result from the transferred operating activities is now reflected in the income from operations, instead of the net income (loss) from equity investments of Siemens Healthineers AG, as it was previously. Furthermore, the cash inflows and outflows from the operating activities of the former Siemens Healthcare GmbH are now recognized immediately in the Annual Financial Statements of Siemens Healthineers AG, whereas previously only the cash inflow from the profit transfer agreement had been recognized after a delay.

To ameliorate the incomparability of the prior-year figures, an additional comparable prior-year column has been added to the balance sheet and income statement. The figures presented in this additional column represent the line items of the balance sheet and income statement for fiscal year 2023 calculated on the assumption that the spin-off took effect as of October 1, 2022. In the interests of simplification, the values of the positive net assets transferred, the partial derecognized carrying amount of the equity investment in Siemens Healthcare GmbH, and the spin-off gain presented within other operating income were assumed to be identical to those in fiscal year 2024.

On September 25, 2024, Siemens Healthineers AG entered into a share and asset purchase agreement with Advanced Accelerator Applications SA, Advanced Accelerator Applications International SA and Novartis AG to acquire its diagnostic molecular imaging radiopharmaceutical business against payment of a purchase price in the low triple digit million Euro range on behalf of the acquiring Siemens Healthineers companies, subject to customary adjustments. As of the reporting date, Siemens Healthineers AG expected that the transaction will be completed in the fourth quarter of calendar year 2024, subject to regulatory approvals.

A dividend payout of around €1,063 million is proposed for fiscal year 2024. This corresponds to a dividend per share of €0.95.

A.7.1 Results of operations

The income statement of Siemens Healthineers AG drawn up in accordance with the accounting regulations of HGB (abridged version) is presented in the table below:

(in millions of €)	Fiscal year 2024	Fiscal year 2023	Fiscal year 2023 (comparable)
Revenue	8,678	22	8,286
Cost of sales	–7,316	–21	–6,604
Gross profit	**1,362**	**1**	**1,683**
Research and development expenses	–236	-	–452
Selling expenses	–455	-	–440
General administrative expenses	–296	–38	–284
Other operating income/expenses, net	602	12	591
Financial income/expenses, net	561	1,331	826
Therein: income (loss) from equity investment, net	1,006	1,545	1,106
Income from business activity	**1,539**	**1,305**	**1,923**
Income taxes	–209	–133	–169
Income after taxes / net income	**1,330**	**1,172**	**1,754**
Profit carried forward	315	606	606
Allocation to other retained earnings	-	–400	–400
Unappropriated net income	**1,645**	**1,378**	**1,960**

The development compared to the reported prior-year figures is attributable to the operating activities of Siemens Healthcare GmbH, which were transferred under the spin-off and transfer agreement, and is included in the description of this transaction above. The following describes the development of the result of operations, net assets and financial position based on comparable prior-year figures.

Revenue rose by 5% or €392 million from the comparable prior-year figure. This increase resulted mainly from an intercompany charge for services rendered.

The Imaging segment generated revenue of €5,871 million, representing 68% of overall revenue, and remained largely unchanged from the comparable prior-year figure. Ultrasound showed significant growth. The slightly positive revenue growth for magnetic resonance and X-ray products was partially offset by lower growth in computed tomography. Geographically, the Americas and EMEA regions generated moderate revenue growth, while the Asia, Pacific, Japan region reported a slight decrease in revenue. In the China region, revenue declined significantly due to currently delayed customer orders.

The Advanced Therapies segment generated revenue of €1,208 million, 0.5% below the comparable prior-year figure. The segment accounted for 14% of overall revenue. Geographically, the EMEA region achieved strong revenue growth, the Asia, Pacific, Japan region moderate revenue growth, and the Americas region slight revenue growth. The revenue generated in the China region was sharply less than the comparable prior year figure due to currently delayed customer orders.

On a geographic basis, the revenue generated in the EMEA region grew by 3.7% after adjusting for intercompany charges for services rendered. The Imaging segment delivered moderate growth, the Advanced Therapies segment achieved strong revenue growth in the EMEA region. In Germany, Siemens Healthineers AG generated revenue growth of 7.1% over the comparable prior year. Revenue growth was strong in the Imaging segment and very strong in the Advanced Therapies.

After adjusting for intercompany charges for services rendered, revenue generated in the Americas region grew by 2.7%, thanks to a moderate revenue increase in the Imaging segment and a significant revenue increase in the Varian segment. Advanced Therapies achieved slight growth in this region.

After adjusting for intercompany charges for services rendered, revenue generated in the Asia, Pacific, Japan region declined by 0.7% from the comparable prior year. This development was mainly driven by slightly lower revenue in the Imaging segment while Advanced Therapies achieved moderate revenue growth and Varian showed significant revenue growth.

After adjusting for intercompany charges for services rendered, revenue generated in the China region declined by 13.9%, mainly due to currently delayed customer orders. These delays caused a significant decrease in the Imaging segment and a sharp revenue decrease in the Advanced Therapies segment.

Gross profit was 19% or €321 million lower than the comparable prior-year figure. This decline also resulted from a higher level of intercompany charges for services rendered.

Siemens Healthineers AG employed 3,336 people on average in R&D, the majority of whom provided R&D services for other Siemens Healthineers companies in this fiscal year due to a reorganization of R&D activities. The charges for the services rendered are shown in the cost of sales. R&D expenses were 48% lower than the comparable prior-year figure. As a result, research and development intensity (R&D expenses as a percentage of revenue) was approximately 3%, which is two percentage points lower than the comparable prior-year figure. The R&D activities of Siemens Healthineers AG carried out for its own purposes were primarily related to the Imaging segment and included the main areas described in chapter ➔ ***A.1.1 Business description***.

The €264 million decrease in net financial income/expenses from the comparable prior-year figure resulted mainly from lower net interest result and net income from equity investments. Net interest result was €156 million lower than the comparable prior-year figure due to the higher level of debt and higher interest rates. In addition, net income from equity investments declined by €99 million. The €513 million decrease in the result from profit transfer agreements resulted mainly from a profit distribution from a German subsidiary of Siemens Healthcare GmbH. Countervailing effects were higher dividends from various subsidiaries and a €101 million decrease in impairments of the carrying amounts of equity investments in the reporting period.

Income taxes included only current income taxes from corporation tax and trade tax, because the excess of deferred tax assets was not recognized due to the exercise of the option allowed by Section 274 para. 1 sentence 2 HGB. Income taxes were related to the consolidated income tax group of Siemens Healthineers AG.

A.7.2 Net assets and financial position

The balance sheet of Siemens Healthineers AG drawn up in accordance with the accounting regulations of HGB (abridged version) comprises the following line items:

(in millions of €)	Sept 30, 2024	Sept 30, 2023	Sept 30, 2023 (comparable)
Non-current assets	**37,294**	33,217	36,940
Intangible assets	208	-	230
Property, plant and equipment	599	0	509
Financial assets	36,486	33,217	36,201
Current assets	**6,228**	5,122	5,232
Inventories (less advance payments received)	1,131	-	1,207
Receivables and other assets	5,080	5,122	4,011
Cash and cash equivalents	17	1	15
Prepaid expenses	**44**	0	38
Assets arising from the overfunding of pensions and similar obligations	**17**	0	8
Total assets	**43,583**	38,340	42,218
Shareholders' equity	**18,934**	18,489	19,071
Special reserve with an equity portion	**1**	-	1
Provisions	**2,119**	64	2,055
Provision for pensions and similar obligations	1,657	32	1,588
Other provisions	462	32	467
Liabilities	**22,321**	19,730	20,865
Liabilities to banks	3	-	-
Trade payables	604	2	631
Liabilities to affiliated companies	21,466	19,716	19,993
Other miscellaneous liabilities	247	12	241
Deferred income	**208**	56	227
Total shareholders' equity and liabilities	**43,583**	38,340	42,218

Non-current assets

Non-current assets increased by €354 million from the comparable prior-year figure. The main driver of this increase was the higher carrying amount of the equity investment in Siemens Healthcare Beteiligungen GmbH & Co. KG, Röttenbach, Germany, due to a capital contribution of €250 million.

Current assets

The €1,069 million increase in receivables and other assets from the comparable prior-year figure resulted particularly from the line item receivables from affiliated companies, which rose by €1,066 million to €4,452 million on a comparable basis. These receivables consisted mainly of cash pooling receivables and loans including interest receivables granted by the intragroup in-house bank. The change resulted from income and expenditures related to operating activities and the short-term investment of cash and cash equivalents.

Shareholders’ equity

The dividend for fiscal year 2023 distributed in fiscal year 2024 reduced the unappropriated net income by €1,063 million. This effect was more than offset by fiscal year net income of €1,330 million. The issuance of treasury shares under share-based payments and employee share programs led to a €174 million increase in the capital reserve in fiscal year 2024.

For information about the purchases and issuance of treasury shares pursuant to Section 160 para. 1. 2 AktG, please see *Note 13 Shareholders’ equity* in the Annual Financial Statements of Siemens Healthineers AG as of September 30, 2024.

The equity ratio declined from 45% to 43% on a comparable basis, mainly due to the €1,474 million increase in liabilities to affiliated companies over the comparable prior-year figure, as described below. By contrast, shareholders’ equity remained almost unchanged.

Liabilities

Liabilities to affiliated companies increased by €1,474 million from the comparable prior-year figure. Two tranches of a loan from the Siemens Group in the total amount of US$2,495 million, and one loan from Siemens Healthcare Diagnostics Inc., Los Angeles, United States, in the amount of US$1,645 million, were repaid in fiscal year 2024 in accordance with the respective applicable contractual agreements. In addition, one loan from Dade Behring Hong Kong Holdings Corporation, Tortola, British Virgin Islands, in the amount of €323 million was repaid in accordance with the applicable contractual agreement in fiscal year 2024. For partial refinancing, among other purposes, the Siemens Group provided five fixed-interest loans in the total amount of €2,850 million, with contractual interest rates of between 3.0% and 3.7% and maturing in fiscal years 2025 to 2032. The remaining (re-) financing requirement was met through cash pooling.

Therefore, the following significant loan liabilities were recognized as of September 30, 2024: Multiple U.S. dollar-denominated loans totaling US$7,900 million and maturing in fiscal years 2026 to 2041 were in effect between Siemens Healthineers AG and the Siemens Group. These loans were mainly taken out in connection with the acquisition of Varian. They bear fixed contractual interest rates of between 1.4% and 3.0%. The nominal amounts of these loans and the corresponding-interest payments are hedged by forward exchange contracts. Other, euro-denominated loans totaling €6,100 million and maturing in fiscal years 2025 to 2032 were in effect with the Siemens Group. One of these loans for an amount of €700 million bears interest at a variable rate, while the other loans bear interest at fixed contractual rates of between 3.0% and 3.8%. These loans gave rise to total loan liabilities, including interest liabilities, of €12,806 million as of September 30, 2024 (September 30, 2023: €13,525 million, September 30, 2023 comparable: €13,848 million).

Additional information on the currency hedging of all U.S. dollar-denominated loans can be found in *Note 25 Derivative financial instruments and valuation units* in the Annual Financial Statements of Siemens Healthineers AG as of September 30, 2024. For further information about the loans mentioned above, please see ➔ ***A.3.3.1 Net assets and capital structure*** .

In addition, liabilities from cash pooling and various short-term loans in different currencies, including interest liabilities, totaling €8,549 million are included in the line item liabilities to affiliated companies.

Liabilities to affiliated companies totaling €9,923 million are due in up to one year.

Multicurrency revolving credit facilities are in effect with Siemens AG, totaling €4.5 billion and with terms lasting until fiscal year 2026. These serve to finance net working capital and as a backup facility. They were not utilized as of September 30, 2024. Short-term liquidity needs of Siemens Healthineers AG are mainly covered by these multicurrency revolving credit facilities.

The short-term investments and drawdowns under short-term loans with Siemens AG, as well as the cash pooling receivables and liabilities, bear interest at prevailing market interest rate applicable for the corresponding currency and tenor, adjusted for a corporate spread, respectively a small margin. The interest rate for the cash pooling is fixed for each month in advance and additionally adjusted in case of significant moves in the market interest rates.

For information about special loan terms and conditions that could lead to accelerated repayment of the existing loans, please refer to ➔ ***A.8 Takeover-relevant information and explanatory report***.

A.7.3 Corporate Governance Statement

The Corporate Governance Statement pursuant to Sections 289f and 315d HGB will be made publicly accessible on our website at ➔ ***https://www.siemens-healthineers.com/investor-relations/corporate-governance*** simultaneously with the combined management report. Furthermore, it is included in ➔ ***C.4 Corporate Governance Statement*** of the annual report 2024.

A.7.4 Report on relationships with affiliated companies

The Managing Board of Siemens Healthineers AG has submitted to the Supervisory Board the report required by Section 312 AktG for fiscal year 2024 and issued the following concluding declaration:

"We declare that, in the legal transactions and other measures in Fiscal Year 2024 outlined in the Report on Relationships with Affiliated Companies, based on the circumstances of which we were aware at the point in time when the legal transactions were entered into, or the measures were taken or refrained from, the Company received adequate consideration in each legal transaction and did not suffer any disadvantage by taking or refraining from taking the measures."

A.8 Takeover-relevant information and explanatory report (pursuant to Sections 289a and 315a of the German Commercial Code)

A.8.1 Composition of issued capital

As of September 30, 2024, Siemens Healthineers AG's issued capital totaled €1,128,000,000. The issued capital is divided into 1,128,000,000 ordinary registered shares with no-par value ("auf den Namen lautende Stückaktien"), each of which is notionally equal to €1 in value. The shares are fully paid in. All shares confer the same rights and obligations. Details of the shareholders' rights and obligations are governed by the provisions of the German Stock Corporation Act, in particular Sections 12, 53a et seq., 118 et seq. and 186.

A.8.2 Restrictions on voting rights or transfer of shares

At the Shareholders' Meeting, each share grants one vote and reflects the shareholder's stake in Siemens Healthineers AG's net income. An exception to this rule applies to treasury shares held by Siemens Healthineers AG, which do not entitle it to any rights pursuant to Section 71b of the German Stock Corporation Act. In accordance with Section 136 of the German Stock Corporation Act, the voting rights of these shares are excluded by law.

Share programs are in place under which certain employees are or will be granted Siemens Healthineers AG shares. These share programs were continued in fiscal year 2024. Such shares are not subject to any block on sale, except as provided under local law.

Furthermore, in connection with Article 19 (11) of Regulation (EU) No. 596/2014 (Market Abuse Regulation) and on the basis of internal requirements, members of the Managing Board and Supervisory Board of Siemens Healthineers AG are subject to certain trading prohibitions with regard to the purchase and sale of Siemens Healthineers AG shares in temporal connection with the publication of quarterly financial results.

The von Siemens-Vermögensverwaltung GmbH (vSV) has permanent powers of attorney allowing it to exercise the voting rights for 550,067 shares (as of September 30, 2024) on behalf of members of the Siemens family. These shares are part of the total number of shares held by the family's members. The powers of attorney are based on an agreement between the vSV and, among others, members of the Siemens family. The shares are voted together by vSV, taking into account the suggestions of a family partnership established by the family's members or of one of this partnership's governing bodies.

A.8.3 Legislation and provisions of the articles of association applicable to the appointment and removal of members of the Managing Board and governing the amendment to the articles of association

The appointment and removal of members of the Managing Board is subject to the provisions of Sections 84 and 85 of the German Stock Corporation Act. In accordance with Article 5 (1) of the articles of association, the Managing Board comprises several members. Their exact number is determined by the Supervisory Board. The Managing Board of Siemens Healthineers AG currently comprises the CEO and three other members. Managing Board members may be appointed for a maximum period of five years. They may be reappointed or have their term of office extended for one or more terms of up to a maximum of five years each. Pursuant to Section 119 para. 1 No. 6 and Section 179 of the German Stock Corporation Act, any amendment to the articles of association is subject to a resolution of the Shareholders' Meeting. The authority to adopt non-substantive editorial amendments to the articles of association was transferred to the Supervisory Board under Article 9 para. 4 of those articles; this also includes an amendment of Article 4 of the articles of association in accordance with the utilization of the respective authorized and contingent capital, and after expiry of the respective authorization or utilization period.

Resolutions of the Shareholders' Meeting are adopted by a simple majority vote, unless a larger majority is required by law or by the articles of association. In accordance with Section 179 para. 2 of the German Stock Corporation Act, amendments to the articles of association require a majority of at least three-quarters of the issued capital represented at the Shareholders' Meeting at the time of the vote, unless another capital majority is prescribed by the articles of association.

A.8.4 Powers of the Managing Board to issue and repurchase shares

Based on a resolution of Siemens Healthineers AG's Annual Shareholders' Meeting on February 15, 2022, the Managing Board was authorized, subject to the Supervisory Board's consent, to increase Siemens Healthineers AG's issued capital on one or more occasions until February 14, 2027, by up to €564 million by issuing up to 564,000,000 new ordinary registered shares with no-par value in return for cash and/or contributions in kind (Authorized Capital 2022). As of September 30, 2024, Siemens Healthineers AG had not made use of the Authorized Capital 2022.

By resolution of the Annual Shareholders' Meeting on February 15, 2022, the share capital of Siemens Healthineers AG was conditionally increased until February 14, 2027, by up to €112.8 million by issuance of up to 112,800,000 new ordinary registered shares with no-par value (Contingent Capital 2022). A capital increase utilizing Contingent Capital 2022 may be implemented to grant shares only in cases when holders and/or creditors of convertible bonds or of option warrants from option bonds issued by Siemens Healthineers AG or an affiliate exercise their conversion/option rights, or perform their conversion/option obligations, or if shares are delivered, and only to the extent that no other forms of servicing are used.

The Managing Board is authorized to issue bearer or registered bonds in an aggregate principal amount of up to €6.0 billion with conversion or option rights attached, or a combination of these instruments, entitling the holders/creditors to subscribe for up to 112,800,000 new ordinary registered shares with no-par value of Siemens Healthineers AG. As of September 30, 2024, Siemens Healthineers AG had not made use of its option to issue bonds under this authorization.

The new shares under the Authorized Capital 2022 and the bonds under the aforementioned authorization are to be issued in return for contributions in cash and/or in kind. They are normally to be offered to shareholders for subscription. Subject to the approval of the Supervisory Board, the Managing Board is authorized to exclude shareholders' preemptive rights in the event of contributions in kind. In the event of capital increases in return for contributions in cash, the Managing Board is authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' preemptive rights in the following cases:

- The exclusion is required to grant new shares to members of the Managing Board of Siemens Healthineers AG, members of the representative body of an affiliate of Siemens Healthineers AG or employees of Siemens Healthineers AG and its affiliates under share-based payment programs or other share-based programs. To the extent permitted by law, the new shares may also be issued in such a manner that the contribution to be paid on such shares is covered by that part of the annual net income that the Managing Board and the Supervisory Board may allocate to other retained earnings under Section 58 para.2 of the German Stock Corporation Act. To the extent that members of the Managing Board of Siemens Healthineers AG are to be granted shares, the Supervisory Board of Siemens Healthineers AG decides thereon.
- The exclusion is necessary for fractional amounts resulting from the subscription ratio.
- The exclusion is required to compensate holders of conversion or option bonds for the effects of dilution.
- The issue price of the new shares/bonds is not significantly lower than the stock market price of Siemens Healthineers AG shares already listed or the theoretical market price of the bonds computed in accordance with generally accepted actuarial methods (exclusion of preemptive rights limited to 10% of the issued capital in accordance with or under corresponding application of Section 186 para. 3 sentence 4 of the German Stock Corporation Act).

Siemens Healthineers AG cannot repurchase its own shares unless authorized to do so by a resolution of the Shareholders' Meeting or under the limited circumstances explicitly set forth in the German Stock Corporation Act. On February 15, 2022, the Annual Shareholders' Meeting resolved to rescind the authorization of February 12, 2021, for the repurchase and use of treasury shares and to re-authorize the Managing Board to repurchase Siemens Healthineers AG shares until February 14, 2027, for any permissible purpose, up to a limit of 10% of its issued capital as of the date of the resolution or as of the date on which the authorization is exercised, if the latter value is lower. The aggregate of Siemens Healthineers AG shares repurchased under this authorization and any other of Siemens Healthineers AG shares previously acquired and still held in treasury by it or attributable to it pursuant to Sections 71d and 71e of the German Stock Corporation Act may at no time exceed 10% of the issued capital then in existence. Any repurchase of Siemens Healthineers AG shares is to be accomplished at the discretion of the Managing Board, either by acquisition in the stock market or through a public share repurchase offer.

In addition to selling via the stock exchange or by means of an offer to all shareholders proportionately according to their shareholding, the Managing Board was also authorized by resolution of the Annual Shareholders' Meeting on February 15, 2022, to use the Siemens Healthineers AG shares repurchased on the basis of this or previous authorizations for any permissible purpose. In particular, these shares may be

- cancelled without requiring an additional resolution by the Shareholders' Meeting for such cancellation or its implementation,
- used in connection with share-based compensation programs and/or employee share programs of Siemens Healthineers AG or its affiliated companies and may be issued to individuals currently or formerly employed by Siemens Healthineers AG or any of its affiliated companies, as well as to members of corporate bodies of affiliated companies of Siemens Healthineers AG,
- offered and transferred, subject to the approval of the Supervisory Board, to third parties in return for contributions in kind, especially in connection with business combinations or for the direct or indirect acquisition of companies, businesses, parts of companies, investments or other assets or claims to the acquisition of assets, including claims against Siemens Healthineers AG or its affiliates,
- sold, subject to the approval of the Supervisory Board, in return for payment in cash if the price at which a Siemens Healthineers AG share is sold is not significantly lower than the stock-exchange price of Siemens Healthineers AG shares (exclusion of preemptive rights limited to 10% of the issued capital under a mutatis mutandis application of Section 186 (3) sentence 4 of the German Stock Corporation Act) or
- used to service or secure obligations or rights to acquire Siemens Healthineers AG shares arising particularly from and in connection with convertible bonds / warrant bonds issued by Siemens Healthineers AG or its affiliated companies (exclusion of preemptive rights limited to 10% of the issued capital under a mutatis mutandis application of Section 186 para. 3 sentence 4 of the German Stock Corporation Act).

Furthermore, the Supervisory Board is authorized to use treasury shares acquired on the basis of this or previous authorizations to meet obligations or rights to acquire Siemens Healthineers AG shares that have been or will be agreed upon with members of the Managing Board under the rules governing Managing Board compensation.

Utilizing the authorization granted by the Annual Shareholders' Meeting on February 15, 2022, in June 2022, the Managing Board of Siemens Healthineers AG approved a share buyback lasting until January 20, 2023, with a volume of up to €250 million and a maximum of 9,000,000 ordinary shares. The buyback commenced on June 29, 2022. Under this share buyback, which was completed on October 12, 2022, Siemens Healthineers AG repurchased 5,413,455 of its own shares at a total purchase price of €250 million (excluding incidental transaction charges).

Utilizing the authorization granted by the Annual Shareholders' Meeting on February 15, 2022, in March 2023, the Managing Board of Siemens Healthineers AG approved a share buyback lasting until January 17, 2024, with a volume of up to €400 million and a maximum of 14,000,000 ordinary shares. The buyback commenced on March 29, 2023. Under this share buyback, which was completed on July 13, 2023, Siemens Healthineers AG repurchased 7,637,341 of its own shares at a total purchase price of €400 million (excluding incidental transaction charges).

There was no share buyback in fiscal year 2024.

The primary purpose of the buybacks is the issuance of shares to Siemens Healthineers employees and certain board members of Siemens Healthineers AG or its affiliated companies, particularly under share programs. To the extent that the repurchased shares are not required for that purpose, they may be used for other purposes permitted by law. In each case, the shares were repurchased via the stock exchange. As of September 30, 2024, Siemens Healthineers AG held 8,729,956 treasury shares.

A.8.5 Significant agreements which take effect, alter or terminate upon a change of control following a takeover bid

Material agreements between the Siemens Group and Siemens Healthineers AG are in place. Most of these agreements contain change-of-control provisions.

Treasury and financing agreements

As of September 30, 2024, Siemens Healthineers AG is the borrower under multiple loan agreements with different terms and outstanding loan amounts totaling approximately US$7.9 billion and €6.1 billion at the report date:

			Current liabilities[1]		Non-current liabilities	
(Carrying amounts in millions of €)	Maturity (fiscal year)	Contractual interest rate	Sept 30, 2024	Sept 30, 2023	Sept 30, 2024	Sept 30, 2023
Loan (US$1,742 million)	2026	1.38%	-	-	1,556	1,644
Loan (US$1,689 million)	2027	2.51%	-	-	1,508	1,594
Loan (US$1,243 million)	2028	1.87%	-	-	1,110	1,173
Loan (US$1,740 million)	2031	2.30%	-	-	1,554	1,642
Loan (US$1,486 million)	2041	3.03%	-	-	1,327	1,403
Loan (€700 million)	2025	0.46%+EURIBOR 1M	700	-	-	700
Loan (€500 million)	2025	3.73%	500	-	-	-
Loan (€300 million)	2026	3.70%	-	-	300	300
Loan (€500 million)	2028	2.96%	-	-	500	-
Loan (€850 million)	2029	3.58%	-	-	850	850
Loan (€600 million)	2029	3.20%	-	-	600	-
Loan (€700 million)	2030	3.59%	-	-	700	700
Loan (€500 million)	2030	3.21%	-	-	500	-
Loan (€700 million)	2032	3.80%	-	-	700	700
Loan (€750 million)	2032	3.40%	-	-	750	-

[1] Excluding interest payables.

As of September 30, 2024, moreover, Siemens Healthineers AG has revolving multicurrency credit lines in the total amount of €4.5 billion. All these agreements provide for a right of termination by the respective lender if the borrower ceases to be an affiliate of Siemens AG. An affiliated company is defined as a company in which Siemens AG (directly or indirectly) holds a majority of shares or voting rights.

The framework agreements (Master Hedging Agreements) entered into by Siemens Healthineers AG in accordance with the rules of the International Swaps and Derivatives Association Inc. (ISDA), grant Siemens AG and its U.S. subsidiary a right of termination if Siemens AG either ceases to (directly or indirectly) hold the majority of the shares or voting rights in the relevant counterparty and/or if the relevant counterparty ceases to be a fully consolidated subsidiary of Siemens AG. Such agreements also grant a right of termination if Siemens Healthineers AG or its relevant subsidiary, as the counterparty, is consolidated by, merges into or transfers substantially all of its assets to a third party. However, the latter right of termination applies only if the resulting company's creditworthiness is materially weaker than the relevant counterparty's creditworthiness immediately prior to such an event or the resulting company does not simultaneously assume the relevant counterparty's obligations under the master hedging agreements.

As of September 30, 2024, Siemens Healthineers receives contractually specified cash management services from Siemens AG. Among such services are the provision of payment infrastructure, including the use of the Siemens Group's bank accounts for incoming and outgoing external payment transactions, provision of internal accounts with credit lines (the latter only under separate agreements), participation in the Siemens Group's cash pools, and settlement of intra-group transactions between the Siemens Group on the one hand and Siemens Healthineers on the other hand. As of September 30, 2024, moreover, Siemens Healthineers uses the central IT application for finance management in its Treasury Department, which is provided by a subsidiary of Siemens AG. The contractual agreements on which these services and rights of use are based can be terminated by Siemens AG or its subsidiary if Siemens AG ceases to control Siemens Healthineers AG, with control defined as the majority ownership of shares and/or voting rights.

Further agreements

Siemens Healthineers AG and some of its subsidiaries also have various service agreements, some of which are long-term, with companies of the Siemens Group. Services covered by such agreements include, but are not limited to, IT, human resources, procurement, consulting and business support services, accounting, and tax-related services. In the event of any change of control in Siemens Healthineers AG or a subsidiary that is a service recipient – i.e., in the event that Siemens AG no longer (directly or indirectly) holds a majority of the voting rights in Siemens Healthineers AG or the respective subsidiary, or loses the right to appoint the majority of the members of the Managing Board or to exercise comparable control rights – the service provider may terminate the relevant agreement so far as the provided services are affected, for example if rendering such services has become impossible for legal, technical or organizational reasons.

Several lease and rental agreements and real estate-related service agreements exist between Siemens Healthineers as the lessee and the Siemens Group as the lessor. In the event that Siemens AG no longer (directly or indirectly) holds a majority of the voting rights in Siemens Healthineers AG, or loses the right to appoint the majority of the members of the Managing Board or to exercise comparable control rights, several legal consequences may occur, including the obligation to vacate premises, termination of lease, or a physical separation in cases where premises are shared between companies of the Siemens Group and companies of Siemens Healthineers.

Siemens AG has entered into trademark and name-use licensing agreements with Siemens Healthineers AG and some of its subsidiaries. Under such agreements, Siemens AG grants the respective licensee the right to use, in particular, the designations "Siemens" and "Siemens Healthineers" as a product brand, corporate brand and part of the company name, business designation and domain name, among other purposes. The respective agreements will automatically expire after a transitional period if Siemens Healthineers AG or the respective subsidiary ceases to be a company over which Siemens AG has direct or indirect management power by contract or otherwise, or through ownership of voting rights entitling Siemens AG to (directly or indirectly) appoint the majority of the members of the managing body.

A.8.6 Other takeover-relevant information

We are not aware, nor were we notified during the last fiscal year, of any shareholder holding (directly or indirectly) interests in Siemens Healthineers AG's issued capital that entitle it to 10% or more of the voting rights, except for Siemens AG, headquartered in Berlin and Munich, Germany, which directly and indirectly held 850,000,000 shares (equaling 75.4% of all shares), carrying 850,000,000 voting rights. There are no shares with special rights conferring powers of control. Shares granted by Siemens Healthineers AG or its subsidiaries to employees under their employee share programs and/or as share-based compensation are transferred directly to the employees. The beneficiary employees may directly exercise their shareholder rights resulting from the shares in the same way as any other shareholder, in accordance with applicable laws and the articles of association.

B.
Consolidated financial statements

B.1 Consolidated statements of income

(in millions of €, earnings per share in €)	Note	Fiscal year 2024	Fiscal year 2023
Revenue	29, 30	22,363	21,680
Cost of sales	9	–13,895	–13,971
Gross profit		**8,468**	**7,709**
Research and development expenses		–1,918	–1,866
Selling and general administrative expenses		–3,681	–3,607
Other operating income		19	17
Other operating expenses		–79	–120
Income from investments accounted for using the equity method, net		–2	3
Earnings before interest and taxes		**2,807**	**2,135**
Interest income	25	119	85
Interest expenses	15, 25	–476	–296
Other financial income, net	15, 25	74	4
Income before income taxes		**2,523**	**1,928**
Income tax expenses	4	–564	–403
Net income		**1,959**	**1,525**
Thereof attributable to:			
Non-controlling interests		17	16
Shareholders of Siemens Healthineers AG		1,942	1,509
Basic earnings per share	**5**	**1.74**	**1.35**
Diluted earnings per share	**5**	**1.73**	**1.34**

B.2 Consolidated statements of comprehensive income

(in millions of €)	Note	Fiscal year 2024	Fiscal year 2023
Net income		**1,959**	1,525
Remeasurements of defined benefit plans	21	–89	29
Therein: Income tax effects		39	–48
Remeasurements of equity instruments	25	–2	–1
Other comprehensive income that will not be reclassified to profit or loss		**–90**	28
Currency translation differences	11, 12	–985	–2,061
Cash flow hedges	25	–15	–68
Therein: Income tax effects		7	30
Cost/Income from hedging	25	138	111
Therein: Income tax effects		–59	–46
Other comprehensive income that may be reclassified subsequently to profit or loss		**–861**	–2,017
Other comprehensive income, net of taxes		**–952**	–1,989
Comprehensive income		**1,007**	–464
Thereof attributable to:			
Non-controlling interests		15	17
Shareholders of Siemens Healthineers AG		993	–480

B.3 Consolidated statements of financial position

(in millions of €)	Note	Sept 30, 2024	Sept 30, 2023
Cash and cash equivalents[1]	2, 25	2,683	2,247
Trade and other receivables	6	4,478	4,492
Other current financial assets	7, 25	229	549
Current receivables from the Siemens Group[1]	2, 25, 31	38	35
Contract assets	8	1,891	1,629
Inventories	9	4,179	4,294
Current income tax assets	4	260	244
Other current assets	10	684	645
Total current assets		**14,443**	**14,136**
Goodwill	3, 11	17,662	18,118
Other intangible assets	3, 12	7,062	7,726
Property, plant and equipment	12	4,476	4,210
Investments accounted for using the equity method		30	35
Other non-current financial assets	13, 25	1,375	1,561
Non-current receivables from the Siemens Group	25, 31	-	2
Deferred tax assets	4	476	416
Other non-current assets	14	530	480
Total non-current assets		**31,612**	**32,548**
Total assets		**46,055**	**46,684**
Short-term financial debt and current maturities of long-term financial debt	15, 25	268	198
Trade payables	25	2,126	2,203
Other current financial liabilities	17, 25	242	348
Current liabilities to the Siemens Group	25, 31	2,510	4,204
Contract liabilities	18	3,628	3,627
Current provisions	19	413	409
Current income tax liabilities	4	391	462
Other current liabilities	20	1,995	1,990
Total current liabilities		**11,573**	**13,440**
Long-term financial debt	15, 25	514	437
Provisions for pensions and similar obligations	21	592	539
Deferred tax liabilities	4	1,510	1,663
Non-current provisions	19	176	172
Other non-current financial liabilities	15, 25	34	29
Other non-current liabilities	22	469	450
Non-current liabilities to the Siemens Group	15, 25, 31	12,941	11,821
Total non-current liabilities		**16,234**	**15,110**
Total liabilities		**27,806**	**28,550**
Issued capital		1,128	1,128
Capital reserve		15,872	15,839
Retained earnings		2,154	1,381
Other components of equity		–521	339
Treasury shares		–433	–607
Total equity attributable to shareholders of Siemens Healthineers AG	**23**	**18,199**	**18,081**
Non-controlling interests		49	52
Total equity		**18,248**	**18,133**
Total liabilities and equity		**46,055**	**46,684**

[1] Prior-year value includes retrospective adjustment due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ *Note 2 Accounting policies*.

