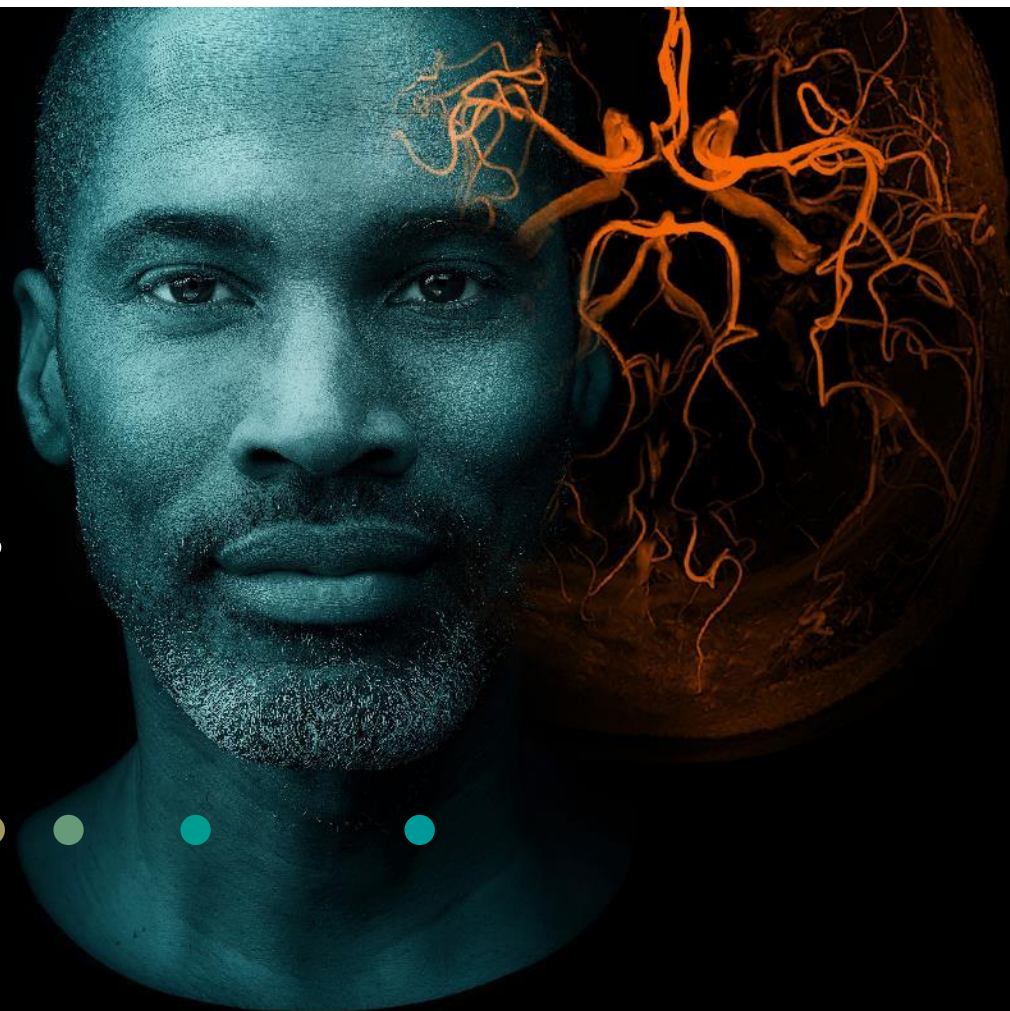


One STEP Two LEAPS

**Siemens Healthineers AG plans
to acquire Varian Medical Systems, Inc.**

Dr. Bernd Montag, CEO | Dr. Jochen Schmitz, CFO

Aug 2, 2020



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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.

The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

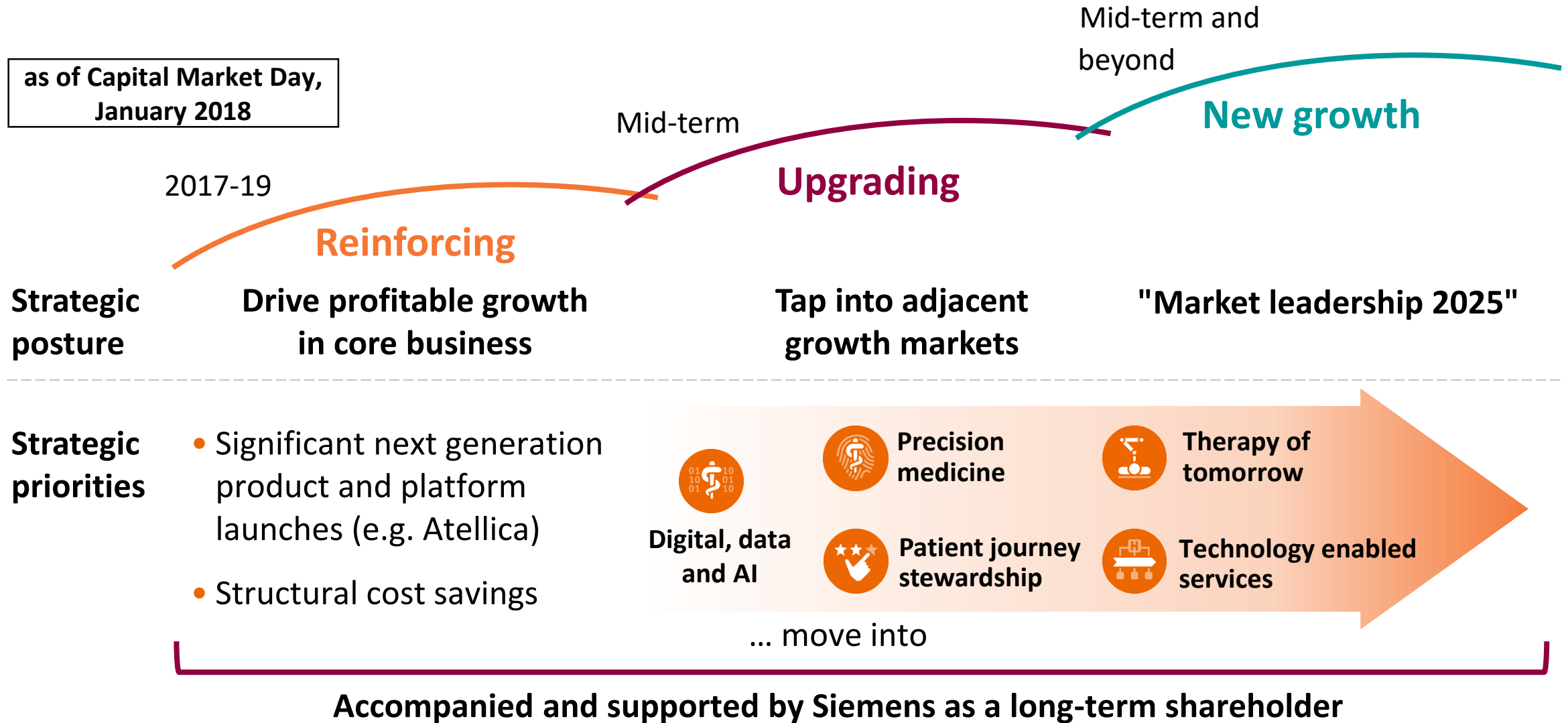
This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. The proposed merger will be submitted to the stockholders of Varian for their consideration and approval. In connection with the proposed merger, Varian will file a preliminary proxy statement with the SEC. Once the SEC completes its review of the preliminary proxy statement, a definitive proxy statement and a form of proxy will be filed with the SEC and mailed or otherwise furnished to the stockholders of Varian. Before making any voting decision, Varian stockholders are urged to read the proxy statement in its entirety, when it becomes available, and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement, if any, because they will contain important information about the proposed merger and the parties to the proposed merger. This communication is not a substitute for the proxy statement or any other document that may be filed by Varian with the SEC.

Varian investors and stockholders may obtain a free copy of documents filed by Varian with the SEC at the SEC's website at www.sec.gov. In addition, Varian investors and stockholders may obtain a free copy of Varian's filings with the SEC from Varian's website at <http://investors.varian.com/SECfilings> or by directing a request by mail or telephone to: 3100 Hansen Way, Palo Alto, CA 94304-1038, United States, F: +1(650)493-4000.

PARTICIPANTS IN THE SOLICITATION

Siemens Healthineers and Varian and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Varian in respect of the proposed transactions contemplated by the proxy statement. Information regarding Varian's directors and executive officers is contained in Varian's Annual Report on Form 10-K for the year ended September 27, 2019 and in the proxy statement for Varian's 2020 annual meeting of stockholders on Schedule 14A, dated December 20, 2019, both of which are filed with the SEC. Additional information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Varian in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement when it is filed with the SEC, free copies of which may be obtained as described in the preceding paragraph. To the extent holdings of Varian's securities by Varian's directors and executive officers change since the amounts set forth in the proxy statement for Varian's 2020 annual meeting of stockholders or in the proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC.

Strategic priorities: Capture short-term potential and ensure market leadership beyond 2025



as of Q2 comm,
May 2020

Long-term growth and value creation strategy

Focusing on these **Strategic enablers** will deliver core business growth, global expansion and new opportunities

Global Leader
in Radiation
Therapy

-  **Innovate** in radiation therapy
-  **Leverage** artificial intelligence, machine learning and cloud solutions
-  **Grow** emerging geographies, businesses and technologies
-  **Improve** operational, financial, and capital efficiency

Global Leader in
Multidisciplinary
Cancer Care
Solutions

varian

Our strategies follow the same logic

Long-term growth and value creation strategy

Focusing on these **Strategic enablers** will deliver core business growth, global expansion and new opportunities

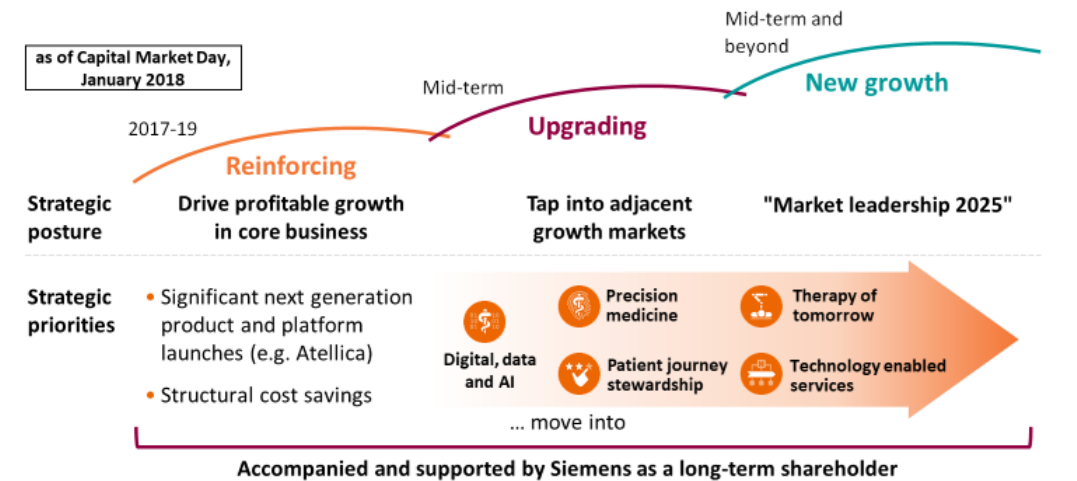
Global Leader in Radiation Therapy



Global Leader in Multidisciplinary Cancer Care Solutions

varian

Strategic priorities: Capture short-term potential and ensure market leadership beyond 2025



Q3 FY2020
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One STEP – Two LEAPS

A leap in cancer care

(through a combination with Siemens Healthineers)

A leap in impact

(through a combination with Varian)

A leap in cancer care

- Most comprehensive portfolio along the complete cancer pathway
- Accelerated digital & AI-enriched offerings enabling precision medicine
- Access to significantly broader sales, service, R&D and production network

A leap in impact

- Holistic partner for the entire customer spectrum
- Most comprehensive portfolio for all major diseases
- Further improved scale in sales, service, R&D and production network

One STEP – Two LEAPS: Creating value for...

A leap in cancer care

A leap in impact

...patients Less fear and uncertainty for cancer patients

The right treatment at the right time for all major diseases

...customers Next level of cancer care

One partner for all major clinical pathways

...societies Strong ally in turning cancer into a manageable disease

Broader access to diagnosis & treatments at lower cost, saving millions of lives

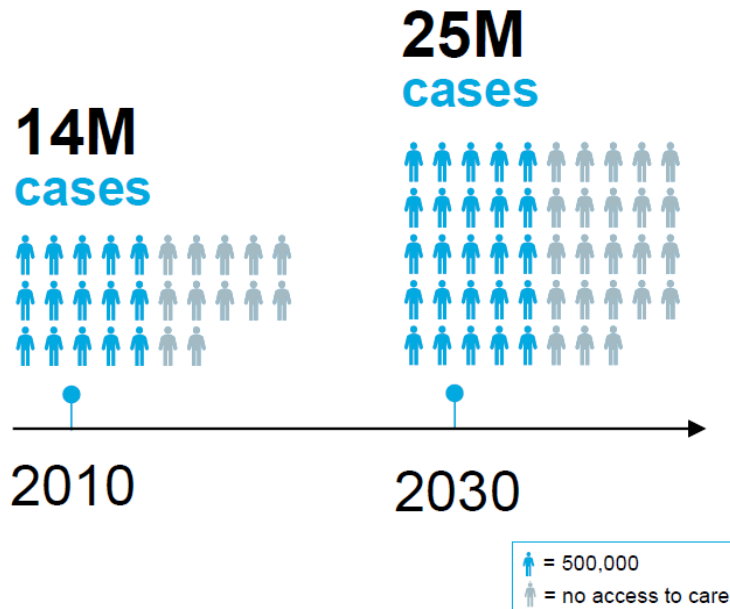
...employees Company with inspiring purpose geared towards sustainable value creation

...shareholders Immediately enhanced growth profile and unique synergy potential thereafter

Cancer care is a clear growth market – driven by demographics

as of JPM conf.,
January 2020

Global cancer burden is rising



*8,700 new machines plus 13,100 replacements = 21,800 additional machines needed
 Source: Expanding global access to radiotherapy. Lancet Oncol. Vol 16, Sept. 2015

~22,000*
 Linacs needed by 2035, with greatest need in low and mid-income countries

90%
 of patients don't have access to RT in low income countries

~150K
 RT specialists needed globally by 2035

varian

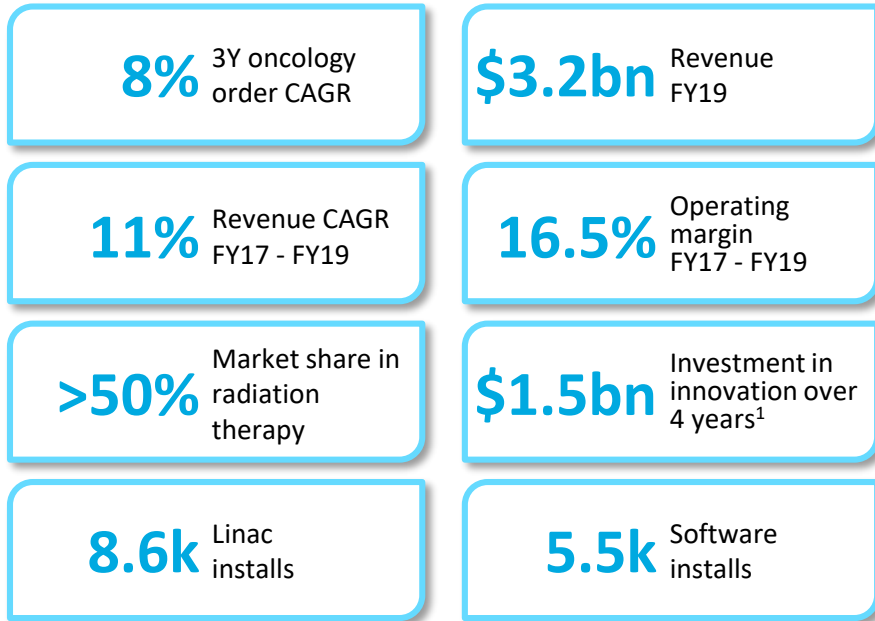
Future market



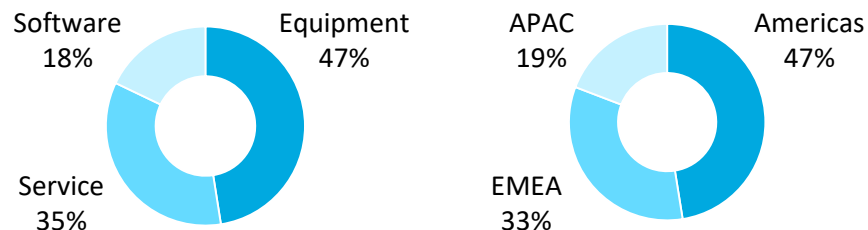
\$20bn+
 addressable market size¹

70 years of leadership in medical technology have built a medtech champion

Key highlights



Revenue contribution (FY19)



A differentiated model – Agile, Transformative, Visionary

Expanding from radiotherapy to **multi-disciplinary cancer care in the cloud**



The **cancer operating platform** of the future

Leveraging the **largest linac installed base globally** to drive **recurring software and services revenue**



47% service revenues in Oncology systems

Expanding into high growth, high margin businesses, **further recurring potential** with expansion to “Oncology as a service”



Winning in emerging markets



~55% market share China



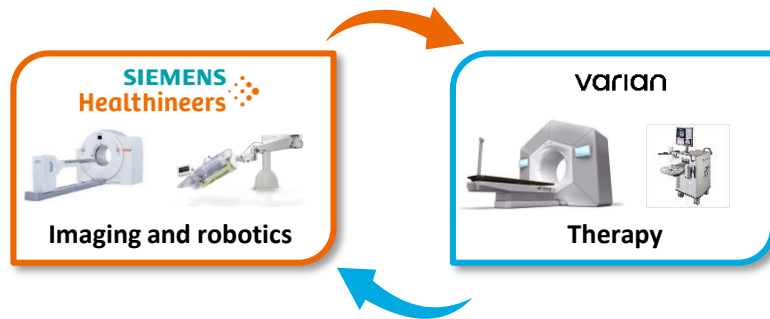
~75% market share India

Disruptive potential from innovation, e.g. world’s 1st AI powered adaptive therapy solution with Ethos Therapy™