B.4 Consolidated statements of cash flows

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Net income	**1,959**	**1,525**
Adjustments to reconcile net income to cash flows from operating activities:		
Amortization, depreciation and impairments	1,223	1,557
Income tax expenses	564	403
Interest income/expenses, net	358	211
Income/loss related to investing activities	–34	81
Other non-cash income/expenses, net	139	33
Change in operating net working capital		
Contract assets	–292	–295
Inventories	39	–453
Trade and other receivables	–151	–474
Receivables from and payables to the Siemens Group from operating activities	21	–4
Trade payables	–62	–20
Contract liabilities	88	141
Change in other assets and liabilities	16	503
Additions to equipment leased to others in operating leases	–264	–240
Income taxes paid	–845	–899
Dividends received	2	1
Interest received	65	49
Cash flows from operating activities	**2,826**	**2,119**
Additions to intangible assets and property, plant and equipment	–696	–838
Purchase of investments and financial assets for investment purposes	–4	–7
Acquisitions of businesses, net of cash acquired	–46	–235
Disposal of investments, intangible assets and property, plant and equipment	80	12
Cash flows from investing activities	**–666**	**–1,069**
Purchase of treasury shares	-	–421
Other transactions with owners	–11	18
Repayment of long-term debt (including current maturities of long-term debt)	–195	–190
Change in short-term financial debt and other financing activities	52	–42
Interest paid	–41	–29
Dividends paid to shareholders of Siemens Healthineers AG	–1,063	–1,066
Dividends paid to non-controlling interests	–16	–15
Interest paid to the Siemens Group	–316	–281
Other transactions/financing with the Siemens Group[1 2]		
Repayment of long-term debt (including current maturities of long-term debt)	–21	-
Change in short-term financial debt and other financing activities	–47	1,294
Cash flows from financing activities	**–1,657**	**–730**
Effect of changes in exchange rates on cash and cash equivalents[1]	–66	–191
Change in cash and cash equivalents[1]	437	130
Cash and cash equivalents at beginning of period[1]	**2,247**	**2,117**
Cash and cash equivalents at end of period[1]	**2,683**	**2,247**

[1] Prior-year value includes retrospective adjustment due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies***.
[2] From the beginning of fiscal year 2024 other transactions/financing with the Siemens Group are no longer presented on a net basis.

B.5 Consolidated statements of changes in equity

				Other components of equity							
(in millions of €)	Issued capital	Capital reserve	Retained earnings	Currency translation differences	Reserve of equity instruments measured at fair value through other comprehensive income	Cash flow hedges reserve	Cost of hedging reserve	Treasury shares at cost	Total equity attributable to shareholders of Siemens Healthineers AG	Non-controlling interests	Total equity
Balance as of October 1, 2022	**1,128**	**15,861**	**894**	**2,465**	**–30**	**141**	**–219**	**–405**	**19,836**	**16**	**19,852**
Net income	-	-	1,509	-	-	-	-	-	1,509	16	1,525
Other comprehensive income, net of taxes	-	-	29	–2,061	–1	–68	111	-	–1,989	-	–1,989
Dividends	-	-	–1,066	-	-	-	-	-	–1,066	–14	–1,080
Share-based payment	-	–27	-	-	-	-	-	-	–27	-	–27
Purchase of treasury shares	-	-	-	-	-	-	-	–412	–412	-	–412
Reissuance of treasury shares	-	5	–1	-	-	-	-	211	214	-	214
Other changes in equity	-	-	16	-	-	-	-	-	16	34	51
Balance as of September 30, 2023	**1,128**	**15,839**	**1,381**	**404**	**–30**	**74**	**–108**	**–607**	**18,081**	**52**	**18,133**
Balance as of October 1, 2023	**1,128**	**15,839**	**1,381**	**404**	**–30**	**74**	**–108**	**–607**	**18,081**	**52**	**18,133**
Net income	-	-	1,942	-	-	-	-	-	1,942	17	1,959
Other comprehensive income, net of taxes	-	-	–89	–982	–2	–15	138	-	–949	–2	–952
Dividends	-	-	–1,063	-	-	-	-	-	–1,063	–16	–1,079
Share-based payment	-	28	–2	-	-	-	-	-	26	-	26
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Reissuance of treasury shares	-	5	-	-	-	-	-	174	178	-	178
Other changes in equity	-	-	–16	-	-	-	-	-	–16	–2	–18
Balance as of September 30, 2024	**1,128**	**15,872**	**2,154**	**–578**	**–32**	**58**	**30**	**–433**	**18,199**	**49**	**18,248**

B.6 Notes to consolidated financial statements

Note 1 Basis of presentation

The consolidated financial statements as of September 30, 2024, present the operations of Siemens Healthineers AG, registered in Munich, Germany (Munich Local Court, commercial register number HRB 237558, Germany), and its subsidiaries (hereinafter, collectively, "Group" or "Siemens Healthineers"). Siemens Healthineers is a global provider of healthcare products, solutions and services, with activities in numerous countries around the world. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), as well as with the additional requirements set forth in Section 315 e para. 1 of the German Commercial Code ("Handelsgesetzbuch"). On November 21, 2024, the Managing Board of Siemens Healthineers AG authorized the consolidated financial statements for issue.

Siemens Healthineers AG itself prepares consolidated financial statements for the smallest group of consolidated companies to which it belongs. Pursuant to Section 290 para. 1 of the German Commercial Code, 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, Germany), as the largest group of consolidated companies, which will be filed with the operator of the German Company Register and published in the German Company Register.

Siemens Healthineers prepared and published the consolidated financial statements in euros (€). Due to rounding, numbers may not add up precisely to the totals provided.

Note 2 Accounting policies

The below-mentioned accounting policies, unless stated otherwise, have been applied consistently for all presented periods.

Accounting estimates and judgments

In certain cases, accounting estimates and judgments are necessary. These involve complex and subjective assessments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Accounting estimates and judgments could change from period to period and could have a material impact on net assets, financial position and results of operations. In addition, Siemens Healthineers could reasonably have made accounting estimates differently in the same accounting period. Siemens Healthineers cautions that future events often vary from forecasts and that estimates routinely require adjustments. Estimates and assumptions are reviewed on an ongoing basis. Changes in estimates and assumptions are recognized in the period in which the changes occur and in future periods impacted by the changes.

In connection with the war in Ukraine, there were no material adjustments to the carrying amounts of the recognized assets and liabilities in fiscal year 2024. Siemens Healthineers has no production sites in Ukraine or Russia. The business activities of the sales and service units could be negatively impacted by further escalation of the war, possible further sanctions, a further escalation of the Middle East conflict and the exchange rate development for the respective local currencies. The associated risks are monitored on an ongoing basis.

For information on disaggregation of revenue and on segment information, please see disclosures in the respective notes to the consolidated financial statements and in the group management report.

Basis of consolidation

The consolidated financial statements include the accounts of Siemens Healthineers AG and the subsidiaries over which control is exercised. Siemens Healthineers AG controls an investee if it has direct or indirect power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor’s returns.

Business combinations

The costs of an acquisition are measured at the fair value of the assets given and the liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities assumed (including contingent liabilities) in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. Non-controlling interests are measured at the proportional fair value of assets acquired and liabilities assumed (partial goodwill method). The accounting for business combinations requires significant accounting estimates and judgments, for example when estimating the fair values of identifiable assets acquired and liabilities assumed, in assessing whether an intangible asset is identifiable and should therefore be recognized separately from goodwill, and in estimating the expected useful lives.

The non-controlling interests participate in comprehensive income. Transactions resulting in changes in the proportion of equity held by non-controlling interests that do not result in the loss of control by the Group are accounted for as equity transactions not affecting profit or loss. At the date control is lost, the entity concerned is deconsolidated and any remaining equity interests of the Group are remeasured to fair value through profit or loss.

As a writer of a put option on non-controlling interests, Siemens Healthineers assesses whether the prerequisites for the transfer of present ownership interests are fulfilled at the balance sheet date. If Siemens Healthineers is not the beneficial owner of the shares underlying the put option, the exercise of the put option will be assumed at each balance sheet date and treated as a transaction between shareholders with the corresponding recognition of a purchase liability at the respective exercise price. The non-controlling interests participate in profits and losses during the reporting period.

Foreign currency translation

Assets and liabilities of foreign subsidiaries, where the functional currency is other than the euro, are translated using the spot exchange rate at the end of the reporting period, while income and expenses are translated using monthly average exchange rates. Differences arising from such translations are recognized within equity and reclassified to profit or loss when the gain or loss on disposal of the foreign operation is recognized. The items within the consolidated statements of cash flows are translated at monthly average exchange rates, whereas cash and cash equivalents are translated at the spot exchange rate at the end of the reporting period.

Hyperinflationary accounting

Financial statements of foreign subsidiaries, where the functional currency is the currency of a hyperinflationary economy, are adjusted to reflect changes in general purchasing power. In such instances, all items which are recognized on the statements of financial position and the statements of income are translated using the exchange rate at closing. Each non-monetary item on the statements of financial position, which is carried at cost or amortized cost, and each transaction in the statements of income are restated by applying a general price index from the date of acquisition or initial incurrence of these items. The rules of IAS 29, Financial Reporting in Hyperinflationary Economies, are applied for Argentina, which became hyperinflationary effective July 1, 2018, requiring retrospective implementation of hyperinflationary accounting as of October 1, 2017, and for Türkiye, which became hyperinflationary effective April 1, 2022, requiring retrospective implementation of hyperinflationary accounting as of October 1, 2021. The cumulative effects of the indexation of non-monetary items on the statements of financial position are recognized as retained earnings the first time that the rules for hyperinflationary accounting are applied. In subsequent periods the effects from current indexation are recognized in the line item other financial income, net in the consolidated statements of income.

Foreign currency transactions

Transactions in a currency other than the functional currency of an entity are recorded, on initial recognition, in that functional currency, by applying the spot exchange rate at the date of the transaction. At the end of each reporting period, foreign currency-denominated monetary items are translated applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognized in profit or loss. Foreign currency-denominated non-monetary items are subsequently translated using the historical spot exchange rate.

Revenue recognition

Siemens Healthineers recognizes revenue when, or as, control over distinct goods or services is transferred to the customer. This requires, among other conditions, that a contract with enforceable rights and obligations exists, the customer is committed to its contractual obligations, and collectability of consideration is probable, taking the customer's creditworthiness into account. Revenue is the transaction price Siemens Healthineers expects to be entitled to. Variable consideration is included in the transaction price if it is highly probable that no significant reversal of revenue will occur once associated uncertainties are resolved. Accounting estimates are involved in determining the amount of variable consideration, which is calculated by using either the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. If Siemens Healthineers receives consideration from a customer and expects to refund some or all of the consideration to the customer, a refund liability is recognized, which is reported in contract liabilities. Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit to either the customer or Siemens Healthineers. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not directly observable, Siemens Healthineers reasonably estimates them, primarily by using historical reference values. Revenue is recognized for each performance obligation either at a point in time or over time.

Revenue from the sale of goods: Revenue is recognized at a point in time when control of the goods (especially equipment, reagents and consumables) passes to the customer, usually upon delivery of the goods. Payment terms typically do not exceed 90 days after customer acceptance.

Revenue from services: Revenue is recognized over time on a straight-line basis or, if the performance pattern is other than straight-line, as services are provided. Service contracts can also include extended warranties, which cover periods beyond the statutory or customary warranty period and for which revenue is recognized straight-line over the extended warranty period. Customer payments are typically received on a monthly or quarterly basis over the contract term.

Revenue from construction-type contracts: Revenue is recognized over time under the percentage-of-completion method, based on the percentage of costs incurred to date relative to total estimated costs. An expected loss on the contract is recognized as an expense immediately. Within contracts, customer payments are agreed on the basis of quantified performance indicators or the achievement of specific events or milestones, usually due no later than 90 days after invoicing. The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required to fulfill the contractually defined obligations. Estimates include total estimated costs, total estimated revenues, and contract risks including technical, political and regulatory risks. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue for the period. In addition, it is necessary to assess whether the most likely scenario for a contract is its continuation or its termination. For this assessment, all relevant facts and circumstances relating to the contract are considered on an individual basis.

Contract assets, contract liabilities and receivables: When either party to a contract with a customer has performed its contractual obligations, Siemens Healthineers presents a contract asset or a contract liability depending on the relationship between Siemens Healthineers' performance and the customer's payment. Contract assets primarily relate to the sale of goods for which transfer of control to the customer occurs before Siemens Healthineers has an unconditional right to consideration. Contract liabilities result mainly from customer advances on services and from prepayments for goods not yet shipped. Contract assets and contract liabilities are presented net at the contract level and as current because they arise in the course of the regular operating cycle. Receivables are recognized when the right to receive the consideration becomes unconditional. Valuation allowances for credit risks are set up for contract assets and receivables according to the accounting policy for financial assets measured at amortized cost.

Functional costs

In general, operating expenses by types are assigned to functional areas according to their profit and cost centers. Amortization, depreciation and impairment of intangible assets and property, plant and equipment are included in functional costs depending on the use of the assets.

Research and development expenses

Expenditures on research activities and collaborations are recognized immediately as expenses. Expenditures on development activities are expensed and capitalized only when the recognition criteria in IAS 38, Intangible Assets, are met. To assess the fulfillment of these criteria, assumptions must be made about technical development risks and market developments, among other factors. Capitalized development expenses are measured at cost less accumulated amortization and impairment losses, with an amortization period of generally three to 25 years.

Income taxes

Recognition and measurement of tax positions are determined according to respective local tax laws and applicable tax authorities' regulations. These can be complex and may be interpreted differently by taxpayers and local tax authorities. Thus, subsequent current tax payments or refunds for prior years are possible. These uncertainties are taken into account based on the judgement of management.

Deferred tax assets and liabilities for temporary differences between the accounting book value and the tax base for assets and liabilities, as well as deferred tax assets for tax loss carryforwards, are measured using the liability method at the tax rates that are expected to apply when the asset is realized or the liability is settled. Deferred tax assets are recognized if sufficient taxable profit is projected for the periods in which the underlying temporary differences are reversed. The projection includes, in particular, future results from operating activities, reversals of taxable temporary differences and substantiated tax planning opportunities. At each reporting date, Siemens Healthineers reassesses the recoverability of deferred tax assets based on the projected taxable profit. Because future business developments are uncertain and partly beyond Siemens Healthineers' control, assumptions are necessary to estimate future taxable profit as well as the period in which deferred tax assets will be recovered. Estimates are updated on a regular basis and resulting adjustments are made in the respective period. Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same tax authority and there is a legal right to set off current tax assets against liabilities. Tax consequences arising from the prospective application of the global minimum taxation (Pillar Two) are not considered for the calculation of deferred tax assets and liabilities.

Earnings per share

Basic earnings per share are computed by dividing net income attributable to the shareholders of Siemens Healthineers AG by the weighted average number of shares of Siemens Healthineers AG outstanding during the fiscal year. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive share-based payment plans.

Inventories

Inventories are valued at the lower of acquisition or production costs and net realizable value. Acquisition or production costs are generally determined on the basis of an average value or the first-in, first-out method. The determination of the net realizable value includes assumptions with respect to quantity risks, risks of technical obsolescence and price risks.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit or the group of cash-generating units that is expected to benefit from the synergies of the business combination and represents the lowest level at which goodwill is monitored for internal management purposes. At Siemens Healthineers, the goodwill impairment test is performed at the level of the segments (please also see ➔ ***Note 29 Segment information***). The allocation of goodwill requires judgment.

Goodwill is tested annually for impairment and also whenever an indication arises (triggering event) that the carrying amount may not be recoverable. Siemens Healthineers performs the annual impairment test in the quarter ending September 30. For the purpose of impairment testing, the segment's recoverable amount is determined as the higher of the segment's fair value less costs of disposal and its value in use. If either of these values exceeds the carrying amount, it is not necessary to determine both values. If the carrying amount of the segment to which the goodwill is allocated exceeds its recoverable amount, an impairment loss on goodwill allocated to this segment is recognized. Impairment losses on goodwill are not reversed in future periods.

The segment's recoverable amount is based on discounted cash flow calculations and involves the use of accounting estimates. The amount is influenced by, for example, the market launch of new goods and services, the successful integration of acquisitions, volatility of capital markets, interest rate developments, exchange rate fluctuations and the outlook on economic trends. At Siemens Healthineers, the recoverable amount is generally determined based on the fair value less costs of disposal. For the purpose of estimating a segment's fair value less costs of disposal, cash flows are projected for the next five years (in exceptional cases up to ten years) based on past experience, actual operating results and management's best estimate about future developments as well as market assumptions. Cash flows after the detailed planning period are extrapolated using individual growth rates. The determined fair value of a segment is assigned to level 3 of the fair value hierarchy. Key assumptions for determining fair value less costs of disposal include estimated terminal value growth rates and discount rates, in addition to the assumptions relevant for determining the cash flows in the detailed planning period. Both assumptions are determined individually for each segment. The discount rates correspond to the segment's weighted average cost of capital and are calculated based on a risk-free interest rate and a market risk premium. In addition, the discount rates reflect the current market assessment of the risks specific to each segment taking into account specific peer group information on beta factors, leverage and cost of debt. The parameters for calculating the discount rates are based on external sources of information. The peer groups undergo an annual review and are adjusted, if necessary. Terminal value growth rates consider external macroeconomic data and industry-specific trends. The accounting estimates, including the methodology applied, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Additionally, the outcome of goodwill impairment tests may depend on the allocation of goodwill to the segments.

Other intangible assets

Siemens Healthineers amortizes purchased intangible assets with a finite useful life on a straight-line basis over their respective estimated useful lives. The estimated useful life of purchased patents, licenses and similar rights generally ranges from three to 14 years. Self-developed intangible assets with a finite useful life are amortized on a straight-line basis over their respective estimated useful lives, which range from three to 25 years. In addition, there are intangible assets acquired in business combinations, especially customer relationships, trademarks, technologies, and order backlog. The following useful lives are assumed:

Customer relationships and trademarks	two to 30 years
Technologies	seven to 22 years
Order backlog	up to ten years

Property, plant and equipment

Property, plant and equipment are valued at acquisition or production costs less accumulated depreciation and impairment losses. Depreciation is recognized on a straight-line basis. The following useful lives are assumed:

Factory and office buildings	20 to 50 years
Other buildings	five to ten years
Technical machinery and equipment	generally ten years
Office and other equipment	generally five years
Equipment leased to others	generally eight to nine years

As of October 1, 2023, the useful life of equipment from the Diagnostics segment that is leased to customers under operating leases was increased from seven to nine years to reflect the reassessed expected utility based on the latest knowledge of the actual and expected use of the equipment (please see also ➔ ***Note 12 Other intangible assets and property, plant and equipment***).

Impairment of other intangible assets and property, plant and equipment

Siemens Healthineers reviews other intangible assets and property, plant and equipment for impairment whenever an indication (triggering event) arises that the carrying amount of an asset may not be recoverable. In addition, intangible assets not yet available for use are subject to an annual impairment test. If the recoverable amount of an individual asset cannot be determined, the impairment test is performed at the level of the cash-generating unit. A cash-generating unit is the smallest identifiable group of assets that includes the asset to be tested for impairment and that generates cash inflows, which are largely independent of the cash inflows from other assets or groups of assets. When determining the relevant cash-generating unit, various factors need to be considered, including how management monitors operations or makes decisions about continuing or disposing of assets and operations. Therefore, the identification of the relevant cash-generating unit involves judgment. In addition, impairment testing of other intangible assets and property, plant and equipment involves the use of accounting estimates in determining the recoverable amount of the assets or cash-generating units. These estimates can have a material impact on the respective values and ultimately the amount of any impairment.

Leases

Siemens Healthineers as lessor rents equipment to its customers. If substantially all risks and rewards incidental to the ownership of the rented equipment are transferred to the customer, the lease is classified as a finance lease, otherwise as an operating lease. Under finance leases, revenue is recognized at the time the equipment is made available for use by the customer. At the same time, a receivable from finance leases is recognized at an amount equal to the net investment in the lease. In the following periods, interest income is realized using the effective interest method, reflecting a constant periodic rate of return of the net investment. Under operating leases, the rented equipment is recognized as property, plant and equipment and is depreciated on a straight-line basis over its useful life. Income from operating leases is recognized on a straight-line basis over the respective lease term.

Siemens Healthineers as lessee does not apply the right-of-use model for leases with a term of twelve months or less or for low-value assets. In these cases, the lease payments are instead expensed over the lease term. The accounting policy choice for the non-separation of lease components and non-lease components is used, with the exemption for vehicle leases, and all components are accounted for as lease components. Right-of-use assets are measured at acquisition costs less accumulated depreciation and impairment losses, and are depreciated under the straight-line method over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities are measured at the present value of the lease payments payable over the lease term, generally discounted using the incremental borrowing rate. Subsequently, they are measured using the effective interest method. Lease liabilities are remeasured in case of lease modifications (due to renegotiations) or index-changes triggering price-adjustments, and as a result of required reassessments of existing contract conditions. The remeasurement of the lease liabilities leads to a respective adjustment of the right-of-use assets.

For further information on leases, please refer to ➔ ***Note 6 Trade and other receivables***, ➔ ***Note 12 Other intangible assets and property, plant and equipment***, ➔ ***Note 15 Financial debt***, ➔ ***Note 24 Other financial obligations*** and ➔ ***Note 26 Financial risk management***.

Provisions

Siemens Healthineers accounts for a provision if all of the recognition conditions of IAS 37 are met. If the effect is material, provisions are recognized at present value by discounting the expected future cash flows at a pretax interest rate that corresponds to the risk-free market interest rate.

Discretionary assessment is required to determine provisions. In particular, the determination of provisions related to asset retirement obligations, as well as provisions related to legal and regulatory proceedings and governmental investigations (hereinafter, collectively, "legal proceedings") requires significant accounting estimates. Siemens Healthineers recognizes a provision for onerous contracts with customers when the estimated unavoidable costs of outstanding goods and services exceed the expected outstanding revenue. Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is required to determine whether it is probable that there is a present obligation at the end of the reporting period as a result of a past event, whether a future outflow of resources is probable, and whether the amount of the obligation can be estimated reliably. Internal and external counsels are generally part of the determination process for legal proceedings. Due to new developments, it may be necessary to recognize a provision for an ongoing legal proceeding or to adjust the amount of a previously recognized provision. Upon resolution of a legal proceeding, Siemens Healthineers may incur charges in excess of the provision recognized for the matter concerned. Legal proceedings may have a material effect on net assets, financial position and results of operations.

Defined benefit plans

Siemens Healthineers measures entitlements from defined benefit plans by applying the projected unit credit method. Thereby, the obligation from defined benefit plans reflects an actuarially calculated present value of the future entitlement for services already rendered (defined benefit obligation, DBO). Actuarial valuations rely on key assumptions including discount rates, expected compensation increases and pension progression and mortality rates. Discount rates used are determined by reference to yields on high-quality corporate bonds (corporate bonds with very low risk of default) of appropriate duration and currency at the end of the reporting period. In such case that yields are not available, discount rates are based on government bond yields. For significant plans, individual spot rates from a full yield curve approach are applied in general. Due to changing market, economic and social conditions, the underlying actuarial assumptions may differ from actual developments.

For funded plans, Siemens Healthineers offsets the fair value of the plan assets with the defined benefit obligation. The net amount is presented, after adjustments for any effects relating to asset ceiling.

Current and past service cost, settlement gains and losses for pensions and similar obligations and administration costs unrelated to the management of plan assets are allocated to functional costs. Thereby, past service cost and settlement gains and losses are recognized immediately in net income. Current service cost and interest income and expenses are determined based on the assumptions used for the calculation of the defined benefit obligation as of the reporting date of the prior fiscal year, and recognized in profit or loss. Net interest is thus calculated by multiplying the discount rate for the respective fiscal year by the net defined benefit asset or liability from defined benefit plans as of the reporting date of the prior fiscal year. As of the reporting date, remeasurements are recognized in other comprehensive income. These comprise actuarial gains and losses as well as the difference between the return on plan assets and the interest income on plan assets, which is included in net interest.

Entitlements resulting from plans based on investment returns of underlying assets are generally measured at the fair value of the underlying assets as of the reporting date. If the performance of the underlying assets is lower than a guaranteed return, the DBO is measured by projecting forward the contributions at the guaranteed fixed return and discounting back to a present value.

Termination benefits

Termination benefits are provided when Siemens Healthineers either offers an employee the option to voluntarily resign from employment before the normal retirement date or decides to terminate the employment. Termination benefits in accordance with IAS 19, Employee Benefits, are recognized as liabilities and expenses when the offer of those benefits can no longer be withdrawn.

Financial instruments

Initially, financial instruments are generally recognized at their fair value. Regular-way purchases or sales of financial assets are recognized on the trade date.

Financial assets and liabilities measured at fair value through profit or loss: Debt instruments are measured at fair value through profit or loss if the business model they are held in is neither a hold-to-collect nor a hold-and-sell business model or if their contractual cash flows do not represent solely payments of principal and interest. For some debt instruments, the assessment of the contractual cash flows may involve judgment. Equity instruments are measured at fair value through profit or loss unless the option to measure them at fair value through other comprehensive income was elected. Derivatives are measured at fair value through profit or loss unless they are designated as hedging instruments. Financial liabilities measured at fair value through profit or loss include contingent consideration recognized in a business combination. Siemens Healthineers does not use the option to designate financial assets or financial liabilities at fair value through profit or loss at initial recognition (fair value option).

Financial assets measured at fair value through other comprehensive income: Siemens Healthineers irrevocably elected to present changes in the fair value of its investment in Medical Systems S.p.A. in other comprehensive income to avoid earnings volatility. Accordingly, unrealized gains and losses as well as gains and losses on the subsequent sale of the investment are recognized in other comprehensive income.

Financial assets measured at amortized cost: Loans, receivables and other debt instruments held in a hold-to-collect business model, and whose contractual cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income is calculated using the effective interest method.

Valuation allowances are set up for expected credit losses, representing a forward-looking estimate of future credit losses and involving significant judgment. Expected credit losses are calculated based on the gross carrying amount of the financial asset less collateral, multiplied by a factor reflecting the probability of default and the loss in the event of default. Probabilities of default and losses in the event of default are derived mainly from rating grades determined by Siemens Financial Services. For trade receivables, lease receivables and contract assets, Siemens Healthineers uses the simplified impairment model to measure valuation allowances at an amount equal to the lifetime expected credit losses.

Financial assets are considered in default if the obligor is unwilling or unable to pay its credit obligations. A range of internally defined events can trigger a default rating, including the opening of bankruptcy proceedings or a default rating by an external rating agency. Financial assets are written off as uncollectible when it appears unlikely that they will be recovered. Generally, this applies after the statutory limitation period has expired, when bankruptcy proceedings have been closed, or when a receivable is no longer pursued due to its insignificance.

Financial liabilities measured at amortized cost: Siemens Healthineers measures financial liabilities, except for derivatives, contingent consideration recognized in a business combination, and written put options on non-controlling interests, at amortized cost using the effective interest method.

Cash and cash equivalents: Cash and cash equivalents are measured at amortized cost. Siemens Healthineers considers as cash equivalents all highly liquid investments with a maturity of three months or less from the date of acquisition. This also includes credit balances on cash-pooling accounts and short-term deposits of up to three months with the Siemens Group because they are held for the purpose of meeting short-term cash commitments and are subject to only an insignificant risk of changes in value. Cash-pooling liabilities are not included as a component of cash and cash equivalents but are presented as financing activities. The majority of transactions with the Siemens Group are non-cash transactions that are settled by debiting or crediting liabilities to the Siemens Group. This concerns, for example, the issuance and repayment of loans as well as the settlement of derivatives. For additional information about transactions with the Siemens Group please refer to ➔ ***Note 31 Related party transactions.***

Cash flow hedges: The effective portion of changes in the fair value of derivatives designated as hedging instruments in cash flow hedges is recognized in other comprehensive income. Amounts accumulated in the cash flow hedge reserve are reclassified into net income in the same periods in which the hedged item affects net income. For certain time-period-related cash flow hedges, Siemens Healthineers designates only the change in the fair value of the spot element of forward exchange contracts as a hedging instrument. Changes in the fair value of the forward element are recognized in other comprehensive income and are accumulated separately in a cost of hedging reserve. The value of the forward element at the time of designation is amortized into profit or loss on a straight-line basis over the hedging period.

Share-based payment

Share-based payment awards may be settled in shares of Siemens Healthineers AG or Siemens AG, depending on which shares are the basis, or in cash. Share-based payment awards based on Siemens Healthineers AG shares are classified predominately as equity-settled. Share-based payment awards based on Siemens AG shares are classified as cash-settled to fulfill the specific requirements for share-based payment transactions among group entities, because Siemens Healthineers AG is controlled by Siemens AG.

The fair value of equity instruments for equity-settled plans and of liabilities for cash-settled plans is measured at the grant date and recognized as an expense over the vesting period. For cash-settled plans, the fair value is reassessed each quarter. The fair value is based on the market price of Siemens Healthineers AG shares or Siemens AG shares considering the present value of dividends to which the beneficiaries are not entitled during the vesting period as well as market and non-vesting conditions, if applicable. Therefore, the fair value is based on market parameters, assumptions and estimates. Changes in any of these could necessitate material adjustments to the carrying amount of the liabilities.

Prior-year information

Certain prior-year information has been reclassified to conform to the current presentation.

Adjustment due to the change in the composition of cash and cash equivalents

The classification of credit balances on cash-pooling accounts and short-term deposits of up to three months with the Siemens Group was changed. The items are now presented as cash and cash equivalents in the consolidated statements of financial position and consolidated statements of cash flows because they are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash. Due to the high creditworthiness of the Siemens Group and the bank-like liquidity management of Siemens Corporate Treasury, also taking into accounting the rating improvement of Siemens AG by Standards & Poor's, the risk of changes in value is assessed to be insignificant. Comparative amounts were adjusted retrospectively.

The following tables summarize the impacts on the consolidated statements of financial position and the consolidated statements of cash flow.

Consolidated statements of financial position

(in millions of €)	Sept 30, 2024	Sept 30, 2023 (reported)	Sept 30, 2023 (adjusted)	Oct 1, 2022 (reported)	Oct 1, 2022 (adjusted)
Cash and cash equivalents	2,683	1,642	2,247	1,436	2,117
Current receivables from the Siemens Group	38	640	35	819	138

Consolidated statements of cash flows

(in millions of €)	Fiscal year 2024	Fiscal year 2023 (reported)	Fiscal year 2023 (adjusted)
Cash and cash equivalents at beginning of period	2,247	1,436	2,117
Cash flows from operating activities	2,826	2,119	2,119
Cash flows from investing activities	–666	–1,069	–1,069
Cash flows from financing activities	–1,657	–690	–730
Effect of changes in exchange rates on cash and cash equivalents	–66	–155	–191
Cash and cash equivalents at end of period	2,683	1,642	2,247

Recent accounting pronouncements, not yet adopted

The IASB has issued standards and amendments to standards whose application is not yet mandatory and which in part are not endorsed by the EU. Siemens Healthineers currently assumes that the application of these standards and amendments will not have a material impact on the presentation of the consolidated financial statements.

Note 3 Acquisitions

Acquisition of Block Imaging

In fiscal year 2023 Siemens Healthineers and CommonSpirit Health, Inc. established a company, Healthcare Technology Management, LLC, to acquire 100% of the shares in Block Imaging International, Inc. and 100% of the membership interest in Block Imaging Technical Excellence, LLC and Block Imaging Parts & Services, LLC (hereinafter “Block Imaging”). Siemens Healthineers holds 78% of the membership interest in Healthcare Technology Management, LLC. On July 21, 2023, this company acquired all shares and 100% of the membership interests in Block Imaging. In fiscal year 2024, the purchase price allocation, which was still preliminary as of September 30, 2023, was reviewed and finalized in the fourth quarter of fiscal year 2024 in accordance with the requirements of IFRS 3, Business Combinations, within the one-year measurement period. For materiality reasons, prior year figures were not restated.

There was further an adjustment of the consideration transferred within the one-year measurement period in the amount of US$4 million (€4 million as of acquisition date). Therefore, the total consideration transferred amounted to US$175 million (€159 million as of acquisition date) and the purchase price paid in cash amounted to US$158 million (€143 million as of acquisition date). The fair value of the contingent consideration recognized at the acquisition date amounted to US$17 million (€15 million as of acquisition date). It is expected that the contingent consideration is to be paid in multiple tranches in the amount of US$14 million in fiscal year 2025 and US$6 million in the following year. As of September 30, 2024, the fair value of the contingent consideration amounted to €17 million. The change of the fair value of the contingent consideration is due to the interest effect.

The following table presents the assets and liabilities of the preliminary and final purchase price allocation:

(in millions of €)	Final purchase price allocation	Preliminary purchase price allocation
Trade and other receivables	10	9
Inventories	32	27
Goodwill	71	19
Other intangible assets	62	110
Miscellaneous assets	13	8
Total assets	**187**	**173**
Trade payables	5	12
Miscellaneous liabilities	23	6
Total liabilities	**28**	**18**

Acquisition of Medical Physics (Aspekt Solutions)

On August 1, 2023, Siemens Healthineers acquired 100% of the membership interest of Medical Physics Holdings, LLC (hereinafter “Aspekt Solutions”). In fiscal year 2024, the purchase price allocation, which was still preliminary as of September 30, 2023, was reviewed in accordance with the requirements of IFRS 3, Business Combinations, within the one-year measurement period. The finalization of the purchase price allocation in the fourth quarter of fiscal year 2024 did not result in any material adjustments.

Note 4 Income taxes

Income taxes broke down as follows:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Current tax	768	668
Deferred tax	–204	–265
Income tax expenses recognized in the consolidated statements of income	**564**	**403**
Effective tax rate	22.4%	20.9%
Income tax effects recognized in other comprehensive income or directly in equity	13	54
Total income taxes included in the consolidated statements of comprehensive income or directly recognized in equity	**577**	**457**

In fiscal year 2024, current taxes included income of €6 million (2023: income of €11 million) for adjustments of taxes from prior fiscal years mainly resulting from the disappearance of tax risks. Deferred taxes included income of €181 million (2023: €239 million) from the origination and reversal of temporary differences.

In fiscal year 2024, the calculation of taxes in Germany was based on a combined tax rate of 29.4% (2023: 29.5%), consisting of the corporate tax rate of 15.0% (2023: 15.0%), the solidarity surcharge thereon of 5.5% (2023: 5.5%) and an average trade tax rate of 13.6% (2023: 13.7%). For foreign subsidiaries, taxes were calculated based on local tax law and applicable tax rates in the individual countries.

In fiscal year 2024, income tax expenses differed from the expected income tax expenses based on the combined German tax rate of 29.4% (2023: 29.5%) as follows:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Expected income tax expenses	742	569
Nondeductible expenses	126	139
Tax-free income	–63	–88
Taxes for prior years	–13	–52
Change in realizability of deferred tax assets and tax credits	–26	–7
Domestic and foreign tax rate differential	–199	–157
Other	–3	–2
Total income tax expenses	**564**	**403**

Deferred tax assets and liabilities (–) related to the following items:

(in millions of €)	Deferred tax assets Sept 30, 2024	Deferred tax liabilities Sept 30, 2024	Deferred tax assets Sept 30, 2023	Deferred tax liabilities Sept 30, 2023
Deferred taxes on temporary differences	830	–1,992	866	–2,244
Thereof:				
Current assets and liabilities	421	–171	419	–189
Intangible assets	12	–1,574	14	–1,830
Provisions for pensions and similar obligations	191	–13	157	–11
Other non-current assets and liabilities	206	–235	275	–212
Deferred taxes on tax loss carryforwards	110	-	117	-
Deferred taxes on tax credits	18	-	14	-
Netting	–483	483	–581	581
Total deferred tax assets and liabilities, net	**476**	**–1,510**	**416**	**–1,663**

Deferred tax assets and liabilities, net, developed as follows:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Balance at beginning of fiscal year	**–1,247**	**–1,534**
Changes recognized in the consolidated statements of income	204	265
Changes recognized in other comprehensive income	–13	–63
Other[1]	23	86
Balance at fiscal year-end	**–1,033**	**–1,247**

[1] Includes mainly foreign currency translation effects recognized in other comprehensive income.

Deferred tax assets (gross amounts) have not been recognized with respect to the following items:

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Deductible temporary differences	786	29
Tax loss carryforwards	693	712
Total items (gross amounts) for which no deferred tax assets have been recognized	**1,479**	**741**

The increase in deductible temporary differences without recognition of deferred tax assets results from a goodwill in the amount of €754 million, which was recognized in the tax balance sheet of a subsidiary due to the exercise of an option. A formal requirement for the recoverability of deferred tax assets in the consolidated balance sheet is missing as of reporting date, the fulfillment of which is planned for the future. The possible tax deduction of goodwill will not be subject to the full national tax rate.

€114 million of the tax loss carryforwards not recognized as of September 30, 2024 will expire in the periods up to 2030 (September 30, 2023: €101 million expiring by 2031). As of September 30, 2024, no deferred tax liabilities were recognized for temporary differences in connection with shares in subsidiaries amounting to €4,356 million (September 30, 2023: €2,199 million), because Siemens Healthineers can control their reversal and it is probable that these differences will not dissolve in the foreseeable future.

Uncertainties in the interpretation of a tax regulation in the context of an enacted foreign tax reform in former years may result in future tax payments of a mid double-digit million amount. Due to the low probability of such an occurrence, no current income tax liability was recognized.

Siemens Healthineers, as a partially-owned parent entity is subject to the top-up tax beginning with fiscal year 2025 and expects a burden of a single-digit million amount due to the apportionment of the ultimate parent entity pursuant to Section 3 para. 6 Minimum Tax Act. Siemens AG is the ultimate parent entity of the minimum tax group in Germany in accordance with Section 3 para. 3 Minimum Tax Act.

Note 5 Earnings per share

(in millions of €, number of shares in thousands, earnings per share in €)	Fiscal year 2024	Fiscal year 2023
Net income	1,959	1,525
Portion attributable to non-controlling interests	–17	–16
Net income attributable to shareholders of Siemens Healthineers AG	1,942	1,509
Weighted average shares outstanding during fiscal year (basic)	1,118,129	1,119,472
Effect of dilutive share-based payment	5,318	4,080
Weighted average shares outstanding during fiscal year (diluted)	1,123,447	1,123,552
Basic earnings per share	**1.74**	**1.35**
Diluted earnings per share	**1.73**	**1.34**

Note 6 Trade and other receivables

(in millions of €)	Sept 30, 2024	Sept 30, 2023	Oct 1, 2022
Receivables from the sale of goods and services	4,405	4,420	4,219
Receivables from finance leases	73	72	68
Total trade and other receivables	**4,478**	**4,492**	**4,287**

Receivables from finance leases related particularly to customer leasing of imaging equipment in the Imaging segment. The corresponding long-term portion is reported in the line item other non-current financial assets and amounted to €306 million as of the reporting date (September 30, 2023: €287 million).

In the following table, the undiscounted future minimum lease payments are reconciled to the net investment in finance leases:

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Future minimum lease payments	459	433
Unearned finance income	–72	–68
Net investment in finance leases	**387**	**366**

The future minimum lease payments to be received were due as follows:

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Within one year	99	89
Between one and two years	85	81
Between two and three years	80	69
Between three and four years	63	61
Between four and five years	48	48
More than five years	84	84
Total	**459**	**433**

Note 7 Other current financial assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Receivables from employees	70	63
Derivatives	66	362
Other	92	124
Total other current financial assets	**229**	**549**

The decrease of the line item derivatives resulted mainly from a decrease in the fair value of forwards for hedging of foreign currency liabilities from financing activities. For further details, please refer to ➔ ***Note 15 Financial debt*** and to ➔ ***Note 25 Financial instruments and hedging activities***.

Note 8 Contract assets

As of the reporting date, contract assets amounted to €1,891 million (September 30, 2023: €1,629 million; October 1, 2022: €1,412 million). Thereof, contract assets amounting to €273 million (September 30, 2023: €276 million) had a remaining term of more than twelve months.

Note 9 Inventories

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Raw materials and supplies	1,308	1,291
Work in progress	1,147	1,159
Finished goods and products held for resale	1,688	1,811
Advances to suppliers	36	32
Total inventories	**4,179**	**4,294**

In fiscal year 2024, cost of sales included inventories recognized as expenses in the amount of €13,538 million (2023: €13,627 million). Write-offs of inventories decreased by €28 million (2023: decrease by €44 million) compared to the prior year.

Note 10 Other current assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Miscellaneous tax receivables	468	416
Prepaid expenses	180	206
Other	36	23
Total other current assets	**684**	**645**

As of September 30, 2024, miscellaneous tax receivables mainly consisted of sales tax receivables amounting to €454 million (September 30, 2023: €397 million).

Note 11 Goodwill

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Cost		
Balance at beginning of fiscal year	19,462	20,493
Currency translation differences and other	–581	–1,132
Acquisitions and purchase accounting adjustments	71	101
Balance at fiscal year-end	18,951	19,462
Accumulated impairment losses		
Balance at beginning of fiscal year	–1,344	–1,432
Currency translation differences	55	88
Balance at fiscal year-end	–1,289	–1,344
Carrying amount		
Balance at beginning of fiscal year	18,118	19,061
Balance at fiscal year-end	17,662	18,118

Impairment testing of goodwill at the level of the segments resulted in no need for impairment. The allocation of goodwill to the segments as well as the key assumptions for the calculation of the segments' fair value less costs of disposal were as follows:

	Goodwill		Terminal value growth rate		After-tax discount rate	
(in millions of €)	Sept 30, 2024	Sept 30, 2023	Sept 30, 2024	Sept 30, 2023	Sept 30, 2024	Sept 30, 2023
Imaging	6,600	6,782	1.9%	1.9%	8.0%	8.0%
Diagnostics	1,690	1,751	1.9%	1.9%	8.0%	7.5%
Varian	7,720	7,874	1.9%	1.9%	9.0%	8.5%
Advanced Therapies	1,652	1,711	1.9%	1.9%	8.0%	8.0%
Total goodwill	**17,662**	**18,118**				

Revenue figures in the five-year detailed planning period for the Imaging, Diagnostics and Advanced Therapies segments included average revenue growth rates (excluding portfolio effects) of 4.5% to 7.6% (2023: 3.6% to 7.3%). The steady state of Varian will be achieved at a later date in line with the expected disproportionate growth due to an expected increase in new cancer cases and the ongoing technical integration. Therefore, for the Varian segment a ten-year detailed planning period with an average revenue growth rate (excluding portfolio effects) of 7.8% (2023: 8.4%) was used.

Siemens Healthineers performed sensitivity analyses based on a 10% reduction in after-tax future cash flows, a one percentage-point increase in after-tax discount rates, or a one percentage-point decrease in the terminal value growth rate. None of these scenarios resulted in the need for a goodwill impairment.

Note 12 Other intangible assets and property, plant and equipment

(in millions of €)	Gross carrying amount at beginning of fiscal year 2024	Currency translation differences	Additions through business combinations	Additions	Reclassifi-cations	Retirements	Gross carrying amount at end of fiscal year 2024	Accumulated amortization, depreciation and impairment	Carrying amount at end of fiscal year 2024	Amortization, depreciation and impair-ments in fiscal year 2024
Internally generated technology	2,359	–91	-	152	-	–59	2,360	–946	1,414	–88
Acquired technology including patents, licenses and similar rights	3,764	–175	16	18	-	–42	3,581	–1,192	2,389	–192
Customer relationships and trademarks	4,632	–126	–41[1]	-	-	–6	4,459	–1,199	3,259	–212
Total other intangible assets	**10,755**	**–392**	**–25**	**170**	**-**	**–107**	**10,400**	**–3,338**	**7,062**	**–492**
Land and buildings	2,179	–58	-	62	37	–7	2,214	–892	1,321	–85
Technical machinery and equipment	1,185	–33	-	65	87	–27	1,277	–818	460	–88
Office and other equipment	1,374	–29	2	167	32	–85	1,461	–1,068	393	–172
Equipment leased to others	2,060	–32	-	264	3	–187	2,108	–1,164	944	–179
Advances to suppliers and construction in progress	505	–13	-	277	–158	–3	608	-	608	-
Right-of-use assets for land and buildings	948	–32	7	216	-	–58	1,080	–489	592	–133
Right-of-use assets for other property, plant and equipment	253	–8	1	123	-	–41	327	–169	158	–75
Total property, plant and equipment	**8,504**	**–205**	**9**	**1,174**	**-**	**–407**	**9,076**	**–4,599**	**4,476**	**–731**

[1] Value includes adjustments from purchase price allocations within the twelve-months measurement period according to IFRS 3. For further information, please refer to ➔ ***Note 3 Acquisitions***.

(in millions of €)	Gross carrying amount at beginning of fiscal year 2023	Currency translation differences	Additions through business combinations	Additions	Reclassifi-cations	Retirements	Gross carrying amount at end of fiscal year 2023	Accumulated amortization, depreciation and impairments	Carrying amount at end of fiscal year 2023	Amortization, depreciation and impair-ments in fiscal year 2023
Internally generated technology	2,413	–126	-	244	-	–171	2,359	–903	1,455	–94
Acquired technology including patents, licenses and similar rights	4,049	–291	-	40	-	–34	3,764	–1,094	2,670	–436
Customer relationships and trademarks	5,793	–292	127	-	-	–995	4,632	–1,033	3,600	–218
Total other intangible assets	**12,255**	**–710**	**127**	**283**	**-**	**–1,200**	**10,755**	**–3,029**	**7,726**	**–747**
Land and buildings	1,951	–114	-	94	258	–9	2,179	–837	1,342	–84
Technical machinery and equipment	1,145	–61	-	47	77	–23	1,185	–773	412	–83
Office and other equipment	1,321	–67	-	165	27	–72	1,374	–992	382	–174
Equipment leased to others	2,211	–106	-	240	1	–287	2,060	–1,152	908	–250
Advances to suppliers and construction in progress	641	–22	-	254	–364	–4	505	-	505	–1
Right-of-use assets for land and buildings	934	–55	-	177	1	–108	948	–406	541	–148
Right-of-use assets for other property, plant and equipment	190	–7	2	97	-	–29	253	–134	119	–69
Total property, plant and equipment	**8,392**	**–432**	**2**	**1,074**	**-**	**–533**	**8,504**	**–4,294**	**4,210**	**–810**

As of October 1, 2023, the useful life of equipment from the Diagnostics segment that is leased to customers under operating leases was increased from seven to nine years to reflect the reassessed expected utility based on the latest knowledge of the actual and expected use of the equipment. In fiscal year 2024 this resulted in lower depreciation expense of €72 million.

Siemens Healthineers as lessor

The line item equipment leased to others comprised predominately diagnostic instruments that were leased out under operating leases in the Diagnostics segment.

Future minimum lease payments to be received under operating leases were due as follows:

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Within one year	56	75
Between one and two years	53	66
Between two and three years	41	53
Between three and four years	34	39
Between four and five years	25	25
More than five years	42	23
Total	**252**	**280**

In fiscal year 2024, income from operating leases in the amount of €168 million (2023: €250 million) was realized. Included therein were variable lease payments in the amount of €74 million (2023: €136 million). Before Siemens Healthineers concludes contracts with the customer for the sale of reagents and consumables by providing a diagnostic instrument, the order volumes forecasted by the customer are analyzed and verified. Based on realistic sales volumes, individual prices for reagents are calculated, including a price offset for the diagnostic instrument. The average term of customer contracts covers the useful life of the diagnostic instruments.

Siemens Healthineers as lessee

The total cash outflows from leases amounted to €272 million in fiscal year 2024 (2023: €276 million).

Note 13 Other non-current financial assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Receivables from finance leases	306	287
Derivatives	861	1,031
Equity instruments and fund shares	164	175
Other	44	68
Total other non-current financial assets	**1,375**	**1,561**

The decrease of the line item derivatives resulted mainly from a decrease in the fair value of forwards for hedging of foreign currency liabilities from financing activities. For further details, please refer to ➔ ***Note 15 Financial debt*** and to ➔ ***Note 25 Financial instruments and hedging activities***.

Note 14 Other non-current assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Deferred compensation assets	327	309
Prepaid expenses	121	138
Other	82	33
Total other non-current assets	**530**	**480**

Deferred compensation assets related to deferred compensation plans in the United States. Please refer to ➔ ***Note 22 Other non-current liabilities*** for the corresponding deferred compensation liabilities.

Note 15 Financial debt

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Short-term financial debt and current maturities of long-term financial debt	268	198
Therein:		
Loans from banks	95	31
Lease liabilities	172	166
Current liabilities to the Siemens Group from financing activities	2,485	4,197
Therein: Lease liabilities	12	13
Total current financial debt	**2,754**	**4,395**
Long-term financial debt	514	437
Therein:		
Loans from banks	-	10
Lease liabilities	513	426
Non-current liabilities to the Siemens Group from financing activities	12,941	11,821
Therein: Lease liabilities	20	23
Total non-current financial debt	**13,455**	**12,258**
Total financial debt	**16,208**	**16,653**

Credit facilities

As of September 30, 2024, financing arrangements with Siemens AG consisted of a multicurrency revolving credit facility of up to €2.5 billion (September 30, 2023: €2.5 billion), which serves to finance net working capital and as a short-term credit facility, as well as a multicurrency revolving credit facility of up to €2.0 billion (September 30, 2023: €2.0 billion) as a backup facility. As of the reporting date, these credit facilities were not utilized (September 30, 2023: €1,267 million).

Loans

In fiscal year 2024, two loans from the Siemens Group in a total amount of US$2.5 billion were settled. In return, the Siemens Group provided five new loans in a total amount of €2.9 billion, maturing in fiscal years 2025 to 2032.

Overall, loans with the Siemens Group were mainly denominated in U.S. dollars and euros. As of September 30, 2024 and 2023, the structure of the loans was as follows:

			Current liabilities[1]		Non-current liabilities	
(Carrying amounts in millions of €)	**Maturity (fiscal year)**	**Contractual interest rate**	**Sept 30, 2024**	**Sept 30, 2023**	**Sept 30, 2024**	**Sept 30, 2023**
Loan (US$998 million)	2024	0,57%+SOFR CMP	-	942	-	-
Loan (US$1,497 million)	2024	0.80%	-	1,413	-	-
Loan (US$1,742 million)	2026	1.38%	-	-	1,556	1,644
Loan (US$1,689 million)	2027	2.51%	-	-	1,508	1,594
Loan (US$1,243 million)	2028	1.87%	-	-	1,110	1,173
Loan (US$1,740 million)	2031	2.30%	-	-	1,554	1,642
Loan (US$1,486 million)	2041	3.03%	-	-	1,327	1,403
Loan (US$990 million)	2046	3.44%	-	-	884	934
Loan (€700 million)	2025	0,46%+EURIBOR 1M	700	-	-	700
Loan (€500 million)	2025	3.73%	500	-	-	-
Loan (€300 million)	2026	3.70%	-	-	300	300
Loan (€500 million)	2028	2.96%	-	-	500	-
Loan (€850 million)	2029	3.58%	-	-	850	850
Loan (€600 million)	2029	3.20%	-	-	600	-
Loan (€700 million)	2030	3.59%	-	-	700	700
Loan (€500 million)	2030	3.21%	-	-	500	-
Loan (€700 million)	2032	3.80%	-	-	700	700
Loan (€750 million)	2032	3.40%	-	-	750	-
Other loans			164	112	81	156
Total liabilities to the Siemens Group from loans			**1,364**	**2,467**	**12,921**	**11,797**

[1] Excluding interest payables.

Except for the loan maturing in fiscal year 2046, which is held by Siemens Medical Solutions USA, Inc., the U.S. dollar-denominated loans were hedged by forward exchange contracts and by foreign exchange swaps. As a result, the loans were effectively converted into synthetic euro-denominated loans and actual interest expenses decreased due to positive forward elements of the forward exchange contracts and foreign exchange swaps. In total, the actual volume-weighted average interest rate of these loans currently amounts to approximately 0.5%. For further information about hedging activities, please refer to ➔ ***Note 25 Financial instruments and hedging activities***.

In fiscal year 2024, interest expenses from financing arrangements with the Siemens Group amounted to €356 million (2023: €244 million).

Changes in liabilities arising from financing activities

The following tables show the sources of changes in total financial debt and total liabilities from financing activities:

(in millions of €)	Balance at beginning of fiscal year 2024	Cash flows from financing activities[1]	Acquisitions	Effects from changes in foreign exchange rates	Fair value changes	Other[2]	Balance at end of fiscal year 2024
Loans from banks	41	57	-	–3	-	-	95
Lease liabilities	628	–195	7	–19	-	297	718
Other financial indebtedness	2	–1	-	-	-	-	1
Liabilities to the Siemens Group from financing activities[3]	15,981	–68	-	–591	-	71	15,394
Total financial debt	**16,653**	**–208**	**7**	**–612**	**-**	**368**	**16,208**
Fair value of forwards for hedging of foreign currency liabilities from financing activities	–1,260	-	-	–1	269	115	–877
Total liabilities from financing activities	**15,393**	**–208**	**7**	**–613**	**269**	**483**	**15,331**

[1] Reported in the following line items of the consolidated statements of cash flows: Repayment of long-term debt (including current maturities of long-term debt), change in short-term financial debt and other financing activities and other transactions/financing with Siemens Group.
[2] Including interest accruals and payments, as well as non-cash transactions with the Siemens Group that were settled by debiting or crediting liabilities to the Siemens Group. Interest payments with regard to loans from the Siemens Group amounted to €316 million and interest payments with regard to lease liabilities amounted to €25 million.
[3] Excluding separately disclosed lease liabilities.

(in millions of €)	Balance at beginning of fiscal year 2023[5]	Cash flows from financing activities[1]	Acquisitions	Effects from changes in foreign exchange rates	Fair value changes	Other[2]	Balance at end of fiscal year 2023[5]
Loans from banks	82	–35	11	–6	-	–11	41
Lease liabilities	649	–190	-	–37	-	206	628
Other financial indebtedness	4	–1	-	-	-	-	2
Liabilities to the Siemens Group from financing activities[3]	15,918	1,147	-	–1,098	-	15	15,981
Total financial debt	**16,654**	**921**	**11**	**–1,142**	**-**	**210**	**16,653**
Fair value of forwards for hedging of foreign currency liabilities from financing activities	–2,494	147[4]	-	–1	981	107	–1,260
Total liabilities from financing activities	**14,159**	**1,068**	**11**	**–1,143**	**981**	**317**	**15,393**

[1] Reported in the following line items of the consolidated statements of cash flows: Repayment of long-term debt (including current maturities of long-term debt), change in short-term financial debt and other financing activities and other transactions/financing with Siemens Group.
[2] Including interest accruals and payments. Interest payments with regard to loans from the Siemens Group amounted to €281 million and interest payments with regard to lease liabilities amounted to €18 million.
[3] Excluding separately disclosed lease liabilities.
[4] Including settlements with the Siemens Group.
[5] Prior-year values include retrospective adjustments due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies.***

Note 16 Additional capital management disclosures

Siemens Healthineers generates consistent liquid funds from recurring revenue, supporting a strong cash position. Capital management aims to maintain ready access to international capital markets, and thereby to financing through various debt instruments, as well as to sustain the ability to repay and service financial debt over time. For this purpose, Siemens Healthineers actively manages net debt (including pensions) and the ratio of net debt (including pensions) to EBITDA. This ratio indicates the approximate number of years needed to cover net debt (including pensions) with continuing income, without taking into account interest, taxes, depreciation and amortization. Net debt (including pensions) and the ratio of net debt (including pensions) to EBITDA are managed with a long-term outlook and with the intention that Siemens Healthineers would qualify for at least a stable investment grade rating.

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Short-term financial debt and current maturities of long-term financial debt	268	198
Long-term financial debt	514	437
Current liabilities to the Siemens Group from financing activities	2,485	4,197
Non-current liabilities to the Siemens Group from financing activities	12,941	11,821
Fair value of forwards for hedging of foreign currency liabilities from financing activities	–877	–1,260
Current receivables from the Siemens Group from non-operating activities[1]	–5	–16
Non-current receivables from the Siemens Group from non-operating activities	-	–2
Cash and cash equivalents[1]	–2,683	–2,247
Net debt	**12,643**	**13,128**
Provisions for pensions and similar obligations	592	539
Net debt (including pensions)	**13,235**	**13,667**
Income before income taxes	2,523	1,928
Interest income, interest expenses and other financial income, net	283	207
Amortization, depreciation and impairments	1,223	1,557
EBITDA	**4,030**	**3,692**
Net debt (including pensions)/EBITDA	**3.3**	**3.7**

[1] Prior-year value includes retrospective adjustments due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies.***

Note 17 Other current financial liabilities

As of the reporting date, other current financial liabilities amounted to €242 million (September 30, 2023: €348 million), including the fair value of derivatives in the amount of €47 million (September 30, 2023: €169 million) and liabilities from written put options on non-controlling interests in the amount of €68 million (September 30, 2023: €73 million).

Note 18 Contract liabilities

As of September 30, 2024, contract liabilities amounted to €3,628 million (September 30, 2023: €3,627 million; October 1, 2022: €3,749 million). Included therein were contract liabilities of €908 million (September 30, 2023: €737 million) with a remaining term of more than twelve months. In fiscal year 2024, an amount of €2,309 million (2023: €2,486 million) included in contract liabilities at the beginning of the period was recognized as revenue.

Note 19 Provisions

(in millions of €)	Warranties	Order-related losses and risks	Other	Total
Balance at beginning of fiscal year 2024	**263**	**146**	**172**	**581**
Therein: Non-current	22	61	89	172
Additions	204	30	117	351
Usage	–179	–59	–22	–260
Reversals	–34	–27	–7	–68
Currency translation differences	–5	–7	–5	–18
Other	6	2	–5	3
Balance at end of fiscal year 2024	**254**	**85**	**250**	**588**
Therein: Non-current	25	29	121	176

The majority of provisions are expected to result in cash outflows during the next one to 15 years. Provisions for warranties relate to goods sold. Provisions for order-related losses and risks were recognized primarily for contracts in which the unavoidable costs of meeting the obligations under the contracts exceeded expected outstanding revenue.

Other provisions included provisions for legal proceedings or asset retirement obligations related to certain items of property, plant and equipment, among others. The increase in these provisions was mainly due to additions of €33 million for non-current risks in connection with tax accruals and additions of €25 million for reimbursements for the medical technology industry in Italy in the Diagnostics segment.

In the ordinary course of business, Siemens Healthineers is involved in legal proceedings in various jurisdictions. At present, the Group does not expect any material effects on net assets, financial position and results of operations from these legal proceedings.

Note 20 Other current liabilities

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Wage and salary obligations and other liabilities to employees	1,035	1,015
Employee-related accruals	402	420
Miscellaneous tax liabilities	399	387
Other	158	168
Total other current liabilities	**1,995**	**1,990**

The line item Wage and salary obligations and other liabilities to employees included, in addition to liabilities from performance-related compensation, in particular outstanding wage and salary payments to employees. Employee-related accruals primarily included accruals for vacation and overtime entitlements. As of the reporting date, miscellaneous tax liabilities mainly comprised sales tax liabilities of €294 million (September 30, 2023: €282 million).

Note 21 Provisions for pensions and similar obligations

Siemens Healthineers provides post-employment benefit plans for almost all of its employees hired in Germany and the majority of its employees hired abroad. These plans are accounted for as either defined benefit plans or defined contribution plans.

Defined benefit plans

The defined benefit plans cover around 57,000 participants. These are divided into 37,000 active employees for whom current service cost is recognized, 8,000 active and former employees with vested benefits for whom no more current service cost is recognized, and 12,000 retirees and surviving dependents who receive benefits. The defined benefit plans are to a certain extent affected by longevity, inflation and compensation increases and take into account country-specific differences. Major plans are funded with assets in external, segregated benefit trusts. In accordance with local laws, these plans are managed in the interest of the beneficiaries through trust agreements with the respective benefit trusts. The defined benefit plans open to new entrants are predominantly based on contributions made by Siemens Healthineers. The majority of the provisions for pensions derives from defined benefit plans in the following four countries:

Germany

In Germany, Siemens Healthineers provides pension benefits through the Siemens Healthineers BSAV ("Beitragsorientierte Siemens Altersversorgung"), frozen legacy plans, and deferred compensation plans. The majority of active employees participates in the Siemens Healthineers BSAV. The benefits provided under this plan are predominantly based on notional contributions by the company and the investment returns on the corresponding assets of this plan, with a minimum return guaranteed by the company. The frozen plans expose Siemens Healthineers to investment risk, interest rate risk, inflation risk and longevity risk. The effect of compensation increases is substantially eliminated. The pension plans are funded via a contractual trust arrangement (CTA). No legal or regulatory minimum funding requirements apply in Germany.

United States

In the United States, defined benefit plans are sponsored by Siemens Healthineers, which have been frozen to new entrants and future benefit accruals, except for interest credits on cash balance accounts. The plans' assets are held in trusts. The trustees of the trusts are responsible for the administration of the assets. They take directions from an investment committee to which Siemens Healthineers has delegated supervision of the investment of plan assets. The plans are subject to funding requirements under the Employee Retirement Income Security Act of 1974 (ERISA) as amended. There is a regulatory requirement to maintain a minimum funding level of 80% in the defined benefit plans in order to avoid benefit restrictions. Annual contributions are calculated by independent actuaries. Siemens Healthineers may, at its discretion, contribute in excess of this regulatory requirement.

United Kingdom

In the United Kingdom, Siemens Healthineers provides pension benefits mainly through the Siemens Healthineers Benefit Scheme for which has been frozen to new entrants and future benefit accruals and for which an inflation adjustment of the majority of accrued defined benefits is mandatory until the start of retirement. The required funding is determined by a so-called funding valuation carried out every third year according to legal requirements.

Switzerland

Following the Swiss Law of Occupational Benefits ("Berufliches Vorsorgegesetz", BVG), each employer must grant post-employment benefits to qualifying employees. Accordingly, Siemens Healthineers sponsors cash balance plans in Switzerland. These plans are administered by external foundations. The boards of the main foundations are composed of an equal number of employer and employee representatives of the plan sponsors. The boards of the foundations are responsible for the investment policy and the management of plan assets as well as for any changes in the plan rules and the determination of contributions to finance the benefits. Siemens Healthineers is required to make total contributions at least as high as the sum of the employee contributions set out in the plan rules. In case of an underfunded plan, Siemens Healthineers together with the employees may be required to pay supplementary contributions according to a defined framework of recovery measures.

	Defined benefit obligation (I)		Fair value of plan assets (II)		Effects of asset ceiling (III)		Net defined benefit balance (I-II+III)	
(in millions of €)	Fiscal year 2024	2023	Fiscal year 2024	2023	Fiscal year 2024	2023	Fiscal year 2024	2023
Balance at beginning of fiscal year	**3,163**	3,309	**2,790**	2,789	**50**	58	**422**	578
Current service cost	75	73	-	-	-	-	75	73
Interest expenses	143	129	-	-	-	-	143	129
Interest on asset ceiling and IFRIC 14	-	-	-	-	1	2	1	2
Interest income	-	-	126	110	-	-	–126	–110
Other[1]	–5	–1	–5	–2	-	-	-	2
Defined benefit cost recognized in the consolidated statements of income	**213**	202	**121**	108	**1**	2	**93**	95
Return on plan assets (excluding amounts included in net interest income and net interest expenses)	-	-	199	–38	-	-	–199	38
Actuarial gains (–) and losses	332	–106	-	-	-	-	332	–106
Effects of asset ceiling	-	-	-	-	–5	–10	–5	–10
Remeasurements recognized in the consolidated statements of comprehensive income	**332**	–106	**199**	–38	**–5**	–10	**129**	–78
Employer contributions	-	-	81	107	-	-	–81	–107
Plan participants' contributions	19	16	19	16	-	-	-	-
Benefits paid	–201	–194	–147	–142	-	-	–54	–52
Business combinations, disposals and other	-	17	-	17	-	-	-	-
Currency translation differences	–34	–80	–21	–66	1	-	–11	–14
Other reconciliation items	**–216**	–241	**–68**	–68	**1**	-	**–146**	–173
Balance at fiscal year-end	**3,493**	3,163	**3,042**	2,790	**47**	50	**498**	422
Thereof:								
Germany	1,784	1,535	1,418	1,241	-	-	366	294
United States	776	790	702	718	-	-	74	72
United Kingdom	282	266	335	312	12	12	–41	–34
Switzerland	399	340	434	377	35	37	1	-
Other countries	251	232	153	143	1	1	98	90
Thereof:								
Provisions for pensions and similar obligations							592	539
Net defined benefit assets[2]							94	117

[1] Included past service cost, settlement gains and losses as well as liability management costs for funded plans.
[2] Presented in the line item other non-current assets.

Net interest expenses related to provisions for pensions and similar obligations amounted to €25 million in fiscal year 2024 (2023: €25 million). The defined benefit obligation was attributable to active employees 45% (2023: 45%), to active and former employees with vested benefits for whom no more current service cost is recognized 10% (2023: 11%), and to retirees and surviving dependents 44% (2023: 44%).

The actuarial gains (–) and losses included in the remeasurements resulted from:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Changes in demographic assumptions	–6	–7
Changes in financial assumptions	296	–163
Experience gains and losses (mainly inflation-related adjustments)	43	63
Total actuarial gains (–) and losses	**332**	–106

Actuarial assumptions

The weighted-average discount rate was as follows:

(in %)	Sept 30, 2024	Sept 30, 2023
Discount rate	3.8	4.8
Euro	3.5	4.5
U.S. dollar	4.8	5.9
British pound	5.1	5.4
Swiss franc	1.1	2.1

Mortality tables applied[1] were:

	Sept 30, 2024	Sept 30, 2023
Germany	Siemens-specific tables (Siemens Bio 2017/2024)	Siemens-specific tables (Siemens Bio 2017/2023)
United States	Pri-2012 generational projection from the U.S. Social Security Administration's Long Range Demographic Assumptions	Pri-2012 generational projection from the U.S. Social Security Administration's Long Range Demographic Assumptions
United Kingdom	SAPS S3 Standard mortality tables for Self-Administered Pension Schemes with allowance for future mortality improvements	SAPS S3 Standard mortality tables for Self-Administered Pension Schemes with allowance for future mortality improvements
Switzerland	BVG 2020 G	BVG 2020 G

[1] The table shows the applied mortality tables to material plans.

Compensation increases and pension progression for countries in which these assumptions have a significant effect are shown in the following table. If applicable, inflation effects were considered.

(in %)	Sept 30, 2024	Sept 30, 2023
Compensation increase		
United Kingdom	3.0	4.1
Switzerland	1.5	1.8
Pension progression		
Germany	2,0[1]	2,0[2]
United Kingdom	2.8	2.9

[1] For the adjustment dates April 1, 2025, April 1, 2026 and April 1, 2027, the actual development of the consumer price index from the respective start of the adjustment period up to and including August 2024 was reflected, resulting in an average pension increase of 2.1% for the calculation of the provision for pensions.
[2] For the adjustment dates April 1, 2024, April 1, 2025 and April 1, 2026, the actual development of the consumer price index from the respective start of the adjustment period up to and including August 2023 was reflected, resulting in an average pension increase of 2.3% for the calculation of the provision for pensions.

Sensitivity analysis

A change of half a percentage point in the above-mentioned assumptions would affect the defined benefit obligation as follows:

	Effect on defined benefit obligation due to a change of half a percentage point			
(in millions of €)	Sept 30, 2024 Increase	Sept 30, 2024 Decrease	Sept 30, 2023 Increase	Sept 30, 2023 Decrease
Discount rate	–160	181	–134	145
Compensation increase	13	–13	12	–12
Pension progression	90	–79	77	–67

The effect on the defined benefit obligation of a 10% reduction in mortality rates for all beneficiaries would be an increase of €76 million as of September 30, 2024 (September 30, 2023: €63 million).

Sensitivity determinations applied the same methodology used for the determination of the post-employment benefit obligation. Sensitivities reflect changes in the defined benefit obligation solely for the assumption changed.