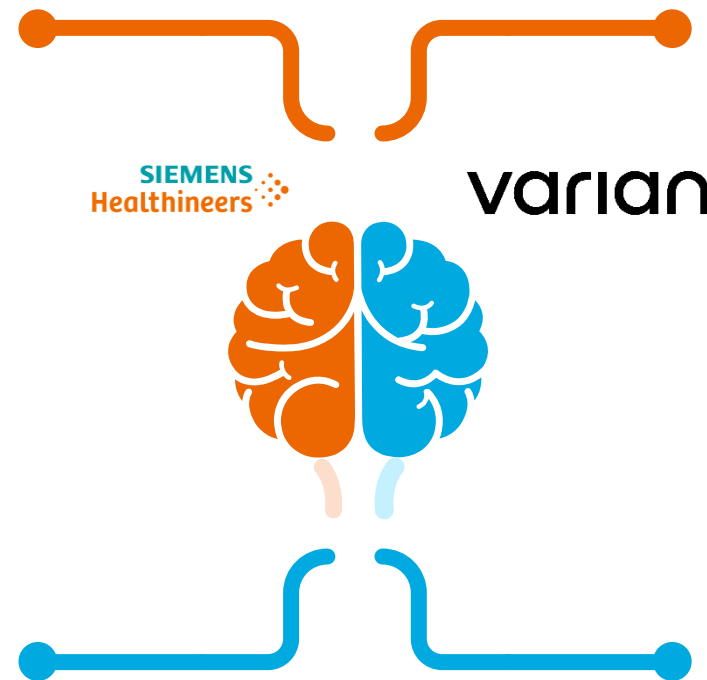
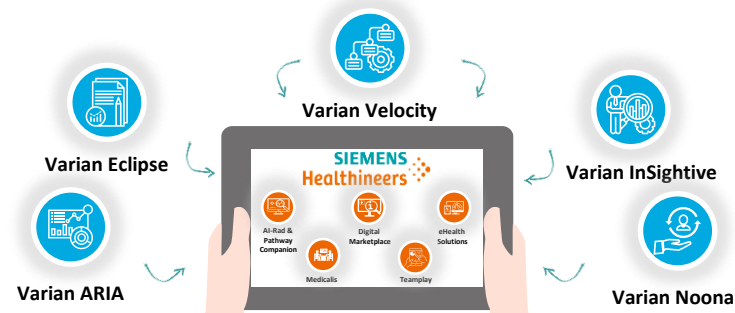


A leap in cancer care

Novel cutting-edge intelligent therapy ...



Comprehensive digital ecosystem ...



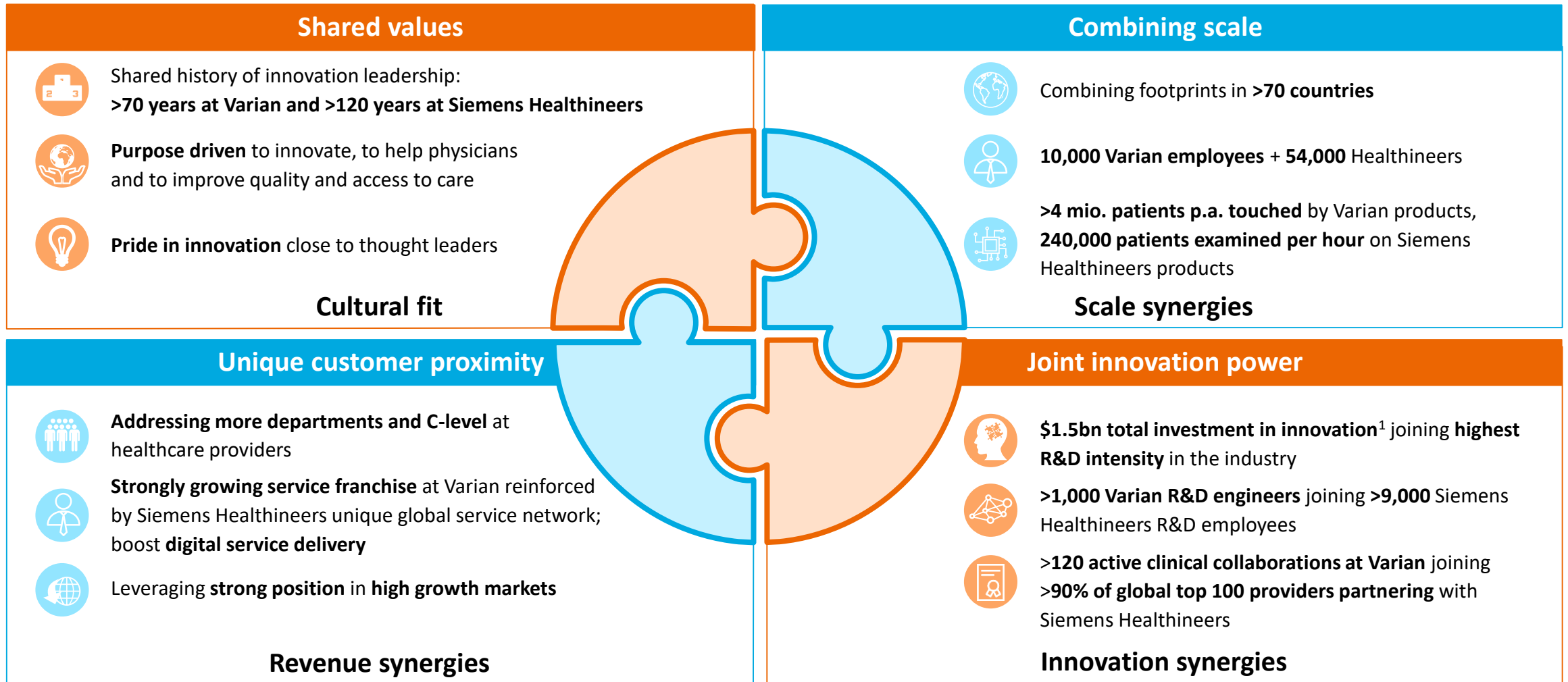
... to re-define cancer care

- Leveraging the lead in **diagnosis, targeted and personalized** therapies and **AI**
- Developing an unmatched **clinical and operational portfolio** for precision oncology
- Making state of the art care **accessible and affordable**

... to drive digital transformation

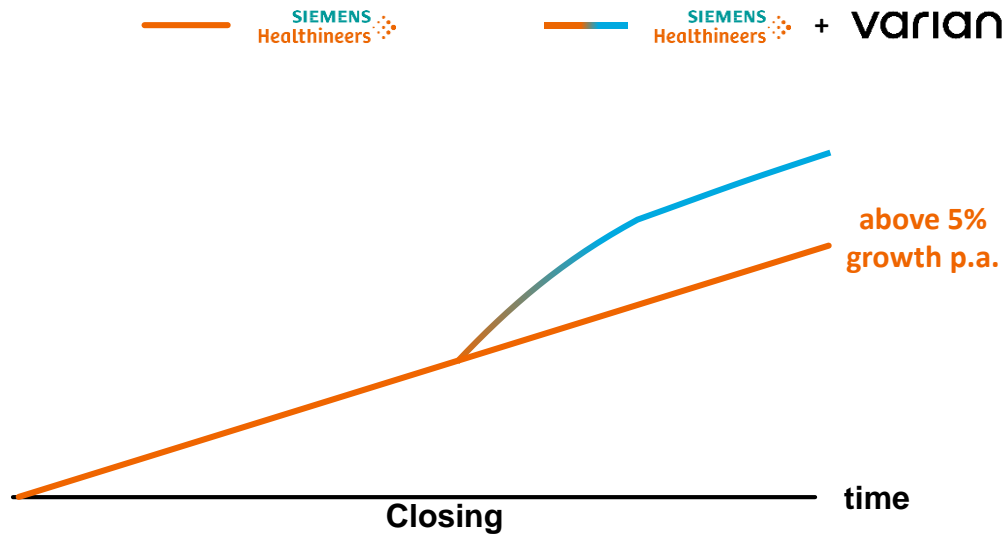
- Uniquely positioned for the **digital transformation** in oncology
- Making **patient-sensing and therapy data** available throughout the **pathway**
- Bringing **AI to clinical decision making and care management**
- Developing a **patient-centric, end-to-end digital ecosystem**