Asset liability management strategies

A decline in the pension plans' funded status, due to an adverse development of plan assets or the defined benefit obligation, is considered as a significant risk. The funded status can be affected by changes in actuarial assumptions, primarily the discount rate, and by movements in financial markets. Accordingly, Siemens Healthineers implemented an investment strategy aligned with the defined benefit obligation (liability-driven investment approach). The management of the risks is based on a defined risk measure (Value at Risk, VaR), which considers both plan assets and the defined benefit obligation. The above-mentioned risks and the asset development are monitored on an ongoing basis and, if necessary, the investment strategy is adjusted accordingly. Independent asset managers are selected based on quantitative and qualitative analyses, which include their performance and risk preference. Derivatives are used to reduce risks as part of risk management.

Disaggregation of plan assets

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Equity securities	500	418
Fixed income securities	1,393	1,321
Thereof:		
Government bonds	144	154
Corporate bonds	1,249	1,167
Alternative investments	333	325
Multi-strategy funds	335	311
Derivatives	166	149
Insurance contracts	183	147
Cash and cash equivalents	118	108
Other	14	11
Total plan assets	**3,042**	**2,790**

Almost all equity securities had quoted prices in an active market. The fair value of fixed income securities was based on prices provided by price service agencies. The fixed income securities were mainly traded on an active market and almost all were rated as investment grade. Alternative investments mostly included investments in hedge funds and real estate investments. Multi-strategy funds comprised mainly absolute return funds and diversified growth funds that invest in various asset classes within a single fund, with the aim to stabilize investment returns and reduce volatility. Derivatives predominantly consisted of financial instruments for hedging interest rate risk. Insurance contracts included mainly reinsurance contracts for benefits due to members.

Future cash flows

As of the reporting date, the expected employer contributions to defined benefit plans for fiscal year 2025 amounted to €90 million (2024: €79 million). Over the next ten fiscal years, average annual benefit payments of €232 million were expected (September 30, 2023: €227 million). The weighted average duration of the defined benefit obligation for Siemens Healthineers' defined benefit plans was 10 years (September 30, 2023: 9 years).

Defined contribution plans

The amount recognized as an expense for defined contribution plans amounted to €691 million in fiscal year 2024 (2023: €652 million). Therein, contributions to state plans of €464 million (2023: €437 million) were included.

Note 22 Other non-current liabilities

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Deferred compensation liabilities	291	270
Employee-related accruals	147	150
Other	30	30
Total other non-current liabilities	**469**	**450**

Deferred compensation liabilities related to deferred compensation plans in the United States. Please refer to ➔ ***Note 14 Other non-current assets*** for the corresponding deferred compensation assets. Employee-related accruals primarily included accruals for anniversary expenses and expenses for partial retirement in Germany.

Note 23 Equity

Resolutions of the Shareholders' Meeting

By resolution of the Shareholders' Meeting on February 15, 2022 the Managing Board was authorized to increase the issued capital, with the approval of the Supervisory Board, on one or more occasions, in one total sum or in installments, during the period until February 14, 2027, by up to €564 million by issuing up to 564,000,000 new ordinary registered shares with no-par value against contributions in cash and/or in kind (Authorized Capital 2022). Furthermore, the Managing Board was authorized to exclude the subscription rights of the shareholders with the approval of the Supervisory Board.

By resolution of the Shareholders' Meeting on February 15, 2022 the issued capital was conditionally increased until February 14, 2027 by up to €112.8 million (112,800,000 shares, Conditional Capital 2022), and the authorization of the Managing Board to issue convertible bonds and/or warrant bonds was renewed. The Conditional Capital 2022 serves to grant shares to holders or creditors of bonds issued by Siemens Healthineers AG or one of its affiliated companies. Furthermore, the Managing Board was authorized to exclude the subscription rights of the shareholders with the approval of the Supervisory Board.

The Managing Board was authorized by resolution of the Shareholders' Meeting on February 15, 2022 to acquire treasury shares until February 14, 2027 for any permissible purpose in an aggregate amount of up to 10% of the issued capital existing at the time the resolution is adopted or, if this amount is lower, of the issued capital existing at the time the authorization is exercised.

Further disclosures

Issued capital: As of September 30, 2024 and 2023, the issued capital of Siemens Healthineers AG was divided into 1,128,000,000 ordinary registered shares with no-par value and a notional value of €1.00 per share. The shares are fully paid in. Each share has one vote and accounts for the shareholder's proportionate share in the net income. All shares confer the same rights and obligations.

Authorized capital: As of September 30, 2024, the authorized capital of Siemens Healthineers AG was €564 million (September 30, 2023: €564million), issuable on one or more occasions, in one total sum or in installments, until February 14, 2027, by issuing up to 564,000,000 (September 30, 2023: 564,000,000) new ordinary registered shares with no-par value in return for contributions in cash and/or in kind. In addition, as of September 30, 2024, the conditional capital of Siemens Healthineers AG was €112.8 million or 112,800,000 shares (September 30, 2023: €112.8 million or 112,800,000 shares). It can be used for servicing convertible bonds and/or warrant bonds.

Capital reserve: In fiscal year 2024, expenses for share-based payment based on Siemens Healthineers AG shares increased the capital reserve by €126 million (2023: €108 million). In connection with the settlement of these share-based payment awards, Siemens Healthineers AG shares, held as treasury shares, were transferred to employees at cost of €99 million (2023: €142 million), leading to a decrease in the capital reserve of €97 million (2023: €142 million) and in retained earnings of €2 million (2023: €0 million).

Treasury shares: In fiscal year 2024, Siemens Healthineers did not repurchase any shares (2023: 8,014,688), because the share buyback program was fully completed in fiscal year 2023. 3,481,930 treasury shares were transferred to employees (2023: 4,409,080). As of the reporting date, the number of treasury shares amounted to 8,729,956 (September 30, 2023: 12,211,886).

Dividends: In fiscal year 2024, a dividend of €0.95 per share entitled to the dividend was paid. The amount was calculated based on the Group's net income generated during the period from October 1, 2022, until September 30, 2023. For fiscal year 2024, the Managing Board and the Supervisory Board propose to distribute a dividend of €0.95 per share entitled to the dividend, in total representing approximately €1,063 million in expected payments. Payment of the proposed dividend is contingent upon approval at the Shareholders' Meeting on February 18, 2025.

Note 24 Other financial obligations

As of the reporting date, purchase price obligations for planned acquisitions amounted to €208 million. These resulted in particular from the share and asset purchase agreement entered into on September 25, 2024 with Advanced Accelerator Applications SA, Advanced Accelerator Applications International SA and Novartis AG to acquire their diagnostic molecular imaging radiopharmaceutical business.

As of September 30, 2024, extension options existed for leases with undiscounted lease payments in the amount of €547 million (September 30, 2023: €553 million), whose exercise was assessed not reasonably certain.

Undiscounted lease payments for leases committed but not commenced amounted to €33 million as of September 30, 2024 (September 30, 2023: €119 million).

As of the reporting date, contractual commitments for purchases of property, plant and equipment amounted to €175 million (September 30, 2023: €160 million).

Note 25 Financial instruments and hedging activities

Financial instruments

The following tables show the carrying amounts and measurement details of each category of financial assets and liabilities:

Carrying amounts as of Sept 30, 2024

		In scope of IFRS 9					
			Measured at fair value				
(in millions of €)	Category of financial assets and liabilities (IFRS 9)[1]	Measured at amortized cost	Level 1	Level 2	Level 3	Not in scope of IFRS 9	Total
Cash and cash equivalents	AC	2,683	-	-	-	-	2,683
Trade receivables[2]	AC	4,405	-	-	-	-	4,405
Receivables from finance leases[3]	n.a.	-	-	-	-	379	379
Receivables from the Siemens Group	AC	38	-	-	-	-	38
Other financial assets[2]							
Derivatives included in hedge accounting	n.a.	-	-	901	-	-	901
Derivatives not included in hedge accounting	FVtPL	-	-	26	-	-	26
Equity instruments and fund shares measured at fair value through profit or loss	FVtPL	-	3	-	114	-	117
Equity instruments measured at fair value through other comprehensive income	FVtOCI	-	-	-	47	-	47
Debt instruments measured at fair value through profit or loss	FVtPL	-	-	-	30	-	30
Other	AC	177	-	-	-	-	177
Total financial assets		**7,303**	**3**	**927**	**190**	**379**	**8,803**
Short-term and current maturities of long-term financial debt as well as long-term financial debt[4]	AC	96	-	-	-	-	96
Trade payables	AC	2,126	-	-	-	-	2,126
Lease liabilities[5]	n.a.	-	-	-	-	718	718
Liabilities to the Siemens Group[4]	AC	15,419	-	-	-	-	15,419
Other financial liabilities							
Derivatives included in hedge accounting	n.a.	-	-	5	-	-	5
Derivatives not included in hedge accounting	FVtPL	-	-	43	-	-	43
Contingent considerations from business combinations	FVtPL	-	-	-	17	-	17
Liabilities from written put options on non-controlling interests	n.a.	-	-	-	-	68	68
Other	AC	144	-	-	-	-	144
Total financial liabilities		**17,785**	**-**	**48**	**17**	**785**	**18,635**

[1] AC = Financial Assets/Liabilities at Amortized Cost;
FVtPL = Financial Assets/Liabilities at Fair Value through Profit or Loss;
FVtOCI = Financial Assets at Fair Value through Other Comprehensive Income;
n.a. = not applicable.
[2] Excluding separately disclosed receivables from finance leases.
[3] Reported in the line items trade and other receivables as well as other non-current financial assets.
[4] Excluding separately disclosed lease liabilities.
[5] Reported in the line items short-term financial debt and current maturities of long-term financial debt, long-term financial debt, current liabilities to the Siemens Group and non-current liabilities to the Siemens Group.

Carrying amounts as of Sept 30, 2023

(in millions of €)	Category of financial assets and liabilities (IFRS 9)[1]	In scope of IFRS 9				Not in scope of IFRS 9	Total
		Measured at amortized cost	Measured at fair value				
			Level 1	Level 2	Level 3		
Cash and cash equivalents[6]	AC	2,247	-	-	-	-	2,247
Trade receivables[2]	AC	4,420	-	-	-	-	4,420
Receivables from finance leases[3]	n.a.	-	-	-	-	359	359
Receivables from the Siemens Group[6]	AC	37	-	-	-	-	37
Other financial assets[2]							
Derivatives included in hedge accounting	n.a.	-	-	1,363	-	-	1,363
Derivatives not included in hedge accounting	FVtPL	-	-	30	-	-	30
Equity instruments and fund shares measured at fair value through profit or loss	FVtPL	-	11	11	110	-	132
Equity instruments measured at fair value through other comprehensive income	FVtOCI	-	-	-	51	-	51
Debt instruments measured at fair value through profit or loss	FVtPL	-	-	-	35	-	35
Other	AC	213	-	-	-	-	213
Total financial assets		**6,916**	**11**	**1,404**	**196**	**359**	**8,886**
Short-term and current maturities of long-term financial debt as well as long-term financial debt[4]	AC	44	-	-	-	-	44
Trade payables	AC	2,203	-	-	-	-	2,203
Lease liabilities[5]	n.a.	-	-	-	-	628	628
Liabilities to the Siemens Group[4]	AC	15,988	-	-	-	-	15,988
Other financial liabilities							
Derivatives included in hedge accounting	n.a.	-	-	128	-	-	128
Derivatives not included in hedge accounting	FVtPL	-	-	41	-	-	41
Contingent considerations from business combinations	FVtPL	-	-	-	25	-	25
Liabilities from written put options on non-controlling interests	n.a.	-	-	-	-	73	73
Other	AC	110	-	-	-	-	110
Total financial liabilities		**18,344**	**-**	**170**	**25**	**701**	**19,239**

[1] AC = Financial Assets/Liabilities at Amortized Cost;
FVtPL = Financial Assets/Liabilities at Fair Value through Profit or Loss;
FVtOCI = Financial Assets at Fair Value through Other Comprehensive Income;
n.a. = not applicable.
[2] Excluding separately disclosed receivables from finance leases.
[3] Reported in the line items trade and other receivables as well as other non-current financial assets.
[4] Excluding separately disclosed lease liabilities.
[5] Reported in the line items short-term financial debt and current maturities of long-term financial debt, long-term financial debt, current liabilities to the Siemens Group and non-current liabilities to the Siemens Group.
[6] Prior-year value includes retrospective adjustment due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies***.

- The carrying amounts of the items cash and cash equivalents, short-term and current maturities of long-term financial debt, trade payables, current liabilities to the Siemens Group and other current financial assets and other current financial liabilities measured at amortized cost approximated their fair value due to the short-term maturities of these instruments.
- Trade receivables, receivables from finance leases, receivables from the Siemens Group and other non-current financial assets measured at amortized cost were evaluated taking into account various parameters, such as interest rates, country-specific risks and the individual creditworthiness of the debtors. Based on this evaluation, valuation allowances for these items were recognized. The carrying amounts of the items net of valuation allowances approximated their fair values.
- The carrying amount of liabilities to the Siemens Group from U.S. dollar-denominated long-term loans was €7,940 million as of September 30, 2024 (September 30, 2023: €8,391 million). The fair value of these liabilities, which was derived from quoted prices for similar bonds (level 2), amounted to €7,098 million as of September 30, 2024 (September 30, 2023: €6,888 million). The carrying amount of liabilities to the Siemens Group from euro-denominated long-term fixed-rate loans was €4,900 million as of September 30, 2024 (September 30, 2023: €2,550 million). The fair value of these liabilities amounted to €5,058 million as of September 30, 2024 (September 30, 2023: €2,524 million) and was estimated by discounting future cash flows using rates currently available for debt of similar terms and remaining maturities (level 2). The carrying amounts of the remaining non-current liabilities to the Siemens Group and other non-current financial liabilities approximated their fair value.
- The fair values of forward exchange contracts and foreign exchange swaps were based on forward exchange rates (level 2).
- Except for publicly listed investments for which a quoted price in an active market exists (level 1), the fair values of venture capital investments were generally determined based on parameters from the most recently executed financing rounds and

the subsequent performance (level 3). The fair values of other equity instruments were generally derived from a discounted cash flow valuation (level 3). Expected cash flows are thereby subject to future market and business developments as well as price volatility. The discount rates applied take into account respective risk-adjusted capital costs. In fiscal year 2024, net gains from the measurement of equity instruments at fair value through profit or loss amounted to €74 million (2023: net loss of €2 million). The gains were recognized in other financial income and resulted mainly from the sale of an investment in a listed company.

- Debt instruments measured at fair value through profit or loss consisted mainly of bonds and loans related to the financing of proton therapy centers. Along with other debt investors, these funds were provided to various entities to finance the development, construction and operation of proton therapy centers in the United States. The repayment is either directly or indirectly linked to the commercial success of the centers. The fair values of the bonds and loans are primarily based on the individual creditworthiness of the debtor, taking into account the risk characteristics and operating performance of the financed project (level 3). Where appropriate, a probability weighted expected return model is used, utilizing management's assumptions of different outcomes such as the sale, refinancing or closure of the therapy center. Credit ratings are taken into account when adjusting the fair values for credit risks. Consequently, a better rating will generally result in an increased fair value of the loan receivable. As of September 30, 2024, the carrying amounts of financings provided by Siemens Healthineers and measured at fair value through profit or loss were €21 million (September 30, 2023: €26 million), while the total undiscounted amount, including accrued interest, amounted to €188 million (September 30, 2023: €207 million). The carrying amounts represent the maximum exposure to loss.
- The fair values of contingent consideration were derived from probability-weighted future payments, which mainly depend on the achievement of technical and commercial milestones as well as on the achievement of revenue targets during the earn-out period (level 3).
- Liabilities from written put options on non-controlling interests were measured at the present value of the exercise price of the options. The exercise price is generally derived from the proportionate enterprise value.

The changes in the carrying amount of the financial assets and liabilities measured at fair value based on unobservable inputs (level 3) were as follows:

(in millions of €)	Equity instruments		Debt instruments measured at fair value through profit or loss		Contingent considerations from business combinations	
	Fiscal year 2024	2023	Fiscal year 2024	2023	Fiscal year 2024	2023
Balance at beginning of fiscal year	**161**	159	**35**	53	**25**	4
Gains and losses recognized in profit or loss	17	-	–1	1	–2	5
Gains and losses recognized in other comprehensive income	–2	–1	-	-	-	-
Additions	3	23	3	5	-	20
Disposals and settlements	–10	–8	–6	–22	–6	–4
Currency translation differences	–8	–13	–1	–2	–1	-
Other	-	-	-	1	-	-
Balance at end of fiscal year	**161**	161	**30**	35	**17**	25

The following table shows the net gains or losses on financial instruments:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Financial assets measured at amortized cost	–62	–52
Financial liabilities measured at amortized cost	520	1,142
Financial assets and financial liabilities measured at fair value through profit or loss	74	–13
Equity instruments measured at fair value through other comprehensive income	–2	–1

Net gains or losses on financial assets measured at amortized cost consisted of foreign currency revaluation gains and losses, changes in valuation allowances and gains and losses on derecognition. Net gains or losses on financial liabilities measured at amortized cost included foreign currency revaluation gains and losses. Net gains or losses on financial assets and liabilities measured at fair value through profit or loss resulted from the remeasurement of equity and debt instruments as well as from changes in the fair value of derivatives, which were not designated as hedging instruments. Net gains or losses on equity instruments measured at fair value through other comprehensive income included remeasurement gains and losses.

In fiscal year 2024, interest expenses on financial liabilities not measured at fair value through profit or loss amounted to €529 million (2023: €440 million) and interest income on financial assets not measured at fair value through profit or loss amounted to €97 million (2023: €77 million). Foreign currency revaluation differences recognized in profit or loss on financial assets and liabilities not measured at fair value amounted to €491 million (2023: €1,111 million).

Valuation allowances for expected credit losses

Impairments for expected credit losses were generally recorded in the line item selling and general administrative expenses in the consolidated statements of income. Valuation allowances on current and non-current receivables, included in the line items trade and other receivables, other current financial assets and other non-current financial assets, represent lifetime expected credit losses. These changed as follows:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Valuation allowances at beginning of fiscal year	**119**	**126**
Change in valuation allowances recorded in the consolidated statements of income	29	19
Write-offs charged against allowances	–25	–15
Currency translation differences	–5	–11
Other	4	-
Valuation allowances at fiscal year-end	**121**	**119**

The change in valuation allowances recorded in the consolidated statements of income related to an increase in the valuation allowances on receivables from the sale of goods and services in fiscal year 2024 by €27 million (2023: increase by €17 million).

In connection with the acquisition of Varian, Siemens Healthineers purchased a credit-impaired loan that was originally granted for the financing of a proton therapy center, which has since ceased operations. As of September 30, 2024, the gross carrying amount of this loan was €0 million (September 30, 2023: €0 million), while the undiscounted contractual amount was €77 million (September 30, 2023: €77 million). There have been no changes in lifetime expected credit losses since initial recognition.

Offsetting

Siemens Healthineers has entered into master netting agreements and similar agreements for derivatives. As of September 30, 2024, the gross amounts of such derivatives amounted to €919 million (September 30, 2023: €1,379 million) for derivatives with positive fair values and €21 million (September 30, 2023: €149 million) for derivatives with negative fair values. Thereof, €18 million (September 30, 2023: €98 million) were subject to a master netting agreement but were not offset in the consolidated statements of financial position because the offsetting requirements were not met.

Hedging activities

As part of Siemens Healthineers' risk management approach (please also see ➔ ***Note 26 Financial risk management***), derivatives were used to reduce the risks resulting primarily from fluctuations in exchange rates. In particular, Siemens Healthineers entered into forward exchange contracts and foreign exchange swaps in order to reduce the risk of variability of future cash flows resulting from forecast sales and purchases, acquisitions, firm commitments and loans denominated in foreign currencies.

In fiscal years 2024 and 2023, Siemens Healthineers did not hold any material derivatives relating to interest rate risk or commodity price risk.

Cash flow hedges

Siemens Healthineers applied hedge accounting for certain significant forecast transactions, firm commitments and loans denominated in foreign currencies as well as for the corresponding hedging instruments. The main characteristics of the forward exchange contracts and foreign exchange swaps designated as hedging instruments matched the underlying hedged items (e.g. nominal amount, maturity).

The nominal amounts of forward exchange contracts and foreign exchange swaps designated as hedging instruments by maturity were as follows:

(in millions of €)	Sept 30, 2024	Sept 30 2023
Within one year	1,566	6,086
More than one year	8,024	8,655
Total	**9,590**	**14,741**

As of the reporting date, forward exchange contracts and foreign exchange swaps with a nominal amount of €8,151 million (September 30, 2023: €13,007 million) were used to hedge exchange rate risks arising from U.S. dollar-denominated loans. The weighted average hedging rate was 1.3864 US$/€ (September 30, 2023: 1.2893 US$/€). For these hedges, only the changes in the value of the spot element of the forward exchange contracts and the foreign exchange swaps were designated as hedging instruments.

The fair values of forward exchange contracts and foreign exchange swaps designated as hedging instruments were as follows:

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Assets[1]	901	1,363
Liabilities[2]	5	128

[1] Reported in the line items other current financial assets and other non-current financial assets.
[2] Reported in the line items other current financial liabilities and other non-current financial liabilities.

In fiscal year 2024, the changes in fair value of the hedging instruments used for measuring hedge ineffectiveness amounted to €–588 million (2023: €–1,243 million). The changes in value of the hedged items amounted to €588 million (2023: €1,243 million). There was no material impact on profit or loss resulting from ineffectiveness.

The cash flow hedge reserve and the cost of hedging reserve related to the hedging of exchange rate risks and reconcile as follows:

	Cash flow hedges reserve		Cost of hedging reserve	
(in millions of €)	Fiscal year 2024	Fiscal year 2023	Fiscal year 2024	Fiscal year 2023
Balance at beginning of fiscal year	**74**	**141**	**–108**	**–219**
Changes in the fair value of hedging instruments	–588	–1,243	362	350
Amounts reclassified into revenue (hedging of forecast sales)	–1	2	-	-
Amounts reclassified into cost of sales (hedging of forecast purchases and intragroup transactions)	12	–38	-	-
Amounts reclassified into other financial income (hedging of financial debt denominated in foreign currency)	564	1,198	–38	–39
Amounts reclassified into interest expenses	–11	–16	–126	–154
Income tax effects	7	30	–59	–46
Balance at end of fiscal year	**58**	**74**	**30**	**–108**

Hyperinflationary accounting

As of September 30, 2024, the consumer price index in Argentina was 7,104 (September 30, 2023: 2,305) and in Türkiye 2,526 (September 30, 2023: 1,691). The loss on the net monetary position amounted to €25 million (2023: €26 million).

Note 26 Financial risk management

Siemens Healthineers is managed centrally by the Managing Board. The Managing Board is responsible for the operating business and manages and controls financial risks in accordance with its risk management policy. The Siemens Group acts as a service provider with respect to certain financial risk management activities.

Market risks

Increasing market fluctuations may result in significant earnings and cash flow volatility risks. The worldwide operating business as well as the investing and financing activities are affected particularly by changes in exchange rates and interest rates. In order to optimize the allocation of financial resources across its segments and entities as well as to achieve its aims, Siemens Healthineers identifies, analyzes and manages the relevant market risks. Siemens Healthineers seeks to manage and control market risks primarily through its regular operating and financing activities and uses derivatives when it is appropriate.

Management of market risks is a priority for the Managing Board. The chief financial officer has specific responsibility for this part of the overall risk management system. This responsibility is delegated to corporate treasury. For practical business purposes, Siemens Healthineers has entered into service agreements with the Siemens Group to receive support in the management of market risks.

Financial instruments, including equity and interest-bearing investments, held by Siemens Healthineers' pension plans are not included in the following quantitative and qualitative disclosures.

Exchange rate risk

Transaction risk

Each entity whose business leads to future cash flows denominated in a currency other than its functional currency is exposed to risks from changes in exchange rates. In the ordinary course of business, entities are particularly exposed to exchange rate fluctuations between the U.S. dollar and the euro.

Siemens Healthineers defines exchange rate risk as the sum of the net amount of foreign-currency-denominated monetary items and firm commitments as well as planned sales and purchases in a foreign currency. The exchange rate risk is determined based on the respective functional currencies of the exposed entities.

The exchange rate risk from cash inflows in foreign currency is partly offset by purchasing goods, commodities and services in the respective currencies as well as by production activities and other contributions along the value chain in the local markets.

Entities are bound by an exchange rate risk management system established within the Group. Each entity is responsible for recording, assessing and monitoring its transaction-related exchange rate risk. The mandatory guideline for the treatment of exchange rate risks within Siemens Healthineers describes the procedure for identifying and determining the single net foreign currency positions. It commits sales entities that use the central treasury management software of Siemens Healthineers to hedge at least 75% but no more than 100% of their foreign-currency-denominated monetary items and contracted exposure. For manufacturing and other entities, a modified approach is applied under which the minimum hedging level is based on the tenor of the forecasted cash flows, considering up to twelve months (layered hedging approach). Generally, the operating units conclude their hedging activities internally with the corporate treasury of Siemens Healthineers, which itself hedges foreign exchange rate risks with external counterparties.

Entities that have not yet adopted the central treasury management software must generally hedge at least 75% of their foreign-currency-denominated monetary items, firm commitments and cash flows from planned sales and purchases for the following three months. The majority of these hedging transactions is carried out with the corporate treasury of the Siemens Group as the counterparty.

Entities are prohibited from borrowing or investing in foreign currencies on a speculative basis. New financing from the Siemens Group or investments by operating entities are carried out preferably in their functional currency. In case an entity is financed in a currency other than its functional currency, the respective foreign currency risk must be hedged 100%. Exchange rate risks in connection with the acquisition or sale of businesses are hedged on an individual basis.

The following table shows how reasonably possible appreciations and depreciations of the U.S. dollar and the euro against all other currencies would have affected Siemens Healthineers' income before income taxes and equity. The impact on income results from the foreign currency measurement of monetary assets and liabilities that are not denominated in the functional currency of the respective entity. In addition, it includes effects from derivatives for which hedge accounting is not applied or for which the spot element was designated as hedging instrument to hedge foreign currency debt. In contrast, the impact on equity results from derivatives which are designated in a cash flow hedge and used to hedge expected purchases or sales in foreign currency, and from changes in the value of the forward element of derivatives which are recognized in the cost of hedging reserve. The sensitivity analysis considers neither expected transactions nor effects from the translation of the financial statements of the foreign entities into the reporting currency of Siemens Healthineers.

		Effect on income before taxes		Effect on equity	
(in millions of €)	Sensitivity	Sept 30, 2024	Sept 30, 2023	Sept 30, 2024	Sept 30, 2023
U.S. dollar	+10%	–9	18	–5	18
U.S. dollar	–10%	9	–18	5	–18
Euro	+10%	1	–6	29	19
Euro	–10%	–1	6	–29	–19

The sensitivity analysis assumes that all other variables remain constant. Due to dependencies between the sensitivities of different currencies, it is not appropriate to add up the individual amounts.

Translation risk

Many entities are located outside the euro zone. Because the financial reporting currency of Siemens Healthineers is the euro, the financial statements of these entities are translated into euros for preparation of the consolidated financial statements. To take account of effects of foreign currency translation in risk management, the general assumption is that investments in foreign entities are permanent and that reinvestment is continuous. Effects from exchange rate fluctuations on the translation of net asset amounts into euros are reflected in the line item other components of equity.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market interest rates. Siemens Healthineers' exposure to the risk of fluctuations in future cash flows and interest income or expenses relates, among others, to short-term bank loans as well as money market borrowings and investments at Siemens Group. Long-term liabilities to the Siemens Group generally have fixed interest rates to reduce the risk of fluctuations in interest income and expenses from changes in interest rates.

In order to quantify the interest rate risk, a sensitivity analysis was prepared, which was based on net receivables and liabilities with variable interest rates. As of September 30, 2024, a parallel shift of the interest rate curve for all currencies by +100 basis points would have resulted in an increase in income before income taxes by €2 million (September 30, 2023: decrease by €–26 million). In contrast, a parallel shift by –100 basis points would have resulted in a decrease in income before income taxes by €–2 million (September 30, 2023: increase by €26 million). In fiscal years 2024 and 2023, Siemens Healthineers did not use any interest derivatives that could have had an impact on income or equity. The reasonably possible changes in interest rates are based on the currently observable market environment. Additional interest rate risk may result from the refinancing and reinvestment of maturing fixed-rate borrowings and investments, respectively.

Interest rate risks of fluctuations in the fair values of assets and liabilities with fixed interest rates are currently not actively managed because the assets and liabilities are measured at amortized cost and, consequently, no material effects on income are expected to occur.

Liquidity risk

Liquidity risks relate to Siemens Healthineers' ability to meet its financial obligations. As of September 30, 2024, Siemens Healthineers' reserve of cash and cash equivalents amounted to €2,683 million (September 30, 2023: €2,247 million).

In the periods presented, Siemens Healthineers was financed largely by the Siemens Group and invested excess liquidity using the Siemens Group's cash pooling and cash management systems. In fiscal year 2024, also most entities that were acquired as part of the acquisition of Varian were connected to the cash pooling and cash management systems. However, cash pooling is not yet used entirely by these entities. For details about financing arrangements with the Siemens Group, please refer to ➔ ***Note 15 Financial debt***.

The following tables reflect the contractually fixed payoffs for repayments and interest. The disclosed expected undiscounted cash flows from derivative financial liabilities were determined individually for each payment date of an instrument based on the earliest date on which Siemens Healthineers could be required to pay. In addition, the majority of the financing agreements with the Siemens Group include change-of-control clauses that may result in early maturity (please also see ➔ ***A.8.5 Significant agreements which take effect, alter or terminate upon a change of control following a takeover bid***). Cash outflows for financial liabilities without fixed amount are based on the conditions existing as of September 30, 2024 and 2023.

Maturity analysis as of Sept 30, 2024

(in millions of €)	Fiscal year 2025	Fiscal year 2026	Fiscal years 2027 to 2029	Fiscal years 2030 and thereafter
Non-derivative financial liabilities	**5,463**	**2,396**	**5,726**	**7,860**
Thereof:				
Loans from banks	97	-	-	-
Lease liabilities	206	156	239	212
Trade payables	2,124	2	-	-
Other financial liabilities	195	31	2	1
Liabilities to the Siemens Group[1]	2,842	2,207	5,486	7,646
Derivative financial liabilities	**45**	**1**	**5**	**-**
Thereof: Derivatives with gross settlement				
Cash outflows	1,374	30	56	3
Cash inflows	–1,340	–30	–51	–2
Thereof: Derivatives with net settlement				
Cash outflows	11	-	-	-

[1] Excluding separately disclosed lease liabilities.

Maturity analysis as of Sept 30, 2023

(in millions of €)	Fiscal year 2024	Fiscal year 2025	Fiscal years 2026 to 2028	Fiscal years 2029 and thereafter
Non-derivative financial liabilities	**7,129**	**1,333**	**5,668**	**7,761**
Thereof:				
Loans from banks	42	-	-	-
Lease liabilities	193	138	218	138
Trade payables	2,200	2	1	-
Other financial liabilities	181	10	15	1
Liabilities to the Siemens Group[1]	4,513	1,183	5,434	7,622
Derivative financial liabilities	**144**	**5**	**-**	**-**
Thereof: Derivatives with gross settlement				
Cash outflows	3,298	45	-	-
Cash inflows	–3,183	–42	-	-
Thereof: Derivatives with net settlement				
Cash outflows	29	2	-	-

[1] Excluding separately disclosed lease liabilities.

Trade payables and other financial liabilities, including lease liabilities, originate mainly from the financing of assets used in Siemens Healthineers' ongoing operations, such as property, plant, equipment and investments in working capital. These assets are considered in Siemens Healthineers' overall liquidity risk management. Thus, Siemens Healthineers mitigates liquidity risk through the implementation of effective working capital management and cash management. To monitor existing financial assets and liabilities and to enable effective control of emerging risks, Siemens Healthineers uses a comprehensive risk reporting system, which covers its worldwide business entities.

Credit risk

Credit risk is defined as an unexpected loss from financial instruments if a counterparty is unable to pay its obligations in due time or if the value of collateral declines. The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competence of Siemens Healthineers' risk management system. Accordingly, binding credit policy guidelines have been implemented. In principle, each entity is responsible for managing credit risk in its own operating activities.

Ratings and individually defined credit limits are based mainly on generally accepted rating methodologies, with input consisting of information obtained from customers, external rating agencies, data service providers and credit default experiences. Ratings consider appropriate forward-looking information significant to the specific financial instrument, such as expected changes in the obligor's financial position, as well as broader forward-looking information, such as expected macroeconomic, industry-related and competitive developments. In addition, ratings also consider a country-specific risk component derived from external country ratings. Ratings and credit limits are carefully considered in determining the conditions under which direct or indirect financing will be offered to customers by Siemens Healthineers.

Siemens Healthineers applies various systems and processes to analyze and monitor credit risk. A central IT application is available that provides rating and default information. Together with data from operating entities, this information is used as a basis for individual bad debt allowances. In addition to this automated process, qualitative information is considered especially to incorporate latest developments.

In general, deposits are held, and external hedging transactions are entered into, only with contracting parties that have an investment-grade rating.

There were no significant concentrations of customer credit risk as of September 30, 2024 and 2023. The maximum exposure to credit risk for financial assets, without taking account of any collateral, is represented by their carrying amount. As of September 30, 2024, collateral and other credit enhancements held for financial assets measured at amortized cost amounted to €69 million (September 30, 2023: €55 million), mainly in the form of letters of credit and guarantees. For derivatives, €18 million (September 30, 2023: €98 million) were subject to a master netting agreement in case of a counterparty's insolvency. Positive market values from derivatives mainly related to forward exchange contracts with the Siemens Group as the counterparty (please also see ➔ ***Note 31 Related party transactions***).

As of September 30, 2024, the gross carrying amount of receivables from the sale of goods and services amounted to €4,515 million (September 30, 2023: €4,530 million). Based on rating information from Siemens Financial Services, 40% (September 30, 2023: 42%) of the receivables were rated with an investment-grade rating and 60% (September 30, 2023: 58%) with a non-investment-grade rating. Receivables from finance leases with a gross carrying amount of €387 million (September 30, 2023: €366 million) and contract assets with a gross carrying amount of €1,903 million (September 30, 2023: €1,642 million) generally share similar risk characteristics.

As of the reporting date, there were no material loan commitments and financial guarantee contracts.