A leap in impact – Shaping the future of healthcare

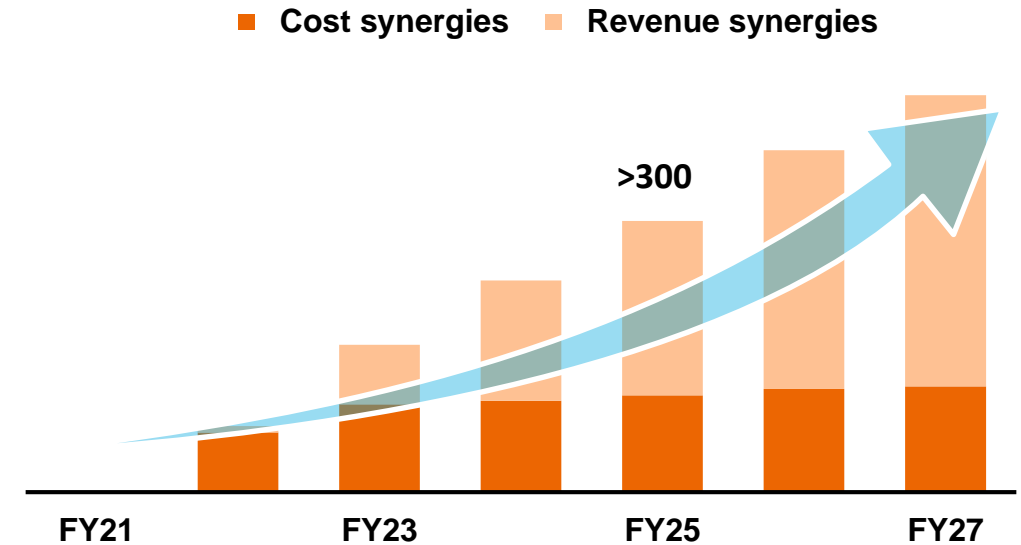


Immediately enhanced growth profile and unique synergy potential thereafter

Revenue growth profile



Synergy ramp-up (EBIT, €m)



Immediately accretive to Siemens Healthineers growth profile

>€300m EBIT synergies in FY25 – further significant increase thereafter

Note: graphs are indicative only

An attractive transaction delivers shareholder value

Key terms

- **Acquisition of 100%** of shares outstanding of Varian (NYSE: VAR) for **\$177.50 per share**
 - Purchase price of **\$16.4 billion** (equity value)
 - **100% cash consideration**

Returns

- **Attractive growth, margin and return profile** being accretive to adjusted EPS¹ in first 12 months post closing

Synergies

- Estimated to **generate at least €300 million of EBIT synergies p.a.** in fiscal year 2025; mix of **revenue and cost synergies**, with **revenue synergies representing a material portion** of synergies over time
- Expect material benefit from synergies **beginning in year 2 post closing**

Financing

- **Fully committed bridge facility of €15.2 billion** in place
- **Permanent financing / bridge take-out through combination of new debt and equity**
 - Intention to finance **up to approx. 50%** of the transaction **with new equity**
 - **New equity issued by Siemens Healthineers AG** will significantly increase **free float** and presumably **trading volumes**
 - **New debt** to be issued at **Siemens AG** level and **passed on to Siemens Healthineers** via **loans** at market conditions

Leverage

- **Leverage** within **investment grade-like** territory with **rapid deleveraging** through **highly cash-generative** combined business

Path to completion

- **Varian's board fully supports** the acquisition proposal
- **Customary closing conditions:** Receipt of Varian's **shareholder approval** and applicable **regulatory approvals**
- Expected to be **completed** in the **first half of CY2021**

Q3 results



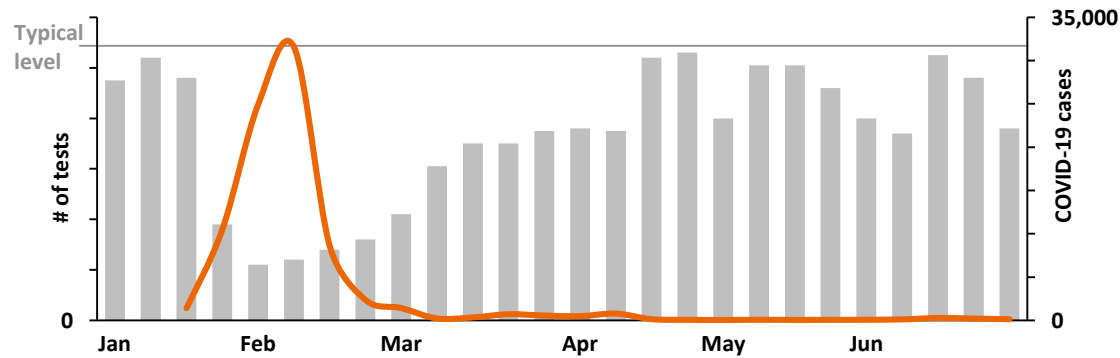
Siemens Healthineers shows resilient performance despite COVID-19 pandemic

- **Q3 comparable¹ revenue down by -6.9%** due to COVID-19 impacts
- **Revenue decline¹ in Imaging with -3.3% and Advanced Therapies with -1.8%**; service continues to hold up well
- **Equipment book-to-bill of 0.94** in Q3
- **Diagnostics with -15.9% revenue decline¹** due to reduced testing for routine care, significantly impacting margin
- **Adjusted EBIT margin at 13.9%**, -120 bps y-o-y
- **Adjusted basic earnings per share of €0.30, -21% y-o-y**
- **Free cash flow +48%** versus prior year quarter
- **Outlook for FY2020:**
 - **Comparable¹ revenue growth expected to be broadly flat**
 - **Adjusted basic EPS expected between €1.54 and €1.62**

Testing and examination volumes have largely recovered from trough levels

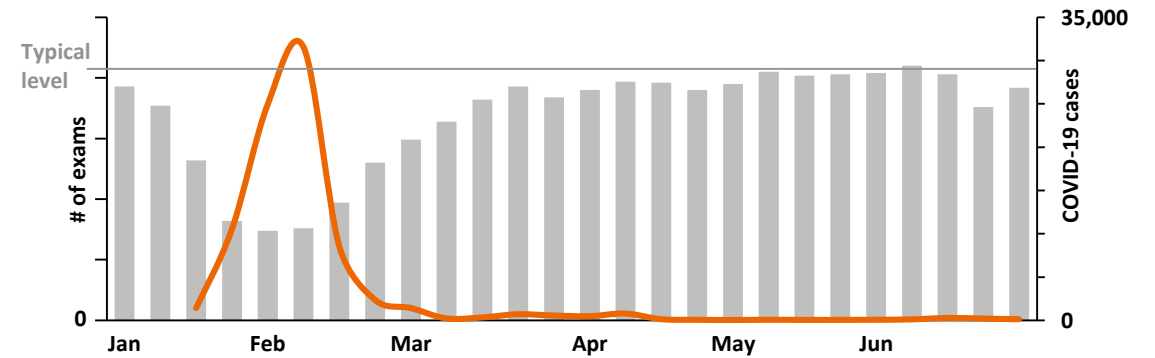
Central lab test volumes¹

China

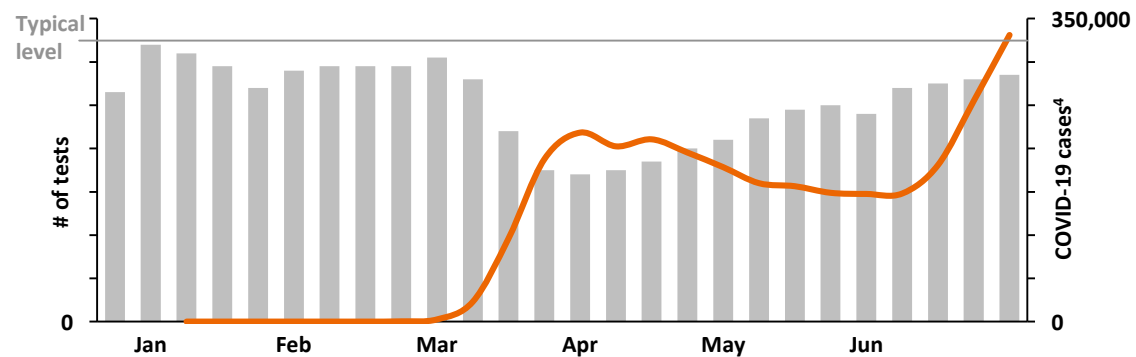


Magnetic resonance exams²

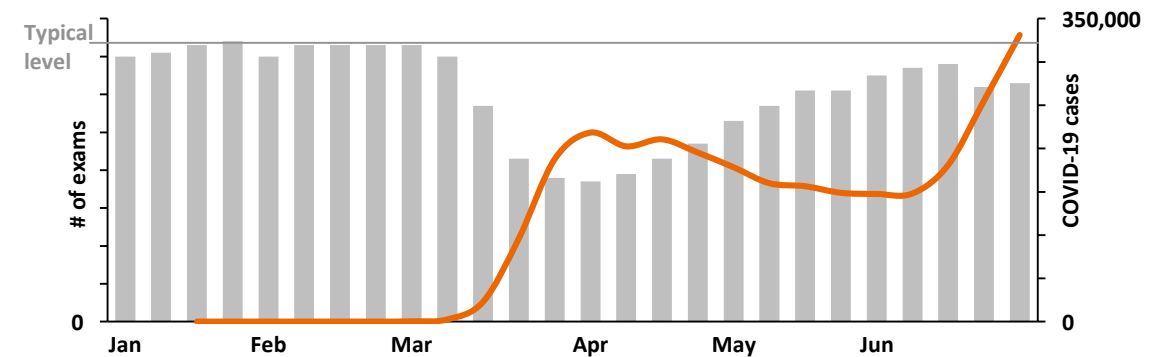
China



USA & Canada



USA



— New COVID-19 cases per week³ ■ Number of patient tests

— New COVID-19 cases per week³ ■ Number of MR exams

1 Data limited to certain Siemens Healthineers instruments connected to Smart Remote Services, which may not be representative of overall testing across all instruments and all sites in the respective location | 2 Based on connected Siemens Healthineers equipment | 3 Source: Johns Hopkins University | 4 USA only