Note 27 Share-based payment

As of September 30, 2024, the carrying amount of liabilities from share-based payment amounted to €40 million (September 30, 2023: €31million). In fiscal year 2024, expenses for equity-settled share-based payment amounted to €126 million (2023: €109 million). Expenses for share-based payment amounted to €143 million (2023: €124 million).

Share-based payment awards granted in fiscal year 2024, including Siemens Healthineers' stock awards and the Share Matching program, were based on Siemens Healthineers AG shares. In addition, employees continued to participate in existing share-based payment plans of the Siemens Group based on Siemens AG shares, mainly in the Jubilee Share program.

Siemens Healthineers' Stock awards

Siemens Healthineers grants stock awards to members of the Managing Board, members of senior management and other eligible employees. These entitle beneficiaries after expiry of the respective vesting period to receive Siemens Healthineers AG shares without payment of consideration (Siemens Healthineers' stock awards). The major portion of the Siemens Healthineers' stock awards granted to members of senior management and other eligible employees depends solely on fulfillment of the employee's respective service condition (not subject to performance conditions). In addition, Siemens Healthineers grants stock awards to members of the Managing Board, eligible members of senior management and other eligible employees that are tied to performance criteria (subject to performance conditions).

Changes in stock awards held by members of the Managing Board, members of senior management and other eligible employees were as follows:

	Fiscal year 2024	Fiscal year 2023
Non-vested at beginning of fiscal year	**4,599,364**	**5,010,821**
Granted	2,425,853	2,401,175
Vested and fulfilled	–1,344,122	–2,170,066
Forfeited	–307,238	–581,883
Settled	–4,613	–11,241
Adjustment in number of stock awards[1]	–15,486	–49,442
Non-vested at fiscal year-end	**5,353,758**	**4,599,364**

[1] Adjustments resulting from changes in the estimate of the target attainment of the ESG target.

In fiscal year 2024, as in prior year, for eligible members of senior management and other eligible employees, 80% of the target amount of granted stock awards subject to performance conditions is linked to the development of total shareholder return, as compared to two equally weighted external indices during the vesting period (TSR target). The remaining 20% of the target amount is linked to an internal sustainability target which considers environmental, social and governance targets (ESG target). For the members of the Managing Board, as in prior year, within the target amount 75% is linked to the TSR target. The remaining 25% of the target amount is linked to the ESG target. The following tables summarize the information for the Siemens Healthineers' stock awards of the 2024 and 2023 tranches.

Siemens Healthineers' stock awards

	Tranche 2024				
	Stock awards subject to performance conditions[1]				**Stock awards not subject to performance conditions[2]**
Performance condition	TSR target		ESG target		n.a.
Target attainment	0 - 200%				n.a.
Vesting period	About four years				About one to about four years
Beneficiaries	Members of the Managing Board, eligible members of senior management and other eligible employees				Members of senior management and other eligible employees
Classification	Equity-settled share-based payment				
Number of granted stock awards	594,973[3]				1,830,880
Fair Value at the grant date	€19 million				€93 million
Determination of the fair value	Valuation model		Share price less present value of expected dividends		Share price less present value of expected dividends
Inputs to the valuation model for the following beneficiaries	**Members of the Managing Board**	**Members of senior management and other eligible employees**	**Members of the Managing Board**	**Members of senior management and other eligible employees**	**Members of senior management and other eligible employees**
Expected weighted volatility of Siemens Healthineers AG share[4]	26.74%	26.69%	n.a.	n.a.	n.a.
Share price per Siemens Healthineers AG share	€51.30	€53.16	€51.30	€53.16	€53.16
Expected dividend yield	1.85%	1.78%	n.a.	n.a.	n.a.
Risk-free interest rate	3.09%	2.92%	n.a.	n.a.	n.a.

[1] Referred to as plan design I up to and including fiscal year 2023.
[2] Referred to as plan design II up to and including fiscal year 2023.
[3] Based on a target attainment of 200%.
[4] Expected volatility and assumptions concerning share price correlations were determined by reference to historical volatilities and historical correlations, respectively.

Siemens Healthineers' stock awards

	Tranche 2023				
	Plan design I				Plan design II
Performance condition	TSR target		ESG target		n.a.
Target attainment	0 - 200%				n.a.
Vesting period	About four years				About one to about four years
Beneficiaries	Members of the Managing Board, eligible members of senior management and other eligible employees				Members of senior management and other eligible employees
Classification	Equity-settled share-based payment				
Number of granted stock awards	692,323[1]				1,708,852
Fair Value at the grant date	€20 million				€82 million
Determination of the fair value	Valuation model		Share price less present value of expected dividends		Share price less present value of expected dividends
Inputs to the valuation model for the following beneficiaries	**Members of the Managing Board**	**Members of senior management and other eligible employees**	**Members of the Managing Board**	**Members of senior management and other eligible employees**	**Members of senior management and other eligible employees**
Expected weighted volatility of Siemens Healthineers AG share[2]	27.01%		n.a.	n.a.	n.a.
Share price per Siemens Healthineers AG share	€50.68				
Expected dividend yield	1.88%		n.a.	n.a.	n.a.
Risk-free interest rate	2.61%		n.a.	n.a.	n.a.

[1] Based on a target attainment of 200%.
[2] Expected volatility and assumptions concerning share price correlations were determined by reference to historical volatilities and historical correlations, respectively.

Share Matching program and its underlying plans

Under the Share Matching program, Siemens Healthineers offers plans which entitle beneficiaries to receive Siemens Healthineers AG shares. These plans are classified as equity-settled share-based payment. The weighted average fair value of the Siemens Healthineers' matching shares granted in fiscal year 2024 was €43.69 per share (2023: €45.35 per share). It was derived from the share price less the present value of expected dividends and taking into account non-vesting conditions.

The development of outstanding matching shares from plans of the Share Matching program described below was as follows:

	Fiscal year 2024	Fiscal year 2023
Outstanding at beginning of fiscal year	**888,634**	**832,415**
Granted	509,127	487,958
Vested and fulfilled	–289,717	–371,094
Forfeited	–50,900	–41,801
Settled	–20,366	–18,844
Outstanding at fiscal year-end	**1,036,777**	**888,634**

Share matching plan

Under the share matching plan, members of senior management can invest a part of their variable compensation in shares (investment shares). The shares are purchased at the market price at a predetermined date in the second quarter of each fiscal year. For every three investment shares held over the vesting period of about three years, plan participants have the right to receive one share without payment of consideration (matching share), provided the plan participant is continually employed by the Siemens Group, including Siemens Healthineers, until the end of the vesting period.

Monthly investment plan

Under the monthly investment plan, employees other than members of senior management can monthly invest a part of their compensation in shares over a period of twelve months. The shares are purchased at market price at a predetermined date once a month. If the Managing Board decides that shares acquired under the monthly investment plan are transferred to the share matching plan, plan participants have the right to receive matching shares under the same conditions applying to the share matching plan described above but with a vesting period of about two years. The Managing Board of Siemens Healthineers AG decided to transfer the shares acquired under the 2023 tranche to the share matching plan in February 2024.

Base share program

Under the base share program, employees of participating entities can invest a fixed amount of their compensation in shares, which is then matched by Siemens Healthineers. The shares are purchased at market price at a predetermined date in the second quarter of each fiscal year and grant the right to receive matching shares under the same conditions applying to the share matching plan described above.

Jubilee Share program

For their 25th, 40th and 50th service anniversaries, eligible employees in Germany receive jubilee shares in form of Siemens AG shares. The Jubilee Share program is classified as cash-settled share-based payment. As of September 30, 2024, 601,069 entitlements to jubilee shares were outstanding for Siemens Healthineers' employees (September 30, 2023: 580,434).

Note 28 Personnel expenses and employees

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Wages and salaries	6,572	6,383
Statutory social welfare contributions and expenses for optional support	1,018	965
Expenses relating to post-employment benefits	305	293
Total personnel expenses	**7,895**	**7,641**

Wages and salaries in fiscal year 2024 included severance charges of €104 million (2023: €167 million), thereof expenses of €47 million (2023: €93 million) were attributable to the transformation of the Diagnostics business.

Employees were engaged in the following functions (averages):

(in thousands)	Fiscal year 2024	Fiscal year 2023
Manufacturing and services	39	38
Sales	13	13
Research and development	13	13
Administration and general services	7	6
Total employees	**72**	**71**

Note 29 Segment information

(in millions of €)	Adjusted external revenue[1]		Inter-segment revenue		Total adjusted revenue[1]		Adjusted EBIT[2]		Assets[3]		Free cash flow		Additions to other intangible assets and property, plant and equipment[4]		Amortization, depreciation and impairments	
	Fiscal year		Fiscal year		Fiscal year		Fiscal year		Sept 30,		Fiscal year		Fiscal year		Fiscal year	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Imaging	11,829	11,404	439	438	12,267	11,842	2,584	2,576[5]	8,962	8,983	2,310	2,129	338	286	183	201
Diagnostics	4,417	4,528	-	-	4,417	4,528	235	35[5]	5,742	5,950	81	–216	446	532	341	381
Varian	3,864	3,560	2	2	3,866	3,561	639	538	13,768	14,368	530	237	74	51	42	33
Advanced Therapies	2,072	2,016	3	4	2,075	2,019	338	311	1,884	1,862	252	256	24	21	20	269
Total segments	**22,181**	21,507	**444**	443	**22,625**	21,950	**3,797**	3,461[5]	**30,356**	31,163	**3,174**	2,405	**882**	890	**586**	884
Reconciliation to consolidated financial statements[6]	181	173	–444	–443	–262	–270	–1,273	–1,532[5]	15,699	15,521	–1,044	–1,124	445	597	637	673
Siemens Healthineers	**22,363**	21,680	**-**	-	**22,363**	21,680	**2,523**[2]	1,928[2]	**46,055**	46,684	**2,130**	1,281	**1,327**	1,487	**1,223**	1,557

[1] Siemens Healthineers: IFRS revenue.
[2] Siemens Healthineers: Income before income taxes.
[3] On segment level: net capital employed.
[4] Including additions through business combinations, excluding goodwill.
[5] Comparable based on the definition of adjustments effective October 1, 2023.
[6] Including effects in line with revaluation of contract liabilities from IFRS 3 purchase price allocations.

Reportable segments

Siemens Healthineers has the following four reportable segments, which are differentiated according to the nature of goods and services:

- ***Imaging*** offers imaging products, services and solutions as well as digital offerings. The most important products within this segment are equipment for magnetic resonance, computed tomography, X-ray, molecular imaging and ultrasound.
- ***Diagnostics*** offers in-vitro diagnostic products and services that are offered to healthcare providers in the field of general laboratory, specialty laboratory, and point-of-care diagnostics.
- ***Varian*** provides innovative, multi-modality cancer care technologies based on integrated, advanced imaging, along with solutions and services to oncology departments in hospitals and clinics globally.
- ***Advanced Therapies*** is a supplier of highly integrated products, solutions and services across multiple clinical fields, which are provided to therapy departments of healthcare providers.

Measurement and reconciliations

Accounting policies for segment information are generally the same as those summarized in ➔ ***Note 2 Accounting policies*** Any exceptions or supplements are outlined below or become apparent in the reconciliations. For internal and segment reporting purposes, intercompany lease transactions are classified as operating leases by the lessor and are accounted for off-balance sheet by the lessee.

Adjusted revenue

At the segment level, revenue is defined as total revenue and corresponds to the sum of external and intersegment revenue. Total adjusted revenue of the segments is additionally adjusted for effects in line with revaluation of contract liabilities from IFRS 3, Business Combinations, purchase price allocations.

Revenue includes revenue from contracts with customers and revenue from leasing activities. In fiscal year 2024, income from leases amounted to €274 million (2023: €362 million). No revenue was generated from rapid COVID-19 antigen tests in the Diagnostics segment in fiscal year 2024 (2023: €121 million).

For each of the segments, revenue results mainly from performance obligations satisfied at a point in time, especially in the case of the sale of goods, including reagents and consumables. Performance obligations related to maintenance contracts for equipment sold, however, are generally satisfied over time, with revenue recognized on a straight-line basis.

As of the reporting date, the aggregate amount of transaction prices allocated to performance obligations that were unsatisfied or partially unsatisfied (order backlog) amounted to €35 billion (September 30, 2023: €34 billion). Thereof, €11 billion (September 30, 2023: €11 billion) are expected to be recognized as revenue in the next twelve months.

Intersegment revenue is based on market prices.

Adjusted EBIT

Adjusted EBIT margin is used to manage the operating performance of our segments. Adjusted EBIT margin is defined as the adjusted EBIT of the particular segment concerned, divided by its total adjusted revenue. Adjusted EBIT is the underlying earnings indicator and is defined as income before income taxes, interest income and expenses and other financial income, net, adjusted for the following items:

- expenses for mergers, acquisitions, disposals and other portfolio-related measures, in particular
  - amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments,
  - transaction, integration, retention and carve-out costs,
  - gains and losses from divestments,
- severance charges,
- other expenses in connection with restructuring measures within the meaning of IAS 37, and
- centrally carried pension service and administration expenses.

Income tax expenses are excluded from the segments' adjusted EBIT because income taxes are subject to legal structures, which typically do not correspond to the segment's structure. Financial income, net, comprises other financing income, net, and any interest income or expenses. Financing income, net, is excluded from the segments' adjusted EBIT because decision-making regarding financing is typically made at the Group level. Expenses for mergers, acquisitions, disposals and other portfolio-related measures, severance charges and other expenses in connection with restructuring measures within the meaning of IAS 37 are not part of adjusted EBIT because they do not affect the operating performance of the segments. Decisions on essential pension items are made centrally. Accordingly, the segments' adjusted EBIT includes amounts related primarily to service cost of pension plans, while other regularly recurring pension related expenses ("centrally carried pension service and administration expenses") are excluded. Certain items that are not indicative of the segments' performance are also excluded from adjusted EBIT, such as items that have a corporate or central character or refer to more than one reportable segment, to corporate treasury or to Siemens Healthineers Real Estate. Costs for support functions are allocated predominantly to the segments according to the budget.

The reconciliation of total segments' adjusted EBIT to Siemens Healthineers' income before income taxes is given in the table below:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Total segments' adjusted EBIT	**3,797**	**3,461[2]**
Centrally carried pension service and administration expenses	6	3
Amortization, depreciation and other effects from IFRS 3 purchase price allocation adjustments	–375	–393
Transaction, integration, retention and carve-out costs	–24	–37
Gains and losses from divestments	–1	-
Severance charges	–104	–167
Expenses for other portfolio-related measures	-	–349[3]
Other restructuring expenses	–199	–170[2]
Financial income, net	–283	–207
Corporate items	–243	–219[2]
Corporate treasury, Siemens Healthineers Real Estate[1], eliminations and other items	–50	7
Total reconciliation to consolidated financial statements	**–1,273**	**–1,532[2]**
Siemens Healthineers' income before income taxes	**2,523**	**1,928**

[1] Siemens Healthineers Real Estate manages Siemens Healthineers' entire real estate business portfolio, operates the properties and is responsible for building projects and for the purchase and sale of real estate.
[2] Comparable based on the definition of adjustments effective October 1, 2023.
[3] Including expenses for impairment of other intangible assets in the amount of €244 million.

Severance charges decreased to €104 million. This was mainly due to lower severance charges in segment Diagnostics.

In prior year, expenses for other portfolio-related measures were €349 million. This was due to the focusing of the endovascular robotics solution exclusively on interventional solutions in neurology and the associated withdrawal from the robotic-assisted endovascular cardiology business in the Advanced Therapies segment. In fiscal year 2024, there were no expenses for other portfolio-related measures.

The line item Corporate items includes corporate costs, such as costs of Group management and corporate projects as well as business activities and special topics that were not allocated directly to the segments.

Assets

Siemens Healthineers uses segments' assets, defined as net capital employed, as a measure to assess the segments' capital intensity. Segments' assets are based on total assets presented in the consolidated statements of financial position (i.e. including intangible assets acquired in business combinations), which are allocated to the segments, primarily excluding receivables from the Siemens Group from financing activities and tax-related assets, because the corresponding income and expenses are also excluded from the segments' adjusted EBIT. Moreover, the remaining assets are reduced by non-interest-bearing liabilities (e.g. trade payables, contract liabilities and other current liabilities) other than tax-related liabilities.

(in millions of €)	Sept 30, 2024	Sept 30, 2023
Total segments' assets	**30,356**	**31,163**
Asset-based adjustments	6,738	6,383
Therein:		
Positive fair value of forwards for hedging of foreign currency liabilities from financing activities	904	1,399
Assets corporate treasury[1]	2,808	2,350
Assets Siemens Healthineers Real Estate	1,987	1,833
Receivables from the Siemens Group from non-operating activities[1]	9	20
Current income tax assets and deferred tax assets	736	661
Liability-based adjustments	8,961	9,137
Total reconciliation to consolidated financial statements	**15,699**	**15,521**
Siemens Healthineers' total assets	**46,055**	**46,684**

[1] Prior-year value includes retrospective adjustment due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies***.

Free cash flow

Free cash flow comprises the cash flows from operating activities and additions to intangible assets and property, plant and equipment included in cash flows from investing activities. As with the segments' adjusted EBIT, the segments' free cash flow excludes payments related to income taxes, corporate items and certain other payments.

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Total segments' free cash flow	**3,174**	**2,405**
Tax-related cash flow	–845	–899
Corporate items and other	–198	–226
Total reconciliation to consolidated financial statements	**–1,044**	**–1,124**
Siemens Healthineers' free cash flow	**2,130**	**1,281**

Amortization, depreciation and impairments

Amortization, depreciation and impairments include depreciation and impairments of property, plant and equipment as well as amortization and impairments of intangible assets (similarly to segments' adjusted EBIT excluding intangible assets acquired in business combinations), each net of reversals of impairment losses.

Note 30 Information about geographies

The following tables disclose revenue by location of the customer and entity, and the location of non-current assets.

(in millions of €)	Revenue by customer location		Revenue by entity location	
	Fiscal year 2024	Fiscal year 2023	Fiscal year 2024	Fiscal year 2023
Europe, C.I.S., Africa, Middle East (EMEA)	7,440	6,988	7,763	7,354
Americas	9,428	8,863	9,499	8,955
Asia Pacific Japan	2,944	3,009	2,702	2,759
China	2,550	2,821	2,398	2,612
Total:	**22,363**	**21,680**	**22,363**	**21,680**
Thereof:				
Germany	1,150	1,062	1,692	1,664
Foreign countries	21,213	20,618	20,670	20,017
Therein: United States	8,040	7,506	8,317	7,782

(in millions of €)	Location of non-current assets[1]	
	Sept 30, 2024	Sept 30, 2023
Europe, C.I.S., Africa, Middle East (EMEA)	9,784	9,519
Americas	15,607	16,606
Asia Pacific Japan	2,508	2,562
China	1,303	1,367
Total:	**29,201**	**30,054**
Thereof:		
Germany	2,509	2,398
Foreign countries	26,692	27,655
Therein: United States	15,084	16,027

[1] Non-current assets consisted of property, plant and equipment, goodwill and other intangible assets.

Note 31 Related party transactions

Siemens Healthineers maintained business relations with the Siemens Group and with joint ventures and associates of both the Siemens Group and Siemens Healthineers. The Siemens Group is a related party, as Siemens AG controls Siemens Healthineers AG.

Transactions with the Siemens Group

	Sales of goods and services and other income		Purchases of goods and services and other expenses	
(in millions of €)	**Fiscal year 2024**	**Fiscal year 2023**	**Fiscal year 2024**	**Fiscal year 2023**
Siemens AG	3	3	260	266
Other Siemens Group entities	324	331	184	175
Total	**328**	334	**443**	441

Between Siemens Healthineers and the Siemens Group existed supply and service agreements:

- In fiscal year 2024, Siemens Healthineers obtained support services from the Siemens Group for central corporate services such as IT, human resources, procurement, accounting, tax or treasury with a total value of €298 million (2023: €290 million). For certain services, there were fixed payment obligations over a non-cancelable contract term. As of September 30, 2024, the resulting commitment amounted to €94 million (September 30, 2023: €72 million).
- Siemens Healthineers has entered into leasing transactions with the Siemens Group and related benefit trusts that fund pension obligations, mainly for real estate. As of September 30, 2024, total lease liabilities amounted to €63 million (September 30, 2023: €53 million).
- Furthermore, fiscal year 2024 included the acquisition of Siemens Healthineers business activities from a Siemens Group entity in Algeria that had previously processed the activities. The purchase price was €24 million.

Receivables from and liabilities to the Siemens Group

	Receivables from the Siemens Group[1]		Liabilities to the Siemens Group	
(in millions of €)	**Sept 30, 2024**	**Sept 30, 2023**	**Sept 30, 2024**	**Sept 30, 2023**
Siemens AG	3	2	2,688	3,358
Other Siemens Group entities	34	35	12,763	12,666
Total	**38**	37	**15,451**	16,024

[1] Prior-year value includes retrospective adjustment due to the change in the composition of cash and cash equivalents. For further information, please refer to ➔ ***Note 2 Accounting policies***.

Receivables from and liabilities to the Siemens Group resulted mainly from financing activities. The liabilities to other Siemens Group entities decreased due to the settlement of two matured loans totaling US$2.5 billion. This was offset by five new loans in a total amount of €2.9 billion maturing in fiscal years 2025 to 2032.

As of September 30, 2024, financing arrangements of Siemens Healthineers with Siemens AG consisted of a multicurrency revolving credit facility of up to €2.5 billion (September 30, 2023: €2.5 billion). This serves to finance net working capital and as a short-term credit facility, as well as a multicurrency revolving credit facility of up to €2.0 billion (September 30, 2023: €2.0 billion) as a backup facility. As of the reporting date these credit facilities were not utilized (September 30, 2023: €1,267 million).

In fiscal year 2024, interest expenses from financing arrangements with Siemens AG amounted to €161 million (2023: €125 million); interest expenses from financing arrangements with other Siemens Group entities amounted to €195 million (2023: €119 million). These included positive effects from the hedging of exchange rate risks of U.S. dollar-denominated loans.

In fiscal year 2024, interest income from financing arrangements with Siemens AG amounted to €34 million (2023: €25 million); interest income from financing arrangements with other Siemens Group entities amounted to €2 million (2023: €4 million).

For further information regarding financing arrangements with the Siemens Group, please refer to ➔ ***Note 15 Financial debt***.

Other material relationships with the Siemens Group

Cash and cash equivalents

Credit balances on cash-pooling accounts and short-term deposits of up to three months with the Siemens Group are shown as cash and cash equivalents and amounted to €1,365 million as of September 30, 2024 (September 30, 2023: €605 million). For further details, see ➔ ***Note 2 Accounting policies.***

Hedging

Some of Siemens Healthineers' hedging activities were carried out with the corporate treasury of the Siemens Group as counterparty. As of September 30, 2024, related other financial assets and other financial liabilities amounted to €882 million (September 30, 2023: €1,376 million) and €6 million (September 30, 2023: €139 million), respectively.

For further details, please refer to ➔ ***Note 13 Other non-current financial assets***, ➔ ***Note 15 Financial debt*** and to ➔ ***Note 25 Financial instruments and hedging activities***.

Guarantees and letters of support

The Siemens Group issued guarantees for or on behalf of Siemens Healthineers in connection with the operating activities of the Group. As of September 30, 2024, the guarantees issued by Siemens AG and other Siemens Group entities amounted to €12 million (September 30, 2023: €14 million) and €77 million (September 30, 2023: €87 million), respectively.

In addition, Siemens AG provided letters of support to banks and insurance companies, for example in connection with securing guarantee credit lines and overdraft facilities of the Group. As of September 30, 2024, the obligations secured by letters of support amounted to €509 million (September 30, 2023: €531 million).

Share-based payment plans

Siemens Healthineers' employees continued to participate in existing share-based payment plans of the Siemens Group based on Siemens AG shares, mainly in the Jubilee Share program. For further details, please refer to ➔ ***Note 27 Share-based payment***. Siemens AG delivered the respective shares on behalf of Siemens Healthineers and was reimbursed by Siemens Healthineers.

Joint ventures and associates

In fiscal year 2024, Siemens Healthineers purchased goods and services from its joint ventures and associates in an amount of €48 million (2023: €55 million).

Benefit trusts

Information regarding the funding of post-employment benefit plans can be found in ➔ ***Note 21 Provisions for pensions and similar obligations.***

Related individuals

In fiscal year 2024, the members of the Managing Board received short-term employee benefits totaling €7.9 million (2023: €7.8 million). Service costs for post-employment benefits (Siemens Healthineers BSAV) amounted to €0.9 million (2023: €1.0 million). Expenses related to share-based payment amounted to €7.0 million (2023: €4.6 million). Thus, total compensation of the members of the Managing Board was €15.8 million (2023: €13.4 million).

Compensation attributable to members of the Supervisory Board comprised a base compensation and additional compensation for committee work, and amounted (including meeting fees) to €2.7 million in fiscal year 2024 (2023: €1.7 million). The increase is mainly due to the expansion of the supervisory board in the context of the simplification of the structure of the Siemens Healthineers Group and the establishment of a co-determined Supervisory Board at the level of Siemens Healthineers AG.

The total remuneration of the members of the Managing Board within the meaning of Section 314 para. 1 No. 6 of the German Commercial Code totaling to €16.9 million (2023: €14.9 million). In addition to the short-term employee benefits described above, this included in particular a fair value at grant date of share-based payment in the amount of €9.0million (2023: €7.1 million) for 304,462 stock awards (2023: 260,876). Former members of the Managing Board and their surviving dependents received emoluments totaling €25 thousand in fiscal year 2024 (2023: €26 thousand). As of September 30, 2024, the defined benefit obligation for pension commitments to former members of the Managing Board and their surviving dependents amounted to €1.9 million. (September 30, 2023: €1.6 million).

Information regarding the individual compensation of the members of the Managing Board and Supervisory Board of Siemens Healthineers AG is disclosed in the Compensation Report.

In fiscal years 2024 and 2023, no other major transactions took place between Siemens Healthineers and the members of the Managing Board and Supervisory Board. Some Managing Board and Supervisory Board members hold, or in the past year have held, positions of significant responsibility with other entities. Siemens Healthineers has relationships with many of these entities in the ordinary course of business.

Note 32 Principal accountant fees and services

PwC has been elected as auditor of Siemens Healthineers AG since fiscal year 2024. Fees related to professional services rendered by the principal accountant PwC (2023: EY) were:

(in millions of €)	Fiscal year 2024	Fiscal year 2023
Audit services	10.0	10.6
Other attestation services	0.4	0.2
Other services	0	-
Total principal accountant fees	**10.4**	**10.8**

In fiscal year 2024, 30% (2023: 30%) of the total fees were attributable for audit services to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Germany (2023: Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Germany). Based on the total fees, 57% (2023: 80%) were attributable to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Germany (2023: Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Germany) for other attestation services in fiscal year 2024. Audit services related primarily to services provided by PwC for auditing Siemens Healthineers' consolidated financial statements, for auditing financial statements of Siemens Healthineers AG and its subsidiaries, for reviews of interim financial statements being integrated into the audit, and for project-accompanying IT audits. Other attestation services mainly comprised the audit of the sustainability report, the audit of the content of the compensation report and audit-related attestation services in the context of tax compliance requirements.

Note 33 Corporate Governance

The Managing Board and the Supervisory Board of Siemens Healthineers AG provided the declaration required by Section 161 of the German Stock Corporation Act ("Aktiengesetz") as of September 30, 2024. The declaration is available on the Group's website at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance***.

Note 34 List of subsidiaries, joint ventures and associates pursuant to Section 313 para. 2 of the German Commercial Code

Sept 30, 2024	Equity interest in %
Subsidiaries	
Germany (21 companies)	
Acuson GmbH, Erlangen	100[5]
BEFUND24 GmbH, Erlangen	85
Dade Behring Grundstücks GmbH, Kemnath	94
Khnoton I GmbH, Munich	100[5]
Siemens Healthcare Diagnostics Products GmbH, Marburg	100[7]
Siemens Healthcare GmbH, Munich	100[7]
Siemens Healthineers Beteiligungen GmbH & Co. KG, Röttenbach	100[8]
Siemens Healthineers Beteiligungen Verwaltungs-GmbH, Röttenbach	100[5]
Siemens Healthineers Holding I GmbH, Munich	100[7]
Siemens Healthineers Holding III GmbH, Munich	100[7]
Siemens Healthineers Innovation GmbH & Co. KG, Röttenbach	100[8]
Siemens Healthineers Innovation Verwaltungs-GmbH, Röttenbach	100[5]
Siemens Real Estate GmbH & Co. KG, Kemnath	94[8]
Siemens Real Estate Management GmbH, Kemnath	100[5]
Varian Medical Systems Deutschland GmbH & Co. KG, Darmstadt	100[8 9]
Varian Medical Systems Haan GmbH, Haan	100[7]
Varian Medical Systems München GmbH, Munich	100[7]
Varian Medical Systems Particle Therapy GmbH & Co. KG, Troisdorf	100[8 9]
VMS Deutschland Holdings GmbH, Darmstadt	100[7]
Zeleni Holding GmbH, Kemnath	100
Zeleni Real Estate GmbH & Co. KG, Kemnath	100[8]
Europe (without Germany), C.I.S., Africa, Middle East (EMEA) (83 companies)	
Acuson France SAS, Courbevoie / France	100[5]
Acuson Italy S.r.l., Milan / Italy	100[5]
Acuson Middle East FZ LLC, Dubai / United Arab Emirates	100[5]
Acuson Österreich GmbH, Vienna / Austria	100[5]
Acuson Slovakia s. r. o., Bratislava / Slovakia	100[5]
Acuson United Kingdom Ltd., Camberley, Surrey / United Kingdom	100[5]
BLOCK IMAGING SAS, Weyersheim / France	100
CTSI (Mauritius), Ltd, Ebene / Mauritius	100
FAST TRACK DIAGNOSTICS LUXEMBOURG S.à r.l., Esch-sur-Alzette / Luxembourg	100
FTD Europe Ltd, Birkirkara / Malta	100
ITH icoserve technology for healthcare GmbH, Innsbruck / Austria	69
PETNET Solutions SAS, Lisses / France	100
Siemens Healthcare (Private) Limited, Lahore / Pakistan	100
Siemens Healthcare A/S, Ballerup / Denmark	100
Siemens Healthcare AB, Solna / Sweden	100
Siemens Healthcare AS, Oslo / Norway	100
Siemens Healthcare d.o.o. Beograd, Belgrade / Serbia	100
Siemens Healthcare d.o.o., Ljubljana / Slovenia	100
Siemens Healthcare d.o.o., Zagreb / Croatia	100
Siemens Healthcare Diagnostics GmbH, Vienna / Austria	100
Siemens Healthcare Diagnostics Ltd, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Diagnostics Manufacturing Limited, Swords, County Dublin / Ireland	100

Siemens Healthcare Diagnostics Manufacturing Ltd, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Diagnostics Products Ltd, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Employee Share Ownership Trust, Midrand / South Africa	0[3]
Siemens Healthcare EOOD, Sofia / Bulgaria	100
Siemens Healthcare FZ LLC, Dubai / United Arab Emirates	100
Siemens Healthcare Kft., Budapest / Hungary	100
Siemens Healthcare L.L.C., Dubai / United Arab Emirates	49[2]
Siemens Healthcare Limited Liability Company, Kiev / Ukraine	100
Siemens Healthcare Limited Liability Company, Moscow / Russian Federation	100
Siemens Healthcare Limited Liability Partnership, Almaty / Kazakhstan	100
Siemens Healthcare Limited, Camberley, Surrey / United Kingdom	100
Siemens Healthcare Limited, Riyadh / Saudi Arabia	51
Siemens Healthcare Logistics LLC, Cairo / Egypt	100
Siemens HealthCare Ltd., Rosh Ha'ayin / Israel	100
Siemens Healthcare Medical Solutions Limited, Swords, County Dublin / Ireland	100
Siemens Healthcare NV, Groot-Bijgaarden / Belgium	100
Siemens Healthcare Oy, Espoo / Finland	100
Siemens Healthcare Proprietary Limited, Halfway House / South Africa	90
Siemens Healthcare S.A.E., Cairo / Egypt	100
Siemens Healthcare S.r.l., Bucharest / Romania	100
Siemens Healthcare S.r.l., Milan / Italy	100
Siemens Healthcare s.r.o., Bratislava / Slovakia	100
Siemens Healthcare Saglik Anonim Sirketi, Istanbul / Türkiye	100
Siemens Healthcare SARL, Casablanca / Morocco	100
Siemens Healthcare SAS, Courbevoie / France	100
Siemens Healthcare Sp. z o.o., Warsaw / Poland	100
SIEMENS HEALTHCARE, S.L.U., Madrid / Spain	100
Siemens Healthcare, s.r.o., Prague / Czech Republic	100
SIEMENS HEALTHCARE, UNIPESSOAL, LDA, Amadora / Portugal	100
Siemens Healthineers Algeria E.U.R.L., Hydra / Algeria	100
Siemens Healthineers Diagnostics Ltd, Riyadh / Saudi Arabia	100
SIEMENS HEALTHINEERS HELLAS SINGLE MEMBER SOCIETE ANONYME, Marousi / Greece	100
Siemens Healthineers Holding I B.V., The Hague / Netherlands	100
Siemens Healthineers Holding III B.V., The Hague / Netherlands	100
Siemens Healthineers Holding IV B.V., The Hague / Netherlands	100
Siemens Healthineers Holding V B.V., The Hague / Netherlands	100
Siemens Healthineers International AG, Steinhausen / Switzerland	100
Siemens Healthineers Nederland B.V., The Hague / Netherlands	100
Siemens Healthineers Oncology Services Algeria E.U.R.L., Hydra / Algeria	100
Siemens Healthineers Regional Headquarter, Riyadh / Saudi Arabia	100
Siemens Medicina d.o.o., Sarajevo / Bosnia and Herzegovina	100
Steiermärkische Medizinarchiv GesmbH, Graz / Austria	52
V.O.S.S. Varinak Onkoloji Sistemleri Satis Ve Servis Anonim Sirketi, Istanbul / Türkiye	100
Varian Medical Systems (RUS) Limited Liability Company, Moscow / Russian Federation	100
Varian Medical Systems Arabia Commercial Limited, Riyadh / Saudi Arabia	75
Varian Medical Systems Belgium NV, Groot-Bijgaarden / Belgium	100
Varian Medical Systems Finland OY, Helsinki / Finland	100
Varian Medical Systems France SARL, Le Plessis-Robinson / France	100
Varian Medical Systems Gesellschaft mbH, Brunn am Gebirge / Austria	100
Varian Medical Systems Hungary Kft., Budapest / Hungary	100
Varian Medical Systems Iberica SL, Madrid / Spain	100
Varian Medical Systems Imaging Laboratory GmbH, Dättwil / Switzerland	100

Varian Medical Systems Italia S.p.A., Milan / Italy	100
Varian Medical Systems Mauritius Ltd., Ebene / Mauritius	100
Varian Medical Systems Nederland B.V., Houten / Netherlands	100
Varian Medical Systems Poland Sp. z o.o., Warsaw / Poland	100
Varian Medical Systems UK Holdings Limited, Ringwood, Hampshire / United Kingdom	100
Varian Medical Systems UK Limited, Crawley, West Sussex / United Kingdom	100
Varinak Bulgaria EOOD, Sofia / Bulgaria	100
Varinak Europe SRL (Romania), Pantelimon / Romania	100
VMS Kenya, Ltd, Nairobi / Kenya	100
Americas (52 companies)	
Acuson Brasil Ltda., Joinville / Brazil	100[5]
Acuson Holding LLC, Wilmington, DE / United States	100[5]
Acuson México, S. de R.L. de C.V., Mexico City / Mexico	100[5]
Acuson, LLC, Wilmington, DE / United States	100[5]
Alteriix, LLC, Wilmington, DE / United States	100
Associates in Medical Physics, LLC, Greenbelt, MD / United States	100
Block Imaging International, LLC, Wilmington, DE / United States	100
Block Imaging Parts & Service, LLC, Holt, MI / United States	100
Block Imaging Technical Excellence, LLC, Holt, MI / United States	100
Corindus, Inc., Wilmington, DE / United States	100
D3 Oncology Inc., Wilmington, DE / United States	100
Dade Behring Hong Kong Holdings Corporation, Tortola / British Virgin Islands	100
ECG Acquisition, Inc., Wilmington, DE / United States	100
ECG TopCo Holdings, LLC, Wilmington, DE / United States	83
EPOCAL INC., Toronto / Canada	100
Executive Consulting Group, LLC, Wilmington, DE / United States	100
Healthcare Technology Management, LLC, Wilmington, DE / United States	78
J. Restrepo Equiphos S.A.S, Bogotá / Colombia	100
Keystone Physics Limited, Millersville, PA / United States	100
Mansfield Insurance Company, Jeffersonville, VT / United States	100
Medical Physics Holdings, LLC, Dover, DE / United States	100
P.E.T.NET Houston, LLC, Austin, TX / United States	51
Page Mill Corporation, Boston, MA / United States	100
PETNET Indiana, LLC, Indianapolis, IN / United States	50[1]
PETNET Solutions Cleveland, LLC, Wilmington, DE / United States	63
PETNET Solutions, Inc., Knoxville, TN / United States	100
Radiation Management Associates, LLC, Greenbelt, MD / United States	100
Siemens Healthcare Diagnósticos Ltda., São Paulo / Brazil	100
Siemens Healthcare Diagnostics Inc., Los Angeles, CA / United States	100
Siemens Healthcare Diagnostics S.A., San José / Costa Rica	100
Siemens Healthcare Diagnostics, S. de R.L. de C.V., Mexico City / Mexico	100
Siemens Healthcare Equipos Médicos Sociedad por Acciones, Santiago de Chile / Chile	100
Siemens Healthcare Laboratory, LLC, Wilmington, DE / United States	100
Siemens Healthcare Limited, Oakville / Canada	100
Siemens Healthcare S.A., Buenos Aires / Argentina	100
Siemens Healthcare S.A.C., Surquillo / Peru	100
Siemens Healthcare S.A.S., Tenjo / Colombia	100
Siemens Healthcare, Sociedad Anonima, Antiguo Cuscatlán / El Salvador	100
Siemens Healthineers Holdings, LLC, Wilmington, DE / United States	100
Siemens Medical Solutions USA, Inc., Wilmington, DE / United States	100
Siemens S.A., Montevideo / Uruguay	100

Siemens-Healthcare Cia. Ltda., Quito / Ecuador	100
Varian BioSynergy, Inc., Wilmington, DE / United States	100
Varian Medical Systems Africa Holdings, Inc., Wilmington, DE / United States	100
Varian Medical Systems Brasil Ltda., Jundiaí / Brazil	100
Varian Medical Systems Canada, Inc., Ottawa / Canada	100
Varian Medical Systems India Private Limited, Wilmington, DE / United States	100
Varian Medical Systems International Holdings, Inc., Wilmington, DE / United States	100
Varian Medical Systems Latin America, Ltd., Wilmington, DE / United States	100
Varian Medical Systems Pacific, Inc., Wilmington, DE / United States	100
Varian Medical Systems Puerto Rico, LLC, Guaynabo / Puerto Rico	100
Varian Medical Systems, Inc., Wilmington, DE / United States	100
Asia, Australia (52 companies)	
Acrorad Co., Ltd., Okinawa / Japan	100
Acuson (Shanghai) Co., Ltd., Shanghai / China	100[5]
Acuson Japan K.K., Tokyo / Japan	100[5]
Acuson Korea Ltd., Seongnam-si / Korea	100[5]
Acuson Singapore Pte. Ltd., Singapore / Singapore	100[5]
American Institute of Pathology and Laboratory Sciences Private Limited, Hyderabad / India	100
Artmed Healthcare Private Limited, Hyderabad / India	100
Cancer Treatment Services Hyderabad Private Limited, Hyderabad / India	100
Fang Zhi Health Management Co., Ltd., Taipei / Taiwan	100
Hangzhou Alicon Pharm Sci & Tec Co., Ltd., Hangzhou / China	100
Hong Tai Health Management Co. Ltd., Taipei / Taiwan	100
New Century Technology Co. Ltd., Taipei / Taiwan	100
Nihon Block Imaging KK, Tokyo / Japan	100
PETNET Radiopharmaceutical Solutions Pvt. Ltd., Mumbai / India	100
PT Siemens Healthineers Indonesia, Jakarta / Indonesia	100
Scion Medical Limited, Hong Kong / Hong Kong	100
Scion Medical Technologies (Shanghai) Ltd., Shanghai / China	100
Siemens Healthcare Diagnostics K.K., Tokyo / Japan	100
Siemens Healthcare Diagnostics Manufacturing Ltd., Shanghai, Shanghai / China	100
Siemens Healthcare Inc., Manila / Philippines	100
Siemens Healthcare K.K., Tokyo / Japan	100
Siemens Healthcare Limited, Auckland / New Zealand	100
Siemens Healthcare Limited, Bangkok / Thailand	100
Siemens Healthcare Limited, Ho Chi Minh City / Viet Nam	100
Siemens Healthcare Limited, Hong Kong / Hong Kong	100
Siemens Healthcare Limited, Taipei / Taiwan	100
Siemens HealthCare Ltd., Dhaka / Bangladesh	100
Siemens Healthcare Private Limited, Mumbai / India	100
Siemens Healthcare Pte. Ltd., Singapore / Singapore	100
Siemens Healthcare Pty. Ltd., Hawthorn East / Australia	100
Siemens Healthcare Sdn. Bhd., Kuala Lumpur / Malaysia	100
Siemens Healthineers Diagnostics (Shanghai) Co., Ltd., Shanghai / China	100
Siemens Healthineers Digital Technology (Shanghai) Co., Ltd., Shanghai / China	100
Siemens Healthineers India LLP, Bangalore / India	100
SIEMENS HEALTHINEERS INDIA MANUFACTURING PRIVATE LIMITED, Mumbai / India	100[5]
Siemens Healthineers Ltd., Seoul / Korea	100
Siemens Healthineers Ltd., Shanghai / China	100
Siemens Shanghai Medical Equipment Ltd., Shanghai / China	100
Siemens Shenzhen Magnetic Resonance Ltd., Shenzhen / China	100

Siemens Technology Development Co., Ltd. of Beijing, Beijing / China	90
Siemens X-Ray Vacuum Technology Ltd., Wuxi, Wuxi / China	100
Varian Medical Systems Australasia Pty Ltd., Belrose / Australia	100
Varian Medical Systems China Co., Ltd., Beijing / China	100
Varian Medical Systems International (India) Private Limited, Mumbai / India	100
Varian Medical Systems K.K., Tokyo / Japan	100
Varian Medical Systems Korea, Inc., Seoul / Korea	100
Varian Medical Systems Malaysia Sdn Bhd, Kuala Lumpur / Malaysia	100
Varian Medical Systems Philippines, Inc., City of Pasig / Philippines	100
Varian Medical Systems Taiwan Co., Ltd., Taipei / Taiwan	100
Varian Medical Systems Trading (Beijing) Co., Ltd., Beijing / China	100
Varian Medical Systems Vietnam Co Ltd, Ho Chi Minh City / Viet Nam	100
Vertice Investment Limited, Hong Kong / Hong Kong	100
Associated companies and joint ventures	
Europe (without Germany), C.I.S., Africa, Middle East (EMEA) (3 companies)	
Impilo Consortium (Pty.) Ltd., La Lucia / South Africa	31
TRIXELL, Moirans / France	25
VARIAN MEDICAL SYSTEMS ALGERIA SPA, Hydra / Algeria	49[6]
Americas (1 company)	
PhSiTh LLC, New Castle, DE / United States	33
Asia, Australia (3 companies)	
Asiri A O I Cancer Centre (Private) Limited, Colombo / Sri Lanka	50[6]
Chengdu Wayin Zhiyun Medical Technology Co., Ltd., Chengdu / China	49[6]
Xi'An X-Ray Target Ltd., Xi'an / China	43[6]

Sept 30, 2024	Equity interest in %	Net income in millions of €	Equity in millions of €
Other investments			
Europe (without Germany), C.I.S., Africa, Middle East (EMEA) (1 company)			
Medical Systems S.p.A., Genoa / Italy[10]	45[4]	2	134
Americas (1 company)			
HistoSonics, Inc., Wilmington, DE / United States	7	n/a[11]	n/a[11]

[1] Control due to a majority of voting rights.
[2] Control due to rights to appoint, reassign or remove members of the key management personnel.
[3] Control due to contractual arrangements to determine the direction of the relevant activities.
[4] No significant influence due to contractual arrangements or legal circumstances.
[5] Not consolidated due to immateriality.
[6] Not accounted for using the equity method due to immateriality.
[7] Exemption pursuant to Section 264 para. 3 German Commercial Code.
[8] Exemption pursuant to Section 264 b German Commercial Code.
[9] A consolidated affiliated company of Siemens Healthineers AG is a shareholder with unlimited liability of this company.
[10] Values according to the latest available local GAAP financial statements; the underlying fiscal year may differ from the Siemens Healthineers fiscal year.
[11] n/a = No financial data available.

Munich, November 21, 2024

Siemens Healthineers AG
The Managing Board

Dr. Bernhard Montag

Darleen Caron

Dr. Jochen Schmitz

Elisabeth Staudinger-Leibrecht

C. Additional information

C.1 Responsibility statement

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

Munich, November 21, 2024

Siemens Healthineers AG
The Managing Board

Dr. Bernhard Montag

Darleen Caron

Dr. Jochen Schmitz

Elisabeth Staudinger-Leibrecht

C.2 Independent auditor's report

To Siemens Healthineers AG, Munich

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Siemens Healthineers AG, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at September 30, 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from October 1, 2023 to September 30, 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Siemens Healthineers AG, which is combined with the Company's management report, for the financial year from October 1, 2023 to September 30, 2024. In accordance with the German legal requirements, we have not audited the content of Sections ➔ ***A.6.4.1 Internal Control and Risk Management System*** and ➔ ***A.6.4.2 Compliance Management System*** in chapter ➔ ***A.6.4 Significant characteristics of the internal control and risk management system*** of the group management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at September 30, 2024, and of its financial performance for the financial year from October 1, 2023 to September 30, 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of Sections ➔ ***A.6.4.1 Internal Control and Risk Management System*** and ➔ ***A.6.4.2 Compliance Management System*** in chapter ➔ ***A.6.4 Significant characteristics of the internal control and risk management system*** of the group management report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities 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 Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 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 audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from October 1, 2023 to September 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

❶ Recoverability of goodwill

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ Recoverability of goodwill

① In the Company's consolidated financial statements goodwill amounting in total to EUR 17,662 million (97% of Group equity) is reported under the "Goodwill" balance sheet item.

Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the fair value less costs of disposal. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors affecting the business of the Group are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the Managing Board with respect to the future cash flows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. Taking into account the information available, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, were adequately covered by the discounted future cash flows.

Overall, the valuation parameters and assumptions used by the Managing Board are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures on goodwill are contained in note 11 "Goodwill" and in note 2 "Accounting policies" section in the notes to the consolidated financial statements.

Other Information

The Managing Board is responsible for the other information. The other information comprises the sections ➔ ***A.6.4.1 Internal Control and Risk Management System*** and ➔ ***A.6.4.2 Compliance Management System*** in chapter ➔ ***A.6.4 Significant characteristics of the internal control and risk management system*** of the group management report.

The other information comprises further:

- corporate governance statement pursuant to § 289f HGB and § 315d HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with 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 the Managing Board and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The Managing Board are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Managing Board are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Managing Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Managing Board is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Managing Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group 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 group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated 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 audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation, and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs 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 consolidated financial statements and this group 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 consolidated financial statements and of the group 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 audit 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 controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Managing Board and the reasonableness of estimates made by the Managing Board and related disclosures.
- Conclude on the appropriateness of the Managing Board’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 Group’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 consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit 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 Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides.
- Perform audit procedures on the prospective information presented by the Managing Board in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Managing Board 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 audit 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, actions taken to eliminate threats or safeguards applied.

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "siemenshealthineers-2024-09-30-0.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from October 01, 2023 to September 30, 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Managing Board and the Supervisory Board for the ESEF Documents

The Managing Board of the Company is responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the Managing Board of the Company is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on April 18, 2024. We were engaged by the supervisory board on April 18, 2024. We have been the group auditor of Siemens Healthineers AG, Munich, without interruption since the financial year 2024.

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

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Holger Lutz.

Munich, November 21, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Bernd Roese Wirtschaftsprüfer [German Public Auditor]	Holger Lutz Wirtschaftsprüfer [German Public Auditor]

C.3 Report of the Supervisory Board

Dear Shareholders,

Many companies faced great challenges in 2024 as a result of protracted crises. In Ukraine, but also in Russia people are suffering from the Russian war of aggression against Ukraine and its devastating consequences, while the situation in the Middle East remains extremely tense. At the same time, civil society in Western democracies is becoming increasingly divided, fueled by the nationalistic and anti-democratic groups. These geopolitical tensions are having an increasingly adverse effect on the investment behavior of companies and governments. Despite the difficult economic environment, however, Siemens Healthineers again achieved its ambitious goals in fiscal year 2024. At the same time, new business locations were established and existing locations expanded as planned.

At its German locations alone, the company has invested more than EUR 650 million over the past four years in infrastructure for production, research, development, and training infrastructure in the last four years. In Oxford, UK, the company is investing over EUR 290 million to build to build a new plant for the development and production of superconducting magnets, which will considerably reduce the need for helium in magnetic resonance imaging (MRI) scanners. A team from Siemens Healthineers and the University Hospital Erlangen was honored with the German Future Prize for the new MAGNETOM Free MRI platform in 2023. Among other things, the system is characterized by a 99.95 percent lower helium requirement, making MRI examinations possible even in places where this was previously not possible for infrastructural reasons.

The Siemens Healthineers corporate purpose – *We pioneer breakthroughs in healthcare. For everyone. Everywhere. Sustainably*. – is more relevant than ever, as the global need for medical care continues to grow. Rising life expectancy in many industrialized nations is fueling the demand for innovative, high-performance medical technology. At the same time, four billion people – around half the world's population – have no access to modern healthcare services. Meeting these challenges and preserving the foundations for the livelihood of future generations remains a crucial task for our company.

In fiscal year 2024, Siemens Healthineers continued to implement measures to reduce greenhouse gas emissions, to promote diversity and social responsibility within the company, and to significantly improve access to innovative products and solutions for underserved countries and communities (please refer to the Sustainability Report for details). One example is the partnership with the Rwandan Ministry of Health which includes equipping hospitals with modern medical technology and software as well as providing consulting services and training programs.

The company entered into further partnerships in 2024, including with the University of North Carolina in the United States, and Puerta de Hierro Hospital, in Mexico. Such partnerships with renowned healthcare institutions that serve millions of people in their regions underscore the trust and confidence placed in the performance and innovative strength of Siemens Healthineers. As a result, the company's visibility continued to increase, as evidenced by visits from high-ranking government officials such as the British Prime Minister and the German Federal Chancellor, as well as the participation of CEO Dr. Bernd Montag in the Chancellor's first delegation trip to Central Asia.

Fiscal 2024 saw the completion of a significant simplification in the corporate governance structure of the company: The corporate governance structure now corresponds with the standard structure in DAX 40 companies. To this end, all significant business activities of Siemens Healthcare GmbH were transferred to Siemens Healthineers AG. As a consequence, a Supervisory Board that meets the requirements of the German Co-Determination Act was established at the Siemens Healthineers AG level to oversee all business activities of Siemens Healthineers globally. With this, the employee representatives now also contribute their expertise to the Supervisory Board.

With yet another successful fiscal year in 2024, the company made a good start on the second half of its "New Ambition" phase. The transformation of the company's Diagnostics segment and the successful integration of Varian are particularly noteworthy. The acquisition of Advanced Accelerator Applications (AAA), a business division of Novartis AG, announced recently, enhances the theranostics portfolio of Siemens Healthineers. Theranostics refers to closely connecting diagnostics and therapy, such as by using radiopharmaceutical agents to precisely detect and combat certain types of cancer.

On behalf of the Supervisory Board, I wish to thank all employees for the very good results of the past fiscal year. The Healthineers team has again proved their commitment to the health and well-being of their fellow humans, beyond day-to-day business. In the face of the earthquake in Afghanistan, the flooding in Brazil, and the war in Ukraine and the Middle East, the team immediately set up relief and fund-raising campaigns. The company and its employees together raised around EUR 9 million in donations in fiscal year 2024.

I also want to especially thank the Managing Board of Siemens Healthineers, which once again as a team has successfully led the company through these challenging times.

It has always been and remains a great joy for me to serve as Chair of the Supervisory Board of Siemens Healthineers AG.

Cooperation of the Supervisory Board and the Managing Board

The Supervisory Board continuously supervised the work of the Managing Board and advised it in all matters of importance for the company. Audit measures of the kind set forth in Section 111 para. 2 sentence 1 of the German Stock Corporation Act were not required at any time.

The Managing Board promptly and directly consulted the Supervisory Board on all important business events and decisions of fundamental importance to the company. The Managing Board's reports were discussed in detail in the meetings of the Supervisory Board. The Managing Board completely fulfilled its reporting obligations to the Supervisory Board by means of both oral and written communications. In all respects, the cooperation with the Managing Board was characterized by purposeful, responsible action to promote the successful development of Siemens Healthineers.

Between meetings, the Chair of the Supervisory Board remained in regular contact with the Chair of the Managing Board, and the Managing Board promptly provided extensive information to the Supervisory Board concerning all important events in the Group. In preparation for the Supervisory Board meetings, the shareholder representatives and employee representatives held separate preliminary talks on a regular basis.

Focal points of deliberations in the full Supervisory Board

The Supervisory Board held six regular meetings in fiscal year 2024. In addition, it held a constituent meeting of the newly established Supervisory Board immediately after the Annual Shareholders' Meeting 2024 on April 18, 2024, without the participation of the Managing Board. Regular topics of discussion in the full Supervisory Board included the company's net assets, financial position, and results of operations, the strategic progress made by the company, sustainability-related topics, personnel matters of the Managing Board, long-term succession planning, and developments in the company's workforce. In addition, the project to simplify the corporate structure of the Siemens Healthineers Group and establish a co-determined Supervisory Board at the level of Siemens Healthineers AG was an important topic of discussion in the first half of the fiscal year. Furthermore, in each meeting of the full Supervisory Board following the meetings of the committees, the respective chairs of the committees reported on the work of the committees. In all its regular meetings, the Supervisory Board also held closed sessions without the Managing Board on agenda items that related directly to the Managing Board itself or concerned internal matters of the Supervisory Board.

At our meeting on November 7, 2023, we discussed the key financial data for the fourth fiscal quarter and fiscal year 2023 and dealt with the finalized budget for fiscal year 2024 and the company's long-term succession planning. We further discussed the project to simplify the corporate structure of the Siemens Healthineers Group and establish a co-determined Supervisory Board at the level of Siemens Healthineers AG, as well as the specific consequences resulting from this for the Annual Shareholders' Meeting 2024. On the basis of the target achievement for the 2020 tranche of the long-term variable compensation system, we specified the number of shares to be transferred to the relevant Managing Board members, authorized their transfer and set the targets for the new 2024 tranche. We specified the amounts of short-term variable compensation to be disbursed to the Managing Board members for fiscal year 2023 on the basis of the calculated and specified target achievement levels. Furthermore, we set the targets for the Managing Board's one-year variable compensation for fiscal year 2024 and delegated the decision on a time extension of the build-up phase of a shareholding of a Managing Board member due to special circumstances to the Compensation Committee, subject to a corresponding request by the Managing Board member.

At our meeting on November 24, 2023, we dealt with the financial statements and the combined management report for Siemens Healthineers AG and the Group as of September 30, 2023; the Report on relationships with affiliated companies as of September 30, 2023 pursuant to Section 312 German Stock Corporation Act; the Annual Report 2023, including the Report of the Supervisory Board and the Corporate Governance Statement; and the Compensation Report. Building on the information presented on September 26, 2023, the Managing Board provided more detailed explanations of the company's strategy. Other topics discussed at this meeting were the project to simplify the corporate structure of the Siemens Healthineers Group and establish a co-determined Supervisory Board, the proposals for the election of shareholder representatives to the Supervisory Board by the Annual Shareholders' Meeting 2024, the proposal, based on the recommendation of the Audit Committee, to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as new auditors and Group auditors for the 2024 financial year, the further agenda items of the agenda for the Annual Shareholders' Meeting on April 18, 2024, the Sustainability Report 2023 and the company's pension plan.

At the meeting on January 31, 2024, the Managing Board reported on the company's net assets, financial position, and results of operations after the close of the first fiscal quarter. We also discussed the sustainability-related activities of Siemens Healthineers and received further updates on the Annual Shareholders' Meeting and the plan to simplify the corporate structure of the Siemens Healthineers Group and establish a co-determined Supervisory Board at the level of Siemens Healthineers AG.

Due to the establishment of a co-determined Supervisory Board and the ensuing judicial appointment of eight Supervisory Board members representing the company's employees, as well as the corresponding election of eight new Supervisory Board members representing the shareholders by the Annual Shareholders' Meeting 2024, a constituent meeting of the new, co-determined Supervisory Board was held immediately after the Annual Shareholders' Meeting on April 18, 2024. At this constituent meeting, it was resolved to amend the bylaws of the Supervisory Board to reflect the new co-determination status and the enlargement of the Supervisory Board to initially 16 members. Prof. Dr. Ralf P. Thomas was re-elected as the Chair of the Supervisory Board; Dorothea Simon was elected as the Deputy Chair of the Supervisory Board, and Karl-Heinz Streibich was elected as a further Deputy Chair. The Supervisory Board also established the Mediation Committee and elected the members and chairs of the committees where the chairs were not already dictated by law or the bylaws. In addition, the Supervisory Board appointed Darleen Caron as the company's Labor Director pursuant to Section 33 of the German Co-Determination Act until September 30, 2027.

The Supervisory Board meeting on May 3, 2024, was held in Kemnath. On a tour of the plant, we gained insights into the Technology Center for Mechatronic Products and the innovative production of the components manufactured there. The Managing Board reported on the company's net assets, financial position, and results of operations after the close of the second fiscal quarter and presented various focus topics for the company in the areas of digitalization, data, and artificial intelligence (AI). We discussed the capital market's valuation of the company and the project (since completed) to simplify the corporate structure of the Siemens Healthineers Group and establish a co-determined Supervisory Board at the level of Siemens Healthineers AG. On account of the amendment of the Articles of Association to enlarge the Supervisory Board to 20 members, as likewise approved by the Annual Shareholders' Meeting, as well as the election of two additional Supervisory Board members representing the shareholders and the judicial appointment of two additional Supervisory Board members representing the employees, which took effect after the entry of the amendment of the Articles of Association in the Commercial Register, the Supervisory Board's bylaws were amended again with regard to an enlargement of the Audit Committee and the Strategy, Innovation and Sustainability Committee, and the additional members were elected to the committees. We also repeated the additional resolutions adopted on April 18, 2024, in a confirmatory manner, in order to document the approval of the four new Supervisory Board members. Other topics dealt with at this meeting were the engagement of the independent auditor for the formal and substantive audit of the Compensation Report and the re-appointment and contract extension of Elisabeth Staudinger.

At the meeting on July 30, 2024, the Managing Board reported on the company's net assets, financial position, and results of operations after the close of the third fiscal quarter. We also discussed the proposals developed by the Compensation Committee and Chairperson's Committee for changes to the compensation system for the Managing Board and the related adjustments of the "sample service agreement for Managing Board Members", as well as certain plan rules and annexes to the agreement. The meeting was particularly devoted to the presentation and discussion of possible company growth paths, including the necessary framework conditions, and an update on our Ultrasound business.

The meeting on September 30, 2024, centered on the budget for 2025 and the strategic focus of the company and its individual businesses. Various aspects of corporate governance were discussed, including the latest Declaration of Conformity with the GCGC pursuant to Section 161 German Stock Corporation Act. We also adopted resolutions on the compensation packages of the Managing Board members and amendments to the compensation system for the Managing Board, and, related thereto, on the adjustment of the "sample service contract for Managing Board members" as well as various plan rules, other annexes and, as a result, the Managing Board members' service contracts. At the close of the meeting, the Supervisory Board members were treated to a tour and presentation of the company's clinical innovations at the Experience Center in Forchheim.

Training and professional development

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfill their duties. They stay informed about the latest requirements for their supervisory duties and are appropriately supported by the company in these efforts. In this context, the company continually considers the question of which issues of fundamental importance or current interest should be studied and offers informational events to the Supervisory Board members as needed, with ample opportunities for questions and discussions. The purpose of these events is to give the Supervisory Board members a better understanding of the company's business, including strategy and structures. The documents and recordings of the internal informational events held for Supervisory Board members since fiscal year 2022 are permanently retained and are also available for the new members elected and appointed to the Supervisory Board in connection with the establishment of the co-determined Supervisory Board.

After the extensive informational events in the preceding fiscal years, the customary concept of informational events was suspended in the reporting period in favor of a comprehensive onboarding program for the new members of the Supervisory Board. The onboarding sessions held on three different dates and sometimes lasting a full day, gave the new members an overview of relevant topics for the company and provided an opportunity for the participants to speak directly with the members of the Managing Board and the heads of the management levels below. In addition to a general overview of Siemens Healthineers, the events included in-depth information sessions on the company's regions, business areas and business horizontals, as well as information about stock corporation and co-determination law, the German Corporate Governance Code, capital markets law, compliance, the governance framework, accounting and controlling, the risk management and internal control system, and the company's sustainability strategy. In addition, an information event was held for the employee representatives on the Remuneration Committee on the topics to be discussed regarding the remuneration of the Management Board.

The new members also visited the production facility of the segment Advanced Therapies and the Customer Experience Center in Forchheim. At these visits, along with the tour of the innovative production facility at the Technology Center for Mechatronic Products in Kemnath as part of the meeting held on May 2/3, 2024 and the presentation of clinical innovations at the Experience Center in Forchheim as part of the meeting on September 30, 2024, the Supervisory Board members were given a practical introduction to the various business units and innovative manufacturing methods and product enhancements of Siemens Healthineers. These practical insights into the company's business are to be continued in the coming year, as are the internal information events already mentioned.

Work in the Supervisory Board committees

In order to perform our duties efficiently, we have established various committees which prepare proposals for resolutions and issues to be dealt with at the Supervisory Board's plenary meetings. The Supervisory Board's decision-making powers have been transferred to the committees to the legally permissible extent. Until April 18, 2024, the Supervisory Board had six committees (Chairperson's Committee, Audit Committee, Strategy, Innovation and Sustainability Committee, Compensation Committee, Nomination Committee, and Related-Party Transactions Committee). To fulfill the legal requirements for co-determined supervisory boards, a Mediation Committee was additionally established in the constitutive meeting of the Supervisory Board following the Annual Shareholders' Meeting 2024. The tasks and members of the Committees are presented in detail in ➔ ***C.4.4.2 Composition and working methods of the Supervisory Board*** of the Annual Report 2024.

The ***Chairperson's Committee*** held nine meetings in the reporting period (three of which were extraordinary meetings). Between meetings, the Chair of the Supervisory Board discussed topics of major importance with the members of the Chairperson's Committee. The Chairperson's Committee prepared the Supervisory Board elections for the Annual Shareholders' Meeting 2024 and the required steps to establish the co-determined Supervisory Board in its temporary size of 16 members and its final size of 20 members. These steps particularly included the necessary changes to the bylaws to adapt to the new co-determination status and the enlarged Supervisory Board, including the determination of committee sizes, and as of April 18, 2024, the composition of the committees. The Chairperson's Committee was given status reports on the capital market's perspective and dealt with corporate governance topics such as the profile of skills and expertise and the diversity concept of the Supervisory Board and its implementation; the profile of skills and expertise and the diversity concept of the Managing Board; the Declaration of Conformity; and the Report of the Supervisory Board. Another focal point of the Chairperson's Committee's work in the first half of fiscal year 2024 was the project to simplify the corporate structure of the Siemens Healthineers Group and establish a Supervisory Board meeting the requirements of the German Co-Determination Act, as well as current legislative plans that could potentially affect the project. The reappointment of Elisabeth Staudinger and the extension of her Managing Board service agreement as well as the long-term succession planning for the Managing Board were also on the agenda. In connection with the adjustment of the compensation system for the Managing Board, the Chairperson's Committee dealt with the revisions of the "sample service agreement for Managing Board members", the plan rules, further annexes, and, as a result, with the Managing Board members' service contracts.

The ***Compensation Committee*** held six regular meetings in the reporting period. It developed resolution proposals for the Supervisory Board regarding changes to the Managing Board compensation system and Managing Board compensation and assessed the fulfillment of the shareholding requirements for Managing Board members. Exercising the authorization granted to it by the full Supervisory Board and upon request by the relevant Managing Board member, it resolved to postpone by two years the first-time assessment of the fulfillment of the share ownership obligation of that Managing Board member. The Compensation Committee also assessed the target achievement by the Managing Board, set the medium- and long-term targets for the variable Managing Board compensation, reviewed the Compensation Report, and engaged the independent auditor to conduct the formal and substantive review of the Compensation Report.

The ***Audit Committee*** held five regular meetings in the reporting period. Together with the Managing Board and the independent auditor, the Audit Committee discussed the annual financial statements, the consolidated financial statements and the combined management report for Siemens Healthineers AG and the Group for fiscal year 2023, the half-year financial report, and the quarterly reports for fiscal year 2024. In the presence of the independent auditor, the Audit Committee discussed the audit reports on the annual financial statements, the consolidated financial statements, and the combined management report, and the report on the auditor's review of the Group's half-year consolidated financial statements and the interim Group management report. On the basis of a selection procedure carried out in accordance with the EU Audit Regulation, it recommended to the Supervisory Board that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be proposed to the Annual Shareholders' Meeting as new auditor and Group auditor for fiscal year 2024. The committee engaged the independent auditor to audit the separate and consolidated financial statements for fiscal year 2024 and to review the interim financial statements and financial information. It also specified the key audit matters and set the auditor's fee.

The Audit Committee monitored the selection, independence, qualification, and efficiency of the independent auditor. In this context, it also evaluated the quality of the audit of the financial statements. The committee also dealt with the company's accounting and accounting process, the suitability and effectiveness of the risk management and internal control system, and the effectiveness, resources, findings, and audit plan for the internal audit, as well as reports on compliance, regulatory compliance, and potential and pending legal disputes.

The Audit Committee obtained information not only from the Managing Board, but also directly from the persons responsible for legal and compliance, accounting and controlling, quality, taxes, internal audit and the internal control and risk management system. Through the Chair of the Audit Committee, every member of the Committee is entitled to request information directly from the heads of the corporate functions responsible for the financial reporting process, the internal control system, the risk management system, the internal audit system, and the audit of financial statements. Through its Chair, the Audit Committee is in regular communication with the independent auditor, including between meetings. The Audit Committee also met regularly without the presence of the Managing Board and/or the independent auditor.

The ***Strategy, Innovation and Sustainability Committee*** held four regular meetings in the reporting period. It focused primarily on the company's innovation, sustainability, and digitalization strategy. In addition to reviewing quarterly reports on sustainability-related developments within the company and on the progress made in implementing the strategy in the individual business areas, the Committee also discussed focus topics of particular, current interest. In the past fiscal year, these topics included the Varian and Diagnostics segments; the most important fields of innovation, including megatrends and particular technological developments; and the customer service business. Another item of business handled in the meetings was the approval of a planned investment falling within the scope of the Committee's responsibilities. At the meeting held on May 2, 2024, the Committee members were treated to a hands-on tour of the Technology Center in Kemnath, where they were given the chance to experience three selected, innovative products themselves.

The ***Nomination Committee*** held four meetings (two of which were extraordinary meetings) in the first half of the reporting period. The meetings dealt with the new elections for the Supervisory Board members representing the shareholders at the Annual Shareholders' Meeting 2024, and until April 17, 2024 with the composition of the committees.

The ***Related-Party Transactions Committee*** did not meet in the reporting period.

There was no need for a meeting of the ***Mediation Committee***, which was newly established on April 18, 2024.