COVID-19 pandemic with regionally diverse impact

Americas

- With pandemic still in acute state, investment decisions held back by uncertainty
- Recovering imaging and diagnostic testing volumes not yet turning sentiment

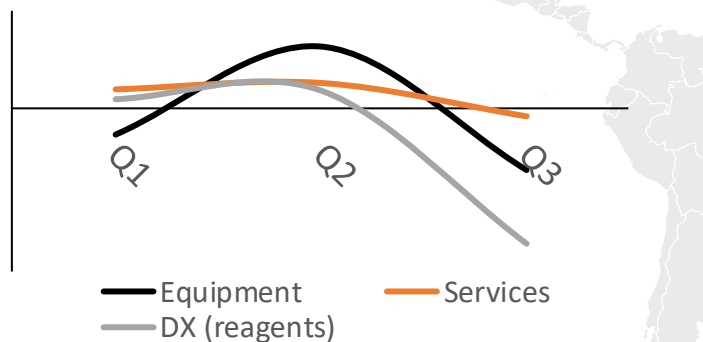
EMEA

- Improving market conditions with positive equipment order momentum
- Diagnostics has reached trough; equipment and services held up well

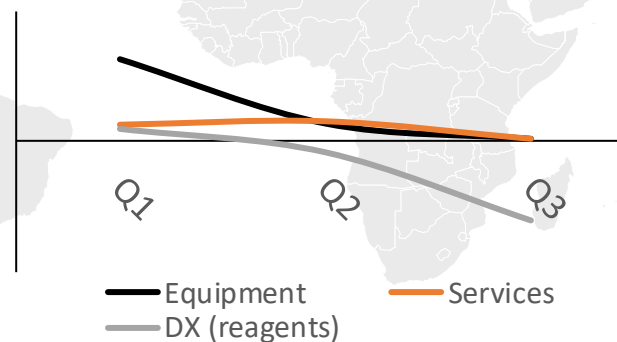
Asia, Australia

- Strong differences among the countries in Asia / Australia
- China with positive signs of recovery due to rapid progress on fighting COVID-19

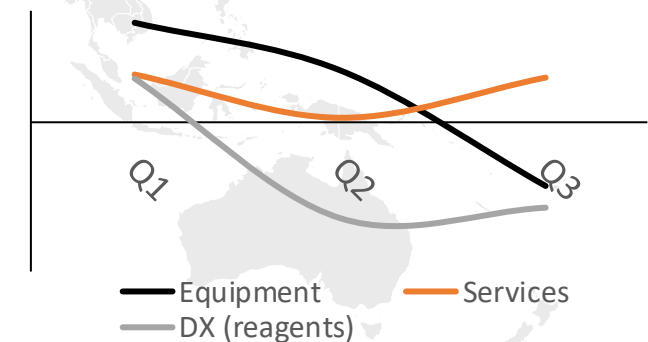
Revenue growth (Q1-Q3)¹



Revenue growth (Q1-Q3)¹



Revenue growth (Q1-Q3)¹

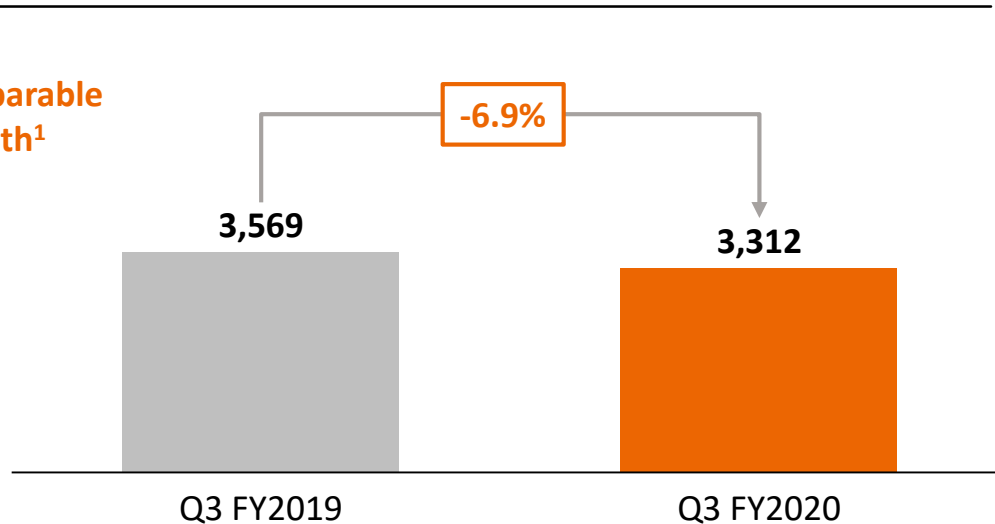


¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects
Note: Indicative graph on revenue growth

Resilient portfolio limits negative impacts from COVID-19 crisis

Revenue (€m)

Comparable
Growth¹

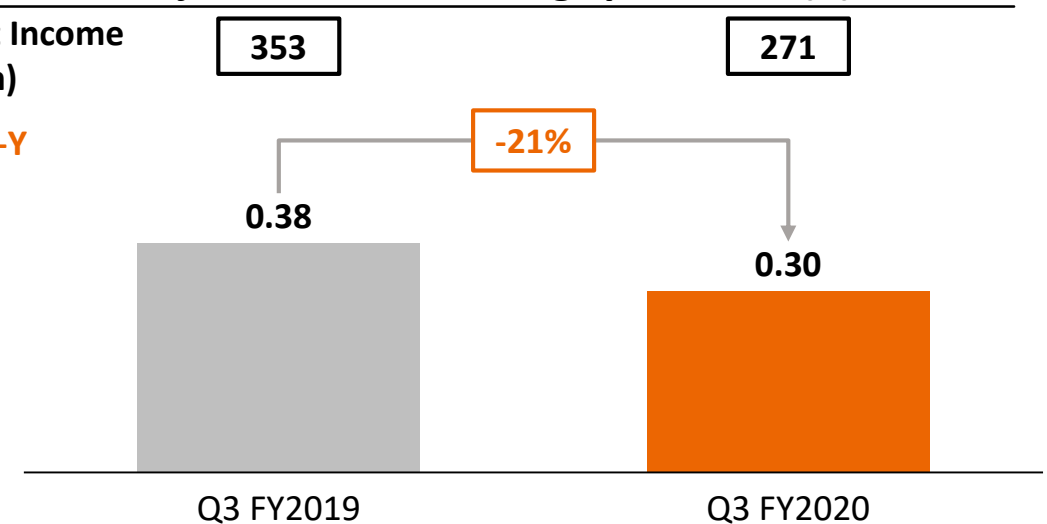


- Revenue declined due to COVID-19 headwinds
- Imaging and Advanced Therapies with resilient performance especially due to largely stable service business
- Americas with -10% y-o-y due to COVID-19 crisis peaking in the U.S.
- EMEA and Asia, Australia with -5% y-o-y, revenues ranging between declines in the teens and flattish developments, e.g. China

Adjusted basic earnings per share (€)

Net Income
(€m)

Y-o-Y



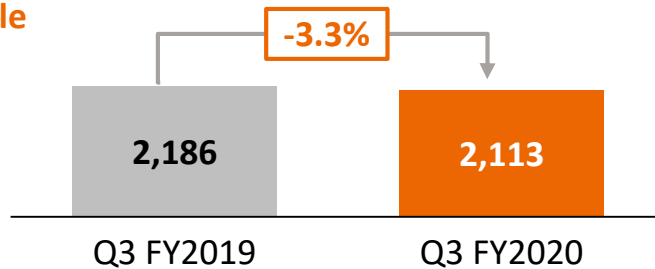
- Adj. basic EPS down 21% y-o-y on declined revenue
- Adj. EBIT margin with muted margin contraction on declining revenue due to stringent cost management and positive mix
- Financial expenses net down y-o-y
- Tax-rate with 33% temporarily up versus relatively low PYQ (tax-rate Q3 FY19: 24%)

Diagnostics most directly exposed to COVID-19 impacts on healthcare systems

Imaging (€m)

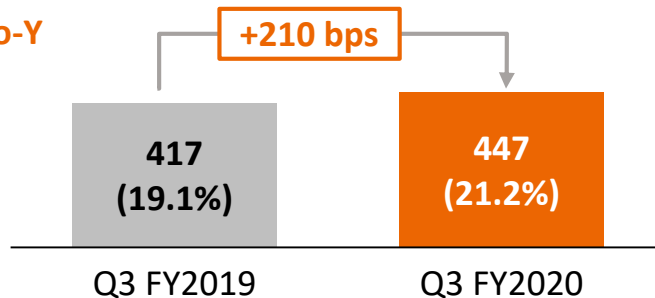
Comparable Growth¹

Revenue



Margin Y-o-Y

Adj. EBIT (margin)