Disclosure of the individual Supervisory Board members' attendance rates

The regular meetings of the Supervisory Board and its committees were held in person, with virtual attendance being possible in individual cases. The extraordinary meetings of the Chairperson's Committee on October 13, 2023, March 22, 2024, and April 17, 2024, as well as the Nomination Committee meetings on March 22, 2024, and April 17, 2024, were held as virtual meetings by video conference.

The overall participation rate of all members in meetings of the Supervisory Board and its committees in the past fiscal year was 97%. The attendance records of the individual members of the Supervisory Board and its committees are disclosed below.

	Supervisory Board (plenary meetings)		Chairperson's Committee		Compensation Committee		Audit Committee		Strategy, Innovation and Sustainability Committee		Nomination Committee		Related-Party Transactions Committee	
(Number of meetings/participation in %)	No.	in %	No.	in %	No.	in %	No.	in %	No.	in %	No.	in %	No.	in %
Prof. Dr. Ralf P. Thomas Chair	7/7	100	9/9	100	6/6	100	5/5	100	4/4	100	4/4	100		
Dorothea Simon[1] (Deputy Chair, since April 18, 2024)	4/4	100	3/3	100	3/3	100			2/2	100				
Karl-Heinz Streibich (Further Deputy Chair)	7/7	100	6/6	100	3/3	100			2/2	100				
Vanessa Barth[1] (since April 18, 2024)	4/4	100					2/2	100						
Veronika Bienert	6/6	100					4/4	100						
Harry Blunk[1] (since April 18, 2024)	4/4	100			3/3	100			1/1	100				
Stephan Büttner[1] (since April 18, 2024)	4/4	100					1/1	100						
Dr. Roland Busch	7/7	100							4/4	100	2/4	50		
Lars-Christian Dinglinger[1] (since April 24, 2024)	3/3	100												
Dr. Andrea Fehrmann[1] (since April 18, 2024)	4/4	100	3/3	100	3/3	100			2/2	100				
Nick Heindl[1] (since August 1, 2024)	1/1	100												
Dr. Marion Helmes	7/7	100					5/5	100						
Dr. Peter Körte	6/6	100	5/6	83					2/2	100				
Sarena Lin	7/7	100			6/6	100								
Axel Patze[1] (since April 18, 2024)	4/4	100												
Astrid Ploß[1] (since April 18, 2024)	4/4	100												
Jens Prietzel[1] (since April 24, 2024, until July 31, 2024)	2/2	100												
Peer M. Schatz	7/7	100			6/6	100			3/3	100	4/4	100		
Dr. Nathalie von Siemens	7/7	100	6/6	100										
Harald Tretter[1] (since April 18, 2024)	4/4	100					2/2	100	2/2	100				
Dow R. Wilson	6/7	86							4/4	100	4/4	100		
		99		**97**		**100**		**100**		**100**		**88**		

[1] Employee representative.

Corporate Governance

We monitor the application and further development of the corporate governance guidelines on a regular basis. Detailed information on corporate governance at Siemens Healthineers, including the composition of the Supervisory Board, is provided in the Corporate Governance Statement ➔ ***C.4 Corporate Governance Statement*** of the Annual Report 2024.

The Declaration of Conformity with the GCGC adopted on September 30, 2024 has been made permanently available to shareholders on the company's website. It is also reproduced in ➔ ***C.4.1 Declaration of conformity with the German Corporate Governance Code*** of the Annual Report 2024.

The members of the Supervisory Board of Siemens Healthineers AG are required to immediately disclose to the Chair of the Supervisory Board any conflicts of interest, particularly those that could arise from performing an advisory or governing body role for customers, suppliers, lenders, or other third parties or major competitors. No such disclosures were made in the past fiscal year.

Every year, prior to the Annual Shareholders’ Meeting, the Chair of the Supervisory Board holds talks with investors and the corporate governance experts at investment firms on Supervisory Board-specific topics. In the past fiscal year, these talks dealt with topics such as the upcoming Annual Shareholders’ Meeting, the project to simplify the corporate structure of the Siemens Healthineers Group and establish a co-determined Supervisory Board at the level of Siemens Healthineers AG, the change of the independent auditor, the profile of skills and expertise and diversity concept of the Supervisory Board and their status of implementation (qualification matrix), as well as the importance of sustainability in the context of the Supervisory Board’s work.

Detailed discussion of the audit of the annual and consolidated financial statements

The independent auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (Frankfurt, Germany), audited the annual financial statements of Siemens Healthineers AG, the consolidated financial statements of Siemens Healthineers, and the combined management report for Siemens Healthineers AG and the Group for fiscal year 2024 and issued an unqualified opinion. The annual financial statements of Siemens Healthineers AG and the combined management report for Siemens Healthineers AG and the Group were prepared in accordance with the requirements of German law. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), as well as with the additional requirements set forth in Section 315e para. 1 of the German Commercial Code (”Handelsgesetzbuch“). The auditor conducted its audit in accordance with Section 317 German Commercial Code, the EU Audit Regulation, and the German generally accepted standards for the auditing of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standards on Auditing (ISA). The aforementioned documents, as well as the Managing Board’s proposal for the appropriation of net income, were submitted to us in advance by the Managing Board. The Audit Committee discussed the dividend proposal in detail at its meeting on November 4, 2024. It discussed the annual financial statements, the consolidated financial statements, and the combined management report in detail at its meeting on November 25, 2024. In this context, the Audit Committee concerned itself particularly with the key audit matters described in the independent auditor’s’ report, including the audit procedures implemented.

The auditor’s reports were presented to the members of the full Supervisory Board and were comprehensively discussed in the presence of the independent auditor at the Supervisory Board meeting on November 25, 2024. The independent auditor reported on the scope, focal points, and main findings of their audit, particularly addressing the key audit matters and audit procedures implemented. No major weaknesses in the risk management and internal control system were reported. At the same meeting, the Managing Board explained the financial statements of Siemens Healthineers AG and the Group, as well as the risk management system. Another topic addressed at this meeting was the evaluation of the quality of the audit of the financial statements. The Audit Committee performed an evaluation on the basis of previously determined audit quality indicators.

The Supervisory Board concurs with the results of the audit. Based on the definitive results of the Audit Committee’s preliminary examination and our own examination, we have no objections to raise. The Managing Board prepared the annual financial statements and consolidated financial statements. We approved the annual financial statements and consolidated financial statements. In view of our approval, the annual financial statements of Siemens Healthineers AG are adopted as submitted. The Managing Board has proposed that the net income available for distribution be used to pay out a dividend of €0.95 per share entitled to a dividend and that the amount of net income attributable to shares of stock not entitled to receive a dividend for the past fiscal year be carried forward to new account. We have endorsed this proposal.

The Compensation Report was audited separately by the auditor. Besides the legally required formal audit pursuant to Section 162 paras. 1 and 2 German Stock Corporation Act, the contents of the Compensation Report were also audited. The auditor was engaged to perform these tasks in the context of the meetings held on May 2 and 3, 2024.

Details on the compensation report can be found on the company’s website at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance***.

Review of the Managing Board's Report on relationships with affiliated companies

As of the end of the fiscal year, Siemens AG both directly and indirectly held just over 75% of the issued capital of Siemens Healthineers AG. Siemens Healthineers AG is included as a fully consolidated subsidiary in the consolidated financial statements of Siemens AG.

For that reason, the Managing Board of Siemens Healthineers AG prepared a Report on relationships with affiliated companies (Dependent Companies Report) for fiscal year 2024 in accordance with Section 312 German Stock Corporation Act and submitted it in due time to the Supervisory Board. The Report on relationships with affiliated Companies was audited by the independent auditor. As no objections were raised to the final results of the audit, the independent auditor issued the following audit opinion pursuant to Section 313 para. 3 German Stock Corporation Act: "Based on our audit and assessment, which were carried out in accordance with professional standards, we confirm that (1) the factual statements made in the report are correct, (2) the payments made by the company in connection with legal transactions detailed in the report were not unreasonably high, (3) there are no circumstances that would require a materially different assessment of the measures listed in the report than that provided by the Managing Board."

The Report on relationships with affiliated companies and the independent auditor's audit report were submitted to the Audit Committee and the Supervisory Board and reviewed by them. The review led to no objections. On the basis of the definitive results of the preliminary review by the Audit Committee and of our own review, the Supervisory Board has no objections to the Managing Board's Declaration on relationships with affiliated companies pursuant to Section 312 para. 3 sentence 1 German Stock Corporation Act. The Supervisory Board concurs with the results of the independent auditor's audit of the Report on relationships with affiliated companies.

Changes in the composition of the Supervisory Board and Managing Board

The following changes occurred in the reporting period:

Supervisory Board

Upon the close of the Annual Shareholders' Meeting on April 18, 2024, a co-determined Supervisory Board with initially 16 members was established. With the amendment of the Articles of Association to enlarge the Supervisory Board to 20 members, which was resolved by the Annual Shareholders' Meeting and took effect upon being entered in the Commercial Register, two additional members representing the shareholders and two additional members representing the employees were added to the Supervisory Board. These four additional members had been conditionally elected by the Annual Shareholders' Meeting and conditionally appointed by the court.

The Annual Shareholders' Meeting held on April 18, 2024, re-elected the previously serving ten Supervisory Board members. Prof. Dr. Ralf P. Thomas, Dr. Roland Busch, Sarena Lin, Peer M. Schatz, Dr. Nathalie von Siemens, and Dow R. Wilson were re-elected for terms of five years each; Karl-Heinz Streibich and Dr. Marion Helmes were elected for terms of three years each. The re-elections of Veronika Bienert and Dr. Peter Körte, which took effect upon the entry in the Commercial Register of the amendment of the Articles of Association enlarging the Supervisory Board, are also for terms of three years each. Accordingly, the terms of office of all Supervisory Board members will end at the close of the Annual Shareholders' Meeting in the years 2027 (for those re-elected for terms of three years) and 2029 (for those re-elected for terms of five years). The staggered terms of office of Supervisory Board members are meant to strengthen the Supervisory Board and ensure its continuity.

Dorothea Simon, Vanessa Barth, Harry Blunk, Stephan Büttner, Dr. Andrea Fehrmann, Axel Patze, Astrid Ploß, and Harald Tretter were judicially appointed as Supervisory Board members representing the employees with effect as of April 18, 2024. The judicial appointments of Lars Dinglinger and Jens Prietzel took effect upon the entry of the amendment of the Articles of Association enlarging the Supervisory Board in the Commercial Register on April 24, 2024.

Jens Prietzel resigned from his Supervisory Board position with effect as of July 31, 2024. We thanked him for his constructive cooperation and his contribution to the company's success. Nick Heindl was appointed as his successor effective August 1, 2024.

The terms of office of all current Supervisory Board members and the expiration dates of the terms of office of the shareholder representatives are set out in the qualification matrix in Chapter ➔ ***C.4.7 Profile of skills and expertise and diversity concept; further requirements for the composition of the Supervisory Board*** of the Annual Report 2024.

Managing Board

There were no changes in the composition of the Managing Board in the past fiscal year. At the Supervisory Board meeting on May 3, 2024, Elisabeth Staudinger was re-appointed as a member of the Managing Board of Siemens Healthineers AG for a further term of office lasting until September 30, 2029, with effect as of October 1, 2024, and her Managing Board service contract was extended accordingly.

On behalf of the Supervisory Board, I wish to thank all employees of Siemens Healthineers for their extraordinary dedication in the past fiscal year, which was marked by a difficult economic and geopolitical situation. I also want to express my gratitude to the members of the Managing Board, who successfully led the company through another demanding year. And I would especially like to thank you, our shareholders, for the trust you have placed in our company and its management, employees, and technologies over the past fiscal year.

Munich, November 25, 2024

For the Supervisory Board

Prof. Dr. Ralf P. Thomas
Chair

C.4 Corporate Governance Statement in accordance with § 289f and § 315d HGB

In this Corporate Governance Statement pursuant to Sections 289f, 315d of the German Commercial Code (*Handelsgesetzbuch*, "HGB") and according to Principle 23 of the German Corporate Governance Code (the "Code" or "GCGC"), the Managing Board and the Supervisory Board report on the corporate governance of the company and the Group in the fiscal year from October 1, 2023 to September 30, 2024. There are no overriding statutory regulations stating that the recommendations or suggestions of the GCGC were not applicable to Siemens Healthineers AG.

Further information on the subject of corporate governance – including the bylaws for the Managing Board, the bylaws for the Supervisory Board and the Corporate Governance Statements from prior fiscal years – can be found on our website at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance***.

C.4.1 Declaration of conformity with the German Corporate Governance Code

Declaration of Conformity with the German Corporate Governance Code by the Managing Board and the Supervisory Board of Siemens Healthineers AG in accordance with Section 161 of the German Stock Corporation Act

Since the issuance of the last Declaration of Conformity dated September 30, 2023, Siemens Healthineers AG ("the Company") has fully complied with the recommendations of the German Corporate Governance Code as amended on April 28, 2022 (valid from June 27, 2022, "GCGC 2022"). In addition, the Managing Board and Supervisory Board declare that the Company will continue to comply with all recommendations of the GCGC in the future.

Munich, September 30, 2024
Siemens Healthineers AG

C.4.2 Information on corporate management practices

Suggestions of the German Corporate Governance Code

In addition to recommendations, the GCGC also makes suggestions for the good and responsible management and supervision of an enterprise. Siemens Healthineers AG has complied with all the suggestions of the GCGC since September 30, 2023.

Business Conduct Guidelines

Further corporate governance practices applied beyond the legal requirements are described in the company's Business Conduct Guidelines, which are publicly available at ➔ ***www.siemens-healthineers.com/company/compliance***.

The Business Conduct Guidelines establish the ethical and legal framework governing the company's activities. They define the fundamental principles and rules for the conduct of all Siemens Healthineers employees within the company and in relation to our external partners and the public and are an expression of our corporate purpose *We pioneer breakthroughs in healthcare. For everyone. Everywhere. Sustainably.*

C.4.3 Compensation report/compensation system

The Compensation Report and the independent auditor's report pursuant to Section 162 para. 3 of the German Stock Corporation Act (*Aktiengesetz*, "AktG"), the compensation system for the members of the Managing Board pursuant to Section 87a para. 1 and 2 sentence 1 of the German Stock Corporation Act, and the resolution of the Annual Shareholders' Meeting on the compensation of the members of the Supervisory Board pursuant to Section 113 para. 3 of the German Stock Corporation Act are publicly available at ➔ ***www.siemens-healthineers.com/investor-relations/presentations-financial-publications***.

C.4.4 Description of the working methods of the Managing Board and the Supervisory Board and the composition and working methods of their committees

Siemens Healthineers AG is subject to the regulations of German stock corporation law. It therefore has a two-tier board structure, with a Managing Board and a Supervisory Board that are separate in terms of both personnel and functions. Both governing bodies cooperate closely in the best interest of the company.

The tasks, authorities, and requirements applicable to the working methods and composition of the Managing Board and the Supervisory Board are primarily derived from the German Stock Corporation Act and the Articles of Association of Siemens Healthineers AG, as well as the bylaws of the two bodies. The Articles of Association of Siemens Healthineers AG, the bylaws for the Managing Board and the bylaws for the Supervisory Board are available on our website at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance/bylaws***. The German Corporate Governance Code also contains principles, recommendations and suggestions for the Managing Board and the Supervisory Board that are meant to ensure that the company is managed in its own best interest.

C.4.4.1 Composition and working methods of the Managing Board

The Managing Board was composed of the following members in fiscal year 2024:

				Memberships in supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises	
Name	**Year of birth**	**First appointed**	**Term expires**	**External positions (as of September 30, 2024)**	**Group company positions (as of September 30, 2024)**
Dr. Bernhard Montag Chief Executive Officer	1969	2018	2026	None	None
Darleen Caron Chief Human Resources Officer	1964	2021	2027	None	None
Dr. Jochen Schmitz Chief Financial Officer	1966	2018	2026	**German positions:** • Universitätsklinikum Augsburg	None
Elisabeth Staudinger-Leibrecht Member of the Managing Board	1970	2021	2029	**Positions outside Germany:** • Siemens Ltd., China	**Positions outside Germany:** • Siemens Healthineers Ltd., China

Information on the areas of responsibility and the curricula vitae of Managing Board members are available on the company's website at ➔ ***www.siemens-healthineers.com/company/management.***

As the company's top management body, the Managing Board is committed to serving the company's interests and achieving sustainable growth in the company's value. The members of the Managing Board are jointly responsible for the entire management of the company and decide on fundamental principles of business policy and corporate strategy – including the sustainability strategy – and the company's annual and multi-year planning. In fiscal year 2024, the Managing Board continued to work on the sustainability program developed in fiscal year 2023. It contains ambitious commitments to drive positive changes for the company and its employees, the planet and our society, and sets out long-term social and environmental objectives. The Managing Board ensures that risks and opportunities connected with social and environmental factors are identified and assessed. The corporate strategy gives appropriate consideration to both long-term financial objectives and sustainability-related objectives. Further details on sustainability can be found on the website at ➔ ***www.siemens-healthineers.com/company/sustainability***.

The Managing Board is responsible for preparing the quarterly statements and the half-year financial report, the annual financial statements of Siemens Healthineers AG, the consolidated financial statements of the Group, and the combined management report of Siemens Healthineers AG and the Group. Together with the Supervisory Board, the Managing Board prepares the Compensation Report. The Managing Board has established an appropriate and effective internal control system and risk management system, which also cover sustainability-related aspects. In addition, the Managing Board ensures that all legal provisions, government regulations, and internal company guidelines are complied with, and works to ensure that Group companies observe them (Compliance). The Managing Board has established a comprehensive compliance management system aligned with the risk situation of the company. Details are available on the website at ➔ ***www.siemens-healthineers.com/company/compliance***.

The Supervisory Board has issued bylaws for the Managing Board, which contain an assignment of responsibilities and rules for cooperation both within the Managing Board and between the Managing Board and the Supervisory Board. The Chair of the Managing Board is responsible for coordinating the work in all areas of assigned responsibilities within the Managing Board. The individual Managing Board members generally manage their assigned areas of responsibility in their own authority. Because, however, the Managing Board members bear joint responsibility for the overall management of the company, the Managing Board members regularly inform each other of important measures and events in their assigned areas of responsibility. Measures and transactions in one area of responsibility that are unusually important to the company as a whole or entail an unusual economic risk require the prior consent of the full Managing Board. Such prior consent is also required for measures and transactions for which the Chair or another member of the Managing Board demands a prior Managing Board decision. The Managing Board did not have any committees in the reporting period. Further details can be found in the bylaws for the Managing Board at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance/bylaws.***

Managing Board members are subject to a comprehensive prohibition on competitive activity for the period of their service on the Managing Board. They are committed to serving the interest of the company and may not be guided by personal interests, nor may they exploit for their own advantage business opportunities offered to the company when making their decisions. They are permitted to engage in secondary activities, particularly including supervisory board mandates with companies that are not affiliated with the Siemens Healthineers Group, only with the consent of the Supervisory Board. Every Managing Board member is required to promptly disclose any conflicts of interest to the Chair of the Supervisory Board and inform the other Managing Board members of such conflict.

The Managing Board and the Supervisory Board work together closely in the best interest of the company. The Managing Board informs the Supervisory Board regularly, comprehensively, and without delay about all issues of importance to the company with regard to strategy, including the company's sustainability strategy, planning, business development, risk situation, risk management, internal control system, and compliance, and regularly discusses the status of strategy implementation with the Supervisory Board. When filling managerial positions in the company, the Managing Board takes diversity into consideration and, in particular, aims for an appropriate gender representation.

Further information about the Managing Board can be found on the company's website:

- Information about the compensation system for the Managing Board pursuant to Section 87a of the German Stock Corporation Act is available at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance/managing-board-compensation.***
- The Compensation Report 2024, including the auditor's report, pursuant to Section 162 of the German Stock Corporation Act is available at ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance.***

C.4.4.2 Composition and working methods of the Supervisory Board

The Supervisory Board was composed of the following members in fiscal year 2024:

Name	Occupation (as of September 30, 2024)	Year of birth	Member since	Memberships in other supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2024)
Prof. Dr. Ralf P. Thomas Chair	Member of the Managing Board of Siemens Aktiengesellschaft (Chief Financial Officer)	1961	2018	**German positions:** • Allianz Versicherungs-Aktiengesellschaft **Positions outside Germany:** • Siemens Proprietary Ltd., South Africa
Dorothea Simon[1] (Deputy Chair, since Apr. 18, 2024)	Chair of the Central Works Council of Siemens Healthineers AG	1969	2024	**German positions:** • Siemens AG[2]
Karl-Heinz Streibich (Further Deputy Chair since Apr. 18, 2024)	Honorary Chairman of acatech Senate – Deutsche Akademie der Technikwissenschaften	1952	2018	**German positions:** • Deutsche Telekom AG[2]
Vanessa Barth[1] (as of Apr. 18, 2024)	Head of Policy Principles of IG Metall	1969	2024	**German positions:** • Bilfinger SE[2]
Veronika Bienert	Chief Executive Officer Siemens Financial Services	1973	2023	**German positions:** • Siemens Bank GmbH (Chair)
Harry Blunk[1] (as of Apr. 18, 2024)	Member of the Central Works Council of Siemens Healthineers AG	1961	2024	**None**
Stephan Büttner[1] (as of Apr. 18, 2024)	Chairman of the Works Council of Siemens Healthineers AG Erlangen/Forchheim	1978	2024	**None**
Dr. Roland Busch	President and Chief Executive Officer of Siemens Aktiengesellschaft	1964	2020	**German positions:** • Siemens Mobility GmbH (Chair) • Münchener Rückversicherungs-Gesellschaft AG[2]
Lars-Christian Dinglinger[1] (as of Apr. 24, 2024)	Portfolio Solution Manager X-Ray Products in NORD of Siemens Healthineers AG	1981	2024	**None**
Dr. Andrea Fehrmann[1] (as of Apr. 18, 2024)	IG Metall Regional Office for Bavaria - Industrial Policy	1970	2024	**German positions:** • Airbus Defence and Space GmbH • Siemens AG[2] • Siemens Energy AG[2] • Siemens Energy Management GmbH
Nick Heindl[1] (as of Aug. 1, 2024)	1st authorized representative and Managing Director of IG Metall Erlangen	1985	2024	**German positions:** • Conti Temic microelectronic GmbH • Framatome GmbH
Dr. Marion Helmes	Supervisory board member of various companies	1965	2018	**Positions outside Germany:** • Heineken N.V., The Netherlands[2] • Lonza Group AG, Switzerland[2]
Dr. Peter Körte	Chief Technology and Chief Strategy Officer of Siemens Aktiengesellschaft	1975	2023	**None**
Sarena Lin	Senior Advisor, McKinsey & Co., USA	1971	2023	**Positions outside Germany:** • Bergman Clinics Holdco B.V., The Netherlands
Axel Patze[1] (as of Apr. 18, 2024)	Member of the Central Works Council of Siemens Healthineers AG	1964	2024	**None**
Astrid Ploß[1] (as of Apr. 18, 2024)	Head of Legal Advanced Therapies & Technology Excellence of Siemens Healthineers AG	1970	2024	**None**
Jens Prietzel[1] (from Apr. 24 to July 31, 2024) (as of July 31, 2024)	IG Metall Regional Office for Bavaria, Siemens Team	1976	2024	**None**
Peer M. Schatz	Managing Director of PS Capital Management	1965	2021	**Positions outside Germany:** • CENTOGENE N.V., The Netherlands (Chair)[2] • European Healthcare Acquisition & Growth Company B.V., The Netherlands[2] • Resolve BioSciences B.V., The Netherlands (Chair)

[1] Employee representative.
[2] Exchange-listed.

Name	Occupation (as of September 30, 2024)	Year of birth	Member since	Memberships in other supervisory boards whose establishment is required by law or in comparable domestic or foreign controlling bodies of business enterprises (as of September 30, 2024)
Dr. Nathalie von Siemens	Supervisory board member of various companies	1971	2018	**German positions:** • Messer SE & Co. KGaA • Siemens AG[2] • TÜV SÜD AG **Positions outside Germany:** • EssilorLuxottica S.A., France[2]
Harald Tretter[1] (as of Apr. 18, 2024)	Deputy Chairman of the Central Works Council of Siemens Healthineers AG	1979	2024	**None**
Dow R. Wilson	Member of the Board of Directors of Agilent Technologies, Inc., USA	1959	2023	**Positions outside Germany:** • Agilent Technologies, Inc., USA[2]

[1] Employee representative.
[2] Exchange-listed.

Until April 18, 2024, the Supervisory Board of Siemens Healthineers AG was composed of ten members, all of whom were shareholder representatives. Upon the transfer of the employment relationships of the employees and the transfer of all significant assets, contracts, liabilities, and other legal relationships from Siemens Healthcare GmbH to Siemens Healthineers AG, conditions were met on December 1, 2023, to establish a Supervisory Board with 16 Supervisory Board members, composed of eight employee representatives and eight shareholder representatives. The employee representatives were court-appointed with effect from the close of the Annual Shareholders' Meeting 2024 and the shareholder representatives were elected to the Supervisory Board at the Annual Shareholders' Meeting on April 18, 2024, with effect from the close of the Annual Shareholders' Meeting 2024. In addition, the Annual Shareholders' Meeting 2024 resolved to voluntarily enlarge the Supervisory Board beyond the 16 required Supervisory Board members to 20, to meet the increasing legal requirements pertaining to the Supervisory Board's profile of skills and expertise. The court appointment of a further two employee representatives and the election of two additional shareholder representatives at the Annual Shareholders' Meeting 2024, each with effect from the entry of the amendment to the Articles of Association also resolved at the 2024 Annual Shareholders' Meeting in the Commercial Register, took effect on April 24, 2024. Since that time, the Supervisory Board is composed of 20 members, half of whom are shareholder representatives and the other half employee representatives in accordance with the German Co-Determination Act (*Mitbestimmungsgesetz*). The Supervisory Board members representing the shareholders are elected by the Annual Shareholders' Meeting. Elections to the Supervisory Board are conducted, as a rule, on an individual basis. The Supervisory Board members representing the employees are generally elected in accordance with the provisions of the German Co-Determination Act. The curricula vitae of the Supervisory Board members are available on the company's website at ➔ ***www.siemens-healthineers.com/investor-relations/supervisory-board***.

Details on the activities of the Supervisory Board and its committees in the reporting period can be found in ➔ ***C.3 Report of the Supervisory Board*** of the Annual Report 2024.

The Supervisory Board oversees and advises the Managing Board in its management of the company's business. At regular intervals, the Supervisory Board discusses business development, planning and strategy, including the sustainability strategy and strategy implementation. It reviews the annual financial statements of Siemens Healthineers AG, the consolidated financial statements, and the combined management report, as well as the proposal for the appropriation of net income. It approves the annual financial statements of Siemens Healthineers AG and the consolidated financial statements of the Group, based on the results of the pre-examination conducted by the Audit Committee and taking into account the reports of the independent auditor. The Supervisory Board decides on the Managing Board's proposal for the appropriation of net income and the Report of the Supervisory Board to the Annual Shareholders' Meeting. The Supervisory Board prepares the Compensation Report jointly with the Managing Board. In addition, the company's adherence to statutory provisions, official regulations and internal company policies (compliance) are monitored by the Supervisory Board and/or the Audit Committee. The Supervisory Board's oversight and advisory activities also encompass, sustainability-related topics in the environmental, social and governance area ("ESG"). In addition to the corresponding updates given in every meeting of the Strategy, Innovation and Sustainability Committee, the Supervisory Board also regularly demands and receives information about the sustainability strategy of Siemens Healthineers and the status of this strategy's implementation. The Supervisory Board deals with the risks and opportunities for Siemens Healthineers associated with social and environmental factors and the environmental and social impacts of the company's activities. The Supervisory Board deals with the sustainability reporting and demands and receives information on new developments and the implementation status at Siemens Healthineers. The Supervisory Board is also responsible for appointing and dismissing Managing Board members and specifying their areas of responsibility. Upon proposal by the Compensation Committee, the Supervisory Board decides on the compensation system for the Managing Board members and reviews it regularly. It determines the specific compensation details in accordance with this system and reviews the appropriateness of the overall compensation. Based on the preparatory work done in the Compensation Committee, the Supervisory Board sets the individual targets for the variable compensation and total compensation of each Managing Board member. Important Managing Board decisions – such as those regarding major acquisitions, divestments, investments in property, plant, and equipment, or financial measures – are subject to Supervisory Board approval, unless the bylaws for the Supervisory Board specify that such authority is delegated to one of the Supervisory Board committees.

Separate preparatory meetings of the shareholder representatives and of the employee representatives are held regularly in order to prepare the Supervisory Board meetings. The Supervisory Board also meets regularly without the Managing Board in attendance. The bylaws of the Supervisory Board set out not only its tasks and responsibilities, but also the procedure for holding meetings, adopting resolutions and dealing with conflicts of interest. See ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance/bylaws***. Details on the work of the Supervisory Board, in relation to official meetings and in relation to the information events offered additionally for new Supervisory Board members or information events held for the purpose of providing in-depth information on especially relevant topics, as well as details on any conflicts of interest, are provided in the Report of the Supervisory Board ➔ ***C.3 Report of the Supervisory Board*** of the Annual Report 2024.

Committees of the Supervisory Board

Until April 18, 2024, the Supervisory Board had six committees (Chairperson's Committee, Audit Committee, Strategy, Innovation and Sustainability Committee, Compensation Committee, Nomination Committee, Related-Party Transactions Committee). With the Mediation Committee, legally required for co-determined supervisory boards, the Supervisory Board now has seven committees as of April 18, 2024.

The committees were composed of the following persons as of September 30, 2024:

Committees	Members
Chairperson's Committee	• **Prof. Dr. Ralf P. Thomas (Chair)** • Dorothea Simon[1] • Dr. Andrea Fehrmann[1] • Karl-Heinz Streibich
Nomination Committee	• **Prof. Dr. Ralf P. Thomas (Chair)** • Dr. Peter Körte • Dr. Nathalie von Siemens • Dow R. Wilson
Compensation Committee	• **Peer M. Schatz (Vorsitz)** • Harry Blunk[1] • Dr. Andrea Fehrmann[1] • Sarena Lin • Dorothea Simon[1] • Prof. Dr. Ralf P. Thomas
Audit Committee	• **Dr. Marion Helmes (Chair)** • Vanessa Barth[1] • Veronika Bienert • Stephan Büttner[1] • Prof. Dr. Ralf P. Thomas • Harald Tretter[1]
Strategy, Innovation and Sustainability Committee	• **Dr. Roland Busch (Chair)** • Harry Blunk[1] • Dr. Andrea Fehrmann[1] • Peer M. Schatz • Dorothea Simon[1] • Prof. Dr. Ralf P. Thomas • Harald Tretter[1] • Dow R. Wilson
Related-Party Transactions Committee	• **Dr. Marion Helmes (Chair)** • Stephan Büttner[1] • Axel Patze[1] • Karl-Heinz Streibich
Mediation Committee	• **Prof. Dr. Ralf P. Thomas (Chair)** • Dorothea Simon[1] • Dr. Andrea Fehrmann[1] • Sarena Lin

[1] Employee representative.

The duties, responsibilities, and work procedures satisfy the requirements of the German Stock Corporation Act and the GCGC. The chairs of these committees provide the Supervisory Board with regular reports on the committees' activities.

The ***Chairperson's Committee*** coordinates the work of the Supervisory Board and prepares the meetings of the Supervisory Board. It prepares the self-assessment of the effectiveness of the Supervisory Board's work and monitors the execution of the resolutions taken by the Supervisory Board or its committees. In addition, it concerns itself with issues of corporate governance, including the bylaws for the Supervisory Board and the Managing Board and the assignment of responsibilities, to the extent that the latter is not governed by law, and provides recommendations on these subjects insofar as a Supervisory Board resolution is required.

The Chairperson’s Committee is responsible for preparing the resolution to be adopted on the subject of the Declaration of Conformity with the GCGC and on the approval of the Corporate Governance Statement and the Report of the Supervisory Board to the Annual Shareholders’ Meeting.

The Chairperson’s Committee is responsible for the long-term succession planning. It makes proposals to the Supervisory Board concerning the appointment and dismissal of Managing Board members. In relation to the compensation system and the overall compensation of each Managing Board member as resolved by the Supervisory Board, it is responsible for the conclusion, amendment, renewal, and termination of service agreements with members of the Managing Board. When making recommendations for first-time appointments, it takes into account that the duration of these appointments should, as a general rule, not exceed three years. When making recommendations for the appointment of Managing Board members, the Chairperson’s Committee shall take note of the relevant legal requirements and the profile of skills and expertise and diversity concept defined by the Supervisory Board, as well as the age limit and, if applicable, the target for the nomination of women on the Managing Board. It decides on approving contracts and transactions with members of the Managing Board and their related parties, whether individuals or entities.

As of April 18, 2024, the Chairperson’s Committee rather than the Nomination Committee is responsible for making proposals to the Supervisory Board concerning the composition of the Supervisory Board committees. It also makes such proposals concerning the chairs of the Supervisory Board committees, unless the Chair of the Supervisory Board is also the chair of the committee in question by virtue of the bylaws. The Chairperson’s Committee instead of the Supervisory Board also decides on the approval of Managing Board proposals regarding the appointment or dismissal of persons in certain management positions at the first level below the Managing Board.

In fiscal year 2024, the Chairperson’s Committee was composed of the following members until April 18, 2024: Prof. Dr. Ralf P. Thomas (Chair), Dr. Peter Körte, Dr. Nathalie von Siemens, and Karl-Heinz Streibich. Since April 18, 2024, the Chairperson’s Committee has been composed of the following members: Prof. Dr. Ralf P. Thomas (Chair), Dr. Andrea Fehrmann, Dorothea Simon, and Karl-Heinz Streibich.

The ***Audit Committee*** oversees the auditing of the financial statements, particularly the selection, independence, and qualifications of the independent auditor, and assesses the audit quality and the services of the independent auditor. It makes a recommendation to the Supervisory Board concerning its proposal to the Annual Shareholders’ Meeting for the election of the auditor and the Group auditor as well as the auditor for the condensed financial statements and the interim Group management report (half-year financial report for the Group), to the extent that they are audited or reviewed by the independent auditor. It issues the audit engagement to the independent auditor, establishes the key audit matters, negotiates the fee agreement, prepares the audit of the annual financial statements and consolidated financial statements and the Managing Board’s proposal for the appropriation of net income, and discusses the half-year financial report and quarterly reports with the Managing Board before they are published. The Audit Committee is responsible for matters of accounting and risk management, which includes the monitoring of the accounting process and the adequacy and effectiveness of the internal control system and risk management system, including the coverage of sustainability-related objectives, as well as the effectiveness of the internal audit system and the internal procedure for related-party transactions. It monitors compliance with legal requirements, official regulations, and company-internal guidelines (compliance), and deals with non-financial matters, as well as any assignments of an outside auditor pursuant to Section 111 para. 2 sentence 4 of the German Stock Corporation Act.

In fiscal year 2024, the Audit Committee was composed of the following members until April 18, 2024: Dr. Marion Helmes (Chair, independent), Veronika Bienert, and Prof. Dr. Ralf P. Thomas. Since April 18, 2024, the Audit Committee has been composed of the following members: Dr. Marion Helmes (Chair), Vanessa Barth, Prof. Dr. Ralf P. Thomas, and Harald Tretter. Veronika Bienert and Stephan Büttner joined the Audit Committee as additional members on May 3, 2024 when the Supervisory Board was enlarged to 20 members.

The ***Strategy, Innovation and Sustainability Committee*** has particular responsibility for discussions of the company’s innovation strategy based on the company’s overall strategy, and for preparing negotiations and resolutions of the Supervisory Board on investments in tangible assets and financial measures. In addition, the Strategy, Innovation and Sustainability Committee has been authorized by the Supervisory Board to decide on the approval of certain transactions and measures that require Supervisory Board approval and have a value of less than €300 million. Moreover, the Strategy, Innovation and Sustainability Committee regularly deals with sustainability-related topics (Environmental, Social and Governance, “ESG”). In the context of Managing Board compensation, it may be consulted by the Chairperson’s Committee with regard to sustainability-related targets.

In fiscal year 2024, the Strategy, Innovation and Sustainability Committee was composed of the following members until April 18, 2024: Dr. Roland Busch (Chair), Dr. Peter Körte, Peer M. Schatz, Karl-Heinz Streibich, Prof. Dr. Ralf P. Thomas and Dow R. Wilson. Since April 18, 2024, the Strategy, Innovation and Sustainability Committee has been composed of the following members: Dr. Roland Busch (Chair), Dr. Andrea Fehrmann, Dorothea Simon, Prof. Dr. Ralf P. Thomas, Harald Tretter, and Dow R. Wilson. Harry Blunk and Peer M. Schatz joined the Strategy, Innovation and Sustainability Committee as additional members on May 3, 2024, when the Supervisory Board was enlarged to 20 members.

The ***Compensation Committee*** is responsible for making proposals to the Supervisory Board for the setting and achievement of targets for the variable compensation of the Supervisory Board, the assessment of the appropriateness of the overall compensation of individual Managing Board members, and the preparation of the Compensation Report, including the appointment of the independent auditor, and for the preparation of resolutions to be adopted by the Supervisory Board on the compensation system for the Managing Board and the Supervisory Board, including the implementation of this system in the Managing Board contracts and the regular review of the system.

In fiscal year 2024, the Compensation Committee was composed of the following members until April 18, 2024: Peer M. Schatz (Chair), Sarena Lin, Karl-Heinz Streibich, and Prof. Dr. Ralf P. Thomas. Since April 18, 2024, the Compensation Committee has been composed of the following members: Peer M. Schatz (Chair), Harry Blunk, Dr. Andrea Fehrmann, Sarena Lin, Dorothea Simon, and Prof. Dr. Ralf P. Thomas.

The ***Nomination Committee*** is composed exclusively of shareholder representatives. The Nomination Committee makes recommendations to the Supervisory Board concerning suitable candidates for election as new shareholder representatives to the Supervisory Board by the Annual Shareholders' Meeting. In preparing these recommendations, appropriate consideration must be given to the knowledge, skills, and professional experience required of the proposed candidates for the fulfilment of the profile of skills and expertise as well as the adopted diversity concept. Appropriate participation of women and men in accordance with the legal requirements for gender quotas must be ensured and the Supervisory Board members must collectively be familiar with the sector in which the company operates. Until April 18, 2024, the Nomination Committee was also assigned the task, since then assigned to the Chairperson's Committee, of submitting proposals to the Supervisory Board for the composition of Supervisory Board committees, as well as the chairs of the Supervisory Board committees unless the Chair of the Supervisory Board was also the chair of the committee in question, according to the bylaws. Since April 18, 2024, this responsibility has been exercised by the Chairperson's Committee instead of the Nomination Committee.

In fiscal year 2024, the Nomination Committee was composed of the following members until April 18, 2024: Prof. Dr. Ralf P. Thomas (Chair), Dr. Roland Busch, Peer M. Schatz, and Dow R. Wilson. Since April 18, 2024, the Nomination Committee has been composed of the following members: Prof. Dr. Ralf P. Thomas (Chair), Dr. Nathalie von Siemens, and Dow R. Wilson. Dr. Peter Körte joined the Nomination Committee as an additional member on May 3, 2024, when the Supervisory Board was enlarged to 20 members.

The ***Related-Party Transactions Committee*** decides on the approval of related-party transactions within the meaning of Sections 107, and 111a through 111c of the German Stock Corporation Act. The establishment of this committee creates the conditions that allow the Supervisory Board to deal with related-party transactions independently of the related parties involved in the transaction concerned. Within this scope, the committee's responsibility for making decisions pertaining to related-party transactions takes precedence over the decision-making authority of other committees.

The Related-Party Transactions Committee is composed exclusively of individuals for whom there are no concerns about conflicts of interest from their relationship to a related party. In fiscal year 2024, the Related-Party Transactions Committee was composed of the following members until April 18, 2024: Dr. Marion Helmes (Chair), Sarena Lin, Karl-Heinz Streibich, and Dow R. Wilson. Since April 18, 2024, the Related-Party Transactions Committee has been composed of the following members: Dr. Marion Helmes (Chair), Stephan Büttner, Axel Patze, and Karl-Heinz Streibich.

Since its establishment on April 18, 2024, the ***Mediation Committee*** has been responsible for submitting proposals to the Supervisory Board concerning the appointment or dismissal of Managing Board members in the event that the required two thirds majority of Supervisory Board members is not reached in the first round of voting. In fiscal year 2024, the Mediation Committee has been composed of the following members since April 18, 2024: Prof. Dr. Ralf P. Thomas (Chair), Dr. Andrea Fehrmann, Sarena Lin, and Dorothea Simon.

Self-assessment of the Supervisory Board's work

The Supervisory Board and its committees regularly assess, either internally or with the help of external consultants, the degree to which the Supervisory Board and its committees have performed their work effectively. Due to the constitution of the new, co-determined Supervisory Board on April 18, 2024, the Supervisory Board did not perform a self-assessment in fiscal year 2024. For fiscal year 2025, building on the self-assessments performed in fiscal years 2020 to 2023, a comprehensive, tool-based self-assessment by the Supervisory Board is planned, which can then relate to the one year that the Supervisory Board will by then have been working in its new composition.

C.4.5 Targets for the share of women within the meaning of Sections 111 para. 5, 76 para. 4 of the German Stock Corporation Act; fulfillment of the minimum requirements pursuant to Sections 96 para. 2 and 3 and 76 para. 3a of the German Stock Corporation Act

Since co-determination took effect on December 1, 2023, Siemens Healthineers AG is required by the German Stock Corporation Act as a company whose ***Managing Board*** is composed of more than three persons to ensure that at least one woman and at least one man are members of the Managing Board (minimum participation requirement). This statutory requirement superseded the requirement in effect until April 18, 2024, under which Siemens Healthineers AG had to specify targets for the share of women on the Managing Board.

At Siemens Healthineers AG, a target of at least one woman on the Managing Board was formerly set, to be attained by September 30, 2026. Since December 1, 2021, the share of women on the Managing Board has been 50%. Thus, the self-imposed target for the Managing Board was exceeded and the minimum statutory requirement now applicable has likewise been met as the Managing Board is composed of two women and two men.

The Managing Board sets targets for the share of women at the ***two levels of management below the Managing Board***. If the share of women is less than 30% when the targets are set, the targets cannot be set below the level that has already been achieved. Until December 1, 2023, there was only one management level below the Managing Board at Siemens Healthineers AG. Fulfilling the statutory requirements in Germany pursuant to Section 76 para. 4 of the German Stock Corporation Act, the target for this level was set at 33% in July 2022, to be attained by September 30, 2026. In November 2023, the Managing Board adjusted the targets to account for the higher number of employees of Siemens Healthineers AG as of December 1, 2023, resulting from the transfer of employees from Siemens Healthcare GmbH to Siemens Healthineers AG. A target of 29% was set for the share of women in the first management level below the Managing Board and a target of 31% was set for the share of women in the second management level below the Managing Board, both to be attained by September 30, 2026. Based on the projected number of employees at Siemens Healthineers AG, these targets correspond to seven women out of a total of 24 employees working in the first management level below the Managing Board and 48 women out of a total of 155 employees working in the second management level below the Managing Board.

Since the provisions of the German Co-Determination Act have become applicable to the company, the ***Supervisory Board*** must be composed of at least 30% women and at least 30% men. This statutory requirement superseded the requirement in effect before co-determination took effect on December 1, 2023, to specify targets for the share of women on the Supervisory Board, which could no longer fall below the proportion achieved if a target was set below 30%.

At Siemens Healthineers AG, a target of at least 30% was formerly set for the share of women on the Supervisory Board, to be attained by September 30, 2026. The share of women on the Supervisory Board was 40% in fiscal year 2024, both before the provisions of the German Co-Determination Act took effect (Veronika Bienert, Dr. Marion Helmes, Sarena Lin, and Dr. Nathalie von Siemens) and since that time (Dorothea Simon, Vanessa Barth, Veronika Bienert, Dr. Andrea Fehrmann, Dr. Marion Helmes, Sarena Lin, Astrid Ploß, and Dr. Nathalie von Siemens). Thus, the representation of men and women on the Supervisory Board exceeded both the self-imposed target and the statutory gender ratio in the reporting period.

Statutory provisions on the equal participation of men and women in management positions that may be applicable to Group companies other than Siemens AG remain unaffected.

According to the profile of skills and expertise for the Supervisory Board, moreover, at least one woman should be a member of the Nomination Committee. This requirement is fulfilled with Dr. Nathalie von Siemens serving as a member of this committee.

C.4.6 Diversity concept and skills, long-term succession planning

When selecting members for the Managing Board, the Supervisory Board takes into account their personal suitability, integrity, convincing leadership qualities, international experience, professional qualifications for the specific business responsibilities to be assumed, a proven track record, knowledge of the company, and the ability to adapt business models and processes in a constantly changing world. The aspect of diversity is an important selection criterion in filling Managing Board positions, including aspects such as age, gender, and educational and professional background.

Diversity concept for the Managing Board, professional and personal skills

In its proposals for the appointment of members to the Managing Board, the Chairperson's Committee is guided by the objective to ensure, as far as possible, that the composition of the Managing Board ensures strong leadership and is as diversified and complementary as possible. The aim is for the Managing Board as a whole to have all the knowledge and experience that are considered essential in view of the activities of Siemens Healthineers. For this reason, the Supervisory Board takes particular note of the following criteria when selecting members of the Managing Board:

- In addition to the required specific technical skills and the management and leadership experience for the task in question, Managing Board members should cover a wide range of knowledge and experience, as well as educational and professional backgrounds that are as broad as possible.
- In view of the company's international reach, it should be ensured that the composition of the Managing Board reflects internationality by including different cultural backgrounds or international experience (for example, extended professional experience abroad that is relevant to Siemens Healthineers or the management of foreign business activities).
- Collectively, the Managing Board should have experience of the lines of business important to Siemens Healthineers, particularly (diagnostic) imaging, laboratory diagnostics, minimally invasive therapies, and cancer treatment.
- Collectively, the Managing Board should have many years of experience in medical and healthcare technology (including information technology, digitalization and artificial intelligence), cybersecurity, transformation, entrepreneurship, purchasing and production, sales and service, research and development, finance, human resources, and legal (including compliance and co-determination).
- Since December 1, 2023, when the provisions of the German Co-Determination Act became applicable to the company, the legal minimum participation requirement must be observed when filling Managing Board positions, meaning that a Managing Board composed of more than three persons must have at least one woman and at least one man as members of the Managing Board.
- It is regarded as useful to have different age groups represented on the Managing Board. In accordance with the recommendation of the GCGC, the Supervisory Board has set a standard age limit for members of the Managing Board. In general, an appointment or renewal of an appointment to the Managing Board is permitted only for persons who have not yet reached the age of 63; at the close of fiscal year 2024, the standard age limit was raised to 67. The age of 67 is the standard age limit for employees in Germany, and the average age of retirement in Germany is 64.4.

The decisive factor in filling a specific Managing Board position is always the company's interest, taking into account all circumstances of the individual case.

The diversity concept is implemented as part of the procedure for the Supervisory Board's appointment of Managing Board members. In selecting candidates, the Supervisory Board takes care to comply with the legal requirements and takes into account the requirements set out in the profile of skills and expertise defined by the Supervisory Board along with the diversity concept for the Managing Board.

In its current composition, the Managing Board fulfills all requirements of the profile of skills and expertise and the diversity concept. The Managing Board members collectively possess a wide range of knowledge and expertise, as well as educational and professional backgrounds, and possess international experience. The Managing Board collectively possesses all the knowledge and experience considered essential in view of the activities of Siemens Healthineers. Different age groups are represented on the Managing Board. The fixed standard age limit has not been reached by any Managing Board member. Information about the Managing Board members can be found on the company's website at ➔ ***www.siemens-healthineers.com/company/management*.**

Long-term succession planning for the Managing Board

With the support of the Chairperson's Committee and in consultation with the Managing Board, the Supervisory Board performs long-term succession planning for members of the Managing Board in compliance with the relevant legal provisions. To this end, the Supervisory Board and the Chairperson's Committee regularly discuss potential candidates for the Managing Board. The Chair of the Managing Board and the Chief Human Resources Officer are involved, except in cases of their own succession. The specific requirement profiles for future Managing Board members defined by the Supervisory Board are not static but are defined individually at the start of every new succession-planning project, taking into account the current responsibility-specific needs and concrete challenges. This planning work is to be performed with an appropriate lead time. In the event of a pending, specific succession decision, the Chairperson's Committee draws up a narrower selection of available candidates on the basis of these profiles. Structured interviews are conducted with these candidates, after which a recommendation is presented to the Supervisory Board to be adopted in the form of a resolution. If necessary, the Supervisory Board and the Chairperson's Committee are supported by external consultants in the development of the requirement profile and the selection of candidates based on this profile. The Supervisory Board and the Chairperson's Committee ensure that the knowledge, abilities, and experience of all members of the Managing Board are diverse and balanced. In addition, the Supervisory Board regularly demands and receives information on succession planning at the level below the Managing Board and advises the Managing Board on such matters. The Supervisory Board is also given an opportunity to review potential candidates itself. The appointment of the owners of certain executive functions on the first level below the Managing Board requires the approval of the Chairperson's Committee.

C.4.7 Profile of skills and expertise and diversity concept; further requirements for the composition of the Supervisory Board

The profile of skills and expertise and the diversity concept are supplemented by further requirements for the composition of the Supervisory Board.

Profile of skills and expertise

The composition of the Supervisory Board of Siemens Healthineers AG should be such that qualified oversight and advice of the Managing Board by the Supervisory Board is assured and the Supervisory Board's collective familiarity with the sector in which the company operates is guaranteed.

The candidates proposed for election to the Supervisory Board should have the knowledge, skills, and experience that enable them to perform the duties of a supervisory board member of an international enterprise and strengthen the public image of Siemens Healthineers. The character, integrity, motivation, and professionalism of the persons proposed for election should be given particular consideration.

The aim is for the Supervisory Board as a whole to have all the knowledge and experience considered essential in view of the activities of Siemens Healthineers. This includes skills and experience in the fields of medical and healthcare technology (including information technology, digitalization, and artificial intelligence), cybersecurity, transformation, entrepreneurship, purchasing and production, sales and service, research and development, finance, human resources, legal (including compliance and co-determination) and healthcare delivery. The Supervisory Board's profile of skills and expertise should also include expertise in sustainability issues[5] relevant to the enterprise, particularly regarding access to healthcare. The Supervisory Board should also have knowledge and experience of the lines of business important to Siemens Healthineers, particularly in the fields of (diagnostic) imaging, laboratory diagnostics, minimally invasive therapy and cancer care. In particular, the Supervisory Board should also include persons who have management experience at a large international enterprise as a result of holding an executive position at such an enterprise.

Pursuant to the Stock Corporation Act, at least one member of the Supervisory Board (Audit Committee) should have knowledge of accounting and at least one further member should have knowledge of auditing financial statements. In addition, the Supervisory Board members should collectively be familiar with the sector in which Siemens Healthineers operates. According to the recommendation of the GCGC, expertise in the field of financial reporting should include particular knowledge and experience in the application of financial reporting principles and internal control and risk management systems, and the expertise in the auditing of financial statements should include particular knowledge and experience in the auditing of financial statements. Expertise in financial reporting and the auditing of financial statements also includes the preparation and auditing of sustainability reports.

Before filling a new position, the Supervisory Board should consider which required skills and expertise should be bolstered.

In its current composition, the Supervisory Board satisfies the profile of skills and expertise. The Supervisory Board members have the professional and personal qualifications considered necessary. As a group, they are familiar with the sector in which the company operates and have the knowledge, skills, and experience essential for Siemens Healthineers.

In the person of Prof. Dr. Ralf P. Thomas, the Supervisory Board and Audit Committee each have at least one member with special knowledge of accounting. Relevant professional experience consists of: Chief Financial Officer at Siemens AG (since 2013), Chairman of the Stock Exchange Committee of Experts ("Börsensachverständigenkommission"), which advises Germany's Federal Ministry of Finance (since July 2019), Chairman of the Administrative Board of the German Committee of Accounting Standards ("Deutsches Rechnungslegungs Standards Committee e.V.", from 2011 to 2020), member of the Executive Committee and Managing Board of the German Institute for Share Promotion ("Deutsches Aktieninstitut") (since January 2014), and Treasurer and member of the Executive Committee of the Max Plank Society ("Max-Planck-Gesellschaft e.V., MPG") (since June 2014).

As regards the auditing of financial statements, the Supervisory Board and the Audit Committee each have at least one person with the corresponding expertise in the person of Dr. Marion Helmes, Chair of the Audit Committee. Relevant professional experience consists of: Chief Financial Officer at Celesio AG (from 2012 to 2014), Chief Financial Officer at Q-Cells SE (from 2010 to 2011), Chief Financial Officer at ThyssenKrupp Elevator AG (from 2006 to 2010), and Chief Financial Officer at ThyssenKrupp-Stainless AG (from 2005 to 2006). Dr. Marion Helmes, the independent Chair of the Audit Committee, therefore satisfies the GCGC recommendations for the chair of that committee.

[5] In conformity with the Sustainability Report of Siemens Healthineers as amended from time to time. Available at ➔ ***www.siemens-healthineers.com/company/sustainability***.

In the view of the Supervisory Board, Audit Committee member Veronika Bienert also possesses particular expertise in the fields of financial reporting and financial statements auditing.

The status of fulfillment of the professional skills requirements for the Supervisory Board is presented in the form of a qualification matrix (presented below).

Diversity concept for the Supervisory Board

Sufficient diversity is expected in the composition of the Supervisory Board. In addition to an appropriate gender ratio, this also includes diversity with regard to cultural origin, diversity of professional background, experience, and mindset. When examining potential candidates for appointments to Supervisory Board positions, diversity should be given appropriate consideration at an early stage of the selection process.

In the process of selecting and nominating candidates for the Supervisory Board, the Supervisory Board takes account of the requirements laid down in the diversity concept. In developing the election proposals for the ten shareholder representatives to be elected by the Annual Shareholders' Meeting 2024, the Supervisory Board and the Nomination Committee took the relevant objectives into account, including the profile of skills and expertise and the diversity concept. The status of fulfillment of the diversity concept is presented in the following qualification matrix.

International profile

In view of the company's international reach, it should be ensured that the Supervisory Board has a sufficient number of members with many years' of international experience, especially in the markets that are particularly relevant for Siemens Healthineers.

A considerable number of Supervisory Board members are engaged in international activities and/or have many years of international experience. See the qualification matrix for details.

Age limit and length of membership

Observing the age limit laid down by the Supervisory Board in the bylaws, only persons who at the time of election or appointment have not yet reached the age of 71 should usually be proposed for election or appointment as a member of the Supervisory Board. Furthermore, a proposal for election by the Annual Shareholders' Meeting should take into account the standard limit of 12 years for membership in the Supervisory Board. The aim is to ensure an appropriate experience and age structure in the Supervisory Board.

The age limit rule and the standard limit of 12 years for membership on the Supervisory Board were taken into account in the election proposals to the Annual Shareholders' Meeting on April 18, 2024. Karl-Heinz Streibich had already reached the age of 71 at the election date. In view of his many years of experience, particularly in the fields of information technology, digitalization, and cybersecurity, the Supervisory Board considered his nomination essential to fulfill the profil of the profile of skills and expertise.

Qualification matrix

Shareholder representatives	Prof. Dr. Ralf P. Thomas[1]	Karl-Heinz Streibich[2]	Veronika Bienert	Dr. Roland Busch	Dr. Marion Helmes	Dr. Peter Körte	Sarena Lin	Peer M. Schatz	Dr. Nathalie von Siemens	Dow R. Wilson
Member since | Term of office	2018 | 3rd	2018 | 3rd	2023 | 2nd	2020| 2nd	2018 | 3rd	2023 | 2nd	2023 | 2nd	2021 | 2nd	2018 | 3rd	2023 | 2nd
End of term	ASM 2029	ASM 2027	ASM 2027	ASM 2029	ASM 2027	ASM 2027	ASM 2029	ASM 2029	ASM 2029	ASM 2029
Diversity										
Age (as of Nov. 26, 2024)	63	72	51	60	58	48	53	59	53	65
Gender	Male	Male	Female	Male	Female	Male	Female	Male	Female	Male
Nationality	DE	DE	DE	DE	DE	DE	US/Taiwan	CH/AT	DE	US
International Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Education Background	Business Adminis-tration	Enginee-ring	Siemens AG apprentice-ship in Business Adminis-tration (Stamm-hauslehre)	Physics	Business Adminis-tration	Business Enginee-ring	Business Adminis-tration, Inter-national relations, Computer Science	Econo-mics and Social Sciences	Philo-sophy	Business Adminis-tration
Independence										
according to GCGC C.6		✓			✓		✓	✓	✓	✓
according to GCGC C.7	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Areas of competence										
Medical and healthcare technology (incl. Information technology, digitalization, artificial intelligence)		✓		✓		✓	✓	✓	✓	✓
Cybersecurity	✓	✓	✓	✓		✓	✓			✓
Sustainability										
Operational	✓		✓	✓		✓		✓	✓	✓
Strategic	✓	✓	✓	✓		✓	✓	✓	✓	✓
Reporting (incl. audit)	✓		✓		✓					
Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Entrepreneurship	✓	✓	✓	✓	✓	✓		✓	✓	✓
Purchasing and Production	✓			✓			✓	✓		✓
Sales and Service		✓	✓	✓		✓	✓	✓		✓
Research and Development		✓		✓		✓		✓		✓
Finance and Legal (incl. Compliance and Co-determination)	✓	✓	✓	✓	✓		✓	✓		✓
Human Resources	✓	✓		✓	✓		✓	✓	✓	
Healthcare Delivery							✓			
(Diagnostic) Imaging	✓					✓				✓
Laboratory diagnostics						✓		✓		
Minimally Invasive Therapy	✓									✓
Cancer Care								✓		✓
Management experience at a large international enterprise (P&L responsibility)	✓	✓	✓	✓	✓	✓	✓	✓		✓
Accounting[3]	✓		✓		✓					
Auditing of financial statements[3]	✓		✓		✓					

[1] Chair.
[2] Further Deputy Chair.
[3] Financial expert according to Section 100 para. 5 of the German Stock Corporation Act and Recommendation D.3 of the GCGC.
✓Criterion met, based on a self-assessment by the Supervisory Board. A checkmark means at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of the work as a member of the Supervisory Board (for example, many years of service on the Audit Committee) or the training measures regularly attended by all members of the Supervisory Board.

Qualification matrix

Employee representatives	**Dorothea Simon[1]**	**Vanessa Barth**	**Harry Blunk**	**Stephan Büttner**	**Lars-Christian Dinglinger**	**Dr. Andrea Fehrmann**	**Nick Heindl**	**Axel Patze**	**Astrid Ploß**	**Harald Tretter**
Member since | Term of office	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st	2024 | 1st
Diversity										
Age (as of Nov. 26, 2024)	55	55	63	45	43	54	39	60	54	45
Gender	Female	Female	Male	Male	Male	Female	Male	Male	Female	Male
Nationality	DE	DE	DE	DE	DE	DE	DE	DE	DE	DE
International Experience										
Education Background	Law	Diploma Sociology	Bio-engineering	Industrial mechanics	Business Admini-stration	Diploma Sociology	Business Admini-stration	Glas apparatus makers	Law	Mechanical engineering technician
Areas of competence										
Medical and healthcare technology (incl. Information technology, digitalization, artificial intelligence)	✓	✓	✓	✓	✓			✓	✓	✓
Cybersecurity	✓		✓		✓			✓	✓	
Sustainability										
Operational	✓		✓	✓		✓				
Strategic	✓	✓				✓				
Reporting (incl. audit)		✓				✓	✓			
Transformation	✓	✓	✓		✓	✓	✓	✓		
Entrepreneurship										
Sales and Service				✓				✓		✓
Research and Development			✓		✓					
Finance and Legal (incl. Compliance and Co-determination)										
Human Resources	✓	✓		✓	✓	✓	✓		✓	✓
Healthcare Delivery	✓	✓		✓		✓	✓	✓	✓	✓
(Diagnostic) Imaging										
Laboratory diagnostics			✓		✓				✓	
Minimally Invasive Therapy										
Cancer Care			✓		✓				✓	
Management experience at a large international enterprise (P&L responsibility)										
Accounting[2]										
Auditing of financial statements[2]										

[1] Deputy Chair.
[2] Financial expert according to Section 100 para. 5 of the German Stock Corporation Act and Recommendation D.3 of the GCGC.
✓ Criterion met, based on a self-assessment by the Supervisory Board. A checkmark means at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of the work as a member of the Supervisory Board (for example, many years of service on the Audit Committee) or the training measures regularly attended by all members of the Supervisory Board.

Independence

In accordance with the GCGC, the Supervisory Board should include what it considers to be an appropriate number of independent members from the group of shareholder representatives, thereby taking into account the shareholder structure. Within the meaning of this recommendation of the GCGC, a Supervisory Board member is considered independent if he/she is independent of the company and its Managing Board, and independent of any controlling shareholder. If the company has a controlling shareholder, and the Supervisory Board comprises more than six members, the GCGC recommends that at least two shareholder representatives should be independent of the controlling shareholder. A Supervisory Board member is considered independent of the controlling shareholder if he/she, or a close family member, is neither a controlling shareholder nor a member of the executive governing body of the controlling shareholder, and does not have a personal or business relationship with the controlling shareholder that could cause a substantial and not merely temporary conflict of interest.

More than half of the shareholder representatives should be independent of the company and the Managing Board. Supervisory Board members are independent of the company and its Managing Board if they have no personal or business relationship with the company or its Managing Board that could cause a substantial and not merely temporary conflict of interest.

In the opinion of the shareholder representatives and in accordance with the further requirements of the German Corporate Governance Code, the Supervisory Board has an appropriate number of independent members representing the shareholders. In the opinion of the shareholder representatives, six members of the Supervisory Board representing the shareholders are independent of the company, its Managing Board, and the controlling shareholder, namely Dr. Marion Helmes, Sarena Lin, Peer M. Schatz, Nathalie von Siemens, Karl-Heinz Streibich, and Dow R. Wilson.

All members of the Supervisory Board are currently independent of the company and its Managing Board. Some members of the Supervisory Board hold high-ranking positions in other companies with which Siemens Healthineers maintains relationships in the ordinary course of business. The Supervisory Board believes that none of these relationships should be considered material.

Availability

Every Supervisory Board member must ensure that they have enough time to perform their tasks. The legal limits on the number of positions, and the upper limit recommended by the GCGC of two supervisory board positions for Managing Board members of publicly listed companies and five supervisory board positions for other members, must be taken into consideration.

With regard to performing the tasks associated with such a position at Siemens Healthineers, it must be taken into account that

- at least six ordinary Supervisory Board meetings are held per year, which require adequate preparation,
- sufficient time must be planned for reviewing the documents relating to the annual and consolidated financial statements,
- attendance at the Annual Shareholders' Meeting is mandatory,
- depending on membership in one or more of the currently seven Supervisory Board committees, additional time is required for attending and adequately preparing for committee meetings; this applies especially to the Audit Committee, and
- additional extraordinary meetings of the Supervisory Board or a committee may become necessary to deal with special issues.

The upper limits recommended by the German Corporate Governance Code were met by all Supervisory Board members in the reporting period; see the description in Chapter ➔ ***C.4.4.2 Composition and working methods of the Supervisory Board*** of the Annual Report 2024.

C.4.8 Stock transactions of the Managing Board and the Supervisory Board

Pursuant to Article 19 Regulation (EU) Nr. 596/2014 of the European Parliament and Council of April 16, 2014 on Market Abuse (Market Abuse Regulation), members of the Managing Board and the Supervisory Board are legally required to disclose personal transactions with equity or debt instruments of Siemens Healthineers AG or related derivatives or other financial instruments related to them if the total amount of the transactions conducted by the member or a person related to him or her within a calendar year equals or exceeds the sum of €20,000. The transactions reported to Siemens Healthineers AG in the past fiscal year were duly published and are available on the company's website at: ➔ ***www.siemens-healthineers.com/investor-relations/corporate-governance/directors-dealings.***

C.4.9 Shareholders/Annual Shareholders' Meeting

The shareholders exercise their membership rights, particularly their voting rights, at the Annual Shareholders' Meeting. The Annual Shareholders' Meeting decides, among other things, on the appropriation of net income, the ratification of the actions of the Managing Board and the Supervisory Board, and the election of the independent auditor. Amendments to the Articles of Association and measures that change the company's capital stock are approved by the Annual Shareholders' Meeting and implemented by the Managing Board. Each share of Siemens Healthineers AG grants one vote. The notice of meeting and participation in the Annual Shareholders' Meeting are governed by the requirements of law and the Articles of Association. The shareholders are supported by the company in exercising their rights in the Annual Shareholders' Meeting. The company enables the shareholders to follow the entire Annual Shareholders' Meeting on the internet. Shareholders may submit motions on resolutions proposed by the Managing Board and the Supervisory Board and contest the resolutions of the Annual Shareholders' Meeting. The reports, documents, and information required by law for the Annual Shareholders' Meeting, including the annual financial report, are available on the internet, as are the agenda for the Annual Shareholders' Meeting and any counter-motions or election proposals of shareholders that require disclosure. For the election of shareholder representatives to the Supervisory Board, a detailed curriculum vitae of every candidate is published.

By resolution of the Annual Shareholders' Meeting of February 15, 2023, the Articles of Association were amended and the Managing Board was authorized to permit the Annual Shareholders' Meeting to be held without the physical presence of the shareholders or their proxies at the place of the Annual Shareholders' Meeting (virtual Annual Shareholders' Meeting). This authorization applies to virtual Annual Shareholders' Meetings until the close of February 14, 2028.

As part of the company's investor relations activity, investors are comprehensively informed about developments within the company. Siemens Healthineers also makes extensive use of the Internet for reporting purposes. In addition, quarterly reports, half-year financial reports, annual reports, ad-hoc announcements, analyst presentations, and press releases, and the financial calendar for the current year, which contains the publication dates of significant financial communications and the date of the Annual Shareholders' Meeting, are published on the company's website at ➔ ***www.siemens-healthineers.com/investor-relations***. The Chair of the Supervisory Board regularly speaks with investors and voting rights advisors on the subject of Supervisory Board-specific topics. Details on the content of these discussions in the past year are provided in the Report of the Supervisory Board in chapter ➔ ***C.3 Report of the Supervisory Board*** of the Annual Report 2024.

Documents and information on the Annual Shareholders' Meeting are available at ➔ ***www.siemens-healthineers.com/investor-relations***.

C.5 Notes and forward-looking statements

This document contains statements related to our future business and financial performance and future events or developments involving Siemens Healthineers that may constitute forward-looking statements. These statements may be identified by words such as “expect”, “forecast”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “estimate”, “will”, “target” or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations, plans and certain assumptions of Siemens Healthineers’ management, of which many are beyond Siemens Healthineers’ control. As they relate to future events or developments, these statements are subject to a number of risks, uncertainties and factors, including, but not limited to those possibly described in the respective disclosures. Should one or more of these or other risks, uncertainties or factors (e.g. events of force majeure, including but not limited to unrest, acts of war, pandemics or acts of God) materialize, plans change or should underlying expectations not occur or assumptions prove incorrect, Siemens Healthineers’ management actions, actual results, performance or achievements of Siemens Healthineers may (negatively or positively) vary materially from those described explicitly or implicitly in the forward-looking statement.

This document includes supplemental financial measures that are or may be alternative performance measures not precisely defined in the applicable financial reporting framework. These supplemental financial measures may have limitations as analytical tools and should not be viewed in isolation or as alternatives to measures of Siemens Healthineers’ net assets, financial position and results of operations as presented in accordance with the applicable financial reporting framework. Other companies that report or describe similarly titled alternative performance measures may calculate them differently, and therefore they may not be comparable to those included in this document. For further explanations of our (supplemental) financial measures, please see chapter ➔ ***A.2 Financial performance system*** of the Combined management report and the Notes to consolidated financial statements, ➔ ***Note 29 Segment 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 to which they refer.

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

This document is an English language translation of the German document. In case of discrepancies, the German language document is the sole authoritative and universally valid version.

The information contained in this document is provided as of the date of this document and is subject to change without notice.

In the event that the male form is used in this document, the information nevertheless refers to all persons (male, female, non-binary).

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