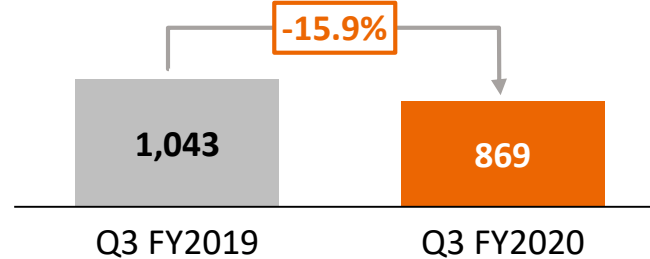


- Moderate revenue decline in Q3 due to largely stable service business, CT² continued to grow
- Margin y-o-y up due to stringent cost management and positive mix, overcompensating negative conversion

Diagnostics (€m)

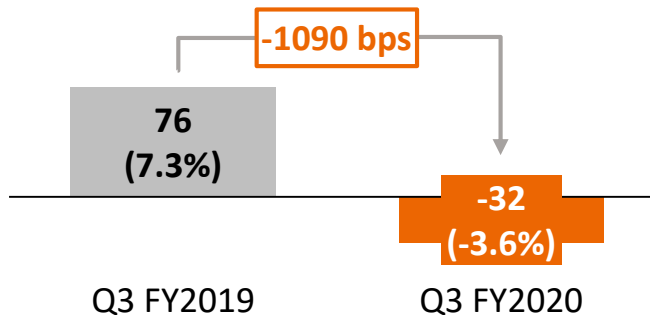
-15.9%

Revenue



-1090 bps

76 (7.3%)

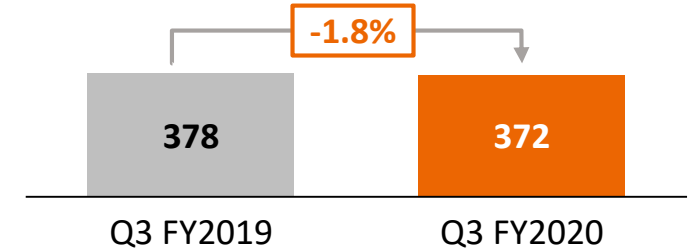


- Revenue significantly down y-o-y on declining reagent volumes, slightly compensated by COVID-19 related tests
- Lower reagent revenue share drives margin significantly down y-o-y, muted by stringent cost management

Advanced Therapies (€m)

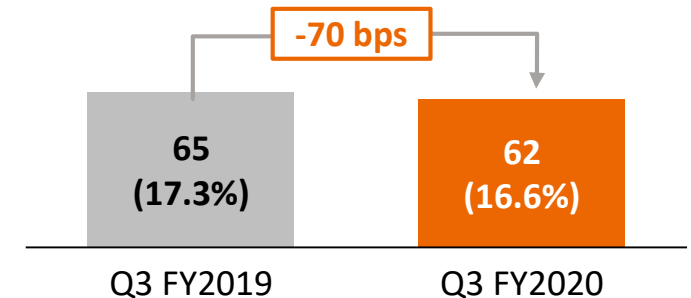
-1.8%

Revenue



-70 bps

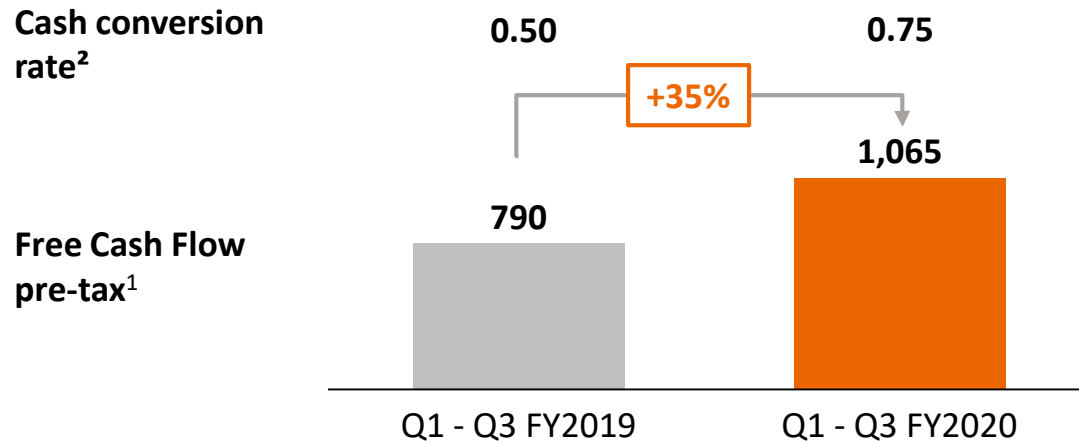
65 (17.3%)



- Modest decline in Q3 thanks to solid backlog conversion
- Margin y-o-y slightly down, with dilution from Corindus muted by stringent cost management

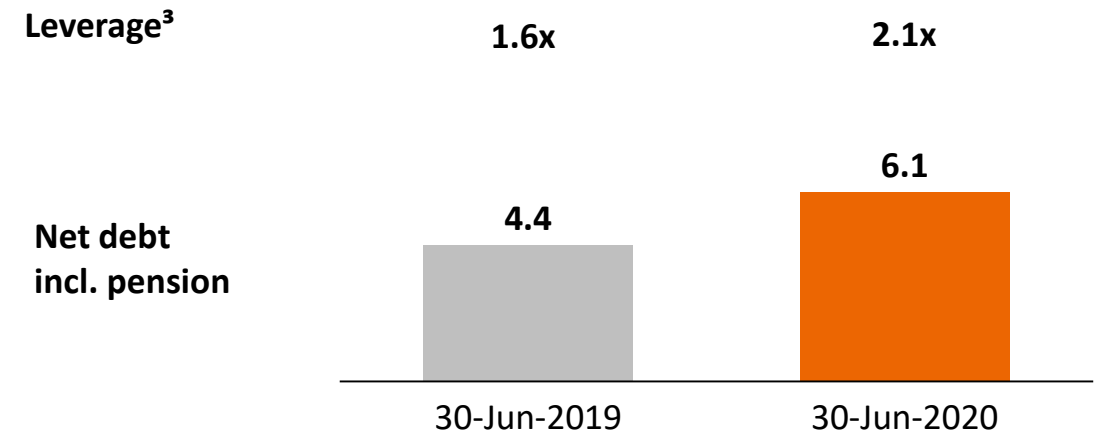
Financial framework continues to be very healthy

Resilient Cash Generation (€m)



- Resilient business with healthy cash generation
- No material customer defaults in Q3
- Good FCF generation above previous year level, with strong cash collection

Healthy Balance Sheet (€bn)



- Strong balance sheet unaffected by the crisis
- Net debt of €6.1 bn, therein €5.0 bn loan volume with balanced maturity profile between FY2021 and FY2046
- Net debt in FY2020 includes increase of ~€0.4 bn from IFRS16 effect
- Net debt now includes two acquisitions and raised dividend pay-out
- Provisions for pensions remain stable in volatile financial markets

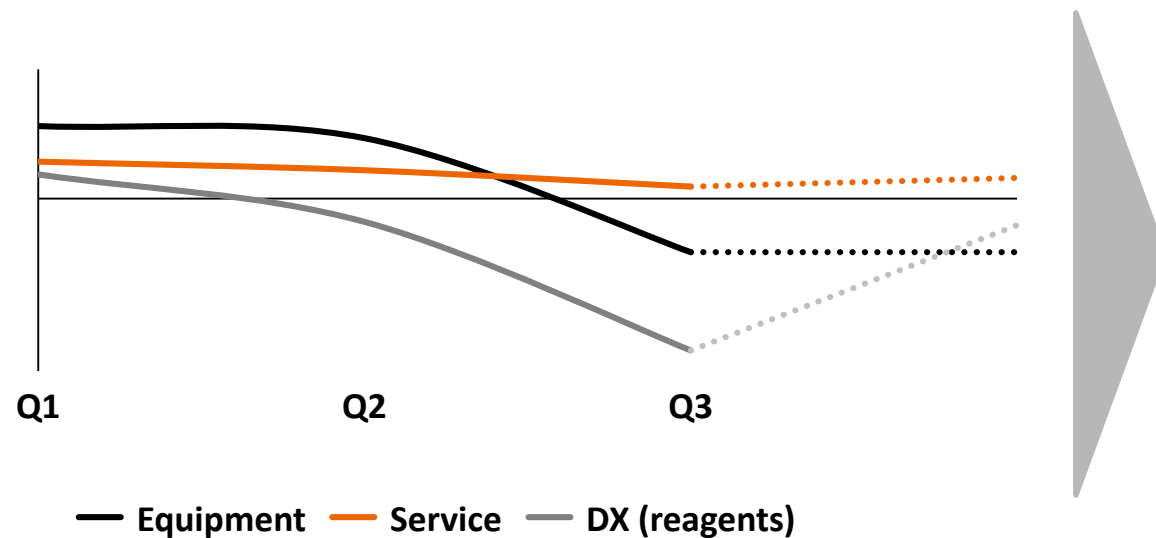
¹ Cash flow in FY2020 includes increase in the double-digit mio. range due to IFRS16

² CCR=Free Cash Flow pre tax/Healthineers EBIT

³ Leverage is net debt incl. pension over EBITDA rolling four quarters

Full year outlook confirms resilience in continued challenging environment

Comparable¹ revenue growth Q1 – Q4 FY 2020



Full year 2020 outlook

- For the current fiscal year, we expect **broadly flat revenue growth** on a comparable¹ basis
- **Adjusted basic earnings** per share expected **between €1.54 and €1.62** (prior fiscal year: €1.70)

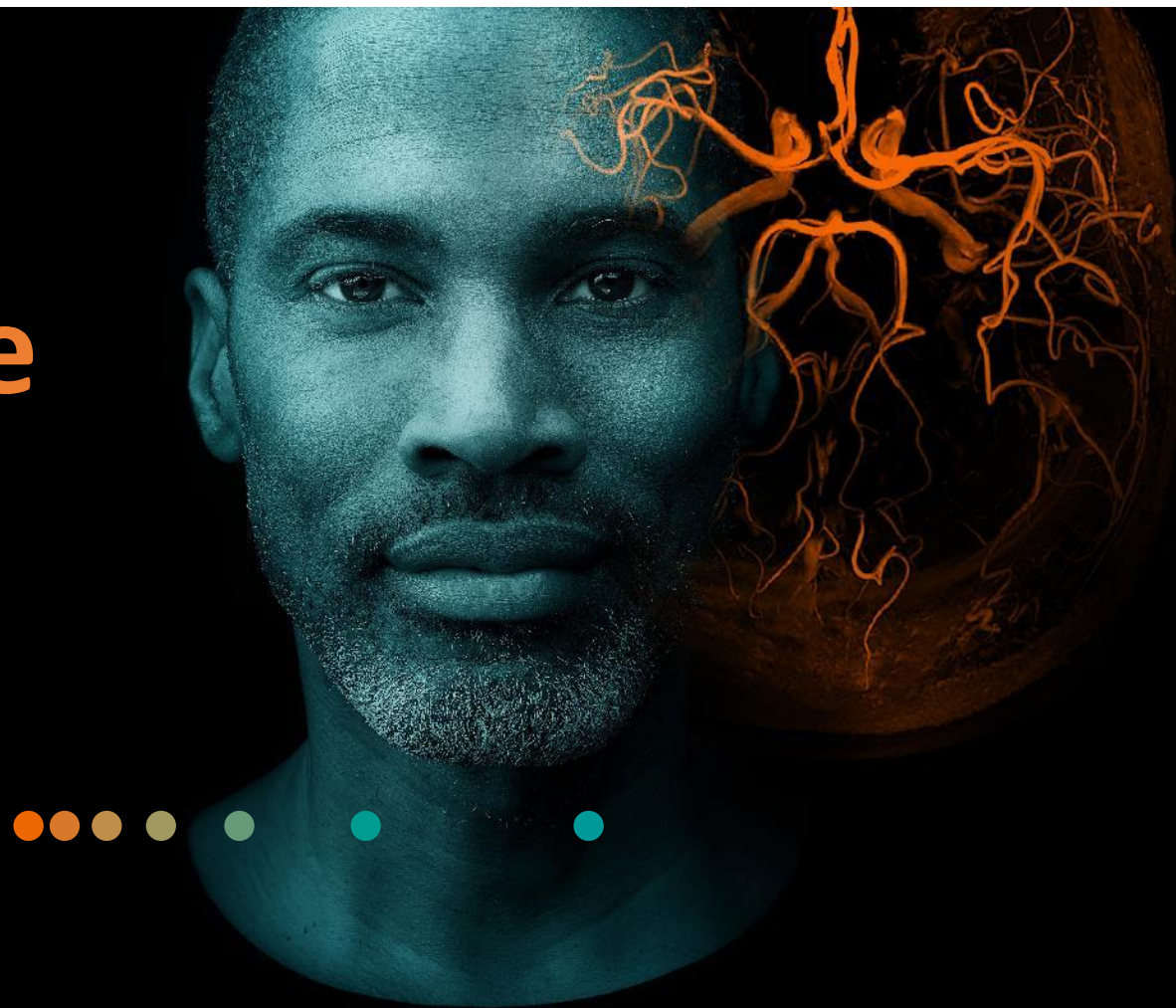
The outlook is based on the assumption that the current business environment, including the upward trend in testing for routine care that has been observed, will not deteriorate again, as well as on current exchange rate assumptions and on the current portfolio. In addition, it is assumed that there will be no material change in the valuation of share-based compensation programs that are tied to shares of Siemens AG.

¹ Y-o-y on a comparable basis, excluding currency translation and portfolio effects

An exceptional team in extraordinary times

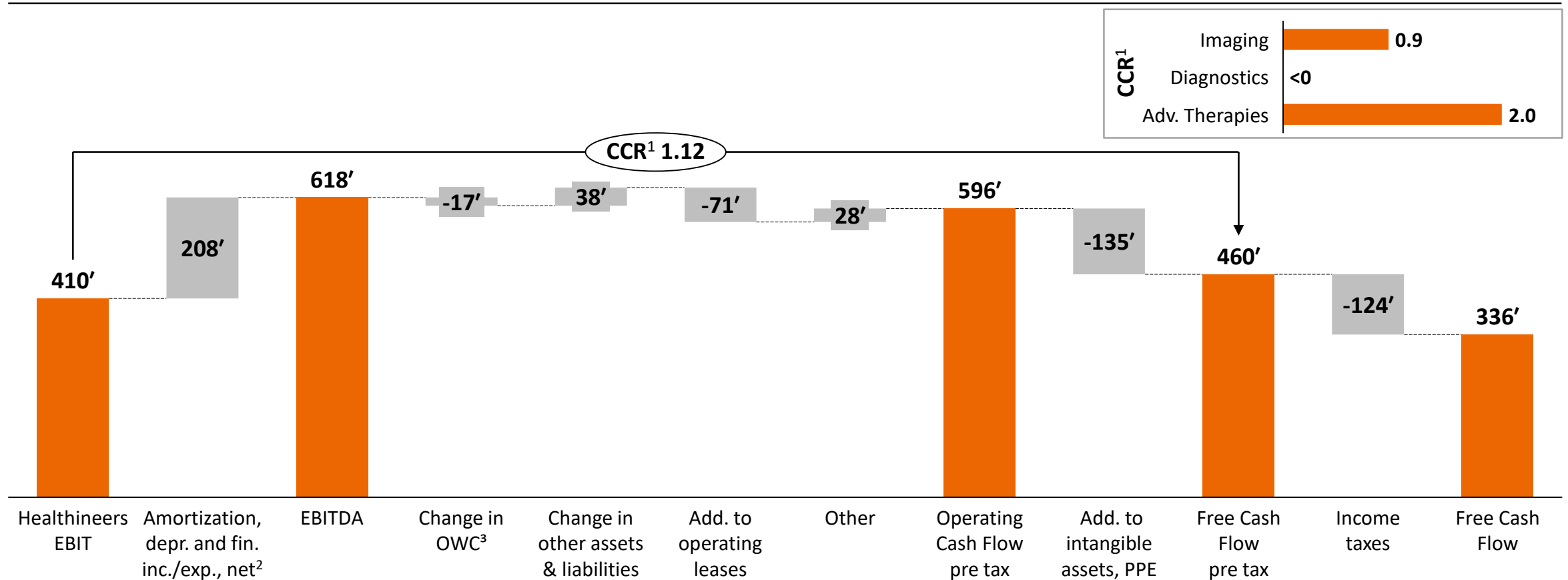


Shaping the future of healthcare



Cash Conversion Rate in Q3 FY2020 above 1

Q3 Siemens Healthineers EBIT to Free Cash Flow (€m)



1 CCR=Free Cash Flow pre tax/Healthineers EBIT

2 Amortization, depreciation and impairments (excl. PPA) and financial income/expenses, net from operations

3 OWC = Operating Working Capital

Q3 FY2020 reconciliations and KPIs for group and segments

Q3 FY2020

Q3 FY2019

Position (€m)	Q3 FY2020				Q3 FY2019			
	Healthineers	Imaging	Diagnostics	Advanced Therapies	Healthineers	Imaging	Diagnostics	Advanced Therapies
Adjusted EBIT	461	447	-32	62	539	417	76	65
therein adjusted for: Amortization of intangible assets acquired in business combinations	-41	-	-	-	-33	-	-	-
therein adjusted for: Severance charges	-9	-6	-1	-	-15	-11	-3	-
therein adjusted for: Acquisition-related transaction costs	-	-	-	-	-	-	-	-
therein: Amortization, depreciation and impairments (incl. PPA)	208	42	74	5	154	38	68	3
EBITDA	618	483	41	66	645	444	141	68
					Assets as of Sep. 30th 2019			
Assets	22,702	7,423	5,362	2,019	21,429	6,840	5,499	997
Free Cash Flow¹	336	413	-97	119	227	387	-72	69

¹ Q3 FY2019 on segment level adjusted according to the definition of the adjusted EBIT

Q3 adjusted EBIT to net income and adj. basic EPS reconciliation

Position (€m)	Q3 FY2020	Q3 FY2019
Adjusted EBIT	461	539
therein adjusted for: Amortization of intangibles assets acquired in business combinations	-41	-33
therein adjusted for: Severance charges	-9	-15
therein adjusted for: Acquisition-related transaction costs	-	-
Financial income, net¹	-7	-25
therein interest income	8	12
therein interest expenses	-21	-31
therein other financial income, net	6	-5
Income before income taxes	403	467
Income tax expenses	-131	-114
Net income	271	353
Non-controlling interest	2	5
Net income attributable to shareholders of Siemens Healthineers AG	270	348
Basic earnings per share (in €)²	0.27	0.35
Severance charges	0.01	0.01
Acquisition-related transaction costs		
Amortization of intangibles assets acquired in business combinations	0.03	0.02
Adjusted basic earnings per share (in €)	0.30	0.38

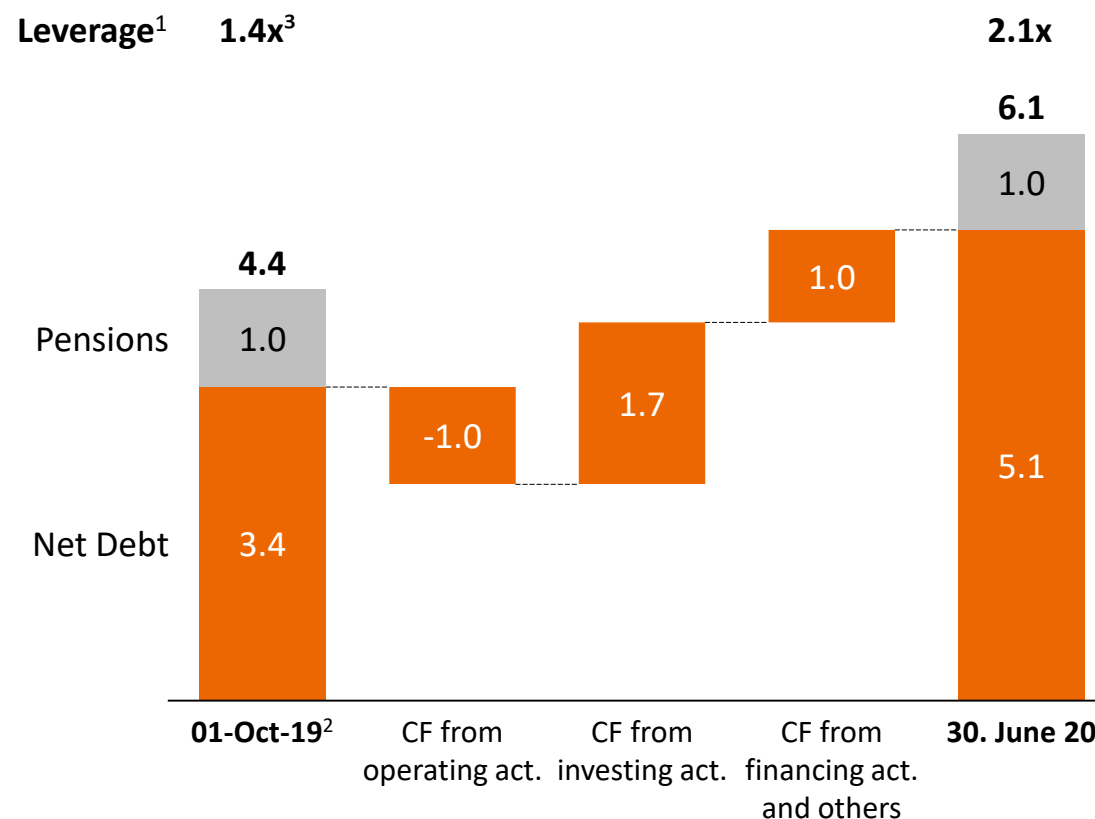
¹ Financial income shown with positive and expenses with negative sign | ² Earnings per share are computed by dividing net income attributable to the shareholders of Siemens Healthineers AG by the weighted average number of outstanding shares of Siemens Healthineers AG

Q3 balance sheet and net debt bridge

Net debt overview

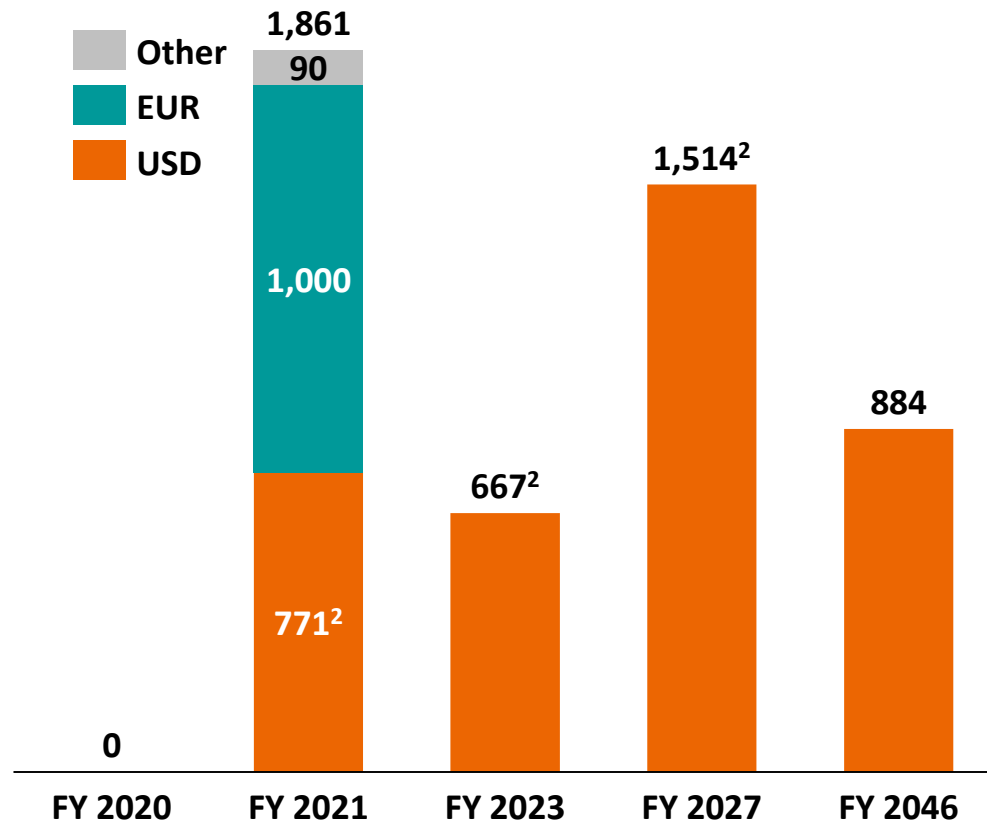
in €bn	Sep. 30th 2019	June 30 th 2020
Cash and cash equivalents	0.9	0.6
Receivables from Siemens Group (financial cash)	0.7	0.4
Short-term and long-term debt	(0.1)	(0.5)
Payables and other liabilities to Siemens Group (financial debt)	(4.4)	(5.6)
Net debt	(2.9)	(5.1)
Provisions for pensions and similar obligations	(1.0)	(1.0)
Net debt (incl. pensions)	(4.0)	(6.1)

Capital structure development in Q3 FY2020 (in €bn)



SHS loan maturity profile

SHS loans with Siemens Group as of 30.06.2020¹ (in mio €)



¹ Maturity profile based on Fiscal Year start October 1 - translation to EUR according to spot rate as of Jun 30th 2020

² USD loans addressed by SHS debt & capital restructuring project resulting in synthetic EUR debt; EUR volume and interest rate are calculated with underlying hedge rates

³ Average interest rate for FY20 after implementation of debt and capital restructuring project

⁴ Floating interest rate

Comments

- Total loan volume ~5 €bn equivalent
- Average interest rate ~0.8%³
- All maturities exceeding FY 2020

Top 5 loans

Currency	Volume	Volume in €	Interest rate	Maturity
USD	\$1,689	€1,514 ²	0.26% ²	FY 2027
EUR	€1,000	€1,000	0.25% ⁴	FY 2021
USD	\$990	€884	3.4%	FY 2046
USD	\$859	€771 ²	-0.7% ²	FY 2021
USD	\$743	€667 ²	-0.2% ²	FY 2023

Funded status unchanged

Q3 FY2020 Key financials – Pensions and similar obligations

in €bn ¹	FY2017	FY2018	FY2019	Q1 FY2020	Q2 FY2020	Q3 FY2020
Defined benefit obligation (DBO)²	(4.1)	(3.4)	(3.8)	(3.7)	(3.6)	(3.8)
Fair value of plan assets²	2.4	2.6	2.8	2.8	2.6	2.8
Provisions for pensions and similar obligations	(1.7)	(0.8)	(1.0)	(1.0)	(1.0)	(1.0)
Discount rate	2.8%	2.9%	1.8%	1.9%	2.2%	1,7%
Interest Income	0.1	0.1	0.1	0.0	0.0	0.0
Actual return on plan assets	0.1	0.1	0.3	0.0	-0.2	0.0

¹ All figures are reported on a continuing basis | ² Fair value of plan assets including effects from asset ceiling (Q3 FY2020: €-0.0bn); difference between DBO and fair value of plan assets additionally resulted in net defined benefit assets (Q3 FY2020: €+0.0bn); *Defined Benefit Obligation (DBO) including other post-employment benefit plans (OPEB) of ~€-0.1bn*

SIEMENS Healthineers

